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18 April 2023**

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**HOUSE OF COMMONS  
OFFICIAL REPORT**

**PARLIAMENTARY  
DEBATES**

**(HANSARD)**

**Tuesday 18 April 2023**

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# House of Commons

*Tuesday 18 April 2023*

*The House met at half-past Eleven o'clock*

## PRAYERS

[MR SPEAKER *in the Chair*]

## Oral Answers to Questions

### ENERGY SECURITY AND NET ZERO

*The Secretary of State was asked—*

#### **Energy Price Guarantee Extension**

1. **Chris Clarkson** (Heywood and Middleton) (Con): What assessment he has made of the potential impact of the extension of the energy price guarantee on household energy bills. [904470]

**The Secretary of State for Energy Security and Net Zero (Grant Shapps):** The energy price guarantee has been extended at the same level for a further three months until the end of June. By then, the Government will have covered nearly half of a typical household's energy bills during this winter, and a third to a half of business bills as well.<sup>1</sup>

**Chris Clarkson:** I welcome the Secretary of State and his entire team to their places in this important new Department. I thank him for his response, but does he agree that the best way to ensure the stability of energy prices long term is to develop our own sovereign supply, with technology such as small modular reactors, hydrogen and nuclear?

**Grant Shapps:** My hon. Friend is absolutely right. That is why we put £200 million into funding new hydrogen in the “Powering up Britain” document just a few weeks ago. He will know about Great British Nuclear. I intend that we launch a competition, pick a winner for that by the autumn and get on with it.

**Dan Carden** (Liverpool, Walton) (Lab): If the energy price guarantee is to come to an end in June, surely the logical next step is a social tariff. People have become used to social tariffs from their mobile phone providers and broadband. What is the Secretary of State doing to make sure energy companies introduce a social tariff to target support at the most vulnerable in society?

**Grant Shapps:** Just to correct the record, it comes to an end in April 2024, so that guarantee remains in place. Wholesale prices in the meantime, fortunately, have been falling—I noticed that they are £98 per therm this morning. We do think that things like a social tariff could be very helpful and the Chancellor has undertaken to look at that as well.

**Theresa Villiers** (Chipping Barnet) (Con): It has made a huge difference to millions of families that the Government have been paying over a third of people's

energy bills, as part of a bigger package that is one of the most generous in Europe, but can the Minister assure us that the Government are doing everything possible to get inflation down and ensure that we have more sustainably priced energy in future?

**Grant Shapps:** My right hon. Friend is absolutely right. She mentions a third; in fact, we have been paying around a half of the typical household energy bill this winter, at huge cost. Fortunately, we have seen the wholesale prices fall, and we will start to see that reflected in the energy prices, although we have extended the guarantee—the £2,500. But she is absolutely right in her wider point: it is essential that we get to the cheapest, most plentiful electricity in Europe, and the “Powering up Britain” document aims to do precisely that.

**Caroline Lucas** (Brighton, Pavilion) (Green): One of the most effective and long-term ways of getting people's energy bills down would be to invest in a comprehensive, street-by-street home insulation programme, which this Government are still failing to do. Research by the Energy and Climate Intelligence Unit shows that delays to legislating for minimum energy efficiency standards for the private rented sector could cost renters in the leakiest homes an additional £1 billion in higher bills, so with the Energy Bill making its way through the Commons later this year, will the Minister finally end the delay and ensure that those proposals, which the Government first started consulting about three years ago, are legislated for in that Bill?

**Grant Shapps:** Sometimes, we speak in this House as if we have not actually greened up any of our Victorian housing stock. In fact, back in 2010, only about 14% of houses in this country had A to C on their energy performance certificate; today, that figure is 47%. This year, we will have over half of our homes greened up. We are putting £12.5 billion-plus into it. So we are making rapid progress, which is sometimes not entirely reflected by Opposition parties.

#### **Intergovernmental Panel on Climate Change: Sixth Assessment Report**

2. **Ms Lyn Brown** (West Ham) (Lab): What assessment he has made of the implications for his policies of the sixth assessment report of the Intergovernmental Panel on Climate Change, published on 20 March 2023.

[904471]

4. **Catherine West** (Hornsey and Wood Green) (Lab): What assessment he has made of the implications for his policies of the sixth assessment report of the Intergovernmental Panel on Climate Change, published on 20 March 2023.

[904473]

7. **Richard Burgon** (Leeds East) (Lab): What assessment he has made of the implications for his policies of the sixth assessment report of the Intergovernmental Panel on Climate Change, published on 20 March 2023.

[904476]

10. **Jeff Smith** (Manchester, Withington) (Lab): What assessment he has made of the implications for his policies of the sixth assessment report of the Intergovernmental Panel on Climate Change, published on 20 March 2023.

[904479]

1. [Official Report, 12 June 2023, Vol. 734, c. 2MC.]

**The Minister for Energy Security and Net Zero (Graham Stuart):** We welcome the IPCC's latest report. It is a synthesis of global scientific understanding and concludes that, in 2019, carbon dioxide levels were at their highest point in 2 million years, that rapid changes have occurred and that this has led to widespread adverse effects. It does also say that deep, rapid and sustained reductions in greenhouse gas emissions would lead to a discernible slowdown in warming within 20 years, but risks are increasing with each increment of warming. That is why we need the rest of the world to follow this country's lead in cutting emissions and committing, as this Government have done, to net zero by 2050.

**Ms Brown:** We all know that the Government have been opposing onshore wind to appease the extreme views of their own Back Benchers, but the Secretary of State's Department's own polling says that, by 20 to one, people support onshore wind. Given the cost of living crisis and the price of gas, and with all that is at stake, how on earth can the Government justify acting in the interests of a very small minority?

**Graham Stuart:** We all remember that just 7% of our electricity came from renewables in 2010; it is now about half. Our largest single source of renewables is onshore wind. I am pleased to say that the Government are working hard to make sure that we come forward with proposals that have community support, because doing things with communities is what this party believes in; it is a pity that the other party does not believe it, too.

**Catherine West:** On 2 May 2019, this Parliament declared a climate emergency, yet four years on, the Government are still dragging their feet. Some 4.4 million people rent in the privately rented sector, and that number is going up due to the Government's incompetence in building more homes. What will the Government do to bring all privately rented properties up to an A, B or C rating as soon as humanly possible?

**Graham Stuart:** I agree with the hon. Lady on the importance of improving our housing stock. It is not only good for the environment but, just as importantly, it helps to reduce fuel poverty and supports families. That is why, as my right hon. Friend the Secretary of State just pointed out, we have made such impressive strides since the rather woeful situation we inherited: just 14% of homes were properly insulated in 2010—it is about half now. I agree with the hon. Lady that we need to go further and faster, and that is why we are spending that £12.5 billion and why we have set up a dedicated energy efficiency taskforce.

**Richard Burgon:** New analysis shows that, if the Government allow the Rosebank oilfield off the Shetland Islands to go ahead, it will blow the UK's climate targets. Rosebank's developers will get billions in tax breaks due to the deliberate loopholes that the Government have put in their windfall tax, but it will do nothing to lower people's bills. The United Nations Secretary-General, the International Energy Agency and leading scientists are all saying there should be no new oil and gas, so is it not time for the Minister to rule out Rosebank?

**Graham Stuart:** I cannot comment on any specific measure, but what I can say is—the hon. Gentleman should recognise this—that we will be using oil and gas for decades to come as we move to net zero. It is estimated that we will require about a quarter of the gas we use today in 2050, and bringing it in from abroad in liquified natural gas tankers will simply mean much higher emissions than gas produced here, so it makes no sense. New licences will only go to slow the very fast decline we already have in North sea production; it will not see production overall increase. Even with continued exploration and development, oil and gas production is expected to decline in this country by 7% a year.

**Jeff Smith:** There are 23 clean steel projects across Europe, but none in the UK. Forty electric battery factories in Europe are planned to open by 2030, but only one is set for the UK. All the Government offered on their “green day” was weak re-announcements on carbon capture and storage and nuclear, and no new funding for decarbonising industry. British businesses are crying out for more support, so why are the Government failing in their duty to help industry to decarbonise?

**Graham Stuart:** I share the hon. Gentleman's enthusiasm for the greening of British steel, as it is at the base of UK manufacture. I am sure he welcomed the “Powering up Britain” proposals, which I presented to the House just before the recess. Our plans for £20 billion of investment in carbon capture and pushing forward with the £240 million fund for hydrogen are exactly the measures we need to decarbonise British industry, and we are global leaders in that respect.

**James Gray (North Wiltshire) (Con):** I am sure the Minister will agree that one of the best ways we can contribute to achieving the Intergovernmental Panel on Climate Change targets is through outstandingly good British Arctic science and polar science in general, as we have through 78 universities and the British Antarctic Survey itself. Does not the Minister agree that it was disappointing, when the Environmental Audit Committee visited the Arctic over the Easter recess, that we found that the British base up there, 400 miles from the north pole, is only manned part-time? Perhaps I should say “only personned” these days. Is it not time that we had a permanent research base at Ny-Ålesund in the far north of Svalbard?

**Graham Stuart:** I do not believe this strictly comes under my portfolio, but my hon. Friend has, as ever, brilliantly put this matter on the record and I will ensure others on the Treasury Bench are aware of the remarks he has made.

### Energy Bill Relief Scheme

3. **Mr Gagan Mohindra (South West Hertfordshire) (Con):** What recent assessment he has made of the effectiveness of the energy bill relief scheme. [904472]

**The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Amanda Solloway):** The Government's assessment of the energy bill relief scheme shows we have spent over £5 billion to date—that is around £35 million a day to help businesses, charities and public sector organisations to pay around half of

their wholesale energy costs this winter. This support has been unprecedented in nature, demonstrating that this Government are always on the side of business.

**Mr Mohindra:** Linda from the Kitchen Croxley recently wrote to me about rising costs:

“I have spent nights awake imagining solutions...it would be so easy to give up... But my commitment to our customers and community remain so strong that I cannot do this”.

What is the Minister doing to support hard-working people such as Linda with their energy bills, so that she and other small businesses keep their doors open to customers?

**Amanda Solloway:** I applaud the work my hon. Friend does to support businesses in his constituency such as the Kitchen Croxley. I understand times are tough for many small businesses, which is why the Government have implemented the energy bills discount scheme, to take effect until April 2024. Businesses fixed into more costly long-term contracts are more likely to receive the energy bills discount scheme payment support due to how the baseline discount is calculated.

**Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): An effective way to give consumers energy bill relief would be to stop energy companies seeking to increase direct debits while they are holding on to reasonable amounts of credit that belongs to consumers—money that they could use elsewhere. Can the Minister update us on what conversations she has had with Ofgem to ensure that it regulates for that practice, and will she support Members coming to the It's Your Money campaign in Committee Room 11 at 2.30 this afternoon to show their support for getting that change?

**Amanda Solloway:** That was an excellent plug by the hon. Member. He will know that I have been engaging with stakeholders—a whole range of stakeholders—including, of course, Ofgem.

**Jane Hunt** (Loughborough) (Con): A steelwork company in my constituency is very concerned that the constructional steelwork sector is not included in the list of industries eligible for higher support under the energy bill relief scheme, despite being a high energy usage business. Without this additional support, which would amount to over £75,000 for the company, it will inevitably have to pass on its additional costs to its customer, which is the Government. Will the Minister please review the eligibility criteria and consider adding the constructional steelwork sector to the list of eligible industries?

**Amanda Solloway:** The energy bill relief scheme is expected to cost £7.3 billion over its duration. It provided a discount on the wholesale element of gas and electricity to ensure all businesses and non-domestic customers were protected from excessively high energy costs over the winter period. Of course, the EBDS will continue to provide a discount eligible to non-domestic customers, with a higher level of support provided under the energy-intensive industrial element of the scheme, which will be available to most energy and trade-intensive businesses, primarily in the manufacturing sector.

**Tim Farron** (Westmorland and Lonsdale) (LD): Our hospices provide tender, professional, essential care for people nearing the end of their lives, yet they are considered, when it comes to energy bill relief, as businesses. As a consequence, despite the fact that they have had a 350% increase in their energy costs, there is not a special programme or specialist scheme to assist them. I have raised this with the Minister before. What progress has she made in looking at a package to help to support our hospices and others who care for those in desperate need in our communities?

**Amanda Solloway:** I thank the hon. Member for bringing up such an important subject. He will be pleased to know that this week I met Hospice UK to discuss that very subject and, indeed, I am working to see how we can be the most supportive.

### Non-domestic Meter Customers

5. **Sir James Duddridge** (Rochford and Southend East) (Con): What steps his Department is taking to improve support for non-domestic meter customers. [904474]

**The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Amanda Solloway):** The new energy bills discount scheme will continue to support all eligible businesses and non-domestic customers with their energy bills from 1 April 2023 until 31 March 2024. This follows on from the unprecedented £7.3 billion expected to be delivered through the energy bill relief scheme over the course of the last winter.

**Sir James Duddridge:** Many residents of East Beach residential park are grateful that they can access the energy bill support scheme alternative fund, but what steps is the Department taking to contact and help those who are not aware of the benefits of these schemes to identify what they are?

**Amanda Solloway:** My hon. Friend is right to highlight the energy bill support scheme alternative funding, providing £400, and £600 in Northern Ireland, to households who do not have a domestic electricity supply and therefore have not received the main EBSS payment. It is up and running and I urge all Members to encourage their eligible constituents, including those in park homes, to apply via gov.uk.

**Bill Esterson** (Sefton Central) (Lab): British businesses pay among the highest energy bills anywhere in Europe, yet Make UK said the Government's plan “does little to tackle the real and immediate threat manufacturers face with rocketing energy bills.”

If the Government really wanted to support business, they would implement Labour's plans, help small firms with energy efficiency, cut business rates and invest in renewable electricity generation for the long term.

**Mr Speaker:** I call the Minister.

**Bill Esterson:** The Labour party is on the side of business—

**Mr Speaker:** Order. Mr Esterson, please do not take advantage of the Chamber; other colleagues want to get in as well. It is totally unfair

**Amanda Solloway:** This Government have an unprecedented record in helping both domestic and non-domestic customers, and the energy bills discount scheme will continue to provide a discount to eligible non-domestic customers, with a higher level of support provided under the energy and trade-intensive industry element of the scheme.

### Energy Efficiency Measures: Installation

6. **Daniel Zeichner** (Cambridge) (Lab): How many and what proportion of homes had energy efficiency measures installed in (a) 2010 and (b) 2022. [904475]

21. **Clive Lewis** (Norwich South) (Lab): How many and what proportion of homes had energy efficiency measures installed in (a) 2010 and (b) 2022. [904494]

**The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Andrew Bowie):** The Government have made very good progress: 47% of homes in England have now reached the Government's 2035 target of achieving EPC C levels, up from 14% in 2010—a 133.7% increase. In 2010, the Government supported the installation of around 968,100 measures. In 2022, the Government supported the installation of around 204,000 energy efficiency measures in around 94,500 households. Around 1 million homes will be upgraded with improved energy efficiency between now and 2026 through our help to heat schemes.

**Daniel Zeichner:** That is a very partial account of the story, I have to say. The Minister will know that in 2010 the Government inherited a functioning scheme from the Labour Government that meant hundreds and hundreds of homes in my constituency, and possibly his, were being insulated. Come forward 10 years and what do we see: that scheme has absolutely crashed, so can the Minister tell us just how much that decade of Tory failure has cost our constituents?

**Andrew Bowie:** A decade of Tory failure? That is complete nonsense. We have had a 133.7% increase from 2010, when, by the way, we inherited a situation where only 14% of the country had EPC C levels. We are now at 47% and from 2010 to 2022 the Government supported the installation of around 8 million energy efficiency measures.

**Clive Lewis:** I know Front Benchers have already expressed their commitment to local communities and local people driving our economy forwards to a sustainable transition and future. With that in mind, may I point them to my own local authority, Norwich City Council, and its Goldsmith Street award-winning council housing—safe, secure, affordable homes that it has built on a shoestring budget after millions of pounds of cuts to its budget? What conversations have Ministers had with the Chancellor to ensure other councils can drive this programme forward to ensure every street is like Goldsmith Street?

**Andrew Bowie:** We in this party and this Government support community-led initiatives just like the one the hon. Gentleman referenced and we are consulting on how we can further support community projects. I would be delighted to discuss that particular project with him in more detail in due course.

**Andrew Bridgen** (North West Leicestershire) (Ind): Will my hon. Friend outline how the energy efficiency taskforce will help support energy efficiency across the UK?

**Andrew Bowie:** The energy efficiency taskforce is committed to driving forward energy efficiency measures throughout the United Kingdom and, on that measure, I would be delighted to meet with him if he has any further ideas on how we can go even further and faster to drive forward energy efficiency measures across the country.

**Mr Speaker:** Minister, I am this way, not that way.

**Andrew Bowie:** I am terribly sorry, Mr Speaker.

**Mr Richard Bacon** (South Norfolk) (Con): I join my parliamentary neighbour, the hon. Member for Norwich South (Clive Lewis), in congratulating Norwich City Council on what it has done in Goldsmith Street. Is the Minister aware of what proportion of self-commissioned homes have the highest energy rating? Is he aware that triple glazing is almost standard in self-commissioned homes? What is he doing to encourage the Department for Levelling Up, Housing and Communities to have more self-commissioned homes?

**Andrew Bowie:** Before I go any further, I congratulate my hon. Friend on championing the self-build housing sector and that house building sector on doing what it can, moving so far and so fast, to improve energy efficiency measures across the buildings it has been producing over the past few years. Once again, as he is a subject matter expert, I would be delighted to meet him to discuss it in more detail in due course.

### Renewable Energy Projects: Connection to the Grid

8. **Seema Malhotra** (Feltham and Heston) (Lab/Co-op): What assessment his Department has made of the adequacy of lead times for connecting renewable energy projects to the grid. [904477]

17. **Anna McMorris** (Cardiff North) (Lab): What assessment his Department has made of the adequacy of lead times for connecting renewable energy projects to the grid. [904489]

**The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Andrew Bowie):** Reducing connection timescales is a high priority for the Government. We will publish a connections action plan in the summer, which will articulate actions by Government, Ofgem and network companies to accelerate network connections for renewable energy and other projects.

**Seema Malhotra:** It is a disgrace that while energy prices rocket, huge delays to grid connections are holding back the supply of renewable energy to UK homes and businesses. Wind farms coming online today were approved when Gordon Brown was in power. Even now, energy companies are having to wait for 13 years, until 2036, for connections for some projects. How on earth did it

get this bad? Is it not true that the Tories have taken their eye off the ball on the National Grid, and it is now costing British families and businesses dear?

**Andrew Bowie:** I thank the hon. Lady for her question. It is interesting that she references Gordon Brown, because it was under his Administration that the decision was taken not to invest in new nuclear, which, by the way, would have solved part of the problem we find ourselves in right now. However, I think everyone in the House would acknowledge that the situation regarding grid connection times is not acceptable. That is why we have commissioned the Electricity Networks Commissioner, Nick Winser, to submit recommendations to the Government on how we accelerate delivery of network infrastructure. He will publish his report in June.

**Anna McMorrin:** The Minister completely failed to answer the question. The CEO of Solar Energy UK has said that solar infrastructure projects are being delayed into the 2030s—15 years or more—meaning that operators will not connect them to the grid. Renewable energy is cheap and will help to bring down the current absurd energy prices. Are the Government purposely trying to keep energy prices high and at the mercy of fossil fuels, firmly leading us on the highway to climate hell?

**Andrew Bowie:** Frankly, that question is utterly ridiculous. It is because of the Government's investment in new renewable technology that we are powering ahead and leading the world in reaching our net zero obligations. Half our energy now comes from renewable sources. I have already acknowledged that the delays to grid connections are completely unacceptable, which is precisely why we commissioned Nick Winser to develop his report. We will be publishing his recommendations in June.

**Bim Afolami (Hitchin and Harpenden) (Con):** Just to bring down the temperature a little bit, the Minister referenced the Government's consultation later this year on how the Government, with Ofgem, will drive forward investment in the grid. Is the Government's vision for more investment in a system similar to what we have now? To what extent do they want to move towards a more decentralised system for renewable investment in the grid, so that local communities can invest their own efforts and resources in developing their own renewable energy?

**Andrew Bowie:** I thank my hon. Friend for his question. In March, we launched consultations on community benefits for transmission network infrastructure and on supporting the consenting process to revise energy national policy statements. We are also supporting a private Member's Bill on alternative dispute resolution for compensation disputes over land.

**Priti Patel (Witham) (Con):** The Minister will know that the east of England does a lot of heavy lifting when it comes to renewables; we are investing in turbines and offshore wind. But he will also know that local communities across the entire region are horrified by National Grid's plans to build pylons across the entire region, which will connect and increase more energy supply. They favour an offshore grid. Can I ask the Minister directly: what is he doing to work with the local community to deliver that option?

**Andrew Bowie:** The east of England does do a lot of heavy lifting for renewables—almost as much as the north-east of Scotland—but this is not a competition. I am delighted to inform my right hon. Friend that I am visiting East Anglia next week to meet communities in the area. Indeed, I met producers and manufacturers yesterday to see what they can do to mitigate the impact on her local community and other communities in the region.

**Dr Alan Whitehead (Southampton, Test) (Lab):** If we are prevented from building renewable power in the first place, connection times become rather a moot point. Will the Minister explain why he has failed to lift the ban on onshore wind, despite the Government saying that it would be lifted by the end of April?

**Andrew Bowie:** This Government are committed to onshore wind as a huge part of our renewable energy mix—14 GW, in fact. We are also committed to new renewables offshore and to new nuclear, which the Labour party opposed for such a long time. It will be a whole collection of those new technologies and infrastructure projects that will help us drive our way towards our net zero ambitions and the cleanest and cheapest electricity in Europe.

**Dr Whitehead:** That wasn't very good, was it? The Government's own offshore wind champion Tim Pick said last week that we will miss our 2030 offshore wind ambitions by more than 10 GW because of poor grid connections. Even with the lifting of the onshore ban—if we believe the Minister—developers will not invest given the prospect of a 13-year delay in grid connection. When will the Minister commit to a speedy programme of grid capacity building, to give onshore and offshore wind a good chance of success?

**Andrew Bowie:** As I said, this country is leading the way in investment in new renewable technology. We acknowledge that there are difficulties connecting to the grid, and we are investing in improving that. Nick Winser's report is coming in June, which will give recommendations to Government on how to reduce the timescale for connecting those new projects to the grid. That is the focus of this Government, not playing politics. We are taking real decisions to benefit this country, to cut our carbon emissions and to reduce energy bills across the piece.

### Energy Transition Projects in Scotland

9. **Stuart C. McDonald (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP):** What steps he is taking to support energy transition projects in Scotland. [904478]

19. **John Mc Nally (Falkirk) (SNP):** What steps he is taking to support energy transition projects in Scotland. [904491]

**The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Andrew Bowie):** We are supporting Scotland's energy transition through the North sea transition deal. Additionally, 44 of the 161 projects awarded contracts for difference for renewable electricity are in Scotland. More recently, we have allocated £81.1 million of funding to 81 locations throughout

Scotland—I have a list, but I will not go through them—as part of the £1 billion net zero innovation portfolio, from 2021 to 2025. Furthermore, we have committed to funding the Aberdeen energy transition zone by £27 million, and the global underwater hub aimed at diversification for the subsea sector by £6.5 million.

**Stuart C. McDonald:** There was a lot to take in there. Recent positive noises around the Acorn carbon capture project near Peterhead are obviously welcome, albeit with the caveat that we have heard a lot of this before. Can the Minister confirm what funds track 2 projects will get and when Acorn funding will be confirmed, or at least when such announcements will be made? Does he agree that track 2 projects must proceed much faster than track 1, both because of the climate emergency and so that we can seize the opportunity to be world leaders in that technology?

**Andrew Bowie:** The hon. Member is absolutely right that there was a lot to take in, because the UK Government are doing so much to support Scotland's energy transition. On Acorn, he does not recognise that this Government have already invested £40 million of funding in the project—most notably, £31.3 million under the industrial decarbonisation challenge. I have the breakdown of the funding, if Mr Speaker will allow me: £31.3 million from the industrial decarbonisation challenge for onshore and offshore front-end engineering design studies; £9.3 million of innovation funding for CCS innovation and advancing CCS technology and hydro supply programmes; and £250,000 for the development of Storegga's Dreamcatcher direct air capture plant. Track 2 has been announced—

**Mr Speaker:** Order. Minister, do not tempt me.

**John Mc Nally:** I wish the Minister would slow his answers down—that was a bit of a blur. Just last week, Harbour Energy announced that it is cutting 350 highly skilled and valued jobs in Aberdeen, directly linking that to the poorly implemented energy profit levy. We warned many times that it would disproportionately affect Aberdeen and Scotland and, unfortunately, we have been proven right. Will the UK Government commit to matching the Scottish Government's £500 million just transition fund, and protect our energy workers?

**Andrew Bowie:** I am afraid I have to take all that with a massive pinch of salt. Now it turns out that the SNP is against a windfall tax on the oil and gas industry, when it had been campaigning for such a tax for weeks and weeks, months and months. We have introduced the energy profits levy to deal with the immediate crisis regarding energy bills, but we have built into that investment opportunities for companies to continue to innovate, create jobs and develop our offshore oil and gas fields, because we will be reliant on them as a transition fuel for many months to come. This Government are committed to jobs and opportunities in north-east Scotland, unlike the Scottish National party that would close it down tomorrow.

**David Mundell** (Dumfriesshire, Clydesdale and Tweeddale) (Con): I am sure the Minister will be able to give me a short answer to this question. Does he agree with me that what transition in Scotland definitely does not involve is some knee-jerk shutting down of the oil

and gas industry, especially given that liquid gas supplied by tankers has two and a half times the emissions of gas produced in the North sea?

**Andrew Bowie:** Yes, I completely agree with my right hon. Friend. He is absolutely right on this issue. Indeed, shamefully, Scottish Government Minister Patrick Harvie, a member of the SNP's partner in Government, the Green party, said that oil and gas workers in Aberdeen should simply get on their bikes and look for other jobs, instead of investing in the industry, which this Government are doing.

**Mr Speaker:** I call the spokesperson for the Scottish National party.

**Alan Brown** (Kilmarnock and Loudoun) (SNP): If we want a proper just transition and greater supply chain security, we need new manufacturing facilities for renewable energy components. Which suppliers and manufacturers has the Minister spoken to about creating new manufacturing facilities in Scotland? How many new Scottish manufacturing and renewable energy jobs do this Government intend to create?

**Andrew Bowie:** We are absolutely committed to building a UK-based supply chain, and that includes, of course, new jobs in Scotland. I would be delighted to meet my Scottish Government counterparts and the hon. Gentleman to discuss how we can progress that further and faster. If we are going to have an even more successful renewable energy industry in this country, it is essential that we have a UK-based supply chain. That is what this Government are committed to achieving and, moving forward, I would be happy to work with anybody so that we can do that.

**Alan Brown:** Obviously, I am happy to meet the Minister and work with him, but what I heard right there was that there is no plan for manufacturing jobs in Scotland, no plan to match fund the just transition fund, no answer to the job losses at Harbour Energy and no firm commitments on timescales for Acorn, and that the tidal stream funding has been halved. There is nothing happening to match the Inflation Reduction Act in the United States and the EU support packages. Is it not the case that at the moment just transition are simply warm words for this Government and that much more needs to be done?

**Andrew Bowie:** Absolutely not. I have gone through in detail exactly what we are doing in Scotland. Indeed, his colleague, the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald) suggested that there was far too much in my initial answer to demonstrate what we are doing to support transition in Scotland. We will continue to do that, while championing jobs and opportunities across the whole United Kingdom, including in Scotland. That means investing in new technologies and renewables, and supporting our oil and gas industry as it transitions. All of that is possible because Scotland remains in the United Kingdom, which would not be the case if the hon. Gentleman had his way.

#### **Clean Energy Technologies: Private Sector Investment**

11. **Sir Alok Sharma** (Reading West) (Con): What steps he is taking to help increase private sector investment in clean energy technologies. [904480]



**The Minister for Energy Security and Net Zero (Graham Stuart):** Our “Powering up Britain” plan seizes opportunities from our transition to a decarbonised energy system. Our policies, backed by billions of pounds of Government funding, will leverage around £100 billion of private investment and support up to 480,000 jobs in 2030. My right hon. Friend is absolutely right to highlight the importance of unlocking that private investment if we are to deliver our net zero ambitions.

**Sir Alok Sharma:** One of the ways to ensure more private sector investment is to support UK companies to export to key markets. With that in mind, will the Minister update the House on any discussions between the UK and the US Governments on critical minerals? Is he confident that there will be an agreement between the UK and the US on critical minerals, allowing UK companies to gain access to the financial support available in the Inflation Reduction Act, on which other blocs such as the European Union are already doing deals?

**Graham Stuart:** I thank my right hon. Friend for his question. He shares my enthusiasm for leading the world in meeting our net zero challenge and, by doing so, developing technologies and then being able to export those solutions. He is right to highlight issues following the Inflation Reduction Act in the United States, and making sure that in the negotiations with the US and other partners, critical minerals and other issues are dealt with. We are engaging solidly and I know my right hon. Friend was in Japan only last week, talking to Secretary Kerry about that point.

**Hilary Benn (Leeds Central) (Lab):** In 2021, approximately 60,000 heat pumps were installed in the UK, compared with 1.5 million gas boilers. According to the European Heat Pump Association, we have the lowest number of heat pumps installed in the whole of Europe, relative to population. What more can the Government do to change that?

**Graham Stuart:** The right hon. Gentleman is absolutely right that the decarbonisation of heat remains a major challenge and we need to do more. With the launch of “Powering up Britain”, on which I made a statement to the House just before the recess, we are using £30 million of Government money to leverage £300 million in private investment, but I agree that we need to do more to change the trajectory if we are to meet the target of 600,000 heat pumps a year by 2028.

**Mr Speaker:** I call the shadow Minister.

**Kerry McCarthy (Bristol East) (Lab):** Since the passage of the Inflation Reduction Act, clean energy companies have announced more than 100,000 new jobs in the US. Nearly 10 times more new jobs have been created there in the past seven months than in the UK’s green economy in the past seven years. British business wants a proper response to IRA, yet all we have had is the Secretary of State denouncing it as “dangerous”. Is not the biggest danger that of Britain being left behind in the global race as others speed ahead?

**Graham Stuart:** It is ironic that the hon. Lady says that. We have already set out the position: our energy efficiency figures have gone from 14% to about 50%, and

our renewable electricity figures have gone from 7% to about 50%. The rest of the world, I am pleased to say, is playing catch-up.

**Edward Miliband (Doncaster North) (Lab) indicated dissent.**

**Graham Stuart:** It is playing catch-up. The Opposition do not believe in powering Britain from Britain, and they do not believe in supporting the record. The truth is that the UK has cut its emissions by more than any other major economy. Rather than hosing credits in the direction of businesses, we have a regulatory system that encourages investment.

**Kerry McCarthy:** That is just ridiculously complacent and out of touch. Only this weekend, it was reported that Britain’s only home-grown battery manufacturer is considering leaving the UK for the US, and it is not alone. The Government are absolutely at sea as to what Britain should do. They say simultaneously that IRA is dangerous, that we are doing it already and that the Chancellor will get around to responding to it in the autumn, more than a year after the Act passed. When will they realise that dogma, dither and delay are harming our country?

**Graham Stuart:** The truth is that the rest of the world is playing catch-up. Our regulatory systems—the contracts for difference, for instance—have entirely unlocked renewables in this country. We are continuing to accelerate that, for example with the grid, which is also an issue in the United States. We take our competitive situation extremely seriously and will continue to come forward with policies to ensure that we maintain our global leadership.

### Families in Fuel Poverty

12. **Mohammad Yasin (Bedford) (Lab):** What estimate his Department has made of the number of families in fuel poverty. [904482]

13. **Mr Tanmanjeet Singh Dhesi (Slough) (Lab):** What estimate his Department has made of the number of families in fuel poverty. [904483]

16. **Vicky Foxcroft (Lewisham, Deptford) (Lab):** What estimate his Department has made of the number of families in fuel poverty. [904487]

18. **Catherine McKinnell (Newcastle upon Tyne North) (Lab):** What estimate his Department has made of the number of families in fuel poverty. [904490]

**The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Amanda Solloway):** In 2022, an estimated 3.26 million households were in fuel poverty in England. The Government recognise how difficult the increase in fuel bills caused by Putin’s war in Ukraine has been for households across the country. That is why the Government have stepped in to provide unprecedented energy bill support to households this winter.

**Mohammad Yasin:** Will the Minister confirm when the energy bills discount scheme will be distributed to customers such as my vulnerable 81-year-old constituent Ann? Her bills have soared by more than 400% because she receives her energy via a communal system that is

not protected by the same Ofgem energy price cap that applies to individual domestic consumers. Will the Minister confirm future bespoke support for heat network customers?

**Amanda Solloway:** I reiterate that we have been giving unprecedented support to domestic and non-domestic customers throughout this incredibly difficult situation, and we are making sure that we review the situation on an ongoing basis.

**Mr Dhesi:** At a time when many of my Slough constituents are struggling to pay their energy bills, oil and gas giants are raking in the windfalls of war, but the Prime Minister and his Government are too weak to stand up for the British people, and especially for the increasing number of households now living in fuel poverty. Energy efficiency measures are one of the best routes to tackling fuel poverty, but unfortunately not a penny of new money was announced in the Government's relaunch just last month. Why is there such complacency when installation rates in 2020 were 20 times lower than in 2010?

**Amanda Solloway:** It has been estimated that without the additional support, a further 350,000 households in England would have been in fuel poverty in 2022. Energy efficiency improvements remain the best way to tackle fuel poverty in the long term and contribute to long-term reductions in both energy bills and carbon emissions, in line with net zero.

**Vicky Foxcroft:** One of my constituents and his partner have two young children, one of whom has a medical condition. In August last year, they were charged £778 for gas and electricity—18 times the bill of £43.15 from the previous February. My constituent is living in fuel poverty and struggling to feed his family. What steps is the Minister taking to ensure that families requiring high energy usage medical equipment do not fall into fuel poverty?

**Amanda Solloway:** I share the hon. Lady's concern. I have been meeting various stakeholders, including representatives of citizens advice bureaux, to discuss how we can mitigate the situation, but I should add that we have been providing unprecedented support throughout.

**Catherine McKinnell:** Last year, Citizens Advice Newcastle saw a 229% increase in the number of people facing disconnection and needing help with energy top-up costs. While today's announcement from Ofgem is welcome, it will still allow those who are deemed to be at medium risk—parents of children under five, pregnant women and those aged between 75 and 84—to be forced to have prepayment meters installed. What more will the Government do to ensure that vulnerable people will not be forced to have those meters installed and to face living without heat and light?

**Amanda Solloway:** The abuse of prepayment meters in recent months has been disgraceful. We have demanded urgent action, and we welcome the code of practice announced today. As I have said, I have been meeting representatives of citizens advice bureaux across the country, and we are discussing how we can continue to provide the unprecedented support that we have already been giving.

**Sir Christopher Chope** (Christchurch) (Con): Many of the people who are in fuel poverty live in park homes. Perhaps the Minister would be interested in meeting me, in my capacity as chairman of the all-party parliamentary group on park homes. At a meeting of the APPG yesterday, considerable concern was expressed about the fact that the alternative funding scheme was not delivering for many park home residents because of anomalies and inflexibilities. The Department for Levelling Up, Housing and Communities has written to the Minister's Department about this, but has not yet received a response.

**Amanda Solloway:** As I have said, I am always keen to meet stakeholders, and of course I should be happy to meet my hon. Friend.

### Topical Questions

T1. [904555] **Jack Brereton** (Stoke-on-Trent South) (Con): If he will make a statement on his departmental responsibilities.

**The Secretary of State for Energy Security and Net Zero (Grant Shapps):** Since we last met, the Department has been active in, for instance, publishing the "Powering up Britain" document. In the last week, I have been in South Korea and Japan, where we negotiated with the G7 an update to the climate energy security plan, and a large number of our partner G7 countries expressed the view—not always recognised throughout the House—that this country leads when it comes to the green transition in energy.

**Jack Brereton:** Energy costs remain a major concern for many businesses. In particular, as has been recognised, the tying of electricity prices to the price of gas is raising energy prices to unnecessarily high levels, which is deterring investment in electrical technologies and forcing businesses to continue to invest in gas-powered technology. Will my right hon. Friend tell us when the decoupling of electricity and gas prices will actually happen?

**Grant Shapps:** This decoupling is a particularly complex matter, but we are absolutely into the detail of it. As my hon. Friend knows, the connection between electricity and gas prices is to do with the way in which the contracts have been written. We are conducting a review of the electricity market, and we are also looking at the way in which some of the existing standing costs are allocated between gas and electricity, with the aim of achieving precisely what my hon. Friend is after.

**Mr Speaker:** I call the shadow Secretary of State.

**Edward Miliband** (Doncaster North) (Lab): Today's announcement on prepayment meters is simply not good enough. The new rules ban forced installations for only a very narrow group and do not do so for what is called the medium-risk group. I am reading from the document here. That group includes

"those with Alzheimer's, clinical depression, learning difficulties, multiple sclerosis...the elderly up to age 85, the recently bereaved, and those with the youngest children."

How has the Secretary of State allowed this to happen?

**Grant Shapps:** I think the House recognises that we have moved very fast on prepayment meters—*[Interruption.]* The same rules were in place when Labour was in power for 13 years. We are the ones—*[Interruption.]* I am reminded that the right hon. Gentleman probably set the rules in the first place, but I will have to fact check that for the record. We have taken a number of steps to relieve that pressure and I am pleased to see the Ofgem announcement today. We will keep this matter under review and go further if required.

**Edward Miliband:** What a completely hopeless answer. There is a high-risk group for whom a ban is being put in place and a medium-risk group for whom the Government are leaving this at the discretion of the energy companies, which is simply not good enough. Will the Secretary of State now instruct the regulator to keep the forced installation ban in place until he meets the promise he made—which is being broken today—to protect all vulnerable customers?

**Grant Shapps:** It is an Ofgem announcement today, which I welcome because I asked Ofgem to go away and come to a voluntary agreement. It is actual action that makes a difference. What the right hon. Gentleman needs to explain is how, if we did not have some sort of measure in place to allow people to install meters to manage those finances, he would deal with all the additional cases that would end up in court. As ever, he gives simplistic answers in a complex world that I would not expect him to even start to address.

T6. [904560] **Sir James Duddridge** (Rochford and Southend East) (Con): Potton island and Foulness island in the Rochford district would very much like to see onshore wind farms. What incentives can the Government bring forward when onshore wind comes back online?

**The Minister for Energy Security and Net Zero (Graham Stuart):** The Government want communities to participate in and benefit from onshore wind proposals for their areas, and we will shortly issue a consultation on onshore wind partnerships in England to enable supportive communities hosting new onshore wind infrastructure to enjoy the benefits of doing so, exactly as my hon. Friend says, by getting developers to support local energy discounts, new community infrastructure projects and the like.

T2. [904556] **Rachel Hopkins** (Luton South) (Lab): Energy-intensive businesses need Government support to transition to a low carbon economy, including the Vauxhall van plant in Luton South, yet last month's "green day" saw only weak reannouncements on carbon capture and storage and nuclear, and no new money for industry. Can the Minister explain why the Government are failing to help our motor manufacturing industry to decarbonise?

**The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Amanda Solloway):** We have announced an unprecedented £20 million investment in the development of carbon capture, utilisation and storage and a £185 million extension to the industrial energy transformation fund, and confirmed the first winners of the £240 million net zero hydrogen fund. In

addition, this Government have provided more than £2 billion since 2013 to energy-intensive industries to make electricity costs more competitive.

T8. [904562] **Peter Aldous** (Waveney) (Con): Maximising investment in renewables is vital to bringing new jobs to coastal communities such as Lowestoft. I would be grateful if my right hon. Friend confirmed that he is working closely with the Treasury to prepare a comprehensive fiscal strategy that will form part of the autumn statement, and that it will include tax incentives, the reform of capital allowances and measures to unlock private investment in ports.

**Graham Stuart:** My hon. Friend will be pleased to hear that we always work closely with our Treasury colleagues. We launched the floating offshore wind manufacturing investment scheme—FLOWMIS—on 30 March, which is worth up to £160 million and will support investment in port infrastructure precisely to unlock floating offshore wind investment and deployment. The spring Budget set out the Government's plans to launch the refocused investment zones programme to catalyse 12 high-potential growth clusters across the UK.

T3. [904557] **Wera Hobhouse** (Bath) (LD): The Under-Secretary of State for Energy Security and Net Zero, the hon. Member for Derby North (Amanda Solloway) has just mentioned the Government's ambitious plans for CCUS. The Petra Nova carbon capture facility in the US was meant to reduce carbon emissions by 90%, but it achieved only 7% over three years and allowed the continued extraction of fossil fuels. What will he do to ensure that UK Government investment in CCUS goes only to truly net zero projects?

**Graham Stuart:** The hon. Lady is right to highlight the technical challenges. The Labour Government said in 2003 that CCUS implementation was urgent. No one thinks there is a route to 2050 without CCUS and, as she says, it is important not only that we make the investments we are making, but that we do so in a way that is compatible with the highest possible capture percentage.

**Paul Holmes** (Eastleigh) (Con): The Government's commitment to park home payments is welcome, but residents in Eastleigh are still awaiting their payments because the council says it does not have access to Government systems. Will the Minister make sure her officials speak to Eastleigh Borough Council today to get this sorted? Will she commit to writing to let me know what has gone wrong so that we can get my constituents the payments they need?

**Amanda Solloway:** All the councils that are able to participate in the scheme have received the money from the Government, with 99% of local authorities onboarded so far. Ninety five per cent. of councils are processing claims, with the majority of applications having been accepted and paid. However, we are working to understand the specific problem in Eastleigh, and I will update my hon. Friend as soon as I can.

T5. [904559] **Chi Onwurah** (Newcastle upon Tyne Central) (Lab): The experience of my constituents who are on prepayment meters is atrocious, and today's announcement

from Ofcom will do absolutely nothing to protect vulnerable groups such as those with Alzheimer's, the under-fives and those who are over 75 but under 85. Will the Secretary of State answer the question he did not answer earlier, and say why he is not protecting the vulnerable from prepayment meters and the lack of energy support?

**Grant Shapps:** Just to correct the record, Ofgem is in charge. The measures it put out today, with industry agreement, will help to protect people. When a person's payments are in deficit, they have to find a way out. The hon. Lady appears to favour a system in which, rather than installing a prepayment meter, people are immediately taken to court, which I do not think is a good solution. We will carry on working with Ofgem to make sure we put the best solutions in place.

**Martin Vickers** (Cleethorpes) (Con): Ministers will be aware that the Humber region has attracted £15 billion of private sector investment in carbon capture projects. Needless to say, there was widespread disappointment when none of those projects was included in track 1. Is the Minister able to give the clarity that the private sector needs?

**Grant Shapps:** My hon. Friend is right about the possibilities for CCUS. The £20 billion fund was competitive, and others, including HyNet on the east coast, won. When it comes to the Humber cluster, both the track 1 expansion and track 2 will happen later this year.

T7. [904561] **John Spellar** (Warley) (Lab): British industry has supplied small modular nuclear reactors to the Royal Navy for more than 60 years, giving us a head start on the exciting commercial application of this zero carbon energy technology. Why is the Minister undermining and delaying its progress by going through an unnecessary so-called international competition, rather than backing British engineering excellence and British workers?

**Grant Shapps:** That is a brilliant question. What happened during all those years when the Labour party was against civil nuclear power? This Government are moving ahead, and we have set up Great British Nuclear and funded Rolls-Royce with £210 million and counting. I have already said from this Dispatch Box that we are starting a competition now to select a winner in the autumn. Where were Labour Members when we were doing all this?

**Dame Maria Miller** (Basingstoke) (Con): I have already met the Minister for Energy Security and Net Zero to discuss the National Fire Chiefs Council's concerns about the use of lithium-ion storage facilities to get renewable energy to the grid. Will the Government review existing fire and environment regulations to ensure they reflect these deep concerns and risks, and help to ensure that renewable energy can get to the grid smoothly and in a timely manner?

**The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Andrew Bowie):** Grid-scale lithium-ion battery energy storage systems are covered by a robust regulatory framework, which requires manufacturers to ensure that products are safe before they are placed on the market, that they are installed correctly and that

any safety issues found after products are on the market are dealt with. I am meeting my right hon. Friend this week to discuss this in more detail and I look forward to that very much.

T9. [904563] **Liz Saville Roberts** (Dwyfor Meirionnydd) (PC): The Minister must surely recognise that fuel poverty cannot be solved by threatening to send vulnerable people to court or imposing the installation of smart meters. When will he stop passing the blame to Ofgem? When will he really start to support vulnerable people who are facing fuel poverty?

**Amanda Solloway:** It is incredibly important to this Government that we support vulnerable people. We are looking at all of the issues around prepayment meters, but we have provided £400 of support through vouchers and I encourage all Members to ask their constituents to come forward to get those if they have not already collected them.

**Mark Pawsey** (Rugby) (Con): In Rugby, we are proud of the rate at which we provide new homes. I recently visited Barratt Homes' Ashlawn Gardens development, where I heard that intending purchasers of new homes now place an enormous priority on the size of their energy bills. Does the Minister agree that it is important for house builders to promote the thermal efficiency of their products?

**Graham Stuart:** I entirely agree with my hon. Friend on that. This is why we set up the energy efficiency taskforce, to work with industry to make sure that we take forward a tremendously transformed situation from the appalling one in 2010 and accelerate and move forward even more quickly in the future.

**Christine Jardine** (Edinburgh West) (LD): More than once this morning those on the Government Benches have congratulated themselves on the home insulation figures, but those figures could and should have been so much more impressive, if, after 2015, this Government had not abandoned Liberal Democrat policies to invest in renewables and insulate homes. The impact of that on my constituents has been fuel poverty. This winter, they are struggling to heat their homes, with still expensive carbon fuels, and there is a growing incidence of mould. When will the Government recognise that emergency insulation is needed?

**Grant Shapps:** We have worked very hard on making sure that homes are insulated. We have just announced another £1 billion for the Great British insulation campaign, which makes £12.5 billion over this Parliament and into the next one for insulation. That is one reason why nearly half of homes are now insulated, whereas the figure when Labour was in power was only 14%.

**Peter Gibson** (Darlington) (Con): I welcome the £12 million from the social housing decarbonisation fund and the home upgrade grant for Darlington, which will help cut heating costs and carbon emissions, and reduce fuel poverty for my constituents. May I invite the Minister to visit the fantastic Darlington economic campus, where some of his team are situated?

**Andrew Bowie:** I am very glad to hear about the successful funding bids in my hon. Friend's constituency. These schemes will improve homes up and down the country, improving their energy efficiency and lowering energy bills. I am delighted to accept the invitation to visit the Darlington economic campus, although I can confirm that I have already visited it and was incredibly impressed by the calibre of the individuals working there to drive forward our ambition—

**Mr Speaker:** I call Dame Diana Johnson.

**Andrew Bowie:** —to get this country the greenest, cleanest electricity in Europe.

**Mr Speaker:** Minister, that is the last time you do that to me. Seriously, you are taking advantage of this Chamber too much. You were enjoying yourself earlier, which was fine, but I am not consistently having you dictate to the Chair. Do we understand each other?

**Andrew Bowie:** Yes.

**Mr Speaker:** I do hope so.

**Dame Diana Johnson** (Kingston upon Hull North) (Lab): With the Humber estuary responsible for 40% of all industrial emissions in this country, it beggars belief that it was not included in the track 1 for carbon capture. Will the Minister now guarantee that the Humber cluster will be included in the expansion that he just talked about, as it brings £15 billion-worth of private investment with it?

**Grant Shapps:** The right hon. Lady is absolutely right about the potential of the Humber cluster. I want to put that on the record, as well as the fact that track 1 and track 2 announcements will be made later this year. It is perhaps a testament to the amount of competition for carbon capture, usage and storage that this country has sufficient space to store 78 billion tonnes of carbon, which is the equivalent of about 200 years of all Europe's carbon being stored in the North sea. There is just heavy competition for where it goes.

## Top Secret Document Leaks

12.34 pm

**Mr Tobias Ellwood** (Bournemouth East) (Con) (*Urgent Question*): To ask the Secretary of State to make a statement on the leaking of top secret military documents.

**The Minister for Armed Forces (James Heapey)**: The unauthorised disclosure of classified US documents discovered last week was clearly a concerning development. The Defence Secretary spoke to his opposite number in the US last week and has been kept closely informed since. He is in Washington this week for a long-planned briefing to the House Foreign Affairs Committee as well as for other bilateral meetings. Clearly, while there, he has been able to discuss things further with Secretary Lloyd Austin and others. The US Department of Defence and intelligence community are currently conducting their own investigation to determine the validity of those documents and the circumstances under which they were leaked.

The UK commends the swift action taken by US law enforcement to investigate and respond to the leak, including the arrest of a suspect. As the Secretary of State, the US Department of Defence and the French Ministry of Defence have already said, not all of this information apparently leaked is accurate. Colleagues will be frustrated, I know, that I am unable to tell them which bits are inaccurate as these are sensitive intelligence matters, but it is important, nonetheless, to stress the need for caution when reporting what has apparently been leaked. Obviously, the investigation is now a matter for the US legal system.

As the refreshed integrated review set out earlier this year, the US remains the UK's most important ally and partner. The depth of the UK's relationship with the US remains an absolutely essential pillar of our security. We remain committed to supporting Ukraine's armed forces in response to Russia's illegal invasion. Ukraine has repeatedly shown us its determination and resilience in the face of Russia's barbaric invasion, and, as we have said, we are working in lockstep with allies through forums such as the G7 and NATO, and efforts such as the UK-led international fund for Ukraine, to get Ukraine the firepower that it needs to rapidly regain its territory.

**Mr Ellwood**: I thank the Minister for his statement.

Mr Speaker, may I begin with a declaration of interest that is pertinent to this subject? I am a dual US national born in the USA and I hold a US passport. I have grown up increasingly appreciating the value and, indeed, the importance of the unique and incredible bond that we have with our most trusted and valued security ally. However, when a security leak of this magnitude takes place, it should not prevent the legislatures on both sides of the Atlantic from seeking assurances—such as the Minister is giving us today—about the fall-out from the scale of top secret information that is now in the public domain and from the changes that may be considered to significantly limit the chances such an event being repeated. I ask the Minister not to hide behind that general veneer of secrecy here, but to be frank with the House about the process. Mass data are accumulated from a multitude of sources. This is then summarised to provide relevant information, and analysis of that

information forms the intelligence picture. That is then presented to decision makers, and can then lead to action that might limit or alter the behaviour of an adversary to close down a threat or indeed inform and persuade other nations to join our cause.

I am pleased to hear that the Minister and the Secretary of State are speaking with their counterparts, but does the Minister believe that too many eyes now have general access to sensitive intelligence, with the pendulum of sharing files swinging too far after 9/11? Is there now too much information—almost by default—now classified as top secret? For example, if Egypt is intending to supply missiles to Russia, surely the world should know about that. If a Russian Su-27 jet did deliberately attempt to fire a missile at an RAF Rivet Joint over the Black sea last September, it was an act of war, and the details should surely be publicised, not hidden away in intelligence files. We certainly must avoid another Daniel Ellsberg situation.

As the world enters a dangerous chapter, we slide, potentially, into another cold war. The parameters for sharing and acting on pooled intelligence must surely be overhauled, so that they are fit for purpose. America, is our closest security ally, absolutely, but if a vital aspect of our relationship requires reviewing or addressing, surely we should have the confidence to do just that.

**James Heapey**: As my right hon. Friend notes, the apparently leaked documents are in the public domain. However, that does not change their classification and thus the degree to which any UK Minister or official can comment on their content, so I will not be commenting on specifics of the examples he raised, nor any others over the course of this urgent question. He is absolutely right in setting out the process by which information is gathered, assimilated and presented to decision makers; he is absolutely right that the breadth and scale of information in this data age is enormous; and he is absolutely right that one of the key decisions that any organisation with intelligence at its core has to make is how to allow access to that information so that the relevant people can use it to make good decisions.

My right hon. Friend asserts that perhaps too many eyes now have access to that information. I think that is a matter for different Departments in different countries to consider. As you would imagine, Mr Speaker, the MOD has looked at our own processes as a consequence of what happened last week. We have to place huge trust in our vetting processes to ensure that those who routinely have access to classified information have been risk-managed appropriately. Even beyond that, within the vetted workforce there is a very necessary compartmentalisation of information, so that only those who need to see things to do their jobs see them.

That said, what we are learning in the information age, when it is about getting ahead of the other side's narrative, is that it is very useful to be able to think quickly about the information we have. There is thus a balance to strike between being overly compartmentalised and being in a position where people can be well informed and quickly make decisions in a way that meets the speed of relevance in modern competition. Suffice to say, and I hope my right hon. Friend and the House will be reassured, that of course the permanent secretary, on seeing what happened in the Department of Defence

last week, has had a good look at what is going on inside the MOD to make sure that, if we have any lessons to learn, we do so.

**John Healey** (Wentworth and Dearne) (Lab): The US is our closest security ally, so this is of serious concern. The intelligence we share bilaterally and through alliances such as NATO and Five Eyes is fundamental to our UK national security, and it is essential that that continues confidently and confidentially. The Secretary of State for Defence is in Washington, we are told, apparently to discuss this breach, but will he make a statement to Parliament on his return to confirm the reassurances he has received on how British intelligence is handled?

The Minister is right to say that the US agencies are treating this seriously. The Pentagon says that it expects findings from its investigations within 45 days. Two years ago, UK classified documents on Challenger 2 tanks were similarly reported leaked from an online forum for video gaming, “War Thunder”. What action was taken following that leak?

I have a number of questions that the Minister has not yet answered. He has described the documents as inaccurate, but to what extent have they been manipulated and to what extent have they been used as disinformation? Has this leak put at risk any UK personnel? Is the MOD mitigating such risks, and if so how? This is the time when the UK should be accelerating military support to Ukraine, so what assessment have the Government made of the impact of this leak on Ukrainian plans for a potential offensive?

While threats to the UK continue to rise, security breaches have been getting worse on the Defence Secretary’s watch, with 2,000 people affected by data breaches set out in the last MOD annual report and a 40% increase in the number of referrals to the Information Commissioner—and that was last July. How many MOD data breaches have occurred since? Finally, why is no Minister designated as responsible for information security when handling intelligence is so critical to our national security?

**James Heappey:** First, I thought I was clear in my initial answer that the Secretary of State is in Washington for a briefing to the House Foreign Affairs Committee that was requested in December and scheduled in January. It is fortuitous that he is there to discuss these matters in addition, but it would be inaccurate to say that he is there because of what happened last week.

The right hon. Member for Wentworth and Dearne (John Healey) asks about previous incidents where the UK MOD has been responsible for leaks. I agree with him that it happens too often, but every time it happens, reviews are put in place and lessons are learned in terms of both the way that information is handled digitally and—because this was the case last year—the way that documents are removed from the building. On the former, there has been a wide-ranging and robust effort to assure the digital security of documents and to ensure that all users of secret and above systems are aware of the way that those systems should properly be used, and of how it should not even be attempted to move information from one system to the other. On physical documents, the Secretary of State put in place

random bag searches at MOD main building immediately following the leak of hard documents last year, and those searches remain in place now.

The right hon. Gentleman is absolutely right to observe that some of those documents have, since their apparent leaking, apparently been manipulated for various misinformation and disinformation purposes. That is why it is important to qualify that colleagues should be suspicious not only of the original content, but of the different versions that are in circulation subsequently, because they have been manipulated for various means. He is of course right to flag his concern, which mirrors our concern, about any force protection implications from such leaks. That was indeed our first concern, and the chief of joint operations was able quickly to reassure us that all those involved in the protection of diplomatic mission in Ukraine are not compromised in any way by the leaks—nor are any of those involved in the wider support for Ukraine and the wider continent beyond.

I do not think that there is any impact on the Ukrainian plans for the offensive. In fact, as the right hon. Gentleman will have seen in the reporting of those, there has been a degree of amplification from the Ukrainians around some of the casualty statistics—I make no comment on the accuracy of the figures being pumped. Indeed, there is reporting that those figures have been manipulated by both sides to tell their story. But I am pretty confident that the Ukrainians are intending to stick to their plan and go for it. I do not have the information today on precisely how many breaches there have been, but I will write to him.

**Sir Julian Lewis** (New Forest East) (Con): I do not wish to be disobliging to my right hon. Friend the Member for Bournemouth East (Mr Ellwood), who succeeded me as Chairman of the Defence Committee, but I feel it necessary to ask the Minister to clarify beyond any doubt or confusion that matters relating to defence intelligence—like those relating to the intelligence roles of other Departments—do not fall within the ambit of the departmental Select Committee, but should, and rightly do, fall within the ambit of the Intelligence and Security Committee. My right hon. Friend was courteous enough to let me know that he had been granted this urgent question after it had been granted. Had he asked before applying, I would have advised him, first, that it was not within the remit of the Defence Committee to seek information on this matter, and secondly, as the Minister’s replies have indicated, that it would be very unwise, particularly at this early stage, to discuss the implications of such a leak in public. Will the Minister confirm that, in any future questions and answers about defence intelligence, he will address his answers to the appropriate Committee, which is the Intelligence and Security Committee?

**Mr Speaker:** May I just help a little bit? I granted the UQ not because the right hon. Member for Bournemouth East (Mr Ellwood) is the Chairman of the Defence Committee, but because I thought it was appropriate, so we do not need to level it in that way.

**James Heappey:** Thank you very much indeed, Mr Speaker; I value the friendship and counsel of both the current and the previous Select Committee Chair, so I think that you have said it all.

**Mr Speaker:** I call the SNP spokesperson.

**Owen Thompson** (Midlothian) (SNP): I will be equally brief. There are clearly serious issues to consider here, and it is very important that we avoid speculation, particularly because, as I understand it, this case is sub judice in the US. No doubt our intelligence community is working hard with its partners to review the implications and will report to the ISC. I do not want to prejudge anything, but to echo the comments of the right hon. Member for New Forest East (Sir Julian Lewis), can the Minister confirm that he will work closely with the ISC to ensure that we are fully able to consider any outcomes of this investigation?

**James Heapey:** I note the concern of the hon. Gentleman and of my right hon. Friend the Member for New Forest East, the Chairman of the Intelligence and Security Committee. We will ensure that any matters that can be exposed to them relating to this are exposed.

**Theresa Villiers** (Chipping Barnet) (Con): The whole House should welcome the great seriousness with which this is being taken by our Government and the Government of the United States. It is important for us to acknowledge that mass leaks of this kind are unjustified and serve only to help the interests of those terrorist groups and hostile states that wish us harm.

**James Heapey:** My right hon. Friend is absolutely right: these leaks, as unfortunate as they are, only benefit one group of people, and that is our competitors and adversaries in the world who mean us harm. Whatever heroic intentions those responsible for these leaks may think they have, they are wrong. They risk the safety of our armed forces, and they compromise the work that we and our allies are doing around the world to stand up to the challenge to the rules-based international order that we so strongly believe in.

**Mr Kevan Jones** (North Durham) (Lab): I thank the Minister for his statement, and I concur with his views about the close relationship that we rely on with not just the United States but our other Five Eyes partners. The Intelligence and Security Committee has not yet met to discuss this issue, and it is the only Committee of Parliament that will be able to look at the classification of material that is covered. It is right not to make any pre-emptive statements about what has been in the press, but if we do decide that we wish to look at this—and there is a good chance that we will—can he confirm that we will get full co-operation from not only Defence Intelligence but other intelligence agencies in pursuing the rightful questions that we, uniquely, can ask in the closed environment in which we meet?

**James Heapey:** In the interests of not only expectation management but accuracy, I will say to the right hon. Gentleman that I will ensure we do all that we are allowed to do and that the Committee is serviced with whatever is releasable, accepting, of course, that the content that has been leaked is US content, which might mean that that is very difficult for us to do.

**Sarah Atherton** (Wrexham) (Con): We know that Russia is a master of propagating disinformation, and this is an evolving tactic increasingly used by hostile states, so can the Minister assure us that this issue is being considered in the Defence Command Paper refresh?

**James Heapey:** I certainly can. A very important theme we have learned over the last year is that the way in which we own the narrative and counter disinformation is almost every bit as important as the physical reality of the battle on the ground, so this is an important part of our work on the Command Paper refresh.

**Dan Jarvis** (Barnsley Central) (Lab): The leak in the US should be, and I am sure is, focusing the Minister's mind on the importance of our own information security. To that end, can he give an assurance that all information and data relating to our own armed forces personnel that is held by private sector contractors—particularly those that are foreign-owned—is secure?

**James Heapey:** I would fully expect it to be, but perhaps I can take the hon. Gentleman's question away, ask it of the Department and write to him, so that we can both have confidence that my expectation is well founded.

**Rehman Chishti** (Gillingham and Rainham) (Con): The Minister will know that a number of years ago, the diptels of our brilliant former ambassador to the United States were leaked, which had real ramifications for our relationship with the United States and the issue of secret documents being shared within Government Departments. Were any specific lessons learned from that incident at the Foreign Office with regard to how our brilliant former ambassador was treated in doing his job and to the leak of secret documents? Does the Minister have a view on the point raised by my right hon. Friend the Member for Bournemouth East (Mr Ellwood) about restricting the number of individuals who see these documents?

**James Heapey:** As the shadow Secretary of State, the right hon. Member for Wentworth and Dearne (John Healey), set out, there have been occasions when we reside in a glass house on these matters, so I am reluctant to throw stones at any other Department.

**Richard Foord** (Tiverton and Honiton) (LD): The Minister is right that we must be careful with leaked US documents that may turn out to be misinformation or disinformation, but they do appear to reveal that the UK Rivet Joint aircraft was subject to a near miss. If the Secretary of State had assessed that the Rivet Joint aircraft had been intentionally fired upon, would he have shared that Ministry of Defence assessment with the House?

**James Heapey:** The Secretary of State has briefed the House on that incident. I am not going to offer any discussion on the version of events that was put across in the leak.

**John Cryer** (Leyton and Wanstead) (Lab): The main short-term worry on both sides of the House is that this leak might compromise the much-vaunted spring offensive, which may be the most crucial move in the effort to repel Putin. On that basis, will the Secretary of State undertake to appear before the ISC as soon as there is anything substantive to report?

**James Heapey:** There are two separate issues there. The first is what the impact of this leak may or may not be on the Ukrainian spring offensive. The shadow Secretary of State asked whether I thought it would have any



consequence for that. I do not. I think the Ukrainians will proceed with their plan as it is, and I have every confidence that they will be successful. The international effort to resource their plan is extraordinary, and the plan is coming together very well indeed.

The second is whether any matters relating to the spring offensive and these leaks should be briefed to the ISC. As I have said, the difficulty is that this is not our information to brief, nor is it a leak from the UK MOD. While I have undertaken to a number of colleagues who are on that Committee to ensure that we share what we can with the Committee, I have to be very clear that it is not our information to share, nor was it our leak, and thus I suspect that we are rather limited in what we can say and do with the Committee on this matter.

**Gavin Robinson** (Belfast East) (DUP): I thank the Minister for his response and recognise that the hallmark of the last 12 months has been the MOD's willingness to publish defence intelligence reports and give decision makers and legislators the information we need to identify disinformation and guard against false flags. I welcome the indication he has given that a review is under way by the permanent secretary of processes to ensure that information and intelligence in particular is retained as it should be within the Department. Will he undertake to update the House when the review is complete, whether through an oral statement or written ministerial statement, recognising that the detail contained in that review would be more appropriate for the Intelligence and Security Committee?

**James Heapey**: I am happy to make that undertaking. As we conclude our internal reviews, we will make sure that if there is further information to offer to the House, we do so. Similarly, I have made a number of commitments to offer assurance through written answers, and we will make sure that those are shared with the Library.

**Mr Toby Perkins** (Chesterfield) (Lab): The arrest of a fairly junior 21-year-old National Guardsman in relation to this leak begs the question of who has access to top secret information. Pentagon officials say that thousands, if not tens of thousands, of people would see this kind of document. The Minister is right to say that it is a matter for the Americans who has access to their documents, but on the basis of this worrying development, what reassurance can he give us about the level of seniority that British information shared with the Americans goes to?

**James Heapey**: We certainly draw no boundaries based on seniority around the information that is shared bilaterally—UK-US—or within the Five Eyes, NATO or elsewhere. Information flows to where it is needed. An analyst who is the expert on a particular Russian capability might be a relatively junior non-commissioned officer, but they might be the best in the world at that area of expertise, so rank is probably not the right boundary to set.

But what we are very careful about—I think the United States and other Five Eyes partners are similarly clear about this—is that information goes to where it is needed, not where it is necessarily wanted. That level of compartmentalisation gives enormous assurance. Leaks

such as this one are exceptional, rather than the norm, and it is important that we put this—no matter how grave it appears to be—in the context of the vast amount of information that is shared between the UK and the US and within the Five Eyes routinely, and which is never, ever seen by any eyes other than those for which it was intended.

**Catherine West** (Hornsey and Wood Green) (Lab): There are clearly issues with the process of vetting individuals. What reassurances can the Minister give? He says lessons are being learned, but does something not ring a bell on the vetting problems we have seen in UK policing? What can be done holistically to look at the vetting of individuals who have access to information held by the state and to top-secret processes?

**James Heapey**: I looked anxiously for reassurance from the Policing Minister, my right hon. Friend the Member for Croydon South (Chris Philp), but my sense is that the police vetting to which the hon. Lady refers is a background and character check for a person's initial employment, and therefore somewhat different from the developed vetting process that is used within Government—and particularly within the MOD and the security agencies—to assure access to top-secret and compartmental information. That process is extraordinarily rigorous, involving in-depth background checks that go back a number of generations, plus interviews and other evidence gathering that allows us a relatively high level of assurance about the people with whom we share information. The exact process is perhaps not something that should be set out in public, but it is one in which I and other ministerial colleagues have great confidence.

**Martin Docherty-Hughes** (West Dunbartonshire) (SNP): A somewhat overlooked revelation from these documents was that not only were the United Arab Emirates and Russia co-operating on evading international sanctions, but—I quote the Associated Press report—

“In mid-January, FSB officials claimed UAE security service officials and Russia had agreed to work together against US and UK Intelligence agencies, according to newly acquired signals intelligence.”

Despite that knowledge, the Government continue to facilitate military, security and economic exchanges with authoritarian Gulf states, and encourage them to make massive investments in infrastructure across these islands. So I ask the Minister this: after the Russia report, have this Government learnt nothing about the cost of doing business with authoritarian regimes, or will they just continue to be the frog that thinks it can ride the back of the scorpion?

**James Heapey**: The hon. Gentleman, in a style with which I am now familiar, comes left and right-flanking and down the centre all at once, but at the heart of the question was an invitation to reflect on some of the content of the leaks. As I have been very clear, I am not going to do so.

**Margaret Ferrier** (Rutherglen and Hamilton West) (Ind): We know that leaks of secret and top-secret military information put lives at risk. At what point were soldiers on the ground made aware of the breach, and what support has been put in place, practically for them as well as emotionally for their families at home?

**James Heappey:** The troops on the ground—those involved in the protection of the diplomatic mission in Kyiv—will likely have been aware of it as it broke in the news. It is not for them to worry about their force protection beyond the tactical measures they can take locally; that is a matter for the permanent joint headquarters, and the chief of joint operations was quick to assess what the implications may be for their force protection. He concluded that there were none and that the mission can safely continue. The amazing thing about the men and women who serve in our nation's uniform is that their instinct is to carry on with the mission at hand, not necessarily to worry for their safety. We are very lucky that that is the way they approach these things.

## Machetes: Consultation

**Mr Speaker:** Before we come to today's statement, I remind all Members that they should not refer to cases that are before the courts. That includes ongoing inquests and criminal cases where offenders have not yet been sentenced.

1.5 pm

**The Minister for Crime, Policing and Fire (Chris Philp):** With permission, Mr Speaker, I will make a statement on legislative proposals to tackle the use of machetes and other large knives in crime.

Knife crime causes misery and fear in our communities, which is why over many years this Government have taken concerted action to tackle it. We are pursuing a twin-track approach, combining tough enforcement with prevention and intervention as we relentlessly bear down on violent crime, and we are supporting the police every step of the way in that effort. We have given forces more powers and more resources to go after criminals and take knives and dangerous weapons off our streets, and we have legislated over time to tighten the law.

The results are clear to see. Since 2019, the police have removed over 90,000 knives and dangerous weapons through stop and search, surrender programmes and other targeted police action. Violence, as measured by the crime survey, is down by 38% since 2010, and hospital admissions as a result of injuries caused by a bladed article and where the victim is below the age of 25 are down by 24% since 2019. This is really important work: every knife or weapon taken off the streets has the potential to save lives. We have also invested significantly in violence reduction units to bring together agencies to tackle the drivers of serious violence at a local level. We have introduced Grip—hotspot policing to tackle enforcement in areas with particular problems—and have established the £200 million Youth Endowment Fund to fund innovative diversionary activities.

The combination of violence reduction units and targeted hotspot policing has prevented an estimated 136,000 violent offences in the first three years of funded delivery, and tomorrow we will launch a pilot of serious violence reduction orders to give the police an automatic right to stop and search convicted knife offenders. Every offender issued with an SVRO will face an increased likelihood of being stopped by the police and, if they persist in carrying weapons, will be sent back to prison or brought before the courts. That follows the start of the offensive weapons homicide review pilot on 1 April, which will see local partners work together to review the circumstances of certain homicides where the death of a person aged over 18 is likely to have involved the use of an offensive weapon.

Through our police uplift programme, of course, we are recruiting thousands more officers—we will get the figures next week, but we confidently expect those to confirm that we have record numbers of police officers in England and Wales. That is something that I am sure Members across the House will welcome very strongly, along with the 38% reduction in violence since 2010.

However, as the public would expect, we keep our approach under constant review, and where improvements can be made, we will not hesitate to act. It is in that context that we have today launched a seven-week

consultation on new proposals to go even further to tackle the use of certain machetes and other bladed articles in crime.

The UK already has some of the strictest knife legislation in the world, and the police already have broad powers to tackle knife crime. Our new proposals to go even further have been developed in co-operation with the National Police Chiefs' Council knife crime lead, but also in consultation with Members of this House who have brought forward constituency cases illustrating the need to go further.

I pay particular tribute to my hon. Friend the Member for Southend West (Anna Firth), who brought forward an example of a knife that was legal that was used in an offence in Southend. That knife will be illegal once these changes are made. I also pay tribute to my hon. Friend the Member for Walsall North (Eddie Hughes)—I see him in his place—who also highlighted constituency cases of knife crime. Finally, my right hon. Friend the Member for Chelsea and Fulham (Greg Hands) raised the case of one of his constituents, who was robbed using a machete in broad daylight on the streets of Chelsea. I thank those Members and others for bringing these issues to the attention of the Home Office, and it is in response to their constructive campaigning and to the police that we are taking even further action today.

We have identified certain types of machetes and large outdoor knives that do not appear to have a practical use and appear to be designed to look menacing and to be favoured by those who want to use knives as weapons. We intend to ban those weapons, going further than the weapons ban already introduced in the Offensive Weapons Act 2019, particularly under section 47, with which I am sure Opposition Members are familiar. That means it will be an offence to import, manufacture, sell or supply any of these weapons. We also believe that the criminal justice system should treat carrying prohibited knives and offensive weapons in public more seriously, to better reflect the severity of the offences, and we are consulting on that point.

In addition, we are proposing to toughen the current penalties for selling prohibited offensive weapons and for selling bladed articles to under-18s. Under our proposals, the maximum penalty for those offences would be increased to two years' imprisonment. We are also consulting on whether to provide the police with additional powers to enable them to seize, retain and destroy bladed articles of any length held in private where they are intended for criminal use, or whether the powers should be limited to articles of a certain length. We consider that to be a proportionate response. When discussing it this morning in Brixton police station with the National Police Chiefs' Council lead, they certainly strongly welcomed those additional powers.

Finally, we are consulting on whether it would be appropriate to mirror firearms legislation and introduce a separate offence of possessing a knife or offensive weapon with intent to injure or cause fear of violence, with a maximum penalty higher than the current offence of straight possession. In addition to publication on gov.uk, I will place in the Library copies of the consultation document and the accompanying impact assessment, and I encourage Members on both sides to respond to that.

Knife crime is a menace that has no place in society. It can destroy families and leave lives devastated. We have shown time and again that this Government will

always put the interests of the law-abiding majority and victims first. We have given our police forces more officers, we have given them more powers, and now we are seeking to go even further. We are relentlessly focused on driving down crime, and I trust that Members on both sides of the House will support these measures.

**Mr Speaker:** Order. Can I just say to the Minister that the copy of his statement that I have does not relate to what he was saying to the House? Some part seems to be missing.

**Chris Philp:** Of the statement?

**Mr Speaker:** Yes, of your statement. I do not know whether you have been ad-libbing.

**Chris Philp:** There were one or two points I added in reference to Members here, but in substance no. I am happy to try to work out what happened afterwards.

**Mr Speaker:** Normally, I see a full copy. I was looking to where we had got to, and then we picked up somewhere else. I think it is important that we try to keep as near as possible to the script that we expect the House to reflect on. I just make that point. I have had it before, and it is easier, especially when the Opposition are going to reply, if things are there. When you go off script for a while, we do wonder what is coming next. I call the shadow Minister.

1.13 pm

**Sarah Jones (Croydon Central) (Lab):** The additional extracts were not in my copy of the statement either. Labour supports measures to ban zombie-style knives and machetes. Knife crime devastates lives and rips families apart, but this is too little, too late—a smokescreen to distract from the Government's appalling record. Knife crime has risen across the country by 70% since 2015, and the whole country is affected. Since 2011, knife crime has doubled in Lincolnshire, Hertfordshire and Derbyshire. It has trebled in Norfolk, Essex and Sussex, and in Surrey it has risen tenfold. There are serious problems in Swindon, Milton Keynes and Rochdale. With a serious violence strategy that is five years out of date, the Government do not have a plan to tackle knife crime in our towns and suburbs.

The Offensive Weapons Act 2019 was hailed by the then Prime Minister as the big answer to what is a national crisis, but it has not worked. A year and a half ago, I called on the Government to act on getting these knives off the streets entirely, but they have done nothing. Why the delay? We have heard it all before. In 2016, the former Home Secretary pledged a ban on zombie knives. In 2017, the next former Home Secretary pledged another ban on zombie knives. In 2018, the then new Home Secretary pledged another ban. In 2021, the Home Secretary after that promised yet again to ban zombie knives. Now, déjà vu, we are promised yet another ban. The Home Secretary says today that it cannot go on, but it has and it is; it is going on and on. Who on earth do they think has been in power for the past 13 years?

This is personal for me. Just last month, I sat with a grieving mother in Rochdale, traumatised after the murder of her little boy. I have seen the destruction that knife crime causes with my own eyes, and it is getting worse.

[Sarah Jones]

Total knife crime is up 11% in the past year alone. Knife-enabled rape and knife-enabled threats to kill are at record levels. Knife possession is up 15% on pre-pandemic levels. The Minister said that violent crime is down, but serious violence is up, not down, and that should be his priority.

The proposed ban does not go far enough. It is already an offence to sell knives to under-18s, but the Government have utterly failed to enforce the law. Just last year, a boy was murdered in east London with a knife bought with fake ID. After the Minister's changes in the consultation, will I still be able to buy a 49-cm sword online? Only swords over 50 cm are banned. Will I still be able to purchase the 40-inch samurai sword for £100 or the 16-inch "Deluxe Rambo First Blood" knife for £40 that I found this morning on [knifewarehouse.co.uk](http://knifewarehouse.co.uk)? The consultation does not seem to include any of those.

The Government are trying to legislate their way out of a problem caused by their cuts to police—cuts that have left us with 10,000 fewer neighbourhood police and police community support officers on our streets since 2015—and cuts to everywhere from mental health to youth work. Does the Minister think it is okay that adults can buy dangerous banned knives on online marketplaces that come from abroad? There is nothing today to tackle that, and the online harms Bill will not stop that. Does he think that tech execs should be responsible for what is on their sites? Apparently not, because his party opposed Labour's plans to make technology execs criminally responsible when they consistently fail to remove illegal content. Does he think it is acceptable that knife seizures have collapsed at the border? Why is the serious violence strategy now five years out of date? Why are the Government failing to prevent young people from being drawn into crime in the first place, opposing Labour's plans to outlaw the criminal exploitation of children and cutting a billion pounds from our youth services?

Is it any wonder that the public have lost faith in this tired Government, who are weak on crime and weak on the causes of crime? The next Labour Government will take action, making it our mission to halve knife crime within 10 years. Labour is the party of law and order now.

**Chris Philp:** I certainly admire the shadow Minister's sense of humour. Let me pick up some of the points she made. She asked about police numbers. As I have said, the figures that will be released on the 26th will show, I am confident, that we have more police officers than at any time in our country's history, including more police officers than at any point in the time in office of the last Labour Government.

The shadow Minister asked about crime figures. I will repeat the point I made before: only one dataset is considered reliable by the Office for National Statistics and that is the crime survey of England and Wales. It shows that, since 2010, violent offending has dropped by 38%, criminal damage is down 62%, burglary is down 56%, robbery is down 55% and overall crime, excluding fraud and computer misuse, is down 30%. When will the shadow Home Secretary, who was a Minister in that Government, apologise for the fact that crime was double the level it is now under this Government?

The shadow Minister asked about the changes we are making today. This Government have been progressively tightening the legislation over the years, including the Offensive Weapons Act 2019. We have been continuously reviewing that legislation. Where we find opportunities to make it stronger and more effective in response to Members of the House and the police, we will take those opportunities, and that is what we are now doing. If there are some specific comments on the length of knives, that is exactly what the consultation is designed to capture. I strongly urge the shadow Minister to respond to the consultation. I look forward to receiving the extremely considered and detailed submission that she is no doubt working on already.

Finally, in relation to recent trends in the data, the most reliable source of information on serious violence is hospital admissions where the victim has received a knife wound. Over the past three years, for victims under the age of 25, those have reduced by 24%. There is a lot more to do, but the direction of travel is clearly right and this Government are committed to going even further.

**Mr Mark Francois** (Rayleigh and Wickford) (Con): If I can make a non-partisan point for a moment, the whole House knows that our late friend and colleague Sir David Amess was murdered with a bladed weapon, so I would like to pay tribute to his proactive successor, my hon. Friend the Member for Southend West (Anna Firth), for campaigning on this issue, evidently with some success. Can the Minister assure us that, on so-called zombie knives—many of which are now purchased online and some of which, I understand, we can only ban because of what is written on them, rather than what they can do—this new legislation will materially restrict the ability, and ideally end it, for people to buy those weapons online, either domestically or from abroad?

**Chris Philp:** My right hon. Friend makes a very good point and is right to remind the House of our much-loved former colleague Sir David's tragic death at the hands of a knife-wielding attacker. He asks two questions. First, yes, I can confirm that zombie knives that do not have any writing on them will be covered by the proposals. Sub-paragraph (iii) in section 47(2) of the Offensive Weapons Act 2019 has a requirement that there are threatening words on the blade, and we have reached the conclusion that that is unduly restrictive. It is not something that anyone, including the Opposition, complained about at the time the Bill passed, but on further reflection and following input from colleagues, such as my hon. Friend the Member for Southend West, we think that that change needs to be made, and I can confirm that it will be.

In relation to my right hon. Friend's question, and the shadow Minister's question, about sales online, people directly selling online prohibited items is obviously just straight-up illegal. In relation to selling on marketplaces, following discussions with colleagues in the new Department for Science, Innovation and Technology, I have been assured that the Online Safety Bill will cover online marketplaces when it comes to selling items like this, so with the passage of the Online Safety Bill, the kind of provisions he is asking for will apply.

**Madam Deputy Speaker (Dame Rosie Winterton):** I call the Chair of the Home Affairs Committee.

**Dame Diana Johnson** (Kingston upon Hull North) (Lab): I know that there is widespread concern about this issue on both sides of the House. In 2019, the Home Affairs Committee published a report on serious youth violence, following a 70% rise in knife crime over five years. The Home Office had failed to give the Committee at that time any assessment of how many young people were at risk of being involved in knife crime. The Committee called on the Government to treat this as a social emergency and warned them that the serious violence strategy was inadequate. Four previous Home Secretaries have made announcements in response to knife crime. I wonder if the Minister could set out why he thinks those approaches have not been effective. What is different about the approach that he has announced today and will that be effective?

**Chris Philp:** I thank the Select Committee Chair for her question. I do not accept that the previous initiatives have been unsuccessful. I have already pointed to the steady reduction in hospital admissions as a result of knife wounds and the steady reduction in violent offences, as measured by the crime survey for England and Wales. The Government have successively tightened the law and we are tightening it further today. We have also put more and more resources successively into tackling the social problem that the Select Committee Chair rightly highlights. For example, the violence reduction units are now putting a great deal of money into the 20 police force areas where violent crime is most serious. The Youth Endowment Fund has £200 million to spend on targeted, evidence-based interventions to help young people into a better future. I have visited some of the programmes that have been run—by Everton football club in Merseyside, to give one example. I was in Brixton in south London earlier today, hearing about the community work that happens there. I think the process we are following is successively increasing resources, investing in diversionary activities for young people and successively strengthening the law where evidence emerges that that is necessary. It is over time yielding results; I set out the data at the beginning of my answer.

**James Daly** (Bury North) (Con): Following a recent meeting with my local chief superintendent, he set out that it is a matter of course for many young people in Bury to carry a knife. I will just state that fact again: it is a matter of course for young people to carry a knife. The excuse, when they are stopped, is that it is for self-defence purposes. What happens then? The police take the knife, but there is no prosecution. The problem, and we always do this in this House, is that we talk about words on a piece of paper. Unless the police actually prosecute and take action against people for possession of weapons, this problem will never be sorted out. It could be any type of knife that you want. Does the Minister agree that we have to have an approach from the police where there is no nonsense and no taking a knife—people are prosecuted and put in front of a court if they have a knife, end of story?

**Chris Philp:** I agree with my hon. Friend. The laws we pass here, whether on this topic or on any other, are only meaningful to the extent that they are properly enforced. It is my view, as it is his, that when the police arrest somebody in possession of a knife, they should follow up. There should be a prosecution and, where

appropriate, there should be custody as well, or there should be rehabilitative work, where that is appropriate, as well. So I entirely agree with him. With the extra resources and extra officers the police are getting, they have the bandwidth now to do that. Our expectation across this House—on both sides—and certainly in the Home Office is that the police do do that.

**Mr Pat McFadden** (Wolverhampton South East) (Lab): Knife crime is taking a devastating toll on our communities, with young lives cut short and families torn apart and living with the heartbreak for the rest of their lives. Last year, my constituent Ronan Kanda was killed in a knife attack just yards from his own front door. Ronan was only 16. He had his whole life in front of him. His mum Pooja, his sister Nikita and his wider family miss him every day; I spent time with the family on Friday evening. Can I urge the Minister to bring in this ban on the sale of machetes and similar knives as soon as possible, as one step towards tackling knife crime and trying to ensure that fewer families have to face the grief felt by the Kanda family over the loss of Ronan and the many other families carrying a similar burden of grief?

**Chris Philp:** I thank the right hon. Gentleman for his moving and powerful description of the awful tragedy that has affected the family of his constituent. The way he described that incident illustrates powerfully to the whole House why it is so important that all of us work to eradicate the scourge of knife crime. Yes, I can give him the commitment he asked for: we will proceed as quickly as we possibly can. Some of the proposals can be done in secondary legislation. We will do that as quickly as we can following the conclusion of the seven-week consultation—it is quite a short consultation, because we want to get on with this. Where primary legislation is needed, we will aim to do that as quickly as we can in the following Session, so, yes, I can give him that assurance.

**Anna Firth** (Southend West) (Con): I am absolutely delighted to hear this announcement today, because machetes and knives have been used in my constituency with tragic consequences, quite apart from what happened to Sir David. The devil is always in the detail. I am delighted to hear that we are going to consider tightening up the definition of zombie knives, which is obviously needed. I am also delighted to hear that, once they are prohibited, their importation, manufacture and sale will be illegal. But reckless retailers are expert at circumventing the law and that is what has happened here. So could I urge the Minister to consider going even further and having a licensing scheme for machetes in this country similar to gun licences? There are some legitimate uses for machetes, but not many. That way, at least we could make sure we get every machete off the streets and out of homes, and prevent these appalling crimes and tragedies.

**Chris Philp:** Can I start by paying tribute again to my hon. Friend for her tireless and very effective campaigning on this topic? This issue is a good example of Members of Parliament raising constituency issues that have led to what I hope will very shortly be a change in the law. In relation to retailers, we intend to be very strict with retailers. The ban will apply to machetes where there is no obvious legitimate purpose, and retailers will be committing a criminal offence if they sell them. We

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should have no tolerance at all, as she says, for any retailer who seeks to circumvent or break the law by selling machetes that are—that will be—banned.

**Marsha De Cordova** (Battersea) (Lab): Machetes and zombie knives should have been banned a long time ago, given that the Government had committed on multiple occasions to banning them, but 13 years of cuts to youth services has led to a number of those services closing across the country, including in my constituency, and it is a fact that areas suffering from the largest cuts in spending on young people have seen the biggest increases in knife crime. For all the talk about prevention and intervention, why will this Government not commit to investing in more resources for young people alongside banning these weapons?

**Chris Philp:** On the first point regarding existing legislation, certain kinds of zombie knives were banned under the Offensive Weapons Act 2019, but as I said earlier, sub-paragraph (iii) in section 47(2) of the Offensive Weapons Act 2019 banned only zombie knives that have threatening writing on them, and we are now filling that gap in response to feedback.

On the second point about youth services, I agree that prevention is a critical part of the strategy—it is not just about enforcement; it is about prevention as well, and that includes providing alternatives for young people. That is why we have set up the Youth Endowment Fund, with £200 million to fund evidence-based activity, and it is why violence reduction units and project Grip programmes are directing funding at the 20 police forces, including the Metropolitan police, where those services are most desperately needed.

**Eddie Hughes** (Walsall North) (Con): I pay tribute to Pete Madeley and the *Express and Star* newspaper for their campaign on this issue and for articulating the concerns of their readership. Does the Minister share my surprise that the Labour police and crime commissioner seems to have made little or no attempt to engage with the public in Walsall following some dreadful knife crime recently?

**Chris Philp:** I thank my hon. Friend for his tireless campaigning on this issue, and his local paper which I know has been raising it as well. I am sorry to hear what he says about the Labour PCC in the west midlands. I urge all PCCs to engage with their local communities and I am particularly shocked and concerned to hear that the west midlands PCC is apparently considering closing down 20 police stations.

**Mr Alistair Carmichael** (Orkney and Shetland) (LD): I welcome the relative novelty of a Home Office statement, instead of Home Office Ministers having to be brought to the Chamber to answer an urgent question. If this statement is a yardstick by which statements can be expected, the House will be better served in the future than it has been in the recent past.

The measures in the consultation are eminently sensible, and I do not think there would be any challenge from Members in any part of the House, but the Minister is kidding himself if he thinks that this process is going to

shift the dial at all in reducing violent knife crime. What would make a difference is visible police presence in our streets. It remains to be seen whether the Government have honoured their manifesto pledge on police numbers, but we already know that the number of police community support officers on our streets is down by 33%; when are the Government going to restore those numbers?

**Chris Philp:** I am glad the right hon. Gentleman likes the statement and I will try to provide further such statements in the future given that there is clearly an appetite for them from his side of the Chamber.

On moving the dial, there is clearly no one solution to a problem like knife crime—there is no silver bullet; no one measure will fix the problem in totality—but I do think that these proposals will move the needle. I saw a knife today in Brixton police station that is currently legal; it was a zombie knife without lettering on it and therefore does not fall within the scope of section 47 of the 2019 Act. It is legal today, but under these proposals it will be illegal, meaning people cannot sell it, market it, import it, manufacture it or even possess it in private. I spoke to the National Police Chiefs' Council lead today about the totality of these measures and he was very clear that he thinks this will make a difference. It will not solve the problem on its own, but I think it will make a difference.

On police numbers, the figures will be unveiled at 9.30 on 26 April—next Wednesday—so the right hon. Gentleman will have to bear with me until then. However, I am very confident, as I have said once or twice already, that we will have record numbers of officers—more than we have ever had at any time in the history of policing in England and Wales.

**Stephen Metcalfe** (South Basildon and East Thurrock) (Con): I do not wish to pre-empt the outcome of the consultation, but many of my constituents cannot comprehend how such dangerous weapons can be sold and end up in commonplace use on our streets. I recognise the challenges, but please will the Minister do whatever it takes to get these weapons off our streets, prosecute those who carry them regardless of whether or not they claim it is for self-defence, and go as far as possible to restrict, and preferably completely ban, their sale?

**Chris Philp:** My hon. Friend speaks words of great wisdom and I agree with every single one of them.

**Hilary Benn** (Leeds Central) (Lab): This is urgent. Last Sunday a 15-year-old boy was attacked with a machete in Leeds—he is being treated for a serious head injury—and the previous month a group of men had a fight with machetes in broad daylight on the streets of our city. I welcome these proposals and echo the call from my right hon. Friend the Member for Wolverhampton South East (Mr McFadden) for them to be brought in as quickly as possible and the call from the hon. Member for Southend West (Anna Firth) for them to be made as comprehensive and loophole-free as possible, because there is no place for these weapons anywhere in our cities and towns.

**Chris Philp:** I agree completely with the right hon. Gentleman's sentiments and those expressed previously by the right hon. Member for Wolverhampton South East (Mr McFadden). Speed is important: we want to do this as quickly as we can, and that is one reason it is a

seven-week consultation rather than longer. As I said earlier, we will take forward measures in secondary legislation as quickly as we can, and will also handle as quickly as possible those that need primary legislation.

I agree with the point about the need to avoid loopholes, and in that spirit I strongly encourage Members of this House and people outside it with an interest in this topic—whether charities or anyone else—to reply to the consultation on those points of detail. The shadow policing Minister, the hon. Member for Croydon Central (Sarah Jones) raised some questions about the length of particular knives; that is the kind of detail we need to get right and the consultation is the vehicle through which we can make sure the details are comprehensively captured exactly as the right hon. Member for Leeds Central (Hilary Benn) suggests.

**Rehman Chishti** (Gillingham and Rainham) (Con): As in the constituencies of other Members, in 2018 we had a shocking incident in Gillingham in which an 18-year-old was killed by a gang using knives—the incident led to the tragic loss of the life of Kyle Yule. I met his family afterwards and said we would do everything we could to address the issue of knife crime, which brings me to asking the Minister where we go next.

In 2019, senior detectives in Newham said they had discussed with the Government a licensing or registration system due to fears that hunting knives were becoming the weapon of choice for gangs. That was in 2019 and we are now looking at new initiatives. Where are we with regard to licensing and registration? The Minister says we are looking at firearms legislation to see whether we need to move to that kind of system for the possession of knives. I was a lawyer and I prosecuted and defended many of these cases, and questions were raised then about licensing perhaps being specifically needed in this area. Are we there, and if not, why not?

**Chris Philp:** Some important steps were taken through the Offensive Weapons Act 2019. The Financial Secretary to the Treasury, my hon. Friend the Member for Louth and Horncastle (Victoria Atkins) is in the Chamber, and in a previous ministerial post she took that important legislation through the House. We propose to go further now: rather than introducing a licensing scheme, we propose to ban completely the machetes and zombie knives that are not currently illegal. Instead of requiring a licensing regime, it will simply be illegal to sell, market, import, manufacture or privately possess those particular knives.

**Ms Lynn Brown** (West Ham) (Lab): I obviously welcome the further steps to crack down on dangerous knives whenever they might come in, but I gently say to the Minister that when I have taken evidence from experts on the knife problems in my constituency they tell me it is about poverty and child poverty; they tell me it is about the flourishing illegal drugs trade that we just do not have a handle on; they tell me it is about the exploitation of children by county lines gangs; and they talk about the lack of access to youth services and mental health treatment. I urge the Minister to look at this in a holistic way and begin to bring real change and real hope to communities like mine which are so blighted in this way.

**Chris Philp:** I recognise many of the causal factors the hon. Lady describes from her experience in West Ham. In Croydon, we see similar social problems that need to be addressed. Quite a lot of investment is now going into those areas. There is more money going into mental health. I mentioned already, in response to previous questions, the money going into the Youth Endowment Fund. The violence reduction units are designed to work with young people and get them on to a better path. I was talking to officers in Brixton in south London earlier today. They were telling me how they will use their extra officers. The sergeant from Lambeth talked about how they are going to try to work with families of young people as young as nine who are beginning to head down the wrong path. So, I agree that those are exactly the things we need to work on. Investment is being made and we are on the right path.

**Mr Louie French** (Old Bexley and Sidcup) (Con): I, too, welcome the news today that the Government are working to close legal loopholes on zombie knives and to strengthen police powers to help make our streets safer. My right hon. Friend will be aware that many of our constituents, in Croydon but also in Old Bexley and Sidcup, are very concerned about the rise in crime, in particular knife crime, under the Mayor of London. I therefore urge the Minister to review the calls from frontline police officers to look also at the introduction of scan and search as a way of helping to get knives off the street.

**Chris Philp:** My hon. Friend and fellow London MP asks a very good and pertinent question. The Metropolitan police currently takes between 350 and 400 knives off the streets of London every month using regular stop and search, so we should be clear that it is an important tactic that keeps our constituents and fellow citizens safe. Scan and search has enormous potential for covertly or discreetly scanning people as they walk down the street and detecting those who are carrying knives. I strongly encourage police forces up and down the country, not just the Metropolitan police, to adopt that kind of technology to ensure they identify more knives and take them off our streets.

**Jon Trickett** (Hemsworth) (Lab): An hour and a half ago, we were able to identify and source online a machete for under £11 which could be delivered to my house tomorrow. That is totally unacceptable. My constituents do not want to hear any more words; they want action. The Minister talked about diversionary tactics for young people. The 23 villages I represent tell me the Government have abandoned them: no youth services anymore; very little access to mental health services for young people; and very often we do not see any community police officers in our villages. None of that is acceptable. The issue requires a holistic approach by the Government to tackle the sense of abandonment that so many people feel in our area, which is the breeding ground for so much violent crime.

**Chris Philp:** One of the reasons we are hiring extra officers—and why we are confident we will have record numbers when the figures are unveiled next week—is to ensure we have a visible police presence not just in our cities and towns, but in villages up and down the country as well. In terms of action on buying zombie knives, the seven-week consultation launched today, combined with

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the provisions in the Online Safety Bill, are designed to address that problem. It is important, as the hon. Gentleman says, and that is why the Government are acting.

**Matt Vickers** (Stockton South) (Con): Recently in Thornaby we have seen feral, balaclava-clad, knife-wielding yobs riding around residential areas on off-road bikes. On Saturday, someone was robbed at knife point in broad daylight. Does my right hon. Friend agree that we must encourage and back the police in the wider use of stop and search to get knives off our streets? Will he meet me to discuss the horrendous issues occurring in Thornaby?

**Chris Philp:** Yes, I absolutely agree that stop and search is a vital tool. I mentioned a few minutes ago that every month in London alone stop and search takes between 350 and 400 knives off our streets—knives that could be used to injure or even kill our fellow citizens—so I completely agree with that point. And yes, of course I would be delighted to meet my hon. Friend.

**Sir Chris Bryant** (Rhondda) (Lab): It is nearly three years since John Rees, then 88, left his wife in the car when he popped into Penygraig Co-op to pick up a few groceries. While he was in there, Zara Radcliffe tried to attack another person. He tried to intervene and was killed in the process. Of course, a knife was involved and it was the knife that killed him. But in the end, in a way, it is not the knife but the person who killed him. He was a phenomenal hero.

My anxiety is that if we deal only with more and more legislation and we do not deal with all the other issues, such as the mental health situation surrounding Zara Radcliffe or the problems with youth services up and down the country, we will not come to a solution. A point was made by a colleague of the Minister earlier that I think is really important: there is no point in passing lots more laws if we do not enforce them. He may not be able to answer this question now, and if he cannot I would be grateful if he wrote to me, but can he tell me how many prosecutions there have been since the 2019 Act in relation to possessing a knuckle duster, a throwing star or a zombie knife, or for that matter for the sale of a knife either in person or online without proper reason to someone under the age of 18?

**Chris Philp:** I am afraid I do not have the prosecution figures to hand, but I will certainly write to the hon. Gentleman with them. They are quite substantial. I agree with his general point that legislating is important but that, on its own, it is not enough. It is important that we legislate and that the police have the relevant powers, and it is important that we criminalise dangerous knives, as we are going to do, but we also need to ensure that there are enough police to enforce those laws, hence the police recruitment programme. It is important to have the right youth services, hence the Youth Endowment Fund and the violence reduction units that are being invested in, and the hotspot policing via the Grip programme, where the police identify particular hotspots and have surge policing in those areas. He is right that we need to do all those things. By comprehensively tackling this together, we can continue to make sure that the violent crime figures go down.

**Taiwo Owatemi** (Coventry North West) (Lab): As co-chair of the all-party parliamentary group on child criminal exploitation and knife crime, I welcome any announcement to tackle knife crime. As many have said today, adequate police numbers are important when tackling knife crime. In the west midlands, we have seen the highest incidence of knife crime of any police force area in the country, but we have had the lowest increase in police numbers since 2010. When will the Government start listening to my constituents in Coventry North West, invest in policing in the west midlands and make the necessary investments to start tackling the root causes of knife crime?

**Chris Philp:** I have talked a lot about the measures being taken to tackle the causes of knife crime: the Youth Endowment Fund, the violence reduction units and the Grip hotspot surge policing. I think the west midlands is one of the 20 forces that receives those interventions, as we would expect given the problems. On police numbers, I believe we will hit record numbers across England and Wales. There are some individual forces where police and crime commissioners have chosen, over the last five or 10 years, not to use their precept flexibility to raise more funds, and that does have a consequence. That is an issue the hon. Lady should raise with her local police and crime commissioner.

**Clive Efford** (Eltham) (Lab): I welcome the consultation. Let us hope it leads to urgent action. The Minister bandied around some figures to try to paint a rosy picture of crime rates, but what he failed to mention is that knife-enabled rape cases are at a record high and that, since 2015, knife-enabled crime is up 70%. I wonder if he thinks that has been assisted and aided by the fact that the Conservatives cut 21,000 police officers in that time, and whether that contributed to those rising figures? He says he may be crowing about the number of police officers next week, but where will they be allocated and will they be back on our streets in community policing, which the Conservatives decimated?

**Chris Philp:** Actually, the Metropolitan police already has record numbers. The most recent published figures show that it has roughly 35,000 police officers compared to a previous peak of 33,000, so the Met already has record numbers. From talking to the commissioner, Sir Mark Rowley, I know that he intends to place an emphasis on neighbourhood policing. In fact, earlier today a neighbourhood sergeant in Brixton, Lambeth confirmed that the neighbourhood policing units across the three wards he looks after have gone up already.

**Steve McCabe** (Birmingham, Selly Oak) (Lab): In his reply to my hon. Friend the Member for Croydon Central (Sarah Jones), the Minister cited the importance that he attaches to data from the Office for National Statistics. It reports that the number of people killed with a knife last year was the highest in 76 years. Did the Minister miss that statistic? How does that fit into his rather upbeat presentation?

**Chris Philp:** Overall, total homicide has gone down slightly over the last three years—by about 7%, speaking from memory. We should welcome that reduction. One of the reasons for legislating is that we are concerned that some of the very dangerous knives are being used in knife-enabled homicide, as the hon. Gentleman describes.



One of the issues with zombie knives is their double-serrated and jagged edges: if somebody is stabbed it causes serious internal injuries, which trauma surgeons and A&E consultants tell us are more likely to lead to serious injury or even death. Precisely for that reason, we are bringing forward these changes.

**Andy Slaughter** (Hammersmith) (Lab): Is the Minister aware of the long-standing research by the University of Leicester on knife injuries, which found that carving knives are the most commonly used in stabbing incidents? A campaign was led by retired circuit judge Nic Madge, who has tried many knife offence cases. He said:

“my experience is that the vast majority of knives carried by teenage boys are ordinary kitchen knives.”

The campaign has made some practical recommendations such as only allowing the sale of large kitchen knives with rounded tips, to reduce serious injuries. Will the Minister engage with that work? What he announced today will make very little difference to the number of deaths and serious injuries on our streets, as perpetrators have other sources of knives available.

**Chris Philp:** As I said in my previous answer, the knives that we are talking about with serrated edges and jagged shapes tend to cause the worst injuries, because of the internal damage that they cause when somebody is stabbed with them. However, the hon. Gentleman makes some valid points, and I would be happy to engage with him and others to see if there are areas where we can go further.

**Rachel Hopkins** (Luton South) (Lab): Sadly, on Friday evening a young teenager in Luton South was stabbed and died. Like many others, I welcome the consultation. However, like others, whether from West Ham in a city, the village of Hemsworth, the valley of Rhondda or the town of Luton, how can I trust what the Government are saying about prevention when they have stripped £1 billion from youth services?

**Chris Philp:** I am sure that all in the House extend their condolences to the bereaved family in Luton for the incident that the hon. Lady described. We have talked about youth services quite extensively. Significant investment is being made via the Youth Endowment Fund, which is an evidence-based programme to put money into interventions that are proven to work using data. The violence reduction units in the 20 police force areas with the most significant challenges are funding local services to help young people in particular—in some cases as young as nine—on to a better path for the future. Those measures are working collectively. Violent crime is down by 38% since 2010, but clearly cases such as the one she mentioned mean that we cannot be complacent. There is more work to do. I am confident that by working together we can overcome the scourge of knife crime.

## Points of Order

1.53 pm

**Caroline Lucas** (Brighton, Pavilion) (Green): On a point of order, Madam Deputy Speaker. At the Department for Energy Security and Net Zero oral questions this morning, the Under-Secretary of State for Energy Security and Net Zero, the hon. Member for West Aberdeenshire and Kincardine (Andrew Bowie) claimed that the Scottish Green party Minister Patrick Harvie had said:

“oil and gas workers in Aberdeen should simply get on their bikes and look for other jobs”.

I have confirmed with Mr Harvie that he never said that or anything like it. Through you, Madam Deputy Speaker, may I ask the Minister to urgently correct the record?

**Madam Deputy Speaker (Dame Rosie Winterton):** I am grateful to the hon. Member for giving me notice of her point of order. Did she notify the Minister that she intended to raise it?

**Caroline Lucas** *indicated assent.*

**Madam Deputy Speaker:** Good. As she knows, Ministers are responsible for the accuracy of their statements, not the Chair. That said, if a mistake has been made, a correction should be given. However, that is a judgment for the Minister to make, rather than the Chair, but the hon. Lady has put her view on the record and I am sure that those on the Treasury Bench will hear what she has said.

**Liam Byrne** (Birmingham, Hodge Hill) (Lab): On a point of order, Madam Deputy Speaker. I ask for your advice. On a shameful day in 2021, the Treasury issued a sanctions waiver for Yevgeny Prigozhin to hire lawyers from England to sue Eliot Higgins of Bellingcat. In January, the Exchequer Secretary said that that was a civil service decision and nothing to do with Ministers. Civil servants then replied to my freedom of information request to say that the framework was advice to Ministers and could not be released.

Now, the Treasury has issued new guidance to me in reply to my freedom of information request. In it, on six of the nine criteria, the decision should have gone to a Minister. The question is, why are Ministers not revealing the original framework by which the decision was taken? What are they trying to hide? We in this House cannot ensure that our sanctions policy is good and sound unless we can see the way that sanctions waiver decisions are taken. What would you advise me to do to ensure that this House is put in full knowledge of how that disgraceful decision was taken?

**Madam Deputy Speaker:** I am grateful to the right hon. Member for giving notice of his point of order. I am sure he is aware that responses to FOI requests are a matter for the Government, not the Chair. Rather than saying that incorrect information has been provided, I think he is saying that not enough information has been provided about the reasons for the decision. I am sure that the right hon. Gentleman is very skilled in different ways of eliciting information from Ministers. He has made his point, and I hope that those on the Treasury Bench will take it back and that Ministers will have heard what he has said.

**BILL PRESENTED**

COMMONWEALTH PARLIAMENTARY ASSOCIATION  
(STATUS) NO. 2 BILL

*Presentation and First Reading (Standing Order No. 57)*

Dame Maria Miller, supported by Mr Ian Liddell-Grainger, Chris Elmore, Steve Brine, Julie Elliott, Harriett Baldwin, Bob Blackman, Layla Moran, Taiwo Owatemi, Sir James Duddridge and Dr Lisa Cameron, presented a Bill to provide for corporate status of and for certain privileges and immunities to be accorded to the international inter-parliamentary organisation of national and sub-national legislatures of Commonwealth countries known as the Commonwealth Parliamentary Association and to its Secretary-General; and for connected purposes.

*Bill read the First time; to be read a Second time on Friday 16 June, and to be printed (Bill 292).*

**Public Office (Child Sexual Abuse)**

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

1.57 pm

**Alexander Stafford** (Rother Valley) (Con): I beg to move,

That leave be given to bring in a Bill to make provision for the purpose of preventing a person who has failed to discharge a duty in respect of child sexual abuse offences from holding any elected office, from holding public office and from holding any post the remuneration of which is paid out of money provided by Parliament; to provide for the disqualification from any elected or appointed office of a person who has been convicted of child sexual abuse offences; to provide for the removal of a peerage from a person who has been convicted of child sexual abuse offences; and for connected purposes.

Rotherham holds the unpleasant role of having seen one of the largest child sexual abuse scandals in British history. Over the course of two decades, more than 1,500 children were raped, ruining lives, tearing apart families and decimating communities across Rotherham, including in Rother Valley. It truly is the worst crime imaginable, and the deep scars that cut through my area and others are, sadly, still evident today. Three separate police investigations resulted in nearly 50 people being convicted. Progress has been made, but there is still much work to be done to restore confidence and justice.

In Rotherham, the Jay and Casey inquiries laid out the problems at the heart of the issue by outlining the authorities' unwillingness to act on information bravely passed to them by victims and connected parties. In many cases, councillors, council officers, police and other public officers turned a blind eye due to apparent concerns about upsetting racial sensitives or cultural differences. In plain English, they were too concerned about how they might look to stop children from being raped in our communities.

Indeed, the failures to act were found to be so great that the Government were forced to step in, disband the council and install independent commissioners. The council was labelled "not fit for purpose" and, in many cases, councillors deliberately neglected to properly investigate the reports they were given about the rapists. Sadly, these factors are not unique to Rotherham. Similar failures by local authorities have been exposed in other, once respected cities across our nation, such as Telford, Rochdale, Oxford and Huddersfield.

What makes the situation even more sickening for the brave survivors and victims still living in Rotherham is that some of the councillors who failed to act to protect those innocent children hold power and authority today, and no one in public office has ever been brought to justice for the failings. There are currently 12 sitting councillors in Rotherham who were elected prior to the Jay and Casey reports—12 councillors who were part of the culture of silence, dysfunctional leadership and denial at the council, who survivors tell me they do not and will never trust, and who they say should have been removed by the Labour party.

This injustice goes to the heart of my Bill. The Bill would ensure that no one who failed in their obligations to protect anyone, most of all children, or who has been convicted of child sexual abuse may hold public office or be employed in a taxpayer-funded position. How else

can we rebuild trust in these offices and, more importantly, how can justice be brought to victims and their families if those at fault still hold power over them?

The Bill goes further still. I believe that no one convicted of any child sexual abuse offences, including “facilitating” under section 14 of the Sexual Offences Act 2003, should be allowed to run for elected office or hold any public position of authority. Just as we already disqualify those serving long prison sentences or those who are bankrupt, the Bill would extend the powers to stop certain individuals from holding office.

Hon. Members would be forgiven for thinking that those involved would never seek to hold public office again. However, one cabinet member of that disgraced Rotherham Council was chosen only last year as the Labour parliamentary candidate for the area. He was subsequently forced to step down, but only after a huge backlash from the survivors and victims, one of whom said:

“No one who has had knowledge or stayed silent should be serving in any public office, let alone selected to run for Parliament”.

Finally, the Bill provides the powers necessary to strip peers convicted of these terrible crimes of their titles and privileges. The House will know about Lord Ahmed, also an ex-Rotherham Labour councillor, who was ennobled by the Labour party but then convicted of abusing two children under the age of 13. His retention of his peerage has caused huge damage to the reputation of honours system, as well as continued pain for his victims, who live with the knowledge that their abuser has been awarded and maintained the highest honour in the land.

The House will know that I have made it my priority to tackle child sexual exploitation and to bring about justice for my constituents. Along with my brave constituent, Sammy Woodhouse, for whom I have the greatest admiration, I have continuously called for the creation of a specialist child criminal and sexual exploitation commissioner, and I have supported her efforts to bring justice for victims and survivors.

I wholeheartedly support the Bill introduced by my hon. Friend the Member for Bolsover (Mark Fletcher) to ban sex offenders from changing their names. Both our proposals ensure justice for victims by preventing some of the worst criminals from escaping their unspeakable crimes. In a speech I gave not long after I was elected, I said that we must look at dealing with those who

allowed the criminals to get away with their crimes, and that those who turned a blind eye must face the full force of the law. The Bill would ensure exactly that.

I am pleased to report that the Government have not been idle in this area. The publication of the draft Victims Bill and the recent announcement of a new taskforce to crack down on grooming gangs have been well received in my area. As I mentioned, councillors and officials in Rotherham cited apparent concerns over cultural differences or the fact that they did not want to offend racial sensitivities as reasons for their silence. That paper-thin defence is an unacceptable attempt to escape responsibility for their part, in turning a blind eye, in the rape of hundreds of children. The Prime Minister’s declaration that so-called political correctness should not get in the way of cracking down on grooming gangs is a welcome step in the right direction. The Bill is firmly in the spirit of that assurance, but it goes further, ensuring both the vindication of victims and the legitimacy of public offices. It will secure justice, and ultimately rebuild trust and confidence in our political institutions.

In ending, I pay a final tribute to the brave people of Rotherham and Rother Valley, especially those who tried to put a stop to these vile monsters and those who, even now, tirelessly work to bring justice for victims. I thank colleagues across the House for their support for the Bill, in particular my right hon. Friend the Member for Witham (Priti Patel), who developed the Government’s robust tackling child sexual abuse strategy when she was Home Secretary.

We must defend the vulnerable robustly and pursue abusers, without fear or hesitation. We must fix what we know to be a system that is clearly not fit for purpose, and that fails our constituents. We know the required changes, and there is no reason not to take simple steps to implement them. Survivors, their families and our children deserve protection and justice, and so I commend this ten-minute rule Bill to the House, to ensure that those who committed, enabled or turned a blind eye to such monstrous acts must never hold authority in or over victims, communities or our society ever again.

*Question put and agreed to.*

*Ordered,*

That Alexander Stafford, Priti Patel, Nick Fletcher, Alun Cairns, Vicky Ford, Robbie Moore, Miriam Cates, Sir James Duddridge, Kelly Tolhurst, Andrew Selous, Greg Smith and Andrea Jenkyns present the Bill.

Alexander Stafford accordingly presented the Bill.

*Bill read the First time; to be read a Second time on Friday 24 November, and to be printed ( Bill 291 ).*

## Finance (No. 2) Bill

[1ST ALLOCATED DAY]

**Corporation tax charges and rates (Clauses 5 and 6); capital allowances (Clauses 7 to 9); other reliefs relating to businesses (Clause 10 and Schedule 1; Clauses 11 to 15); multinational top-up tax (Clauses 121 to 125 and Schedule 14; Clauses 126 and 127 and Schedule 15; Clauses 128 to 260 and Schedule 16; Clause 261 and Schedule 17; Clauses 262 to 264); domestic top-up tax (Clauses 265 to 275 and Schedule 18; Clauses 276 and 277); any new Clauses or new Schedules relating to the subject matter of those Clauses and those Schedules**  
*Considered in Committee*

[DAME ROSIE WINTERTON *in the Chair*]

**The First Deputy Chairman of Ways and Means (Dame Rosie Winterton):** I remind Members that in Committee, Members should not address the Chair as “Deputy Speaker”. Please use our names when addressing the Chair. “Madam Chair”, “Chair”, “Madam Chairman” and “Mr Chairman” are also acceptable.

### Clause 5

CHARGE AND MAIN RATE FOR FINANCIAL YEAR 2024

*Question proposed,* That the clause stand part of the Bill.

**The First Deputy Chairman:** With this it will be convenient to consider the following:

Clauses 6 to 10 stand part.

Amendment 26, in schedule 1, page 280, line 32, leave out

“a requirement relating to the making of the claim”  
and insert

“the requirement to make a claim notification pursuant to either section 104AA, section 1045A or 1054A of CTA 2009 (as appropriate) or failed to provide the additional information as required by paragraph 83EA”.

*This amendment would make clear that the power to remove a claim for R&D relief from a corporation tax return is only available to HMRC where a company has failed to make a claim notification (required pursuant to Part 1 of this Schedule) or to submit the additional information (required pursuant to paragraph 13 of this Schedule).*

Government amendment 14.

That schedule 1 be the First schedule to the Bill.

Clauses 11 to 15 stand part.

Clauses 121 to 125 stand part.

That schedule 14 be the Fourteenth schedule to the Bill.

Clauses 126 and 127 stand part.

That schedule 15 be the Fifteenth schedule to the Bill.

Clauses 128 to 173 stand part.

Government amendment 12.

Clauses 174 to 222 stand part.

Government amendment 13.

Clauses 223 to 260 stand part.

Government amendments 15 to 20.

That schedule 16 be the Sixteenth schedule to the Bill.

Clause 261 stand part.

That schedule 17 be the Seventeenth schedule to the Bill.

Clauses 262 to 275 stand part.

That schedule 18 be the Eighteenth schedule to the Bill.

Clauses 276 and 277 stand part.

New clause 1—*Statement on efforts to support implementation of the Pillar 2 model rules*—

‘(1) The Chancellor of the Exchequer must, within three months of this Act being passed, make a statement to the House of Commons on how actions taken by the UK Government since October 2021 in relation to the implementation of the Pillar 2 model rules relate to the provisions of Part 3 of this Act.

(2) The Chancellor of the Exchequer must provide updates to the statement at intervals after that statement has been made of—

- (a) three months;
- (b) six months; and
- (c) nine months.

(3) The statement, and the updates to it, must include—

- (a) details of efforts by the UK Government to encourage more countries to implement the Pillar 2 rules; and
- (b) details of any discussions the UK Government has had with other countries about making the rules more effective.’

*This new clause would require the Chancellor to report every three months for a year on the UK Government’s progress in working with other countries to extend and strengthen the global minimum corporate tax framework for large multinationals.*

New clause 3—*Review of business taxes*—

‘(1) The Chancellor of the Exchequer must, within six months of this Act being passed—

- (a) conduct a review of the business taxes, and
- (b) lay before the House of Commons a report setting out recommendations arising from the review.

(2) The review must make recommendations on how to—

- (a) use business taxes to encourage and increase the investment of profits and revenue;
- (b) ensure businesses have more certainty about the taxes to which they are subject; and
- (c) ensure that the system of capital allowances operates effectively to incentivise investment, including for small businesses.

(3) In this section, “the business taxes” includes any tax in respect of which this Act makes provision that is paid by a business, including in particular provisions made under sections 5 to 15 of this Act.’

*This new clause would require the Chancellor to conduct a review of business taxes, and to make recommendations on how to increase certainty and investment, before the next Finance Bill is published.*

New clause 6—*Review of energy (oil and gas) profits levy allowances*—

‘(1) The Chancellor of the Exchequer must, within three months of the passing of this Act—

- (a) conduct a review of section 2(3) of the Energy (Oil and Gas) Profits Levy Act 2022, as introduced by subsection 12(2) of this Act, and
- (b) lay before the House of Commons a report arising from the review.

(2) The review must include consideration of the implications for the public finances of the provisions in section 2(3)—

- (a) were all the provisions in section (2)(3) to apply, and
- (b) were the provisions in section 2(3)(b) not to apply.’

*This new clause requires the Chancellor to review the investment allowances introduced as part of the energy profits levy, and to set out what would happen if the allowance for all expenditure, apart from that spent on de-carbonisation, were removed.*

**New clause 7—Review of effects of Act on SME R&D tax credit—**

(1) The Chancellor of the Exchequer must lay before Parliament within six months of the passing of this Act a review of the impact of the measures contained in this Act on the rate of inflation and on small businesses.

(2) The review must compare the regime for SME R&D tax credits and associated reliefs before and after 1 April 2023, with regard to the following—

- (a) the viability and competitiveness of UK technology startup and scale-up businesses,
- (b) the number of jobs created and lost in the UK technology sector, and
- (c) long-term UK economic growth.

(3) In this section, “technology startup” means a business trading for no more than three years; with an average headcount of staff of less than 50 during that three-year period; and which spends at least 15% of its costs on research and development activities.

(4) In this section, “technology scale-up” means a business that has achieved growth of 20% or more in either employment or turnover year on year for at least two years and has a minimum employee count of 10 at the start of the observation period; and spends at least 15% of its costs on research and development activities.

*This new clause would require the Government to produce an impact assessment of the effect of changes to SME R&D tax credits in this act on tech start-ups and scale-ups.*

**New clause 8—Relief for R&D expenditure on data and cloud computing: assessment—**

‘Within six months of this Act coming into force, the Chancellor of the Exchequer must publish an assessment of—

- (a) the overall costs,
- (b) the overall benefits, and
- (c) the net cost or benefit

of extending relief of R&D expenditure to profit-making cloud computing services.’

**New clause 10—Assessment of the impact of the de-carbonisation allowance—**

(1) The Chancellor of the Exchequer must, within six months of this Act coming into force, publish an assessment of—

- (a) the financial cost of the de-carbonisation allowance to the Treasury,
- (b) the impact of the de-carbonisation allowance on overall investment in UK upstream petroleum production, and
- (c) the revenue that the energy (oil and gas) profits levy would yield if neither the de-carbonisation allowance nor the investment allowance had effect in respect of investment expenditure.

(2) The assessment must cover the whole period that the allowance is in effect and also assess the revenue in each tax year.

(3) The assessment must include an evaluation of the impact of the de-carbonisation allowance and the investment allowance on the United Kingdom’s ability to meet its climate commitments, including—

- (a) the target for 2050 set out in section 1 of the Climate Change Act 2008,
- (b) the duty under section 4 of the Climate Change Act 2008 to ensure that the net UK carbon account for a budgetary period does not exceed the carbon budget, and

- (c) the commitment given by the government of the United Kingdom in the Glasgow Climate Pact to pursue policies to limit global warming to 1.5 degrees Celsius and phase out inefficient fossil fuel subsidies.’

*This new clause would require the Government to produce an impact assessment of the de-carbonisation and investment allowances under the Energy Profits Levy, including on tax revenues and the UK’s ability to meet its climate targets.*

2.8 pm

**The Financial Secretary to the Treasury (Victoria Atkins):** It is a pleasure to serve under your chairmanship, Dame Rosie.

Before I start, I would like to pay tribute to a previous Financial Secretary to Treasury, namely the right hon. Lord Lawson of Blaby, who sadly passed away while the House was in recess. After the Conservative party’s historic election win in 1979, he took office as the FST, calling inflation “a disease of money”. To this day, we on the Government Benches recognise that, which is why the Prime Minister is determined to halve inflation as one of his five promises to the public.

Margaret Thatcher recognised Lord Lawson’s talents, his incisive intellect and his single-minded determination to reshape the UK economy, and in due course she appointed him as her Chancellor. He went on to deliver six Budgets, drinking, I am told, a spritzer as he did so, and he set the framework for today’s tax system. He was an intellectual and political giant, and we pay tribute to him in this place.

The measures before the Committee today relate to the Bill’s clauses on corporation tax, investment incentives and the global minimum tax on large multinational businesses. The changes that they make will support business investment and innovation in the UK, while contributing to fiscal sustainability and protecting our tax base against harmful tax planning.

Clause 5 legislates for the right to charge corporation tax and maintain the rate at 25% for the 2024 financial year, in line with the 2021 spring Budget announcement. As hon. Members will know, we legislated in the Finance Act 2021 to increase the main rate of corporation tax to 25% from this month, April 2023. We typically legislate a year in advance to provide certainty to large companies that pay corporation tax in advance on the basis of their estimated tax liabilities. The rate increase, which took effect from this year and which the Bill will maintain for the 2024 financial year, is forecast to raise more than £85 billion in the next five years. It will make a vital contribution to ensuring that our debt continues to fall, as part of the Prime Minister’s five pledges, while allowing us to continue to invest in our much-cherished public services.

**Kit Malthouse (North West Hampshire) (Con):** I draw attention to my entry in the Register of Members’ Financial Interests. As the Minister says, the Government are legislating in advance of next year. Can she reassure the Committee that as we approach next year, the Government will review not just the headline rate—a juicy and necessary source of income for the Treasury—but the thresholds? The media are full of the fact that at over £250,000 profit, people will be paying the higher rate, but there is also a transitional zone between £50,000 and £250,000 profits, which is exactly the ellipse of small company growth where companies need that

[Kit Malthouse]

money to invest for more growth. If there is a detrimental impact within that transitional zone, will the Minister undertake to review it in advance of next year? Will she perhaps think about shifting the thresholds upwards so that we do not constrain the growth that we so need in the economy?

**Victoria Atkins:** I acknowledge my right hon. Friend's experience, not only at the Dispatch Box but, importantly, in the world of accountancy and business. I reassure him that the Treasury keeps all taxes under review. He is right to draw attention to clause 6, which maintains the small profits rate because, precisely as he says, we want to encourage small businesses that are in the first flourishes of profit and help them to build.

There are two measures that I hope will reassure my right hon. Friend. First, the small profits rate means that 70% of businesses will see no increase at all in their corporation tax charges. Because of the threshold that he describes, a further 20% will fall into that spectrum, so only 10% of businesses will face the full 25% rate. If they invest in their businesses and in plant and productivity, as we very much want and encourage them to, they will—depending on their returns—be eligible either for the full expensing capital allowance that the Chancellor announced alongside this measure at the spring Budget or for the annual investment allowance. This Budget was very much about encouraging growth and encouraging the small businesses on which my right hon. Friend the Member for North West Hampshire (Kit Malthouse) so rightly focuses, but we are doing so as part of a responsible fiscal approach and making sure that those with the broadest shoulders bear the greatest burden of tax.

**Jim Shannon (Strangford) (DUP):** I thank the Minister for outlining the provisions on corporation tax. Obviously corporation tax will be the same everywhere, but in the light of the peculiar circumstances in Northern Ireland—the region is much more under pressure when it comes to jobs—can she reassure me and my constituents back home that small businesses in Northern Ireland will feel the benefits of what she is putting forward?

2.15 pm

**Victoria Atkins:** Very much so. I am conscious that the hon. Gentleman's constituency and his corner of the United Kingdom are marking the very important anniversary of the Good Friday agreement; we wish everyone who is marking that occasion the very best for the future. I know that there are points of contention with his party, but one reason why we are so very committed to the Windsor framework is that we want to ensure that issues that have arisen through the Northern Ireland protocol are resolved with the EU to enable the economic flourishing that he rightly describes.

I can reassure the hon. Gentleman and my right hon. Friend the Member for North West Hampshire that even with the increase to 25%, we will still have the lowest rate of corporation tax in the G7. What is more, it will be lower than at any point before 2010. I very much hope that the Committee understands why we are taking this approach: because we have to take a fiscally responsible approach to our public finances, but we want to do so while encouraging growth and international competitiveness.

Clause 6 will maintain the small profits rate, as I hope I explained in answer to my right hon. Friend's intervention. Clause 11 will update the patent box legislation to reflect the introduction of the small profits rate. The patent box incentivises the retention and commercialisation of intellectual property, allowing UK companies to elect to pay a lower rate based on their earnings from patents or similarly robust IP. This is part of our drive to encourage innovation and growth in our economy.

We are not stopping there. A competitive corporate tax system that supports growth, investment and innovation is about so much more than just the headline corporation tax rate; the availability and generosity of reliefs also matter. Clause 7 will therefore introduce new first year capital allowances, including a 100% first year allowance for qualifying new main rate plant and machinery investments, known as full expensing. It will also introduce a 50% first year allowance for new special rate expenditure such as long-life assets. Full expensing offers a substantial financial incentive for companies to increase their investment, improving their cash flow by lowering their corporation tax bill in the year of investment.

These changes will provide a £27 billion tax cut for companies over three years. They will help to boost business investment by ensuring that the UK's capital allowances regime is among the world's most competitive: joint first by OECD net present value. The independent Office for Budget Responsibility estimates that full expensing will increase business investment by 3% for each year that it is in place. What is more, the Chancellor has set out his intention to make the measure permanent when fiscal conditions allow.

Clause 8 will set the maximum amount of the annual investment allowance at £1,000,000 indefinitely, providing certainty to the more than 99% of businesses that invest up to that amount.

Clause 9 will make changes to extend the generous 100% first year allowance for electric vehicle charging equipment. This will continue to encourage businesses to invest in the roll-out of charging equipment, which will be a key enabler of the transition to zero-emission vehicles.

Clause 10 and schedule 1 set out changes that will modernise research and development tax reliefs in order to better incentivise R&D methods that rely on vast quantities of data which are analysed and processed via the cloud. These changes will also help reduce error and fraud, requiring claims to include more information—including the name of any agent involved—and to be provided digitally. The Government have tabled amendment 14, which is a technical fix to ensure that companies claiming small and medium-sized enterprise credits will be able to benefit from the change in the going concern rules.

Clause 12 will introduce a new rate of investment allowance in the energy profits levy, set at 80%, for qualifying expenditure on decarbonising upstream oil and gas production. This builds on the existing 29% investment allowance which is designed to encourage the sector to reinvest its profits to support the economy, jobs, and the UK's energy security. It supports key commitments in the North sea transition deal and the Government's aims for net zero by 2050. Clauses 13 and 14 will extend the duration of the reliefs available to our important cultural sectors, including orchestras, theatres,

museums and galleries, to meet ongoing pressures and to boost investment in those wonderful and important cultural bodies.

The final clause relating to investment incentives is clause 15. As well as making other improvements, it increases the amount of seed enterprise investment scheme funding that companies can raise over their lifetimes from £150,000 to £250,000. This will boost start-ups and young companies by widening access to the SEIS and increasing the funding limits, and we estimate that it will help more than 2,000 very early-stage companies a year to gain access to finance.

**Kit Malthouse:** Let me again draw attention to my entry in the Register of Members' Financial Interests.

The SEIS changes are welcome, but, as I am sure the Minister knows, the amount of initial finance raised under the SEIS and, indeed, the enterprise investment scheme has been declining in recent years. That may be a reflection of the wider economic environment, but it nevertheless means that fewer businesses are being started under that scheme. Will the Minister and her Treasury colleagues give some consideration over the next few years to the sheer complexity that is involved in making what is a relatively small investment through the SEIS? The scheme deals with quite small amounts of capital—£25,000 or so—but an accountant and a lawyer are needed, as is pre-authorisation from His Majesty's Revenue and Customs. An enormous amount of compliance is required even before a company makes its first investment, and a fair amount of the investment that is being made can be absorbed in compliance costs. Complexity is therefore as much of a deterrent as the limits on the scheme, which may be why it is not being taken up with the enthusiasm that I am sure the Minister would like to see.

**Victoria Atkins:** I genuinely thank my right hon. Friend for that intervention. I am trying to ensure that, not just in the context of this fiscal event but in our work across the Treasury, we focus on the pressure points involved in developing a business—setting it up, employing the first member of staff, and all the other major milestones that constitute a critical part of the journey towards growing a business. Obviously there has to be paperwork, but we want to ensure that it does not get in the way.

I will take away some of the ideas that my right hon. Friend has advanced, but let me also say that I very much understand his concerns. One of the main challenges that I issue to the Treasury during every one of our policy discussions is “Does this proposal make tax fairer, does it make it simpler, and does it support growth?” Those are the three objectives that I will be endeavouring to meet in all my work as Financial Secretary to the Treasury.

Let me now turn to the measures in clauses 121 to 277 and schedules 14 to 18, which constitute a large proportion of the Bill. I know that, rightly, they are meeting the sort of scrutiny that we expect of parliamentary colleagues, because they relate to a very significant international agreement. In 2021, my right hon. Friend the Prime Minister brokered an international deal as part of our G7 presidency to tackle profit shifting by large multinational groups and to level the playing field between countries for tax competition. That will ensure that countries are

better able to tax the profits that multinational groups generate from trading in their jurisdictions. More than 135 countries have now signed up to the deal, including all members of the G7.

These changes mean that, regardless of where a multinational group operates, it pays tax of at least 15% on its revenues, or profits. This will protect the UK from multinational tax planning by removing the incentives to shift profits out of the UK for tax purposes, and will help to ensure that profits generated in the UK are taxed in the UK. It will also strengthen the UK's international competitiveness by raising the floor on the low—or no—tax rates that have been available in some countries, while ensuring that groups are not exposed to top-up taxation in the UK as a result of the UK's world-leading R&D credit and full expensing regimes. Finally, it will ensure that the top-up tax due from UK groups under pillar two is collected in the UK rather than being collected by other countries, which could be the case if we did not implement these arrangements by 31 December.

**Vicky Ford (Chelmsford) (Con):** As my hon. Friend says, this is a large and significant part of the Bill. It is of course important for multinational companies to pay their fair share of tax, but for too long too many have not done so, and it is good news that action is being taken in that regard. If it is to work, however, we must ensure that other countries not only sign up to the rules but implement them. I am thinking in particular of the possible impact on sectors such as insurance. My constituency contains a great many insurance companies, and many of my constituents work in the sector. It is a global industry, in which we happen to be the world leader.

We need to ensure that other countries implement these rules, as they have promised to do, and do not end up trying to avoid doing so, thus undermining our own competitiveness and potentially forcing businesses that have been paying tax in the UK to go overseas. May I therefore urge my hon. Friend and her excellent team at the Treasury to focus, laser-like, on ensuring that all countries do implement the rules, as they have promised? We have seen, time and again, many EU countries signing up to rules and then not implementing them in accordance with the timescales. Will my hon. Friend also ensure that if other countries try to retaliate against our measures—through sanctions, for example—we will not just rely on the undertaxed profits rule to ensure that we can obtain taxes from them, but will have a plan B up our own sleeve to ensure that our industries and our competitiveness are not threatened?

**Victoria Atkins:** My right hon. Friend has been very good at representing the interests of her constituents. I certainly acknowledge the significant rule that the insurance sector plays in her constituency, and, indeed, the role that her constituents play in that industry. I want to develop my argument a little, but I hope I will be able to reassure her on the points that she has raised—and I will come to the point about implementation, because I think it is important.

Let me try to help Members navigate this rather large piece of legislation. Part 3 deals with the multinational top-up tax, which is introduced by clauses 121 to 131 and schedule 14 for multinational groups whose global revenues exceed €750 million a year.

[Victoria Atkins]

Clause 132 determines how multinationals should calculate their effective tax rate for a territory. Clauses 133 to 172 set out how multinational groups should determine their underlying profit and then make adjustments. Clauses 173 to 192 describe how to determine the amount of taxes called covered taxes paid by a multinational that should be included in the effective tax rate calculation. Clauses 193 to 199 set out how multinationals should use the effective tax rate and adjusted profit they have calculated to work out how much top-up tax, if any, is due for each territory in which they operate.

2.30 pm

Clauses 200 and 201 set out how much of the top-up tax in the low-tax jurisdiction should be attributed to the responsible members of the group. Clauses 202 to 219 set out further adjustments to deal with particular circumstances, including losses, and rules that apply an additional top-up amount where the covered taxes are less than expected.

Many multinationals will include entities that are not wholly owned. This means that they need specific rules, which are set out in clauses 226 to 229. Clauses 220 to 225 set out how the rules work for investment entities, which was a key ask for the insurance sector. I am providing this level of detail at this stage to give the House a sense of just how much work has gone into this set of rules internationally and, importantly, how we in the UK have managed to influence and shape the rules before we bring them before the House in this Finance Bill. Clauses 230 to 259 provide definitions for the various terms, and clauses 260 to 264 set out general and miscellaneous provisions.

The Government are also introducing technical adjustments in amendments 12 to 13 and 15 to 20. Amendment 12 will remove unnecessary duplication. Amendment 13 will ensure that tax paid that contributes to the effective tax rate is appropriately allocated to group members. Amendments 15 to 20 will ensure that the transitional rules work effectively.

Part 4 of the Bill focuses on the domestic top-up tax, which will largely mirror the functionality of the multinational top-up tax but which is in itself an important measure because it ensures that multinational groups operating in the UK pay any top-up tax here on their UK profits. Without it—this is the critical point about implementation—other countries that have introduced a multinational top-up tax will collect this tax. The domestic top-up tax will also apply to groups that operate only in the UK, ensuring that all in-scope groups operating in the UK are treated consistently, preventing economic distortions. Clauses 265 to 277 deal with both the domestic top-up tax and the interplay with the multinational top-up tax legislation.

I listened carefully to the scrutiny provided by right hon. and hon. Friends on Second Reading, and I want to try to answer one or two of the points raised. That is important, because this is what Committee of the whole House is for, after all. On the question of implementation and the actions of others, which my right hon. Friend the Member for Chelmsford (Vicky Ford) has just raised, the UK is not acting alone here. Germany, Spain, Italy, France, the Netherlands, Sweden, Ireland and Belgium—indeed, the EU as a whole—are acting alongside us, as

are Canada, South Korea and Japan. South Africa, Singapore and Hong Kong are all preparing to implement in 2024 or 2025. [Interruption.] I hear chuntering from behind me, so I will break some of that down. Those countries are in the process of legislating. In fact, since we last met, Ireland has published draft legislation and Japan has enacted its laws. The House already knows that the EU has set a directive for implementation by 31 December, and we are working closely with the largest EU member states to ensure that progress is made.

I know that colleagues also focus on the US, so I will spend a little bit of time on this. In 2017 the US introduced a minimum tax on the foreign income of its multinationals. It has also recently introduced a further minimum tax on the aggregate domestic and foreign income of large groups, which includes the US income of foreign-headed multinationals. The US therefore already has in place rules that operate on a similar basis to pillar two, and it has been one of the strongest advocates of developing a global standard. This means that the differences in outcomes for US businesses are perhaps not as large as some of my hon. Friends might think.

**Mr Jacob Rees-Mogg** (North East Somerset) (Con): One has to be a bit careful when talking about the US, because although the President might be in favour of this, the Republicans in the House of Representatives have made it absolutely clear that they are not, and as they have a majority there, that is quite significant.

**Victoria Atkins:** Yes, of course, but we have to work with the US Administration this week, next week and the year after next. That is why, with the US having its own rules and with its encouragement that these global standards should be applied, we are in lockstep with other countries in implementing this rule. I would just make the point that this is unprecedented; this is new and we have to be realistic. A hundred years ago we did not have multinational groups operating in the way that they do today, or in the way they will in five or 10 years' time. We as an international community are trying to deal with some of the aggressive tax planning that we have seen multinational groups indulge in. We want to raise the floor, and those economies have signed up to this. They are part of the 135 countries that have committed themselves to this agreement. That is what was so important about the agreement, and these taxes will apply in those jurisdictions even if they have not implemented it.

**Richard Fuller** (North East Bedfordshire) (Con): I am grateful to the Minister for giving way, and I apologise for not being here for the start of her speech. Can I just pick up on her remark that these countries have “committed” to this? A commitment in words to an international treaty is not the same as a commitment to enactment in domestic legislation. This is the point that my right hon. Friend the Member for North East Somerset (Mr Rees-Mogg) was making. In the United States it is clear that although there might be an international intent to enact this legislation, there is certainly no legislative intent that it should be passed into US law. I have other points to make but I will finish on that point and simply ask the Minister for her comment on that.



**Victoria Atkins:** First, this is an international agreement and nobody has forced the US, or anyone else, to sign up. As I say, 135 countries have signed up to it and a significant number are already implementing it or bringing forward legislation to do so. Indeed, the US Administration have maintained their commitment to align their rules with the pillar two standards. Until that happens, however, the OECD inclusive framework members, including the US, have agreed on how the US rules and the pillar two rules should interact to ensure that US multinationals are subject to the same standard as groups in other countries.

The long and the short of it is that we should be proud of the fact that we in the United Kingdom have helped to shape—and will continue to shape—these rules, precisely because we are able to work in unison with other large economies. As a result, we have been able to retain the corporate tax levers that we care so much about, such as research and development tax credits and the full expensing policy that my right hon. Friend the Chancellor announced at Budget, and to ensure that issues specific to the UK financial sector are identified and addressed.

**Richard Fuller:** On the Minister's point about being proud to implement this, I would say that the shadow Minister, representing the high-tax Labour party, might be happy to implement it, but I am not sure that I would have quite the same degree of enthusiasm as a Conservative. I want to probe a bit deeper on a fundamental question that the Minister gave an interesting answer to, which is about how the United States' interpretation of this is going to be held in the international context. Was she saying that the other countries in the international community that have signed up to it have effectively agreed that America does not need to go any further than its existing legislation in order to meet the requirements of this international standard? Or is she saying that there is still a requirement for the United States to enact it? If it is the latter, does she agree that the UK should not go forward and make its own changes until the United States makes those changes?

**Victoria Atkins:** I remind my hon. Friend that this is a minimum floor of 15%, which is below the lowest rate of corporation tax payable in this country, 19%, and below the 25% corporation tax we are setting for both this financial year and the next financial year in this Bill.

The countries most affected by this change are those that set lower rates of corporation tax. This international agreement is important because it means, when our constituents ask us why a particular tech giant has headquartered itself somewhere other than the UK while making enormous profits on its activities here—my hon. Friend the Member for North East Bedfordshire (Richard Fuller) will appreciate that I am not naming any businesses—we can say that we have joined an international agreement to ensure that such profit shifting does not occur. In the shifting sands of the 21st century and beyond we, as an international community, have to find ways of ensuring that companies cannot engage in profit shifting.

I normally try not to reference Labour Front Benchers, but my hon. Friend the Member for North East Bedfordshire mentioned them. Through this Finance Bill—and I know he fundamentally believes in this—we are taking a fiscally responsible approach to taxation.

We understand that those with the broadest shoulders should bear the greatest burden of taxation, but we want to do it in a way that encourages growth and investment, and encourages businesses to set up and trade in our economy. Full expensing, R&D tax reliefs and the measures we introduced into the OECD agreement because of the concerns voiced by the insurance sector—these are examples of how we have been able to lead the international community in these negotiations and influence how the rules interact with our needs as a country.

**Vicky Ford:** Put simply, it is important that multinational companies pay their taxes and it is good that the UK has agreed a new set of rules, but we need other countries to play the game according to the rules to which they have agreed. Will my hon. Friend keep a laser-like focus on ensuring that other countries play the game according to the rules? If they do not, will she make sure we have a plan B up our sleeve to defend our interests?

**Victoria Atkins:** I repeat that the date for implementation is 31 December. The EU has issued a directive and, as I outlined, the major economies within the EU are already bringing together the legislation to enact this. Japan has already legislated, and others are following.

I would argue that our plan B is in the very rules of this international agreement. The rules work because they ensure that every low-taxed multinational company pays the top-up tax that is due, whether or not it is headquartered in a country that has introduced pillar two. Those economies that rely on low tax rates understand that, because of how business is now conducted in some regards, we are raising the floor of international taxation so that those with the broadest shoulders continue to pay.

**Kit Malthouse:** Will my hon. Friend give way?

**Victoria Atkins:** I will give way once more, and then I will make some progress.

**Kit Malthouse:** The Minister is being generous with her time, although we are in Committee, so detailed scrutiny and questions are appropriate.

I have a couple of questions. The Minister says that one of her missions is simplicity, and I know she understands that this measure will necessarily add several thousand pages to “Tolley's Tax Guide”, which is now in two volumes—it was only one volume when I trained as an accountant. That is unfortunate, and we can debate the desirability or otherwise of this measure, but what protections are there against the creation of just another game?

Although this Bill seeks to set a minimum floor on the headline corporation tax rate, it is perfectly possible for countries to compete on effective corporation tax rates. Are we likely to see Governments around the world play a game of competitive subsidies and competitive allowances? We will have full expensing, but some of our competitors will not—full expensing will reduce the effective rate for quite a lot of capital-intensive businesses, although not necessarily for services businesses—but there will now be a menu of allowances, derogations and tax breaks that can effectively be used to play a slight game of subterfuge as we all compete for these large, and now very mobile, businesses to locate in our territories.

2.45 pm

**Victoria Atkins:** My right hon. Friend raises an interesting point. We have been leading the negotiations on this precisely so that we are able to bring in some of these allowances, which we fundamentally believe will help to support investment and growth in the UK economy. On multinational companies, we are trying to raise the floor in those jurisdictions that currently charge below 15%.

**Kit Malthouse:** Perhaps I was not entirely clear. For example, it is perfectly possible for us to say that our headline corporation tax rate is 25%, but we previously had—we are now getting rid of it—a super deduction that allowed me to offset more than 100% of any cost or investment against my tax and, therefore, reduce my effective rate of corporation tax to much less than 25%.

It is possible, away from the headline rate at which we are imposing this minimum rate around the world, for Governments to play the game of subsidy. “We will give you £150 million to come to our country, and you then pay 25% corporation tax. It is like for like. I am paying you, but I am getting my money back.” It is also possible to create a raft of allowances against that income, which will reduce the effective rate. The headline rate then becomes less important than the effective rate. We may well be kicking off that game with this measure. I am not entirely sure what protections there are against that, and against the complexity that comes with it, in this Bill.

**Victoria Atkins:** On the complexity point, having set my three objectives, of course I acknowledge that there will be times of tension between fairness and simplicity. Indeed, I said that in the Budget debate and on Second Reading. We believe it is fair to have a spectrum of corporation tax thresholds between 19% and 25% as businesses grow and accrue profits, but I fully admit that does not make it simple. The balance the Government have to strike is where there might be tension between fairness and simplicity. Of course, we always want to ensure that fairness prevails.

I take my right hon. Friend’s point about complexity, but I gently remind him that these enormous multinational groups have armies of lawyers and accountants looking after their affairs. One might say that many of them have been able to shift their profits in this way because they are able to conduct that analysis. I should say that they are doing it completely lawfully, and there is no allegation of misfeasance, but we wish to bring forward this international agreement.

In the 21st century, we should not be frivolous or dismissive about encouraging businesses to invest in plant, machinery and people. I know my right hon. Friend is not being frivolous or dismissive, but this is not a game. If we can encourage multinational groups to come and do more business here, to invest in our workforce and in other businesses, that would be a great thing for the UK economy. This international agreement is about trying to introduce a level playing field in 135 countries to ensure multinationals are taxed fairly in each jurisdiction.

Finally, if we do not implement this measure, the top-up tax that these groups would have paid to the UK will be collected by other countries. This important agreement was reached by the Prime Minister when he

was Chancellor, during our G7 presidency, and we want to enact it in this Finance Bill to enable it to take effect.

**Richard Fuller:** As has been mentioned, the Minister is being extremely generous in providing answers to some of these important questions. This may be a little niche, but may I take her back to the experience of the United States? A large number of US multinational companies, such as Apple and others that will be covered by this measure, held their cash balances offshore and did not take them back to the US because of the levels of corporation tax. Those levels were reduced under President Trump from 33% to 21% or 25%, I believe, but then in addition a special law was introduced providing for a 15.5% repatriation tax. That one-off tax enabled or incentivised companies such as Apple to bring their resources back to the US and pay tax there. Under the specifications both within the UK and under our international agreements, will what she is asking us to support today enable the UK to make one-off changes that might be in the specific interests of our corporations to help them bring back capital here? She may not know that—

**Victoria Atkins:** I hope I have understood my hon. Friend correctly. I am always loth to draw direct comparisons, particularly at the Dispatch Box, between the way in which the US conducts its tax affairs and the way we do so, as the systems are different. He has alighted upon the changes that the previous President made. The current President has also indicated that he wishes to make changes, albeit perhaps in a different direction. I hope my hon. Friend will appreciate my being cautious before giving an answer. I do not know whether he is referring to the corporate alternative minimum tax and the global intangible low-taxed income provisions. If I may, I will write to him on this, because it is incredibly technical and I want to ensure that I answer him accurately.

Having taken that final intervention, I am very conscious that although this is a large piece of legislation, colleagues are rightly scrutinising it. I shall sit down now so that they have a chance to have their say on it. I ask that clauses 5 to 15, and 121 to 277, and schedules 14 to 18 stand part of the Bill.

**The First Deputy Chairman of Ways and Means (Dame Rosie Winterton):** I call the shadow Minister.

**James Murray (Ealing North) (Lab/Co-op):** Thank you, Dame Rosie, for the opportunity to respond on behalf of the Opposition. I would like to speak to the amendments and new clauses in my name and that of my hon. Friend the Member for Erith and Thamesmead (Abena Oppong-Asare).

When we debated this Bill’s Second Reading at end of last month, we made it clear that what we needed was a plan to get us out of what the previous Chancellor rightly called a “vicious cycle of stagnation”. We need a plan for growth—a plan to raise the living standards of everyone in every part of the country—but this Government have failed to offer us one. That much was clear from the data published alongside the Budget, which showed that ours is the only G7 economy forecast to shrink this year and that our long-term growth forecasts were downgraded in the Office for Budget Responsibility report.

Since we last debated this Bill, further data has been published confirming our fears. Earlier this month, a report from the International Monetary Fund put the UK's growth prospects this year at the bottom of those of the G20 biggest economies—a group that includes sanctions-hit Russia. After 13 years of economic failure, people and businesses across the UK deserve so much better than that. They deserve a plan for the economy that offers more than managed decline. So today, we begin by looking at some of the measures the Government are seeking to introduce in this Bill and explaining why their approach is letting Britain down.

First, let me speak to clauses 5 to 15, which address the rate of corporation tax, capital allowances and other reliefs relating to businesses. On those, one thing prized above all else is the need for certainty and stability. Businesses across the country want stability, certainty and a long-term plan, yet under the Conservatives corporation tax has changed almost every year since 2010. Furthermore, as the Resolution Foundation has pointed out, the introduction of the latest temporary regime for corporation tax represents the fifth major change in just two years. It seems that the Conservatives are simply incapable of offering stability.

Let us start by looking at the main rate of corporation tax, which clause 5 sets at 25% for the financial year beginning in April 2024. The clause will mean that corporation tax will continue to be charged at the rate to which it rose at the start of this month. That rate, 25%, was first announced by the Prime Minister, when he was Chancellor, in his spring Budget 2021. One might think that sounds like a rare example of certainty, but, sadly, that is not the case. As we know, last September, the then Chancellor, the one who said our economy was trapped in a “vicious cycle of stagnation”, announced that the rise to 25% would be cancelled, leaving the rate at 19%. That was of course reversed just a month later, when the current Chancellor moved into No. 11, and confirmed that the rise to 25% was back on. So much for stability! But we are where we are, and if we are to assume that the current Chancellor's plans will indeed go ahead—a bold assumption, I admit—the rise to 25% will now continue from April 2024.

With the rate of corporation tax being increased, it is particularly important to get capital allowances right. The Government should be focused on giving businesses certainty that will help them to plan and increase their investment in the UK economy. We need that certainty and greater investment—the UK currently has the lowest investment as a percentage of GDP in the G7—yet the approach in clause 7 is to introduce temporary full expensing for expenditure on plant and machinery for three years only. By making that change temporary, it only brings forward investment, rather than increasing its level overall. The Government's own policy paper on this measure, published on the day of the Budget, makes that clear. It says:

“This measure will incentivise businesses to bring forward investment to benefit from the tax relief.”

As the Office for Budget Responsibility has made clear, the Government's approach will mean that business investment between 2022 and 2028 is essentially unchanged as a result of these measures. If anything, there is a very slight fall. Britain deserves better than this. As Paul

Johnson of the Institute for Fiscal Studies said in response to this temporary tweak to the tax regime for businesses:

“There's no stability, no certainty, and no sense of a wider plan.”

That is why we have tabled new clause 3, which would require the Chancellor to follow Labour's lead by developing a wider plan for business taxes, which we believe is needed. As my right hon. Friend the Member for Leeds West (Rachel Reeves), the shadow Chancellor has set out—

**Kit Malthouse:** I wish to challenge the hon. Gentleman's assertion about the notion of a window. We know that where taxation is concerned the creation of a window can often create an incentive to move quickly. For example, when there was a stamp duty window, we saw a significant number of transactions brought forward and take place. The Government are saying that they want to see very significant investment taking place. We know that British industry has accumulated a large amount of cash on its balance sheets. Why would the Government not create a particular incentive by saying, “Look, there is a deadline. If you get in now, we will give you this very generous tax break and then who knows what may happen in the future”? We must not forget that although the investment may absorb all of the profit for small businesses, it will, in effect, create a tax loss that is able to be carried forward beyond the window. So I do not understand his criticism of our having a window if, as the Government say, they want action now rather than in three years' time.

**James Murray:** I thank the right hon. Gentleman for his intervention but I feel he rather misses the point. Surely having a temporary change merely moves investment around, rather than increasing its overall level, as the OBR has set out. We have the lowest investment as a percentage of GDP in the G7, so the importance of increasing investment should be agreed by Members in all parts of this House. We need a wider plan that will give that stability and certainty, which is exactly what my right hon. Friend the shadow Chancellor has set out. She has set out Labour's mission to secure the highest sustained growth in the G7, which means that in government we would review the business tax system and set out a clear road map to provide that certainty and boost investment.

New clause 3 speaks to that, and perhaps the right hon. Gentleman would like to join us by voting for it later this evening. It would require the Government to follow our lead by initiating that review of business taxes that we want to see now. Such a review would make recommendations on how to give businesses more certainty about the taxes they need to pay, and how to make sure that the system of capital allowances operates effectively to incentivise investment. The new clause would require the review to be conducted, and recommendations on how to increase certainty and investment to be published, within six months of the current Finance Bill becoming law. I urge Ministers and, indeed, Back Benchers to accept and support new clause 3. If they do not, I at least encourage Ministers to give as much certainty as possible by making it clear what their plans for capital allowances are beyond the three-year period covered by clause 7.

3 pm

Beyond the capital allowances in clauses 7 to 9, the Bill introduces other reliefs relating to businesses in clauses 10 to 15. I wish to ask the Minister a fairly technical point about clause 10 and its associated schedule 1. As we know, clause 10 introduces changes to the research and development tax relief for small and medium-sized companies and to the R&D expenditure credit, which is mainly claimed by larger companies. The clause widens qualifying expenditure to include data licences and cloud computing services, and introduces new compliance measures. More widely, we are concerned that the Government's piecemeal and rapid changes to R&D reliefs are causing uncertainty. As we know—we have discussed this already today—such an approach is harmful to the effectiveness of reliefs and does not help the UK's position in attracting investment. We are also aware, however, that there are concerns that the claim notification measure in this clause may be poorly targeted. Although it will prevent some dubious claims, it may well mean that many genuine claims, and disproportionately those from smaller companies, will fall out of time.

On the detailed changes introduced by clause 10, I wish to ask the Minister a specific question about the wording of a new power for His Majesty's Revenue and Customs, to which the Chartered Institute of Taxation has helpfully drawn our attention. Paragraph 14 of schedule 1 introduces a new power for HMRC to remove a claim for R&D relief from a corporation tax return when an officer of HMRC

“reasonably believes that a claimant company has failed to comply with a requirement relating to the making of the claim”.

There is no right of appeal against a decision of HMRC made pursuant to this power. It seems that the Government's intention is for this new power to be used only in relation to the new compliance measure introduced by the Bill. However, it is not clear that the wording of the new legislation itself is limited in that way. To suggest a potential solution to this problem, we have tabled amendment 26. It is a clear and technical amendment, drafted by the Chartered Institute of Taxation, and I encourage the Minister to accept it and make it part of the Bill.

Clause 12 introduces a new investment allowance at a rate of 80% for oil and gas companies for investment in the decarbonisation of upstream petroleum production activities. As Members from all parts of the House will know, Labour has been calling for a windfall tax on oil and gas giants since January last year to help fund support for people struggling with the cost of living. After months of pressure, the current Prime Minister, and other Conservative Members, were finally dragged kicking and screaming into introducing an energy profits levy in May last year. At every turn, however, the Government have left loopholes and weaknesses in their version of the windfall tax, and they have stubbornly refused our calls to address them.

The Conservatives' refusal to strengthen the windfall tax means that billions of pounds of profits of the oil and gas giants are being left on the table. They are refusing to strengthen the windfall tax on those oil and gas giants while, at the same time, pushing up taxes for people across the country through a 5% hike in council tax. If we were in power, a Labour Government would freeze council tax this year, funded by a proper windfall tax on the oil and gas giants. That is Labour's fair way to help families through the cost of living crisis. All the

Conservatives have to offer is yet more tax rises on working people. If any Conservative Members agree with us, they can join us in voting for new clause 6.

**Caroline Lucas** (Brighton, Pavilion) (Green): As well as the economic cost of the way that the windfall tax has been designed, does the shadow Minister agree that it has a massive climate cost, in the sense that we are incentivising oil and gas at exactly the time when we need to make the transition to green energy technologies?

**James Murray**: The hon. Member is right to point that out that, in addition to the points that I have made, the Government's decision has a climate change impact. It shows, I think, in the design of the windfall tax that investment allowances really should have no place in a proper windfall tax on oil and gas giants' profits. We want to scrap those investment allowances and to make sure that that money is spent helping people through the cost of living crisis that we face right now. I would very much welcome the hon. Member and any Member on the Conservative Benches joining us in voting for new clause 6, which will force the Government to come clean about how much money they would raise by strengthening the windfall tax—money that could go towards freezing council tax this year.

I have spoken so far about the clauses of the Bill that relate to the main rates of corporation tax, capital allowances and reliefs. I now turn my attention to another important way that the Bill impacts on corporation tax through parts 3 and 4, which relate to the new multinational top-up tax and the related domestic top-up tax. As I set out earlier, we desperately need greater stability and certainty in business taxes and allowances to help the economy grow in the future. We also need greater fairness to help people with the cost of living crisis right now.

That principle of fairness is crucial in making sure that British businesses that pay their fair share of tax face a level playing field when competing with large multinationals that may not do so. That is why we have, for so long, pressed the Government to back an ambitious global minimum tax rate for large multinationals. We have long needed an international deal on a global minimum corporate tax rate to stop the international race to the bottom and to help raise revenue to support British public services. We welcome the international agreement, fostered by the OECD, that makes sure that large multinationals pay a minimum level of 15% tax in each jurisdiction in which they operate.

As I set out on Second Reading, it has been a long and winding path to get to this point. The Prime Minister, when he was Chancellor, was often lukewarm in his support of such an approach. However, the deal now faces a new front of challenges, as Conservative Back Benchers have begun to be open in their hostility towards the implementation of the deal, as we have seen in this place today. We believe that it is crucial to get this legislation in place, so I hope the Minister can reassure us today that those parts of the Bill that introduce a multinational top-up tax will not be bargained away in the face of opposition from Conservative Back Benchers.

On Second Reading, we heard from the right hon. Member for Witham (Priti Patel) and others as they rallied their colleagues against the global minimum rate of tax for large multinationals. We therefore want to

press the Government to make sure that, in the face of opposition from their Back Benchers, they do not back away from implementing this landmark deal.

That is why we have tabled new clause 1, which would require the Chancellor to report every three months for a year on the Government's progress in supporting the implementation of OECD pillar two rules. The quarterly reports mandated by the new clause would update the House on the Government's progress towards implementation. Those updates must include details of what efforts the Government have undertaken to make the rules as effective as possible. They must explain what the Government have done to encourage more countries to implement the pillar two rules—a point made by the right hon. Member for Chelmsford (Vicky Ford), who is no longer in her place. This is important because we know that the rules will be more effective the more widely they are implemented. I hope that the Government will support our new clause, which commits them to giving these updates. Surely that is a matter on which we broadly agree. Even if Ministers do not support the new clause, I hope that many Conservative Back Benchers do.

On Second Reading, the right hon. Member for Witham expressed her concern that the implementation of the OECD rules had so far progressed with “very limited scrutiny”.

Although I know that she and I, and others on the Conservative Benches, may have very different views on these rules and on what they will achieve, surely she and her fellow Back Benchers will not vote against transparency and will not try to block our new clause that simply requires updates to Parliament every three months.

**Richard Fuller:** The hon. Gentleman is very kind to give way. Personally, I do not have much concern about transparency in the United Kingdom—we do a fantastic job in that regard. I also have no problem with this country implementing regulations. We tend to have a reputation for gold-plating all our regulations. My concern is that other countries will not do what they say they will do. By enacting this legislation, my concern is that other countries will not do so. The hon. Gentleman has been extolling the virtues of supporting British enterprise, but Labour's approach runs the risk of putting British companies at a disadvantage, because the United States and other countries may not move forward as we introduce these restrictions. He has talked about transparency, but can he specifically say today that, if the United States does not enact this legislation, the Labour party, whether in Government or not, would support efforts for us to renew or review pressing ahead with our own legislation?

**James Murray:** I thank the hon. Gentleman for his comments. At one point, I thought he was starting to speak in favour of our new clause; I got my hopes up momentarily because he referred to the importance of making sure that more countries implement the pillar two rules, and we agree that that is important to make them as effective as possible. Indeed, new clause 1 says that the statements to the House, every three months of the following year, must include details of efforts by the UK Government to encourage more countries to implement the pillar two rules. On that basis, I hope that he will join us in the Lobby to vote for the new clause later this evening.

**Richard Fuller** *rose*—

**James Murray:** I am going to make some progress.

Finally, our new clause 2 would require the Government to set out their approach to pillar one of the OECD agreement and the digital services tax. We know that, unlike pillar two, the implementation of which is proceeding both here in the UK and in many countries overseas, the prospects of pillar one being implemented in the near future look less positive. That is likely to have an impact on the Government's approach to the digital services tax, so I urge the Government to support our new clause, which requires the Chancellor to make a statement to the House on the matter. While new clause 2 has not been selected today, I none the less encourage the Minister to set out the Government's approach to pillar one and the digital services tax in her closing remarks.

Through today's debate on the Bill's clauses and our amendments, we have seen the state that the Government are in. We have seen how they are failing to provide our economy with the stability and certainty that is needed for growth—growth that we need in every part of the country to make everyone, rather than just a few, better off. We have seen how the Government's Back Benchers risk putting their party before our country at every turn, and how they are unable to provide the long-term plan that people and businesses need. We have seen clearly how this Government are refusing to take fair decisions on taxes—putting up council tax for families across the country, rather than strengthening the windfall tax on oil and gas giants.

When we come to vote at the end of this debate, I urge all hon. Members to support Labour's new clauses and expose the unfair choices that this Prime Minister and this Conservative Government are making, which are leaving our economy on a path of managed decline.

**Priti Patel (Witham) (Con):** I rise to speak to the topic at hand, but I want to begin by thanking the Minister for the way in which she has tackled this Committee sitting and her familiarisation with the points made on Second Reading.

I am on the record as having concerns about not just the implementation but the purpose of all this. No one would disagree that multinational companies need to pay their fair share of tax, but I question the way we are going about achieving that. I put it on the record that I was semi-humoured by the comments of the Opposition spokesperson just now. Even when the Labour party is taking a break from its efforts to heap extra burdens on businesses, which is obviously what it stands for, it is raising concerns about implementation timetables.

Labour has missed the opportunity to speak up for British businesses, so it falls to those on the Conservative side of the House to do that. We believe in competition, business growth and business investment. My right hon. Friend the Member for Chelmsford (Vicky Ford) is not in her place right now, but sectors such as insurance employ my constituents, probably the constituents of the hon. Member for Ealing North (James Murray) and hundreds of thousands of constituents up and down the country. Those are the types of jobs we should try to safeguard in the United Kingdom.

[Priti Patel]

The hon. Gentleman was partisan, so I will make a point now as well: the response of the Labour party is always to build up even more red tape, regulations and reporting. I think we all know how we adopt regulations in this country. My own personal view, which I attested to on Second Reading, is that I would like to have a delay to implementation until we see a critical mass of other countries, including very significant competitors, moving some way towards implementing the tax, as has been said by colleagues this afternoon.

As my hon. Friend the Minister already knows from interventions today and from Second Reading, I feel that this new tax risks placing significant compliance costs on British businesses, which are already paying well above the minimum 15% tax rate. We must recognise that there are current pressures and that these inevitable costs will be fed on to consumers. I have touched on the insurance sector, but at the end of the day it is consumers who will end up picking up the costs through higher premiums and other impacts on them. On top of consumer prices, which bear the brunt of that and are also inflationary, there is no way, given the delays that we are seeing elsewhere, that implementing this tax will not have an impact on our competitiveness. By pressing ahead, we risk capital flight and jeopardising future investment income.

3.15 pm

I have a range of questions to put the Minister shortly. I understand the reassurances that she has shared with the House today about other jurisdictions, but we have to be honest with people and say that we are not seeing a mass move towards co-ordinated implementation. That is not happening. We understand that that is down to electoral cycles and all sorts of pressures within other jurisdictions, and I also acknowledge that she pointed to Germany, Spain, Sweden and the Netherlands as having published draft legislation. However, only three EU member states are reaching the stage that we were at last July, and that does not mean they are meeting the parallel process on the timetable for implementation. She also pointed to Japan and Canada; Japan is interesting, because its legislation delays implementation until several months after the UK's, while Canada is yet to pass its legislation for a whole range of reasons.

We should level with everyone, particularly because we as Conservatives believe in British businesses and the risks they take and know that they look to the Government of the day to give them certainty and support—I will come on to the support side in a moment. We must be clear with businesses about the environment in which we will be bringing in this measure, what it will be like and what it will mean for them. That is even before we come to the problem of the United States, which, as my hon. Friend the Member for North East Bedfordshire (Richard Fuller) touched on, is not implementing pillar two at all, and Singapore and Hong Kong, which are also important jurisdictions for financial institutions and which will be delaying implementation until 2025.

I entirely understand the Minister's point about the revenue-raising nature of this measure, but, given the delays in key and significant jurisdictions, those revenue

projections are fluid—and I am being polite in using the word “fluid”; we could say they are uncertain, as they already were, but I think we could even go further and say they are probably in jeopardy. We need greater scrutiny of some of the revenue figures.

The Minister has seen the research by the Chartered Institute of Taxation, which has already said it is in doubt whether pillar two will raise the £2 billion annually that the Government are predicting. Perhaps it would be useful for the Committee to get a greater understanding of the projections, the calculations and the insights used in considering this matter, because that institute and others have raised concerns around the figures.

Those institutions also raise concerns about the implementation timelines, which have been the subject of discussion. I would rather see no implementation or see implementation delayed until others look at it. However, since we are using the tool of primary legislation to bring this measure forward, at a time when the matter is still under live international discussion, which could change in months—that is the nature of the world and the markets—we need to understand what it means for British businesses and the complexities that it will bring to them.

On the point of complexity, the Institute for Fiscal Studies recently released its own report expressing significant concerns about that, and many of us made the point on Second Reading about what that means for businesses. No doubt they have an army of tax lawyers, but will this be a perverse incentive? Will it have unintended consequences?

On Second Reading I also touched on significant questions about international dispute resolution, which have still not been answered and which raise considerable concerns. We still have wider concerns about implementation, other jurisdictions, the ways of working and how we will resolve some of those unanswered questions. I urge Ministers to come back on Report with solutions to the points that I have made and others will no doubt make. We really do need to see what this means not just for businesses but for the whole principle of accountability, fairness and transparency internationally.

We have spoken about the European Union and the United States, but the impact on British jobs and businesses is our predominant concern. I raised the whole issue of tax sovereignty. The wider implications of the policy measure for our tax sovereignty have not been unpacked. I have previously touched on the threats to competitiveness, but I genuinely feel right now that, for a country and a Government who believe in free market fundamentals, in having a dynamic economy that embraces free enterprise, and in low and simple taxation, these measures could be regressive—we could actually be going backwards. My right hon. Friend the Member for North West Hampshire (Kit Malthouse) mentioned the infamous tax guide for accountants. When accountants have to follow tomes of guidance, that goes against the grain of tax simplification. I am concerned that part of the Bill really fails to address those issues.

I have one plea for the Minister. She understands that this Finance Bill has such a significant section dedicated to international taxation—the OECD rate of taxation—so I urge her to reflect on the comments that I and many others have made, which very much come from industry. I and many colleagues wrote to the Chancellor before the Budget back in March with a range of concerns. We

have not yet even had a response to that letter. I think it is important that we see proper, considered responses to all the concerns that we have raised—that is absolutely appropriate. Before jumping headlong into implementation without proper timescales, without thinking through the consequences of what the provisions mean and with other jurisdictions acting independently and changing their own legislative parameters, will the Minister come back to this House with significant answers to my questions?

**The First Deputy Chairman of Ways and Means (Dame Rosie Winterton):** I call the SNP spokesperson.

**Kirsty Blackman** (Aberdeen North) (SNP): It is a pleasure to take part in a Finance Bill Committee of the whole House. I will raise a number of points, particularly in relation to the new clauses and to what the Minister said about them.

The right hon. Member for Witham (Priti Patel) mentioned tax simplification. During later consideration of the Bill, we will raise questions about the removal of the Office for Tax Simplification, what has happened to the Government's assessment of the benefit of that office, whether we will have an issue with removing that office, and whether there will be a cost to the public purse or to businesses as a result of.

We will support Opposition new clauses 1, 3 and 6. We would also support new clause 10 if it were pressed to a vote. I will talk a little about new clauses 6 and 10 on requests for transparency. It is incredibly important that we have transparency about how allowances, tax and everything else put in place by the Treasury—and, in fact, by every Government Department—work. The Red Book that is produced at Budget time gives us a genuine idea and expectation of how much any measure—be it an investment allowance, a new tax measure, or something else—is expected to generate, but the UK Government are not terribly good at putting in place post-implementation reviews of such tax measures.

We do not have enough transparency on whether the tax measures put in place have actually achieved what the Government intended. In fact, I tabled a written question on this some time ago, and various Government Departments were unable to tell me even how many post-implementation reviews they had carried out and whether there were any that they had not carried out. It seems to me pretty fundamental that the Government should fulfil their role of calculating the cost or benefit and saying whether the projection has seemed accurate. It is all well and good for the Government to say, "This is going to raise £100 million," but if they do not then assess whether it did, how can we be sure that a measure had the desired effect, particularly when it is something such as an investment allowance? We are not saying, "We don't think there should be allowances"; we are saying, "We want the allowances that are put in place to actually work in the way that they are intended to work." I have concerns about that.

New clauses 6 and 10 would require the UK Government and the Treasury to provide transparency on the allowances and their resulting outturn. It is particularly important to look at our climate change obligations. In fact, we have tabled an amendment specifically on looking at the entire Finance Bill through the lens of whether it will

help us to meet our climate change and Paris agreement commitments. There is no point in this House agreeing to legislation that takes us further from the Government's stated aims and legislative commitments on climate change. I am still of the opinion that the UK Government are fairly good at talking the talk on their climate change commitments but not at translating that into checking whether our climate change objectives will be hampered by the policies that are put in place.

During the Committee stage of the Advanced Research and Invention Agency Act 2022, for example, I requested that the new organisation be set up on a net zero basis from the beginning. Given that we have net zero targets, I do not think that it is unreasonable to ask for any new Government department to be set up on that basis and, at least, to not contribute in a negative way to our carbon outturns. As I said, we will support new clauses 6 and 10 if they are pushed to a vote.

New clause 8, which relates to clause 10, addresses the R&D spend on data and cloud computing. We have tabled a probing amendment on that, and although we do not intend to press it to a vote, I would appreciate it if the Minister were able—either today or at a future stage—to answer some questions. We have particular concerns about clause 10 as it relates to part 2 of schedule 1. The explanatory notes—a hefty document—state that:

"Expenditure on data licences and cloud computing services only qualifies for relief to the extent that the commercial use of that licence or service is restricted to the particular research and development activity to which the claim relates, and that the customer does not have a right to...ongoing use after the relevant research and development has ended."

I appreciate the Government's intention, but we have tabled new clause 8 because we are concerned that this will hamper anyone applying for the allowance in the first place, as they may want to continue to use that data licence and cloud computing after the research and development. Surely they are only doing the research and development because they think it will be profitable and positive for their company. I am concerned that they may choose not to make the investment or to apply for the allowance if they know that they will have to pay it back at a later stage if this does what the company surely wants to achieve, which is to make money.

This could have been done in a different way, by allowing companies the investment opportunity and the R&D allowance for the data licence and cloud computing, and then stopping the allowance at the point at which it begins to make money, rather than saying, "If this does begin to make money, you have to pay us back." It would be great if the Minister could answer questions on that issue today, but if not, I am happy to receive information afterwards, so that we have clarity on the Government's assessment of this.

3.30 pm

The Minister mentioned the Prime Minister's stated aims in relation to inflation targets. I appreciate that these are aims to reduce inflation, but the reality for our constituents is that there will still be inflation—although the rate will drop, we will still have inflation, with prices going up. Given that there has been a massive increase in the price of food particularly, which went up 17% at one point, and in the price of energy, our constituents will still see the lower rate of inflation levied on current

prices, so they will still see the price of pasta increasing, and they cannot avoid buying staples such as pasta and rice. I am concerned that the UK Government are not taking this seriously enough.

At this moment, my hon. Friends the Members for Glasgow North East (Anne McLaughlin) and for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) are finishing up a drop-in session on the concerns of their constituents and all our constituents about energy prices. Again, I am concerned that the UK Government have not done enough; we have been saying that for a significant period and calling for individuals' bills to be reduced. It seems like more could be done by the UK Government to protect our constituents. It is appreciated that there has been some protection in place, but the reality for people coming through the door of our surgeries is that their energy prices have increased significantly and their wages have not kept pace, and they have far less disposable income as a result.

In Scotland, we look at all decisions, and in particular financial ones, through the lens of wellbeing. I appreciate that the Government have targets in relation to inflation. They also have targets in relation to fiscal rules. The International Monetary Fund announced in the last couple of weeks that two of the main fiscal rules will be missed. If there are to be rules in place, we should have better rules, and we should actually meet them. If we look at decision making through the lens of ensuring individual and community wellbeing and meeting climate change targets, we end up in a situation where everybody is better off, rather than having fiscal rules that do not actually translate into my constituents' outgoings at the end of the month and that are not being met anyway as a result of the decision-making process.

We know that a major factor that has created the situation the UK finds itself in, almost uniquely, is the loss of single market access and Brexit. It is also to do with the reduction in immigration that we are seeing because we do not have the freedom of movement that we did previously, and therefore we are struggling to fill an awful lot of the jobs that would have been filled by people coming from the EU, a significant number of whom have left as a result.

We will move a number of amendments in Committee. We do not intend to push new clause 8 to a vote, but we would appreciate more conversation with the Minister on our concerns about that issue. We will be supporting new clauses 1, 3, 6 and 10 if they are pushed to a vote.

**Mr Rees-Mogg:** It is a great pleasure to follow the hon. Member for Aberdeen North (Kirsty Blackman), although I must say that there was some irony in a representative of the Scottish nationalist party speaking in favour of following financial rules, which sometimes seems not to happen in that part of the United Kingdom.

Of course, like everyone else here, I am a taxpayer, so we all have to declare some element of interest, and I am a corporate tax payer, under a particular hat, so I have an interest in the subject. Today—perhaps suitably, for what we are discussing—is the eve of the feast of St Alphege. Hon. Members will recall that St Alphege was murdered for refusing to pay higher taxes. He was, in many ways, the first tax martyr, who, reluctant to pay an additional Danegeld, had ox bones thrown at him until he was dead. I fear that, under current circumstances and with the approach taken by those on both Front

Benches, we see endlessly higher taxes, and we are having metaphorical ox bones continually flung at us. Let us hope that we do not get martyred through it.

It is appropriate to think of St Alphege, because we are debating the worst bit of the Budget today, turned into law. It is the bit that will be most damaging to the economy, and it is the bit that is least in the interests of the United Kingdom. Let us start with clause 5, which is an historic mistake—it is a major blunder being made by His Majesty's Government, and it fails politically and economically. It is worth remembering why the then Chancellor, George Osborne, started to reduce corporation tax. He got the Treasury for the first time to do a dynamic assessment of the consequences of cutting a tax. What did that dynamic assessment show? It showed that more revenue would be raised, which is precisely what happened. More revenue came through, both in actual, nominal cash terms and as a percentage of GDP. That cannot just be ascribed to general economic improvement and growth: it was a fundamental change in the level of corporation tax raised at a lower rate. Why was that? Well, it made the country more competitive, it encouraged people to set up businesses, and it created a system where people thought that the United Kingdom was open for business. What we are doing now is the precise opposite.

In her opening remarks, my hon. Friend the Minister referred to our noble Friend the late Lord Lawson—most distinguished Chancellor, most effective Chancellor—but this goes against everything that he did as Chancellor. In every single Budget that he presided over, he managed to abolish one tax. Why? Because he realised that simplification of the tax system was the right way to go, and because he realised—we saw more of this in the United States during the same period—that lower rates with fewer write-offs is a better way to go than higher rates and complex write-offs. Today, His Majesty's Government are doing the exact opposite, because the Government think that they know how businesses should spend their own money better than businesses do themselves, which is fundamentally wrong.

As such, we get a raise in the basic rate, which will hit small businesses. It actually hits them at a higher marginal rate, because between £50,000 and £250,000, it has to make up the 19% to the 25%. As people get their business out of the foothills and begin to climb the mountain, we start hitting them with a high marginal rate, which is not particularly clever. Then we say, "You, dear business, do not know how to spend money—you are far too stupid—so we will tell you how", which fundamentally misunderstands the British economy. It may be that we were a wonderful manufacturing economy in the 19th century. I love the 19th century; I have great affection for the 19th century. Some people accuse me of being the hon. Member for the 19th century—I would point out that it is the right hon. Member, and it may be earlier than that, but never mind. However, that is not the economy we have now. Our economy is primarily a service economy, and providing complex write-offs for investment that benefit manufacturing but hit services does not understand where our economy is based.

**Mr Simon Clarke** (Middlesbrough South and East Cleveland) (Con): I agree with my right hon. Friend. I would add that, even for the manufacturing sector, we are obviously facing an extremely concerning tax



situation—I refer him to AstraZeneca’s recent decision to locate in the Republic of Ireland rather than the UK. It is absolutely imperative that we lower our corporation tax rather than raise it, because that is ultimately the key test of our competitiveness.

**Mr Rees-Mogg:** My right hon. Friend is right, and for once, those on the Opposition Front Bench were right as well. Part of the problem with the write-offs is that they are temporary, but why are they temporary? Not because that is what the Government want to do, but because the Government are in hock to the OBR, which gets all its forecasts wrong. All the OBR has managed to say about the write-offs is that they will bring forward investment. That is not a bad thing in and of itself, but the long-term benefit is not being achieved because we insist on following what a bad forecaster tells us will happen. Actually, to the credit of the bad forecaster, it admits that what it says will happen will not happen, so we are doing something on the basis of something that even the forecaster says will not be the case when the years have passed. That cannot possibly make sense. We are making it more difficult to do business in this country, and our aim should be lower rates and fewer write-offs. That is the way to encourage business, and it is the way to grow the economy. If we grow the economy, we can afford the public services that we want. At the moment, we are risking shrinking the economy, encouraging business to leave and set up elsewhere and not having the money we need for public services. Clause 5 is a bad clause; it is a bad thing to be doing, and it is a bad thing for the British economy.

I would go further, because this idea that attacking corporations is a free lunch for Governments is a mistake. Corporation tax is of itself a bad tax, because it is not a tax that falls on nobody; it actually falls directly on consumers. It comes through to consumers, because businesses thinking of operating in this country do not care about their gross margin; they care about their net margin. When the corporation tax rate goes up, what do they do? They say, “We either have to increase prices or reduce employment to maintain the net margin.” Increasing corporation tax from 19% to 25% in a period when there is already inflation in the system will be more inflationary, as multinationals will raise their prices to compensate and maintain the net margin, or they will reduce employment, which makes the cost of living crisis worse for people, because people’s incomes then fall when they are trying to deal with rising prices.

I fear that there is a view among politicians that we tax corporations because they do not vote, and it is therefore an easy raid to make and therefore it does not matter. It is the old saw about plucking the goose with the least amount of hissing. Unfortunately, the hissing on corporation tax is delayed, but all taxation ultimately falls on individuals, and that is true of corporation tax. That is why it is a bad tax and why increasing it is a mistake in these current circumstances—indeed, it is a mistake in almost all circumstances.

The multinational minimum tax is also a mistake, and it is a mistake in terms of diplomacy and foreign policy. It was a daft thing to agree at the G7. We had no interest in doing it, and my hon. Friend the Minister said that they have all done it in the EU, as if that was meant to be any salve or balm in Gilead for us anyway. The fact that the high-tax, highly inefficient, highly

regulatory EU is keen on it is enough to make most people reach for the smelling salts, rather than to think it is some glorious success of His Majesty’s Government. Why is it a bad idea? It is a bad idea because it deprives us of ambition. My right hon. Friend the Chancellor himself called for corporation tax to come down to 12.5%, and we are now legislating to make his ambition impossible. That is not something that Governments usually do; they normally try to ease their way through to something that they have set out, even if they recognise that the circumstances are not immediately possible in which to do it.

The other reason that the tax is wrong and deprives us of ambition is that it is about settling for a high-tax, inefficient world. I think Angela Merkel, the former German Chancellor, said, “We have a system where we have all this welfare, and other countries do not. How are we going to carry on paying for it when they are so competitive?” That is a quotation from her from a few years ago. We are trying to make the whole of the rest of the world as uncompetitive as we have allowed ourselves to become. That is surely not the answer; the answer is to make ourselves more competitive and therefore to have and to be able to afford lower taxation. Instead of looking at those countries that have low-tax regimes as pariahs, we should look at them as models. Instead of saying that Ireland with its low tax rate is doing something scandalous and should be punished, we should say, “No, Ireland has got more from corporation tax than it gets from value added tax.” We do not get a fraction of the money from VAT and corporation tax, because we have a much higher rate, and we have not attracted the businesses that Ireland has attracted.

**Richard Fuller:** I am somewhat sorry to interrupt my right hon. Friend, but I am interested in his views on international competitiveness. One of the issues that the Minister mentioned in relation to the application of global minimum tax is that it will affect companies that have a large amount of their asset base in intangible assets. Those are primarily in the more advanced countries—western democratic countries—which will find it much harder to justify some of the deductions they can make from the amount of tax they will be subject to under that global minimum tax. What is his consideration of the global political impact of that on the competitiveness of our advanced economies versus China, and of the other implication about the valuation of pensions, many of which are invested in companies that will be disproportionately affected by this legislation?

3.45 pm

**Mr Rees-Mogg:** My hon. Friend is absolutely spot-on that intellectual property rights are, of their nature, much harder to tax, but they clearly belong in the country that invented them or that owns the intellectual right, which is a saleable asset. If that is in a low-tax jurisdiction, why should it be taxed at a falsely high rate? If Disney makes a plastic toy in China, where is the value? It is not actually in the plastic toy being created; it is in the fact that millions of people like watching Disney characters. Trying to locate where that tax ought to be paid is therefore an extremely complex issue, and not one that is solved by a minimum tax. All that does is make it less efficient for companies to invest, develop and do things here, and they might as

[Mr Rees-Mogg]

well do that somewhere else. They might as well do it in China, actually, because China does not seem to be very enthusiastic about this minimum tax anyway.

I do not think this will succeed in stopping complexity. Indeed, it adds to the complexity of the system, and we need only look at this Finance Bill to see by quite how much. The Minister, to her credit, did admit this, and said it was so important that we debated it, with which I thoroughly agree, but the dozens of pages of clauses and schedules on this are making our system fundamentally more complex.

My right hon. Friend the Member for Witham (Priti Patel) raised the issue of tax sovereignty. We got into a terrible muddle by signing up, in the European Union, to a minimum rate for VAT. We thought at the time it was a success, because the EU wanted to be able to set a unified rate, and we got just a minimum rate agreed. However, that led to suddenly finding that it was impossible to lower VAT rates, as we discussed during the Brexit debate, and as we still cannot do in Northern Ireland, where we are stuck with VAT rates still being set according to the minimum agreed in the European Union. So we remove flexibility, remove sovereignty, increase complexity and make it less competitive for business, and we are selling the pass on becoming a tax-efficient, tax-competitive country.

Tax competition is a good thing for those of us on this side of the House, who are meant to be capitalists. I accept that the socialists do not want it, and that is fair enough—that is what they believe in—but we believe in growing economies through free-market solutions. Therefore, we believe that if we have a lower tax rate than Germany, that is a good thing because it makes our economy more competitive and makes the British people richer than the Germans. That is not something we are achieving currently, but that I would like to achieve, Mr Evans—the independent Chairman seemed to be nodding at that, but I am sure that *Hansard* will take no notice of his agreement that we ought to be richer than the Germans.

This is about a failed economic orthodoxy of an undynamic kind that is leading to the increase in corporation tax, when the evidence from George Osborne showed that that is not true, so clause 5 is a mistake. Then the multinational minimum tax is about making globally the rest of the world as inefficient as the European behemoth has become, and that is the wrong approach to be taking. Where is our ambition, where is our vision and where is our free-market approach?

Several hon. Members *rose*—

**Richard Fuller:** On a point of order, Mr Evans. For complete transparency, I just mentioned a point about intellectual property, but I did not mention that I have recently resumed a position as an adviser to a technology investment company. Actually, it is so new that it has not yet appeared in the Register of Members' Financial Interests. It would not be affected by global minimum tax, but I thought I should make that clarification.

**The Second Deputy Chairman of Ways and Means (Mr Nigel Evans):** That is on the record. Thank you very much.

**Sarah Olney (Richmond Park) (LD):** I rise to speak on behalf of the Liberal Democrats to new clause 7, tabled in my name, which would require the Government to produce an impact assessment of the effect of changes to small and medium-sized enterprise research and development tax credits on the UK tech industry and on long-term economic growth.

The Conservatives' constant flip-flopping on tax and investment rules and their badly targeted incentives have not achieved the growth they promised, or are promising. Just last week, the International Monetary Fund predicted that the UK economy would contract by 0.3% this year, making us the worst-performing major economy. Prolonged weakness in business investment and productivity are a major barrier to economic growth, and if the Government want to boost innovation and drive long-term sustainable growth, they need to implement effective and well-designed policy on tax and investment.

The Federation of Small Businesses calls research and development tax credits for SMEs the most effective industrial policy of the last 10 years, enabling small businesses to develop cutting-edge products and foster competition and innovation within industry. The Government's decision to dramatically slash R&D tax credits has therefore come as a blow to thousands of businesses. The Chancellor's new policy of targeting tax breaks at research-intensive firms has been celebrated by the life sciences industry, but many other industries will fall outside the 40% intensity threshold. The Institute of Directors has also warned that targeting tax credits at research-intensive firms could lead to less innovation across the economy more widely.

We need to incentivise companies across all sectors to innovate, and particularly to encourage those that have not habitually been innovators. The manufacturers' organisation Make UK has warned that further damage has been caused by the Conservatives' chopping and changing on tax credit policy, which leaves businesses struggling to keep up and weakens business confidence. On Second Reading I urged those on the Treasury Bench to reconsider their policy and to reinstate the R&D tax credits for SMEs in full, and I am disappointed to see a lack of movement in that area.

The Liberal Democrats would introduce the kinds of incentives that have been proven to boost productivity, such as tax breaks for training to ensure that employees can continue to develop their skills, both for their own benefit and for the benefit of their employers; allowances for digital investment, to enable businesses to invest quickly and early in the newest digital tools in order to make productivity gains; and, most importantly, encouraging proper, ambitious, bold investment in energy efficiency. Whether for switching a fleet to electric cars or installing solar panels, reducing demand for energy is essential not only for decarbonising our industrial sector, but for bringing down production costs.

The need for targeted incentives for energy efficiency has been underlined by the ongoing energy cost pressures that businesses are experiencing, and the Conservatives' decision to slash energy support for businesses by 85% will force countless shops, pubs and restaurants to pass increased costs on to their consumers, further fuelling inflation. The Liberal Democrats have repeatedly called on the Government to do more to tackle rampant inflation by supporting businesses with their energy bills. Amidst Government inaction, last month the rate

of inflation in the UK jumped to 10.4%, driven largely by the cost of food and alcohol in hospitality venues. I urge the Government to look again at their policy on energy support and tax incentives offered to business, to tackle inflation, to stimulate economic growth and to drive productivity across all sectors.

**Kirsty Blackman:** The hon. Lady is making an important speech on new clause 7. I did not mention this in my speech, but we will support the new clause if it is pressed to a Division today.

**Sarah Olney:** I welcome the Scottish National party's support for our new clause.

I ask the Government to accept the Liberal Democrat amendment proposing an impact assessment on the changes to R&D tax credits. It is essential that this policy is kept under review and its impact on the UK's tech industry and long-term economic growth is monitored if we are to ensure that the UK becomes the powerhouse of technical innovation it so badly needs to be if we are to drive the productivity we need to increase growth across all economic sectors.

**Caroline Lucas:** I rise to speak in support of new clause 10, which stands in my name and addresses the decarbonisation allowance first announced by the Chancellor in the autumn statement and now legislated for in this Bill. Although in principle the decarbonisation allowance may sound innocuous or even useful, it is in fact an outrageous subsidy that sees the taxpayer paying companies to decarbonise their activities.

Under this scheme, a company spending £100 on so-called "upstream decarbonisation"—in other words, reducing emissions from the process of extracting oil and gas that then goes on to be burned—is eligible for £109 in relief. We should remember that these companies have themselves admitted that they have

"more cash than we know what to do with",

and earlier this year they recorded obscene, record profits, with BP's profits more than doubling to £23 billion and Shell reporting annual profits of more than £32 billion, all while millions of UK households face unbearable choices between basic needs and desperately struggling to make ends meet.

In his Budget statement, the Chancellor recognised what he called the enormous pressures on family finances, with some people remaining in real distress, yet even with the decision to freeze the energy price guarantee at £2,500 as of this month, bills will still rise by almost 20% and 7.5 million households will be in fuel poverty. It is utterly perverse that in this context the Government have decided to hand the climate criminals—those who have profited from the spoils of war—yet another subsidy. These are, at bottom, political choices.

The Chancellor may say, in response to my amendments, that we should be endorsing the decarbonisation allowance to cut emissions from the oil and gas sector, but that ignores the economic reality of the situation and the reality of our planetary boundaries, with upstream decarbonisation doing nothing to mitigate the end result of the fossil fuels choking our precious planet. I am afraid that, in the face of worsening climate impacts, paying companies to power oil rigs with wind turbines or to monitor emissions to detect leaks simply does not cut it. Even more alarming is the provision in the Bill for the decarbonisation allowance to support carbon

capture. That UK taxpayers would pay oil and gas companies to capture their emissions in order to allow them to continue production—essentially, to continue business as usual—is a shocking violation of the "polluter pays" principle.

If the Government were seriously looking at reducing production emissions, they would, for example, be looking to bring forward an outright ban on flaring by the end of 2025 at the very latest—I remind Members that flaring has been banned in Norway since 1971—or they would be strengthening the lamentable targets in the North sea transition deal from a 50% reduction in emissions by 2030 to at least a 68% reduction, as proposed by the Committee on Climate Change in its balanced pathway, both of which have been called for by the Environmental Audit Committee, of which I am a member. Yet in their response to the EAC's report on "Accelerating the Transition from Fossil Fuels and Securing Energy Supplies", the Government roundly rejected both recommendations, maintaining that the existing targets in the North sea transition deal are "sufficiently ambitious".

This is not a Government who are serious about cutting emissions from production, and they are certainly not serious about the climate crisis. New clause 10 recognises that the decarbonisation allowance is just one of the handouts to fossil fuel companies that have been introduced under the energy profits levy. It would require the Government to produce an assessment of the cost of the decarbonisation allowance to the Treasury and, crucially, its impact on overall investment in oil and gas production. It would also reveal how much money would be raised through the energy profits levy without the enormous gas giveaways in the form of both the investment allowance and the decarbonisation allowance, as well as assessing their impact on delivering our crucial climate targets.

At this point, I would like to say a few words in support of new clause 6, which would require the Chancellor to conduct a review of the decarbonisation allowance and its impact on public finances, although it is important to note that the amendment is somewhat narrower in not requiring an assessment of climate impacts as well. The Government are very transparent about the fact that the investment allowance is directly aimed at encouraging companies to pump more money into oil and gas extraction in the UK by allowing them to claim £91.40 for every £100 invested. That policy runs directly counter to the advice of the world's leading scientists on what is needed to keep 1.5° within reach, with the UN Secretary-General calling for a cessation of

"all licensing or funding of new oil and gas"

at the recent launch of the Intergovernmental Panel on Climate Change's "AR6 Synthesis Report", and the report itself being clear that emissions from existing fossil fuel infrastructure already exceed the remaining carbon budget for 1.5°.

The bottom line is that our climate simply cannot take any new oil and gas licences. As I have said time and again, new licences would also fail to deliver energy security. With the oil and gas sold on global markets to the highest bidder, they will not bring down bills in the UK and will inevitably come at a huge cost to the taxpayer. Indeed, if we take just one example, Rosebank, the UK's largest undeveloped oilfield, the costs become

[Caroline Lucas]

clear. Rosebank is enormous. At triple the size of the neighbouring Cambo oilfield, it would produce more emissions than 28 low-income countries combined or, to put it another way, it would produce the carbon dioxide equivalent of running 58 coal-fired power stations for a year. If developed, its owners will be gifted a £3.75 billion taxpayer-funded subsidy from the Government to the estimated £4.1 billion project. The Norwegian state-owned company Equinor, which made a staggering £62 billion last year, contributed just £350 million while pocketing enormous profits.

4 pm

The total cost of the investment allowance to the taxpayer has been calculated at a staggering £11 billion. That is enough to give an inflation-matching pay rise to every NHS worker and teacher for a year. On decarbonisation, Equinor has said that it will invest £80 million to ready its production vessel for electrification, meaning that the firm would get £87 million in saved taxes. That is just ludicrous. The full cost of powering Rosebank with clean electricity would run into the hundreds of millions, but thanks to the decarbonisation allowance, that now risks being borne by UK taxpayers.

If the Chancellor cannot see the problem, he is simply not paying attention. I ask him and the Treasury Front Bench team, in all seriousness, to scrap not just the decarbonisation allowance but the investment allowance and, instead, to bring forward a windfall tax worthy of its name. Failing that, I ask that they please accept my amendments, which would at the very least give us transparency over the costs of these policies both to the taxpayer and, crucially, to our planet.

**Emma Hardy** (Kingston upon Hull West and Hessle) (Lab): What an interesting debate it has been. I have found myself slightly amused numerous times by comments from Conservative Members, especially when have they tried to make out that theirs is the party of low taxes, when taxes as a share of GDP are heading to a post-war high. The public are not stupid. A recent poll in *The Spectator* showed that the public associate the Conservative party with higher taxes. The reason is that the Conservatives keep putting their taxes up.

Another problem that I have seen play out this afternoon as I have sat here is that the Conservative party is inherently divided. Different parts of the governing party are pulling in different directions. That is seen in the seven Chancellors we have had since 2010. As different factions have taken over the leadership, those seven Chancellors have pulled the party in different ways, creating uncertainty. Uncertainty is one of the key things that businesses say leads to a lack of investment. It is not just businesses telling us of the problem of uncertainty, but economists. They tell us about the difficulty with uncertainty and why the UK is uniquely impacted by a lack of investment.

Torsten Bell said that if we go back to 2010 when the Conservatives first came to power—13 long years ago—we initially see a relatively good bounce back from the financial crisis, but then

“we basically miss out on all of the investment growth that other countries saw in the second half of that decade. We flatlined, everyone else soared. In so far as there was a global boom going

on, that is when it happened. We did not see that. There have been some revisions to the data recently that make the bounce back from the pandemic on business investment less grim than they looked before, but they are still pretty bad.”

That is one economist. Another economist, Professor Coyle, said:

“Tax will make a difference, but it is not the only thing that matters, and surveys of employers tend to highlight poor infrastructure”—

something that anyone who spends any time travelling by rail around the north is only too aware of—

“and lack of skills, which we’ve already been talking about. Lining up all the different things that matter is obviously part of the challenge—so, consistency”—

that word again—

“and making the system work as a whole.”

Another economist, Paul Johnson, said:

“The lack of consistency in policy is clearly a problem. Something that we talked about—perhaps it is not the right place to talk about it—is that the political instability is a problem for companies looking to invest”.

Seven Chancellors and a divided governing party that does not know which direction to take the economy and our country. Businesses are seeing that, voting with their feet and choosing not to invest in the UK. Professor Coyle went on to say:

“If you look at the past decade or so, what has been happening to firms, even within a given industry, is that the dispersion of productivity has increased. There are some very productive firms. Their productivity growth has slowed down, but they are pulling further and further ahead of...the rest. Firms that are operating outside London and the south-east tend to be the ones in the low productivity part of that distribution.”

As we have said before, the issue goes back to infrastructure. The constant under-investment in Northern Powerhouse Rail, with different Prime Ministers making decisions about whether we will or will not have it, will have an impact on business investment and influence whether businesses choose to invest in our country.

Professor Coyle went on to say:

“I do not mind whether it is called an industrial strategy or not, but we need some kind of long-term perspective—some kind of strategic approach to managing the economy.”

Hear, hear, Professor Coyle. I agree and so does the Labour party, which is why the Labour party has a long-term plan for growth in the country and why I am speaking in support of new clause 3. If businesses cannot have certainty from the governing party or understand which Chancellor is going to introduce which measure in what way, or which faction is the latest to take over the governing party, then they need that certainty from the Labour party, because they are really struggling.

I have met with local businesses in my constituency and they gave me a very clear message: it is incredibly difficult. The Chancellor may boast—boast, ha!—that we are not in a technical recession, but try telling that to the small businesses in my constituency that are finding life incredibly difficult. As we walk around different high streets, we can see the number of shops that are closing. Although the review of business rates does not go as far as the Labour party wants—we want to get rid of business rates altogether—hopefully Members from across the House can support such a fundamental review. Let us look at what we can do to support businesses, especially small businesses. I am sure each and every

one of us has been lobbied hard by the Federation of Small Businesses and heard directly from small businesses about how difficult they are finding things.

I will comment briefly on new clause 7 about research and development tax relief, which is proposed by Liberal Democrat Members. It is well worth reading the TaxWatch report into the levels of fraud associated with R&D tax reliefs. We may want to support businesses with R&D tax reliefs—I am not saying that we should not do that—but we need to take the issue of fraud more seriously. The OBR predicts that the total cost of R&D reliefs will increase from £6.8 billion in 2021 to £9.2 billion in 2026-27, but fraud and error in that scheme totals over £1.1 billion in the last three years.

**Sarah Olney:** The hon. Member makes an excellent point about fraud and error. Does she agree that removing the tax breaks entirely is a sledgehammer to crack what is ultimately quite a small nut? Further attempts to crack down on fraud and error would be a much more constructive way to approach the issue she raises, rather than scrapping the tax relief entirely.

**Emma Hardy:** I never for one moment suggested we should scrap the tax relief entirely, but we definitely need to do something about fraud. When we have businesses ripping off the taxpayer for £1.1 billion—money that is desperately needed for our public sector, hospitals and infrastructure—we need to take the issue seriously and not brush it under the carpet. R&D claim firms continue to hard sell opportunities to claim refunds, often to companies that should not qualify.

We have issues with the tax gap, which is around £32 billion. That tax gap continues to increase and the tax fraud gap stands at £14.4 billion. That is a heck of a lot of money. If they were serious about wanting to reduce taxes, I would have thought Government Members would want to tackle tax fraud. I have raised the issue with the Minister in a previous debate and I know she is aware of it, so will she outline the steps being taken by HMRC and HM Treasury on the important work of reducing tax fraud and simplifying our tax system?

While we are talking about tax simplification, and as a teaser for the debate tomorrow, it seems strange that the Government wish to abolish the Office of Tax Simplification. That seems a rather strange thing to do when they seem so keen on having tax simplification, but maybe we can continue that discussion tomorrow.

**Douglas Chapman (Dunfermline and West Fife) (SNP):** I always wondered how the Conservative party did its policy development, but I think the right hon. Member for North East Somerset (Mr Rees-Mogg) has helped me to come to a conclusion. My sympathies therefore go to the Minister.

This Finance Bill is yet another glaring example of the UK Government trying to shove a square peg into a round hole for the people of Scotland. They are desperately trying to fix economic problems of their own making, but their Bill will do the square root of zero to fix the enormous productivity and labour supply challenges that our nation faces as a result of their mismanagement.

I know that the SNP is often seen as a force for positive general happiness around this Chamber, but there is a great black cloud of gloom and doom overhanging the Bill. It relates to Brexit: the unwelcome guest at the

wedding, the elephant in the room, the truth that dare not be spoken by its instigators. Brexit has brought us headlines such as “Economy in decline”, “No-growth Britain”, “Bottom of the class at the G7” and “Export exodus”—hardly what we would call sunlit uplands, and not a unicorn in sight.

Did Scotland vote for this? No, we did not. We did not want Brexit, but it was forced upon us. Meanwhile, the Prime Minister seems to be contradicting his own ideology by remarking on all the special and exciting opportunities for Northern Ireland from access to the EU and UK markets. He does not even realise the irony of his comments or the gross unfairness to Scotland, which has been left in the lurch, with our democratic mandate ignored.

The Scottish people know that this is a Government in denial, with a double whammy of Tory ineptitude on the economy and a damaging Brexit that cannot be fixed by a Finance Bill produced by the same team who were behind that not-so-winning combination. With the economy contracting, according to the International Monetary Fund, and with the Chancellor failing to meet his two main fiscal targets of a falling public debt burden and borrowing below 3% of GDP by 2028, we now know that workers in old Blighty are £1,300 worse off as a result of Brexit. The IFS has stated that our productivity and economic output will fall by 4% as a result of leaving the single market, leaving workers significantly worse off and public services at the thin end of the wedge again, with less money in their budgets. We need less “Better Together for Scotland” and more “I’m Scottish...Get Us Out of Here PDQ!”

I turn to our amendments. I hear from small and medium-sized businesses in my constituency and across Scotland that they are struggling as a result of the economic decline. They are fighting a war on all fronts with energy costs and the costs of doing business, not to mention that they are still trying to get back on their feet after the pandemic and are dealing with the new red tape generated by Brexit.

I am happy to support SNP new clause 8 on extending relief of R&D expenditure for our excellent and important data and cloud computing services. On research and development, the refrain that I hear on repeat from businesses is that they are keen to invest but have their hands tied behind their back. Looking at the clauses before the Committee today, it is easy to see why the Conservatives have lost their “party of business” strapline. So many businesses are reporting that they feel abandoned by this Government and left to float alone, without a life raft to get them out of the swirling morass of the economy and into better times. If the Government want growth and prosperity, they need to listen—really listen—to the people at the coalface who do business every day and who have faced years of knocks and challenges.

On corporation tax, the Government do not seem to know whether they are coming or going. One minute, corporation tax rises seem to be in vogue; the next minute, they are not. The Government swither and dither, but the business community desperately needs stability, security and some long-term plans that will give it the space to breathe and grow.

The ever-present climate crisis is a threat not just to business, but to people’s livelihoods. The UK Government have not shown their best colours when it comes to ensuring that their legislation is in line with the climate

[Douglas Chapman]

challenges. Despite the climate-induced weather events in the UK and abroad, the Prime Minister left out tackling climate change and reaching net zero from his core priorities for his growth strategy. With the number of elephants in the room, No. 10 and No. 11 are getting pretty crowded.

We cannot pretend that Brexit and climate change are not devastatingly bad for business and for people's finances. Without acknowledging the catastrophic damage that they bring, we cannot move forward with a comprehensive plan. The Chancellor can present as many Finance Bills to Parliament as he wishes, but these are people's real lives, real livelihoods and real futures, uncushioned by wealth and privilege, and catastrophically unsupported by a tin-eared Government who refuse to look at the reality of the situation that they themselves face. It is time for Scotland to make a swift exit, and I hope that in the coming months we can achieve just that.

**The Second Deputy Chairman of Ways and Means (Mr Nigel Evans):** I call the Financial Secretary to the Treasury to wind up the debate.

4.15 pm

**Victoria Atkins:** I thank all Members for a most interesting debate. It is not often that the public—if people have been watching this debate—are able to see us scrutinise measures in this way. Committee debates often take place in rooms off the Committee Corridor, and although they are sometimes available for public consumption, it is very helpful when they happen on the Floor of the House. I am genuinely grateful to all who have contributed.

I am afraid I cannot resist picking up, very gently, the points made by Opposition Members about the role that my hon. Friends have been playing during this Committee stage in scrutinising legislation. This is exactly what Members of Parliament are supposed to do. Their job—your job, dare I say it to Members—is to scrutinise our legislation, and I welcome that. It may well be that Opposition Members have highlighted a fundamental difference between the Labour and Scottish National parties and the Conservative party: we have the intellectual self-confidence to hold these debates, and to debate policy. [Laughter.] Opposition Members may laugh, but we know how difficult internal debate has been in the Labour party. It has meant inquiries by the Equality and Human Rights Commission, it has meant a Labour MP being protected by the police in order to attend her own party's conference, and I understand that a member of that party is currently being ostracised because her views on what a woman is differ from those of the Leader of the Opposition. So we on this side of the House do welcome debate, and we are able to conduct it properly and professionally within the rules of this Chamber.

**Kirsty Blackman** *rose—*

**Victoria Atkins:** I will not give way, because I know it has been a busy day for the SNP. [Interruption.] I will not say any more.

My right hon. Friend the Member for North West Hampshire (Kit Malthouse) rightly raised the subject of the corporation tax increase, but so, significantly, did

Opposition Members. They have made much play of the tax rate, and I thought it important just to remind everyone why we are where we are.

The Government borrowed an additional £14 billion in 2020-21 and 2021-22 to fund the response to covid. I cannot imagine that any Opposition Member—including those on the Front Bench—actually disagreed with, for example, the furlough scheme, which protected more than 11 million jobs and companies throughout the country. However, that enormous sum has to be repaid. In response to the energy crisis, the Government have provided just over £100 billion to help households and businesses with higher energy bills in 2022-23 and 2023-24. That has contributed to a significant increase in our public debt, which is forecast to reach 100.6% of GDP in 2022-23, the highest level since the 1960s.

That has happened precisely because the Government have responded to the pandemic, to the international crisis in Ukraine and, importantly, to the knock-on effects that that has had on our cost of living. I cannot imagine that Labour Members really begrudge the support that we are providing—more than £3,000 for every household, including households in their constituencies, to help those people with the cost of living.

However, as my right hon. Friend rightly pointed out, we also believe in the principles of sound money. In the autumn statement, my right hon. Friend the Chancellor explained that some very difficult decisions had to be made. Indeed, even with the increase in the rate to 25% that was originally announced by the Prime Minister when he was Chancellor, we will still have a corporate tax system that remains one of the most supportive of business anywhere in the world, with the lowest headline rate of corporation tax in the G7, the joint most generous capital allowances regime for plant and machinery in the OECD, thanks to the full expensing in this Bill, and the joint highest uncapped headline rate of R&D tax relief support for large companies in the G7. That is in addition to the features of the corporate tax system that make the UK an attractive location as a global hub, including having the largest tax treaty network in the world, mitigating the risk of double taxation. I point out for the sake of clarification that at 25%, the rate of corporation tax will be lower than at any time before 2010 under the last Labour Government.

I will move on to the provisions in relation to pillar two. My right hon. Friend the Member for Witham (Priti Patel) raised some important questions, including about capital flight. We have looked carefully at this and I understand why she is asking about this. I hope she will be reassured that this has been at the forefront of negotiators' minds as we have looked at this agreement. The rules contain defensive measures to prevent capital flight. If a country does not implement them, the top-up tax will be collected by other countries instead, so there is no incentive to move or escape from these rules.

My right hon. Friend also asked about the Chartered Institute of Taxation's view that this measure might raise less than expected. Again, I hope she will be reassured that the costing for pillar two was certified by the Office for Budget Responsibility and published at the autumn statement. The estimates are that pillar two will raise £2 billion a year by 2027-28. This includes revenue arising from UK-headquartered groups that are subject

to low tax on their foreign operations, the diminished incentive for groups to shift their profits out of the UK and the qualified domestic minimum tax.

My right hon. Friend also asked about Japan. It has passed its legislation and it is implementing this in April next year, three months after we are legislating for. I hope that that timeframe gives her some comfort. I also note that 40 countries have implemented or announced pillar two or a similar rule, and I am told that they make up around 60% of global GDP. It is precisely because of the interlocking nature of the rules that revenues will be taxed at 15%, no matter where they are shifted. I am going to move on to three new clauses that I have a feeling might be the cause of contention and therefore Divisions tonight, but I will happily write to the hon. Member for Aberdeen North (Kirsty Blackman) about her point on data licences, because I want to reassure her on that.

On new clause 1, the Government are committed to sharing expertise on implementation and to co-ordinating our efforts internationally. We are playing an important and active role in the design of pillar two rules and we are achieving the delicate balance between having rules that are effective in tackling profit shifting and being proportionate. It would not be appropriate to provide a running commentary on international discussions ahead of the agreed outcomes of these meetings, which are published by the OECD, including in the administrative guidance to the rules published in February. We therefore say that the new clause is unnecessary and we urge colleagues to vote against it if it is pushed to a Division.

New clause 3 would require the Government to conduct a review of the UK's business tax regime. This is business as usual for the Treasury and the Government. We have done, and continue to undertake, significant work to understand the impact of tax incentives on business investment. The tax plan published at spring statement 2022 set out the Government's vision for using the tax system to incentivise investment in capital assets and in research and development, and we have set out detailed information on the Exchequer, macroeconomic and business impacts of these policies at the Budget. The evidence for this continuing work lies in both the full expensing policy in clause 7 and the increase to the annual investment allowance in clause 8, both of which I trust the Opposition will support.

I remind colleagues that the full expensing policy is equivalent to a £27 billion tax cut for businesses over three years. It saves eligible businesses 25p in tax for every £1 they invest. That is the Conservative approach to sound money, and that is what we will do to help grow our economy. The impact of our plan to halve inflation, to grow the economy and to reduce debt is demonstrated in the rising confidence of finance executives, as reported in the recent Deloitte survey. Do not listen to the doom-mongers opposite; listen to British businesses.

Turning to new clause 6, the Government expect the energy profits levy to raise just under £26 billion between 2022-23 and 2027-28, helping to fund the vital and unprecedented cost of living support orchestrated by this Government. This includes the impact of the investment allowance. HMRC regularly publishes estimates for the cost of various tax reliefs where relevant data is available and identifiable in tax returns. For example, estimates for the cost of the investment allowance against the supplementary charge and the first-year allowance of

the ringfencing regime are regularly included in that publication. HMRC intends to make a cost estimate for the investment allowance against the energy profits levy in due course.

We have always been clear that we want to see significant investment from the sector to help protect our energy security. Oil and gas accounted for 77% of the UK's energy demand last year and, as set out in the energy security strategy, the North sea will still be a foundation of our energy security, so it is right that we continue to encourage investment in oil and gas. Supporting our domestic oil and gas sector is not incompatible with net zero 2050, as we know we will need oil and gas for decades to come.

As the energy crisis in the UK has shown, constraining supply and dramatically increasing prices does not eliminate demand for oil and gas. A faster decline in domestic production would mean importing more oil and gas at greater expense, potentially resulting in additional emissions, especially in the case of gas.

On the climate targets, the Treasury carefully considers the impact of all measures on the UK's climate change commitments as a matter of course. It should be noted that the Government have made the UK a climate leader and have reduced emissions faster than any G7 country over the last 30 years. We are on track to deliver our carbon budgets and on course to reach net zero by 2050, creating jobs and investment across the UK while reducing emissions.

I hope I have been able to reassure Members. I have genuinely enjoyed the scrutiny they have brought to this important piece of legislation. I urge the Committee to reject new clauses 1 to 3 and 6 to 10, and amendment 26. For the reasons I set out at the beginning, I commend Government amendments 12 to 13 and 15 to 20.

*Question put and agreed to.*

*Clause 5 accordingly ordered to stand part of the Bill.*

*Clauses 6 to 10 ordered to stand part of the Bill.*

## Schedule 1

### RELIEF FOR RESEARCH AND DEVELOPMENT

*Amendment made:* 14, page 283, line 27, at end insert—

“(3) In section 1057 (R&D relief for SMEs: tax credit only available where company is a going concern), after subsection (4C) insert—

“(4D) For the purposes of this section, where a company (“A”) is a member of the same group as another company (“B”) and A's latest published accounts were not prepared on a going concern basis by reason only of a relevant group transfer, the accounts are to be treated as if they were prepared on a going concern basis.

(4E) For the purposes of this section—

(a) a “relevant group transfer” is a transfer, within the accounting period to which the latest published accounts relate, by A of its trade and research and development to another member of the group mentioned in subsection (4D);

(b) A and B are members of the same group if they are members of the same group of companies for the purposes of Part 5 of CTA 2010 (group relief).” —(*Victoria Atkins.*)

*This amendment would make an amendment to section 1057 of the Corporation Tax Act 2009 that is equivalent to the amendments being made by the Bill to sections 104T and 1046 of that Act.*

*Schedule 1, as amended, agreed to.*

*Clauses 11 to 15 and 121 to 125 ordered to stand part of the Bill.*

*Schedule 14 agreed to.*

*Clauses 126 and 127 ordered to stand part of the Bill.*

*Schedule 15 agreed to.*

*Clauses 128 to 173 ordered to stand part of the Bill.*

### Clause 174

#### AMOUNT OF COVERED TAX BALANCE

*Amendment made:* 12, page 119, leave out lines 4 to 8.—(*Victoria Atkins.*)

*This amendment omits Step 4 in clause 174(1). That Step is unnecessary as it duplicates the effect of provision in clauses section 175(2)(e) and 176(2)(i).*

*Clause 174, as amended, ordered to stand part of the Bill.*

*Clauses 175 to 222 ordered to stand part of the Bill.*

### Clause 223

#### ADJUSTMENTS

*Amendment made:* 13, page 163, line 19, at end insert—

‘(10) Where the covered tax balance of an investment entity includes an amount allocated to it under section 179(1) or 180(3)(a) (allocation of tax imposed under controlled foreign company tax regimes), only so much of its covered tax balance as is not comprised of amounts allocated under those sections is subject to adjustment under this section.’—(*Victoria Atkins.*)

*This amendment prevents adjustments being made to the covered tax balance of an investment entity in relation to amounts of controlled foreign company tax allocated to the entity (to avoid the same adjustments being effectively made twice).*

*Clause 223, as amended, ordered to stand part of the Bill.*

*Clauses 224 to 260 ordered to stand part of the Bill.*

### Schedule 16

#### MULTINATIONAL TOP-UP TAX: TRANSITIONAL PROVISION

*Amendments made:* 15, page 395, line 8, leave out paragraph (a) and insert—

- “(a) assets are transferred from one member of a multinational group to another member of that group,
- (aa) either—
- (i) the Pillar Two rules do not apply to the transferor for the accounting period in which the transfer takes place, or
  - (ii) an election under paragraph 3(1) (transitional safe harbour) applies in relation to the transferor for that period, and’.

*This amendment provides for the anti-avoidance provisions in relation to intragroup transfers to apply to transfers from a member of a multinational group until that member is fully subject to the Pillar Two regime.*

*Amendment 16, page 395, line 17, leave out “beginning of the commencement period” and insert “relevant time”.*

*This amendment is consequential on Amendment 15.*

*Amendment 17, page 395, line 19, leave out from “transfer,” to end of line 24 and insert “and”.*

*This amendment is consequential on Amendment 15.*

*Amendment 18, page 395, line 27, leave out from “assets” to end of line 32.*

*This amendment is consequential on Amendment 15.*

*Amendment 19, page 395, line 32, at end insert—*

‘(3A) For the purposes of this paragraph “the relevant time” means the later of—

- (a) the date of the transfer, and
  - (b) the commencement of the first accounting period in which—
    - (i) the Pillar Two rules apply to the transferee, and
    - (ii) an election under paragraph 3(1) (transitional safe harbour) does not apply in relation to the transferee.
- (3B) Where the relevant time is after the date of the transfer—
- (a) the value of the assets at the relevant time is to be adjusted to reflect—
    - (i) capitalised expenditure incurred in respect of the assets in the period between the date of the transfer and the relevant time, and
    - (ii) amortisation and depreciation of the assets that, had the transfer not occurred, would have been recognised by the transferor if the transferor had continued to use the accounting policies and rates for amortisation and depreciation of the assets previously used, and
  - (b) the tax paid amount in relation to the transfer of the assets is to be adjusted to reflect the matters referred to in paragraph (a)(i) and (ii).’

*This amendment is consequential on Amendment 15.*

*Amendment 20, page 398, leave out lines 36 and 37 and insert—*

‘(3A) Information derived from qualified financial statements as to revenue or profit (loss) before income tax must be adjusted—

- (a) as the information was adjusted for the purposes of its inclusion in a qualifying country-by-country report in relation to the territory, or
- (b) if the information was not included in such a report, as it would have been adjusted had it been included in such a report.

See also paragraph 6 which provides for circumstances in which further adjustments are required to profit (loss) before income tax and circumstances in which adjustments are required to qualifying income tax expense.’—(*Victoria Atkins.*)

*This amendment makes it clear that in determining whether the transitional safe harbour provisions apply for the purposes of multinational top-up tax, revenue and profits are to be as stated in a country-by-country report, or adjusted as if they were included in such a report.*

*Schedule 16, as amended, agreed to.*

*Clause 261 ordered to stand part of the Bill.*

*Schedule 17 agreed to.*

*Clauses 262 to 275 ordered to stand part of the Bill.*

*Schedule 18 agreed to.*

*Clauses 276 and 277 ordered to stand part of the Bill.*

### New Clause 1

#### STATEMENT ON EFFORTS TO SUPPORT IMPLEMENTATION OF THE PILLAR 2 MODEL RULES

‘(1) The Chancellor of the Exchequer must, within three months of this Act being passed, make a statement to the House of Commons on how actions taken by the UK Government since October 2021 in relation to the implementation of the Pillar 2 model rules relate to the provisions of Part 3 of this Act.



(2) The Chancellor of the Exchequer must provide updates to the statement at intervals after that statement has been made of—

- (a) three months;
- (b) six months; and
- (c) nine months.

(3) The statement, and the updates to it, must include—

- (a) details of efforts by the UK Government to encourage more countries to implement the Pillar 2 rules; and
- (b) details of any discussions the UK Government has had with other countries about making the rules more effective.—(*James Murray*)

*This new clause would require the Chancellor to report every three months for a year on the UK Government's progress in working with other countries to extend and strengthen the global minimum corporate tax framework for large multinationals.*

*Brought up, and read the First time.*

*Question put, That the clause be read a Second time.*

*The Committee divided: Ayes 227, Noes 306.*

### Division No. 209]

[4.33 pm

#### AYES

Abbott, rh Ms Diane (*Proxy vote cast by Bell Ribeiro-Addy*)  
 Abrahams, Debbie  
 Ali, Rushanara  
 Ali, Tahir  
 Amesbury, Mike  
 Anderson, Fleur  
 Ashworth, rh Jonathan  
 Bardell, Hannah  
 Barker, Paula  
 Beckett, rh Margaret  
 Benn, rh Hilary  
 Betts, Mr Clive  
 Black, Mhairi  
 Blackford, rh Ian  
 Blackman, Kirsty  
 Blake, Olivia  
 Blomfield, Paul  
 Bonnar, Steven  
 Bradshaw, rh Mr Ben  
 Brennan, Kevin  
 Brown, Alan  
 Brown, Ms Lyn  
 Brown, rh Mr Nicholas  
 Bryant, Sir Chris  
 Buck, Ms Karen  
 Burgon, Richard  
 Butler, Dawn  
 Byrne, rh Liam  
 Cadbury, Ruth  
 Callaghan, Amy (*Proxy vote cast by Brendan O'Hara*)  
 Cameron, Dr Lisa  
 Campbell, rh Sir Alan  
 Carden, Dan  
 Carmichael, rh Mr Alistair  
 Champion, Sarah  
 Chapman, Douglas  
 Charalambous, Bambos  
 Cherry, Joanna  
 Clark, Feryal (*Proxy vote cast by Mark Tami*)  
 Cooper, Daisy  
 Cooper, rh Yvette  
 Corbyn, rh Jeremy  
 Cowan, Ronnie

Coyle, Neil  
 Crawley, Angela  
 Creasy, Stella  
 Cruddas, Jon  
 Cryer, John  
 Cunningham, Alex  
 Daby, Janet  
 Dalton, Ashley  
 Davey, rh Ed  
 David, Wayne  
 Davies, Geraint  
 Davies-Jones, Alex  
 Day, Martyn  
 De Cordova, Marsha  
 Debbonaire, Thangam  
 Dhesi, Mr Tanmanjeet Singh  
 Dixon, Samantha  
 Docherty-Hughes, Martin  
 Dodds, Anneliese  
 Dorans, Allan (*Proxy vote cast by Brendan O'Hara*)  
 Doughty, Stephen  
 Dowd, Peter  
 Eagle, Dame Angela  
 Eagle, rh Maria  
 Edwards, Jonathan  
 Efford, Clive  
 Elliott, Julie  
 Eshalomi, Florence  
 Esterson, Bill  
 Evans, Chris  
 Farron, Tim  
 Fellows, Marion  
 Ferrier, Margaret  
 Flynn, Stephen  
 Foord, Richard  
 Fovargue, Yvonne  
 Foxcroft, Vicky  
 Foy, Mary Kelly  
 Gibson, Patricia  
 Gill, Preet Kaur  
 Grady, Patrick  
 Grant, Peter  
 Green, Sarah  
 Greenwood, Lilian  
 Greenwood, Margaret  
 Griffith, Dame Nia

Haigh, Louise  
 Hamilton, Fabian  
 Hamilton, Mrs Paulette  
 Hardy, Emma  
 Harman, rh Ms Harriet  
 Harris, Carolyn  
 Hayes, Helen  
 Healey, rh John  
 Hendrick, Sir Mark  
 Hendry, Drew  
 Hillier, Dame Meg  
 Hobhouse, Wera  
 Hodge, rh Dame Margaret  
 Hollern, Kate  
 Hopkins, Rachel  
 Hosie, rh Stewart  
 Howarth, rh Sir George  
 Huq, Dr Rupa  
 Hussain, Imran  
 Jardine, Christine  
 Jarvis, Dan  
 Johnson, rh Dame Diana  
 Johnson, Kim  
 Jones, Darren  
 Jones, Gerald  
 Jones, rh Mr Kevan  
 Jones, Ruth  
 Jones, Sarah  
 Keeley, Barbara  
 Kendall, Liz  
 Khan, Afzal  
 Kinnock, Stephen  
 Lake, Ben  
 Lammy, rh Mr David  
 Lavery, Ian  
 Law, Chris  
 Leadbeater, Kim  
 Lewell-Buck, Mrs Emma  
 Lewis, Clive  
 Lightwood, Simon  
 Linden, David  
 Lloyd, Tony (*Proxy vote cast by Mark Tami*)  
 Long Bailey, Rebecca  
 Lucas, Caroline  
 Lynch, Holly  
 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  
 McGinn, Conor  
 McKinnell, Catherine  
 McLaughlin, Anne (*Proxy vote cast by Brendan O'Hara*)  
 McMahan, Jim  
 McMorrin, Anna  
 Mearns, Ian  
 Mishra, Navendu  
 Moran, Layla  
 Morden, Jessica  
 Morgan, Helen  
 Morris, Grahame  
 Murray, Ian  
 Murray, James

Nandy, Lisa  
 Newlands, Gavin  
 Nicolson, John (*Proxy vote cast by Brendan O'Hara*)  
 Norris, Alex  
 O'Hara, Brendan  
 Olney, Sarah  
 Onwurah, Chi  
 Oppong-Asare, Abena  
 Osborne, Kate  
 Oswald, Kirsten  
 Owatemi, Taiwo  
 Peacock, Stephanie  
 Pennycook, Matthew  
 Perkins, Mr Toby  
 Phillips, Jess  
 Phillipson, Bridget  
 Pollard, Luke  
 Powell, Lucy  
 Qaisar, Ms Anum  
 Reed, Steve  
 Rees, Christina  
 Reeves, Ellie  
 Reeves, rh Rachel  
 Reynolds, Jonathan  
 Ribeiro-Addy, Bell  
 Rimmer, Ms Marie  
 Rodda, Matt  
 Russell-Moyle, Lloyd  
 Saville Roberts, rh Liz  
 Shah, Naz  
 Sharma, Mr Virendra  
 Sheppard, Tommy  
 Siddiq, Tulip  
 Slaughter, Andy  
 Smith, Alyn  
 Smith, Cat  
 Smith, Jeff  
 Smith, Nick  
 Sobel, Alex  
 Spellar, rh John  
 Stephens, Chris  
 Stevens, Jo  
 Stone, Jamie  
 Stringer, Graham  
 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  
 Vaz, rh Valerie  
 Wakeford, Christian  
 West, Catherine  
 Western, Matt  
 Whitehead, Dr Alan  
 Whitford, Dr Philippa  
 Whitley, Mick  
 Whittome, Nadia  
 Williams, Hywel  
 Wilson, Munira  
 Yasin, Mohammad  
 Zeichner, Daniel

**Tellers for the Ayes:**  
 Liz Twist and  
 Colleen Fletcher

## NOES

Afolami, Bim	Davies, Dr James	Hollobone, Mr Philip	Morris, Anne Marie
Afriyie, Adam	Davies, Mims	Holloway, Adam	Morris, David
Aiken, Nickie	Davis, rh Mr David	Holmes, Paul	Morris, James
Aldous, Peter	Davison, Dehenna	Howell, John	Morrissey, Joy
Anderson, Lee	Dinenage, Dame Caroline	Howell, Paul	Mortimer, Jill
Anderson, Stuart	Dines, Miss Sarah	Hughes, Eddie	Morton, rh Wendy
Ansell, Caroline	Djanogly, Mr Jonathan	Hunt, Jane	Mumby-Croft, Holly
Argar, rh Edward	Donaldson, rh Sir Jeffrey M.	Hunt, Tom	Mundell, rh David
Atherton, Sarah	Double, Steve	Jack, rh Mr Alister	Murray, Mrs Sheryll
Atkins, Victoria	Doyle-Price, Jackie	Javid, rh Sajid	Murrison, rh Dr Andrew
Bacon, Gareth	Drax, Richard	Jayawardena, rh Mr Ranil	Neill, Sir Robert
Bacon, Mr Richard	Duddridge, Sir James	Jenkinson, Mark	Nokes, rh Caroline
Badenoch, rh Kemi	Duncan Smith, rh Sir Iain	Jenkyns, Andrea	O'Brien, Neil
Bailey, Shaun	Dunne, rh Philip	Jenrick, rh Robert	Offord, Dr Matthew
Baillie, Siobhan	Ellis, rh Michael	Johnson, Dr Caroline	Opperman, Guy
Baker, Duncan	Ellwood, rh Mr Tobias	Johnson, Gareth	Pawsey, Mark
Baldwin, Harriett	Elphicke, Mrs Natalie	Johnston, David	Penning, rh Sir Mike
Barclay, rh Steve	Eustice, rh George	Jones, Andrew	Penrose, John
Baron, Mr John	Evans, Dr Luke	Jones, rh Mr David	Percy, Andrew
Baynes, Simon	Evennett, rh Sir David	Jones, Fay	Philp, rh Chris
Bell, Aaron	Everitt, Ben	Jones, rh Mr Marcus	Poulter, Dr Dan
Beresford, Sir Paul	Fabricant, Michael	Jupp, Simon	Pow, Rebecca
Berry, rh Sir Jake	Farris, Laura	Kawczynski, Daniel	Prentis, rh Victoria
Bhatti, Saqib	Fell, Simon	Kearns, Alicia	Pritchard, rh Mark
Blunt, Crispin	Firth, Anna	Keegan, rh Gillian	Pursglove, Tom
Bone, Mr Peter	Fletcher, Katherine	Knight, rh Sir Greg	Quin, rh Jeremy
Bottomley, Sir Peter	Fletcher, Mark	Knight, Julian ( <i>Proxy vote cast by Craig Mackinlay</i> )	Quince, Will
Bowie, Andrew	Fletcher, Nick	Kniveton, Kate	Randall, Tom
Bradley, Ben	Ford, rh Vicky	Kruger, Danny	Rees-Mogg, rh Mr Jacob
Bradley, rh Karen	Foster, Kevin	Lamont, John	Richards, Nicola
Brady, Sir Graham	Fox, rh Dr Liam	Largan, Robert	Richardson, Angela
Braverman, rh Suella	Francois, rh Mr Mark	Latham, Mrs Pauline	Roberts, Rob
Brereton, Jack	Frazer, rh Lucy	Leadsom, rh Dame Andrea	Robertson, Mr Laurence
Brine, Steve	Freer, Mike	Leigh, rh Sir Edward	Robinson, Gavin
Bristow, Paul	French, Mr Louie	Levy, Ian	Robinson, Mary
Britcliffe, Sara	Fuller, Richard	Lewer, Andrew	Rowley, Lee
Browne, Anthony	Fysh, Mr Marcus	Lewis, rh Brandon	Sambrook, Gary
Bruce, Fiona	Garnier, Mark	Lewis, rh Sir Julian	Saxby, Selaine
Buchan, Felicity	Ghani, Ms Nusrat	Lockhart, Carla	Scully, Paul
Buckland, rh Sir Robert	Gibb, rh Nick	Loder, Chris	Seely, Bob
Burns, rh Conor	Gibson, Peter	Logan, Mark ( <i>Proxy vote cast by Mr Marcus Jones</i> )	Shannon, Jim
Butler, Rob	Gideon, Jo	Longhi, Marco	Shapps, rh Grant
Campbell, Mr Gregory	Girvan, Paul	Lopez, Julia ( <i>Proxy vote cast by Mr Marcus Jones</i> )	Sharma, rh Sir Alok
Carter, Andy	Glen, rh John	Lopresti, Jack	Simmonds, David
Cartlidge, James	Gove, rh Michael	Lord, Mr Jonathan	Skidmore, rh Chris
Cash, Sir William	Graham, Richard	Loughton, Tim	Smith, rh Chloe
Cates, Miriam	Grant, Mrs Helen	Mackinlay, Craig	Smith, Greg
Caulfield, Maria	Grayling, rh Chris ( <i>Proxy vote cast by Mr Marcus Jones</i> )	Mackrory, Cherilyn	Smith, Henry
Chalk, Alex	Green, Chris	Macleane, Rachel	Smith, Royston
Chishti, Rehman	Green, rh Damian	Mak, Alan	Solloway, Amanda
Chope, Sir Christopher	Griffith, Andrew	Malthouse, rh Kit	Spencer, Dr Ben
Churchill, Jo	Grundy, James	Mangnall, Anthony	Spencer, rh Mark
Clark, rh Greg	Gullis, Jonathan	Mann, Scott	Stafford, Alexander
Clarke, rh Mr Simon	Halfon, rh Robert	Marson, Julie	Stephenson, rh Andrew
Clarke, Theo ( <i>Proxy vote cast by Mr Marcus Jones</i> )	Hall, Luke	Mayhew, Jerome	Stevenson, Jane
Clarke-Smith, Brendan	Hammond, Stephen	Maynard, Paul	Stevenson, John
Clarkson, Chris	Hands, rh Greg	McCartney, Karl	Stewart, rh Bob
Clifton-Brown, Sir Geoffrey	Harper, rh Mr Mark	Menzies, Mark	Stewart, Iain
Coffey, rh Dr Thérèse	Harris, Rebecca	Mercer, rh Johnny	Streeter, Sir Gary
Colburn, Elliot	Hart, Sally-Ann	Merriman, Huw	Stuart, rh Graham
Collins, Damian	Hart, rh Simon	Metcalfe, Stephen	Sturdy, Julian
Costa, Alberto	Hayes, rh Sir John	Millar, Robin	Swayne, rh Sir Desmond
Coutinho, Claire	Heald, rh Sir Oliver	Miller, rh Dame Maria	Syms, Sir Robert
Cox, rh Sir Geoffrey	Heapey, rh James	Milling, rh Amanda	Thomas, Derek
Crabb, rh Stephen	Henderson, Gordon	Mills, Nigel	Throup, Maggie
Crosbie, Virginia	Henry, Darren	Mohindra, Mr Gagan	Timpson, Edward
Crouch, Tracey	Higginbotham, Antony	Moore, Damien	Tolhurst, rh Kelly
Daly, James	Hinds, rh Damian	Moore, Robbie	Tomlinson, Justin
Davies, rh David T. C.	Holden, Mr Richard	Mordaunt, rh Penny	Tomlinson, Michael
Davies, Gareth	Hollinrake, Kevin		Tracey, Craig
			Trott, Laura
			Truss, rh Elizabeth

Tugendhat, rh Tom  
 Vara, rh Shailesh  
 Vickers, Martin  
 Vickers, Matt  
 Villiers, rh Theresa  
 Walker, Sir Charles  
 Walker, Mr Robin  
 Wallis, Dr Jamie  
 Warburton, David (*Proxy vote cast by Craig Mackinlay*)  
 Warman, Matt  
 Watling, Giles  
 Webb, Suzanne (*Proxy vote cast by Mr Marcus Jones*)  
 Whately, Helen

Wheeler, Mrs Heather  
 Whittaker, rh Craig  
 Whittingdale, rh Sir John  
 Wiggin, Sir Bill  
 Wild, James  
 Williams, Craig  
 Wilson, rh Sammy  
 Wood, Mike  
 Wragg, Mr William  
 Wright, rh Sir Jeremy  
 Zahawi, rh Nadhim

**Tellers for the Noes:**  
**Ruth Edwards and**  
**Jacob Young**

Champion, Sarah  
 Chapman, Douglas  
 Charalambous, Bambos  
 Cherry, Joanna  
 Clark, Feryal (*Proxy vote cast by Mark Tami*)  
 Cooper, Daisy  
 Cooper, rh Yvette  
 Corbyn, rh Jeremy  
 Cowan, Ronnie  
 Coyle, Neil  
 Crawley, Angela  
 Creasy, Stella  
 Cruddas, Jon  
 Cryer, John  
 Cummins, Judith  
 Cunningham, Alex  
 Daby, Janet  
 Dalton, Ashley  
 Davey, rh Ed  
 David, Wayne  
 Davies, Geraint  
 Davies-Jones, Alex  
 Day, Martyn  
 De Cordova, Marsha  
 Debbonaire, Thangam  
 Dhesi, Mr Tanmanjeet Singh  
 Dixon, Samantha  
 Docherty-Hughes, Martin  
 Dodds, Anneliese  
 Donaldson, rh Sir Jeffrey M.  
 Dorans, Allan (*Proxy vote cast by Brendan O'Hara*)  
 Doughty, Stephen  
 Dowd, Peter  
 Eagle, Dame Angela  
 Eagle, rh Maria  
 Edwards, Jonathan  
 Efford, Clive  
 Elliott, Julie  
 Eshalomi, Florence  
 Esterson, Bill  
 Evans, Chris  
 Farron, Tim  
 Ferrier, Margaret  
 Flynn, Stephen  
 Foord, Richard  
 Fovargue, Yvonne  
 Foxcroft, Vicky  
 Foy, Mary Kelly  
 Gibson, Patricia  
 Gill, Preet Kaur  
 Girvan, Paul  
 Grady, Patrick  
 Grant, Peter  
 Green, Sarah  
 Greenwood, Lilian  
 Greenwood, Margaret  
 Griffith, Dame Nia  
 Haigh, Louise  
 Hamilton, Fabian  
 Hamilton, Mrs Paulette  
 Hardy, Emma  
 Harman, rh Ms Harriet  
 Harris, Carolyn  
 Hayes, Helen  
 Hendrick, Sir Mark  
 Hendry, Drew  
 Hillier, Dame Meg  
 Hobhouse, Wera  
 Hodge, rh Dame Margaret  
 Hollern, Kate

Hopkins, Rachel  
 Hosie, rh Stewart  
 Howarth, rh Sir George  
 Huq, Dr Rupa  
 Hussain, Imran  
 Jardine, Christine  
 Jarvis, Dan  
 Johnson, rh Dame Diana  
 Johnson, Kim  
 Jones, Darren  
 Jones, Gerald  
 Jones, rh Mr Kevan  
 Jones, Ruth  
 Jones, Sarah  
 Keeley, Barbara  
 Kendall, Liz  
 Khan, Afzal  
 Kinnock, Stephen  
 Lake, Ben  
 Lavery, Ian  
 Law, Chris  
 Leadbeater, Kim  
 Lewell-Buck, Mrs Emma  
 Lewis, Clive  
 Lightwood, Simon  
 Linden, David  
 Lloyd, Tony (*Proxy vote cast by Mark Tami*)  
 Lockhart, Carla  
 Long Bailey, Rebecca  
 Lucas, Caroline  
 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  
 McGinn, Conor  
 McKinnell, Catherine  
 McLaughlin, Anne (*Proxy vote cast by Brendan O'Hara*)  
 McMahan, Jim  
 McMorris, Anna  
 Mearns, Ian  
 Mishra, Navendu  
 Moran, Layla  
 Morden, Jessica  
 Morgan, Helen  
 Morris, Grahame  
 Murray, Ian  
 Murray, James  
 Nandy, Lisa  
 Newlands, Gavin  
 Nicolson, John (*Proxy vote cast by Brendan O'Hara*)  
 Norris, Alex  
 O'Hara, Brendan  
 Olney, Sarah  
 Onwurah, Chi  
 Oppong-Asare, Abena  
 Osborne, Kate  
 Oswald, Kirsten  
 Owatemi, Taiwo  
 Peacock, Stephanie  
 Pennycook, Matthew  
 Perkins, Mr Toby

*Question accordingly negatived.*

### New Clause 3

#### REVIEW OF BUSINESS TAXES

(1) The Chancellor of the Exchequer must, within six months of this Act being passed—

- (a) conduct a review of the business taxes, and
- (b) lay before the House of Commons a report setting out recommendations arising from the review.

(2) The review must make recommendations on how to—

- (a) use business taxes to encourage and increase the investment of profits and revenue;
- (b) ensure businesses have more certainty about the taxes to which they are subject; and
- (c) ensure that the system of capital allowances operates effectively to incentivise investment, including for small businesses.

(3) In this section, “the business taxes” includes any tax in respect of which this Act makes provision that is paid by a business, including in particular provisions made under sections 5 to 15 of this Act.—(*James Murray.*)

*This new clause would require the Chancellor to conduct a review of business taxes, and to make recommendations on how to increase certainty and investment, before the next Finance Bill is published.*

*Brought up, and read the First time.*

*Question put, That the clause be read a Second time.*

*The Committee divided: Ayes 233, Noes 302.*

### Division No. 210]

[4.48 pm

#### AYES

Abbott, rh Ms Diane (*Proxy vote cast by Bell Ribeiro-Addy*)  
 Abrahams, Debbie  
 Ali, Rushanara  
 Ali, Tahir  
 Amesbury, Mike  
 Anderson, Fleur  
 Ashworth, rh Jonathan  
 Bardell, Hannah  
 Barker, Paula  
 Beckett, rh Margaret  
 Benn, rh Hilary  
 Betts, Mr Clive  
 Black, Mhairi  
 Blackford, rh Ian  
 Blackman, Kirsty  
 Blake, Olivia  
 Blomfield, Paul

Bonnar, Steven  
 Bradshaw, rh Mr Ben  
 Brennan, Kevin  
 Brown, Alan  
 Brown, Ms Lyn  
 Brown, rh Mr Nicholas  
 Bryant, Sir Chris  
 Buck, Ms Karen  
 Burgon, Richard  
 Butler, Dawn  
 Byrne, rh Liam  
 Cadbury, Ruth  
 Callaghan, Amy (*Proxy vote cast by Brendan O'Hara*)  
 Cameron, Dr Lisa  
 Campbell, rh Sir Alan  
 Campbell, Mr Gregory  
 Carden, Dan  
 Carmichael, rh Mr Alistair

Phillips, Jess  
 Phillipson, Bridget  
 Pollard, Luke  
 Powell, Lucy  
 Qaisar, Ms Anum  
 Reed, Steve  
 Rees, Christina  
 Reeves, Ellie  
 Reeves, rh Rachel  
 Reynolds, Jonathan  
 Ribeiro-Addy, Bell  
 Rimmer, Ms Marie  
 Robinson, Gavin  
 Rodda, Matt  
 Russell-Moyle, Lloyd  
 Saville Roberts, rh Liz  
 Shah, Naz  
 Shannon, Jim  
 Sharma, Mr Virendra  
 Sheppard, Tommy  
 Siddiq, Tulip  
 Slaughter, Andy  
 Smith, Alyn  
 Smith, Cat  
 Smith, Jeff  
 Smith, Nick  
 Smyth, Karin  
 Sobel, Alex  
 Spellar, rh John  
 Stephens, Chris  
 Stevens, Jo

Stone, Jamie  
 Stringer, Graham  
 Sultana, Zarah  
 Tami, rh Mark  
 Tarry, Sam  
 Thewliss, Alison  
 Thomas, Gareth  
 Thomas-Symonds, rh Nick  
 Thompson, Owen  
 Thomson, Richard  
 Timms, rh Sir Stephen  
 Trickett, Jon  
 Turner, Karl  
 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**  
**Colleen Fletcher**

#### NOES

Afolami, Bim  
 Afriyie, Adam  
 Aiken, Nickie  
 Aldous, Peter  
 Anderson, Lee  
 Anderson, Stuart  
 Ansell, Caroline  
 Argar, rh Edward  
 Atherton, Sarah  
 Atkins, Victoria  
 Bacon, Gareth  
 Bacon, Mr Richard  
 Badenoch, rh Kemi  
 Bailey, Shaun  
 Baillie, Siobhan  
 Baker, Duncan  
 Baldwin, Harriett  
 Barclay, rh Steve  
 Baron, Mr John  
 Baynes, Simon  
 Bell, Aaron  
 Beresford, Sir Paul  
 Berry, rh Sir Jake  
 Bhatti, Saqib  
 Blunt, Crispin  
 Bone, Mr Peter  
 Bottomley, Sir Peter  
 Bowie, Andrew  
 Bradley, Ben  
 Bradley, rh Karen  
 Brady, Sir Graham  
 Braverman, rh Suella  
 Brereton, Jack  
 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  
 Choqe, Sir Christopher  
 Churchill, Jo  
 Clark, rh Greg  
 Clarke, rh Mr Simon  
 Clarke, Theo (*Proxy vote cast by Mr Marcus Jones*)  
 Clarke-Smith, Brendan  
 Clarkson, Chris  
 Clifton-Brown, Sir Geoffrey  
 Coffey, rh Dr Thérèse  
 Colburn, Elliot  
 Collins, Damian  
 Costa, Alberto  
 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  
 Davis, rh Mr David  
 Davison, Dehenna  
 Dinena, Dame Caroline  
 Dines, Miss Sarah

Djanogly, Mr Jonathan  
 Double, Steve  
 Doyle-Price, Jackie  
 Drax, Richard  
 Drummond, Mrs Flick  
 Duddridge, Sir James  
 Duncan Smith, rh Sir Iain  
 Dunne, rh Philip  
 Ellis, rh Michael  
 Ellwood, rh Mr Tobias  
 Elphicke, Mrs Natalie  
 Eustice, rh George  
 Evans, Dr Luke  
 Evennett, rh Sir David  
 Everitt, Ben  
 Fabricant, Michael  
 Farris, Laura  
 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  
 Freer, Mike  
 French, Mr Louie  
 Fuller, Richard  
 Fysh, Mr Marcus  
 Garnier, Mark  
 Ghani, Ms Nusrat  
 Gibb, rh Nick  
 Gibson, Peter  
 Gideon, Jo  
 Glen, rh John  
 Gove, rh Michael  
 Graham, Richard  
 Grant, Mrs Helen  
 Grayling, rh Chris (*Proxy vote cast by Mr Marcus Jones*)  
 Green, Chris  
 Green, rh Damian  
 Griffith, Andrew  
 Grundy, James  
 Gullis, Jonathan  
 Halfon, rh Robert  
 Hall, Luke  
 Hammond, Stephen  
 Hands, rh Greg  
 Harper, rh Mr Mark  
 Harris, Rebecca  
 Hart, Sally-Ann  
 Hart, rh Simon  
 Hayes, rh Sir John  
 Heald, rh Sir Oliver  
 Heapey, rh James  
 Henderson, Gordon  
 Henry, Darren  
 Higginbotham, Antony  
 Hinds, rh Damian  
 Holden, Mr Richard  
 Hollinrake, Kevin  
 Hollobone, Mr Philip  
 Holloway, Adam  
 Holmes, Paul  
 Howell, John  
 Howell, Paul  
 Hughes, Eddie  
 Hunt, Jane  
 Hunt, Tom  
 Jack, rh Mr Alister  
 Javid, rh Sajid  
 Jayawardena, rh Mr Ranil  
 Jenkin, Sir Bernard  
 Jenkinson, Mark  
 Jenkyns, Andrea  
 Jenrick, rh Robert  
 Johnson, Dr Caroline  
 Johnson, Gareth  
 Johnston, David  
 Jones, Andrew  
 Jones, rh Mr David  
 Jones, Fay  
 Jones, rh Mr Marcus  
 Jupp, Simon  
 Kawczynski, Daniel  
 Kearns, Alicia  
 Keegan, rh Gillian  
 Knight, rh Sir Greg  
 Knight, Julian (*Proxy vote cast by Craig Mackinlay*)  
 Kniveton, Kate  
 Kruger, Danny  
 Lamont, John  
 Langan, Robert  
 Latham, Mrs Pauline  
 Leadsom, rh Dame Andrea  
 Leigh, rh Sir Edward  
 Levy, Ian  
 Lewer, Andrew  
 Lewis, rh Brandon  
 Lewis, rh Sir Julian  
 Loder, Chris  
 Logan, Mark (*Proxy vote cast by Mr Marcus Jones*)  
 Longhi, Marco  
 Lopez, Julia (*Proxy vote cast by Mr Marcus Jones*)  
 Lopresti, Jack  
 Lord, Mr Jonathan  
 Loughton, Tim  
 Mackinlay, Craig  
 Mackrory, Cherylyn  
 Maclean, Rachel  
 Mak, Alan  
 Malthouse, rh Kit  
 Mangnall, Anthony  
 Mann, Scott  
 Marson, Julie  
 Mayhew, Jerome  
 Maynard, Paul  
 McCartney, Karl  
 Menzies, Mark  
 Mercer, rh Johnny  
 Merriman, Huw  
 Metcalfe, Stephen  
 Millar, Robin  
 Miller, rh Dame Maria  
 Milling, rh Amanda  
 Mills, Nigel  
 Mohindra, Mr Gagan  
 Moore, Damien  
 Moore, Robbie  
 Mordaunt, rh Penny  
 Morris, Anne Marie  
 Morris, David  
 Morris, James  
 Morrissey, Joy  
 Mortimer, Jill  
 Morton, rh Wendy  
 Mumby-Croft, Holly  
 Mundell, rh David

Murray, Mrs Sheryll  
 Murrison, rh Dr Andrew  
 Neill, Sir Robert  
 Nokes, rh Caroline  
 Norman, rh Jesse  
 O'Brien, Neil  
 Offord, Dr Matthew  
 Opperman, Guy  
 Pawsey, Mark  
 Penning, rh Sir Mike  
 Penrose, John  
 Percy, Andrew  
 Philp, rh Chris  
 Poulter, Dr Dan  
 Pow, Rebecca  
 Prentis, rh Victoria  
 Pritchard, rh Mark  
 Pursglove, Tom  
 Quin, rh Jeremy  
 Quince, Will  
 Randall, Tom  
 Rees-Mogg, rh Mr Jacob  
 Richards, Nicola  
 Richardson, Angela  
 Roberts, Rob  
 Robertson, Mr Laurence  
 Robinson, Mary  
 Rowley, Lee  
 Sambrook, Gary  
 Saxby, Selaine  
 Scully, Paul  
 Seely, Bob  
 Shapps, rh Grant  
 Sharma, rh Sir Alok  
 Simmonds, David  
 Skidmore, rh Chris  
 Smith, rh Chloe  
 Smith, Greg  
 Smith, Henry  
 Smith, Royston  
 Solloway, Amanda  
 Spencer, Dr Ben  
 Spencer, rh Mark  
 Stafford, Alexander  
 Stephenson, rh Andrew  
 Stevenson, Jane  
 Stevenson, John

Stewart, rh Bob  
 Stewart, Iain  
 Streeter, Sir Gary  
 Stuart, rh Graham  
 Sturdy, Julian  
 Swayne, rh Sir Desmond  
 Syms, Sir Robert  
 Thomas, Derek  
 Throup, Maggie  
 Timpson, Edward  
 Tolhurst, rh Kelly  
 Tomlinson, Justin  
 Tomlinson, Michael  
 Tracey, Craig  
 Trevelyan, rh Anne-Marie  
 Trott, Laura  
 Truss, rh Elizabeth  
 Tugendhat, rh Tom  
 Vara, rh Shailesh  
 Vickers, Martin  
 Vickers, Matt  
 Villiers, rh Theresa  
 Walker, Sir Charles  
 Walker, Mr Robin  
 Wallis, Dr Jamie  
 Warburton, David (*Proxy vote cast by Craig Mackinlay*)  
 Warman, Matt  
 Watling, Giles  
 Webb, Suzanne (*Proxy vote cast by Mr Marcus Jones*)  
 Whately, Helen  
 Wheeler, Mrs Heather  
 Whittaker, rh Craig  
 Whittingdale, rh Sir John  
 Wiggin, Sir Bill  
 Wild, James  
 Williams, Craig  
 Wood, Mike  
 Wragg, Mr William  
 Wright, rh Sir Jeremy  
 Zahawi, rh Nadhim

**Tellers for the Noes:**  
**Jacob Young and**  
**Ruth Edwards**

*Question accordingly negatived.*

### New Clause 6

#### REVIEW OF ENERGY (OIL AND GAS) PROFITS LEVY ALLOWANCES

(1) The Chancellor of the Exchequer must, within three months of the passing of this Act—

- (a) conduct a review of section 2(3) of the Energy (Oil and Gas) Profits Levy Act 2022, as introduced by subsection 12(2) of this Act, and
- (b) lay before the House of Commons a report arising from the review.

(2) The review must include consideration of the implications for the public finances of the provisions in section 2(3)—

- (a) were all the provisions in section 2(3) to apply, and
- (b) were the provisions in section 2(3)(b) not to apply.'

—(*James Murray.*)

*This new clause requires the Chancellor to review the investment allowances introduced as part of the energy profits levy, and to set out what would happen if the allowance for all expenditure, apart from that spent on de-carbonisation, were removed.*

*Brought up, and read the First time.*

*Question put, That the clause be read a Second time.*

*The Committee divided: Ayes 232, Noes 299.*

### Division No. 211]

[5.1 pm

#### AYES

Abbott, rh Ms Diane (*Proxy vote cast by Bell Ribeiro-Ady*)  
 Abrahams, Debbie  
 Ali, Rushanara  
 Ali, Tahir  
 Amesbury, Mike  
 Anderson, Fleur  
 Ashworth, rh Jonathan  
 Bardell, Hannah  
 Barker, Paula  
 Beckett, rh Margaret  
 Benn, rh Hilary  
 Betts, Mr Clive  
 Black, Mhairi  
 Blackford, rh Ian  
 Blackman, Kirsty  
 Blake, Olivia  
 Blomfield, Paul  
 Bradshaw, rh Mr Ben  
 Brennan, Kevin  
 Brown, Alan  
 Brown, Ms Lyn  
 Brown, rh Mr Nicholas  
 Bryant, Sir Chris  
 Buck, Ms Karen  
 Burgon, Richard  
 Butler, Dawn  
 Byrne, rh Liam  
 Cadbury, Ruth  
 Callaghan, Amy (*Proxy vote cast by Brendan O'Hara*)  
 Cameron, Dr Lisa  
 Campbell, rh Sir Alan  
 Campbell, Mr Gregory  
 Carden, Dan  
 Carmichael, rh Mr Alistair  
 Champion, Sarah  
 Chapman, Douglas  
 Charalambous, Bambos  
 Cherry, Joanna  
 Clark, Feryal (*Proxy vote cast by Mark Tami*)  
 Cooper, Daisy  
 Cooper, rh Yvette  
 Corbyn, rh Jeremy  
 Cowan, Ronnie  
 Coyle, Neil  
 Crawley, Angela  
 Creasy, Stella  
 Cruddas, Jon  
 Cryer, John  
 Cummins, Judith  
 Cunningham, Alex  
 Daby, Janet  
 Dalton, Ashley  
 Davey, rh Ed  
 David, Wayne  
 Davies, Geraint  
 Davies-Jones, Alex  
 Day, Martyn  
 De Cordova, Marsha  
 Debbonaire, Thangam  
 Dhesi, Mr Tanmanjeet Singh  
 Dixon, Samantha  
 Docherty-Hughes, Martin  
 Dodds, Anneliese  
 Donaldson, rh Sir Jeffrey M.  
 Dorans, Allan (*Proxy vote cast by Brendan O'Hara*)  
 Doughty, Stephen  
 Dowd, Peter  
 Eagle, Dame Angela  
 Eagle, rh Maria  
 Edwards, Jonathan  
 Efford, Clive  
 Elliott, Julie  
 Eshalomi, Florence  
 Esterson, Bill  
 Evans, Chris  
 Farron, Tim  
 Fellows, Marion  
 Ferrier, Margaret  
 Flynn, Stephen  
 Foord, Richard  
 Fovargue, Yvonne  
 Foxcroft, Vicky  
 Foy, Mary Kelly  
 Gibson, Patricia  
 Gill, Preet Kaur  
 Girvan, Paul  
 Grady, Patrick  
 Grant, Peter  
 Green, Sarah  
 Greenwood, Lilian  
 Greenwood, Margaret  
 Griffith, Dame Nia  
 Haigh, Louise  
 Hamilton, Fabian  
 Hamilton, Mrs Paulette  
 Hardy, Emma  
 Harman, rh Ms Harriet  
 Harris, Carolyn  
 Hayes, Helen  
 Hendrick, Sir Mark  
 Hendry, Drew  
 Hillier, Dame Meg  
 Hobhouse, Wera  
 Hodge, rh Dame Margaret  
 Hollern, Kate  
 Hopkins, Rachel  
 Hosie, rh Stewart  
 Howarth, rh Sir George  
 Huq, Dr Rupa  
 Hussain, Imran  
 Jardine, Christine  
 Jarvis, Dan  
 Johnson, rh Dame Diana  
 Johnson, Kim  
 Jones, Darren  
 Jones, rh Mr Kevan  
 Jones, Ruth  
 Jones, Sarah  
 Keeley, Barbara  
 Kendall, Liz  
 Khan, Afzal

Kinnock, Stephen  
 Lake, Ben  
 Lavery, Ian  
 Law, Chris  
 Leadbeater, Kim  
 Lewell-Buck, Mrs Emma  
 Lewis, Clive  
 Lightwood, Simon  
 Linden, David  
 Lloyd, Tony (*Proxy vote cast by Mark Tami*)  
 Lockhart, Carla  
 Long Bailey, Rebecca  
 Lucas, Caroline  
 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  
 McGinn, Conor  
 McKinnell, Catherine  
 McLaughlin, Anne (*Proxy vote cast by Brendan O'Hara*)  
 McMahan, Jim  
 McMorrin, Anna  
 Mearns, Ian  
 Mishra, Navendu  
 Moran, Layla  
 Morden, Jessica  
 Morgan, Helen  
 Morris, Grahame  
 Murray, Ian  
 Murray, James  
 Nandy, Lisa  
 Newlands, Gavin  
 Nicolson, John (*Proxy vote cast by Brendan O'Hara*)  
 Norris, Alex  
 O'Hara, Brendan  
 Olney, Sarah  
 Onwurah, Chi  
 Oppong-Asare, Abena  
 Osborne, Kate  
 Oswald, Kirsten  
 Owatemi, Taiwo  
 Peacock, Stephanie  
 Pennycook, Matthew  
 Perkins, Mr Toby  
 Phillips, Jess  
 Phillipson, Bridget  
 Pollard, Luke  
 Powell, Lucy

Qaisar, Ms Anum  
 Reed, Steve  
 Rees, Christina  
 Reeves, Ellie  
 Reeves, rh Rachel  
 Reynolds, Jonathan  
 Ribeiro-Addy, Bell  
 Rimmer, Ms Marie  
 Robinson, Gavin  
 Rodda, Matt  
 Russell-Moyle, Lloyd  
 Saville Roberts, rh Liz  
 Shah, Naz  
 Shannon, Jim  
 Sharma, Mr Virendra  
 Sheppard, Tommy  
 Siddiq, Tulip  
 Slaughter, Andy  
 Smith, Alyn  
 Smith, Cat  
 Smith, Jeff  
 Smith, Nick  
 Smyth, Karin  
 Sobel, Alex  
 Spellar, rh John  
 Stephens, Chris  
 Stevens, Jo  
 Stone, Jamie  
 Stringer, Graham  
 Sultana, Zarah  
 Tami, rh Mark  
 Tarry, Sam  
 Thewliss, Alison  
 Thomas, Gareth  
 Thomas-Symonds, rh Nick  
 Thompson, Owen  
 Thomson, Richard  
 Timms, rh Sir Stephen  
 Trickett, Jon  
 Turner, Karl  
 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:**  
**Colleen Fletcher and**  
**Liz Twist**

#### NOES

Afolami, Bim  
 Afriyie, Adam  
 Aiken, Nickie  
 Aldous, Peter  
 Anderson, Lee  
 Anderson, Stuart  
 Ansell, Caroline  
 Argar, rh Edward  
 Atherton, Sarah  
 Atkins, Victoria

Bacon, Gareth  
 Bacon, Mr Richard  
 Badenoch, rh Kemi  
 Bailey, Shaun  
 Baillie, Siobhan  
 Baker, Duncan  
 Baldwin, Harriett  
 Barclay, rh Steve  
 Baron, Mr John  
 Baynes, Simon

Bell, Aaron  
 Beresford, Sir Paul  
 Berry, rh Sir Jake  
 Bhatti, Saqib  
 Blunt, Crispin  
 Bone, Mr Peter  
 Bottomley, Sir Peter  
 Bowie, Andrew  
 Bradley, Ben  
 Bradley, rh Karen  
 Brady, Sir Graham  
 Braverman, rh Suella  
 Brereton, Jack  
 Brine, Steve  
 Bristow, Paul  
 Britcliffe, Sara  
 Browne, Anthony  
 Bruce, Fiona  
 Buchan, Felicity  
 Burghart, Alex  
 Butler, Rob  
 Carter, Andy  
 Cartledge, James  
 Cash, Sir William  
 Cates, Miriam  
 Caulfield, Maria  
 Chalk, Alex  
 Chishti, Rehman  
 Choje, Sir Christopher  
 Churchill, Jo  
 Clark, rh Greg  
 Clarke, rh Mr Simon  
 Clarke, Theo (*Proxy vote cast by Mr Marcus Jones*)  
 Clarke-Smith, Brendan  
 Clarkson, Chris  
 Clifton-Brown, Sir Geoffrey  
 Coffey, rh Dr Thérèse  
 Colburn, Elliot  
 Collins, Damian  
 Costa, Alberto  
 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  
 Davis, rh Mr David  
 Davison, Dehenna  
 Dinéage, Dame Caroline  
 Dines, Miss Sarah  
 Djanogly, Mr Jonathan  
 Double, Steve  
 Doyle-Price, Jackie  
 Drax, Richard  
 Drummond, Mrs Flick  
 Duncan Smith, rh Sir Iain  
 Dunne, rh Philip  
 Ellis, rh Michael  
 Ellwood, rh Mr Tobias  
 Elphicke, Mrs Natalie  
 Eustice, rh George  
 Evans, Dr Luke  
 Evennett, rh Sir David  
 Everitt, Ben  
 Fabricant, Michael  
 Farris, Laura  
 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  
 Freer, Mike  
 French, Mr Louie  
 Fuller, Richard  
 Fysh, Mr Marcus  
 Garnier, Mark  
 Ghani, Ms Nusrat  
 Gibb, rh Nick  
 Gibson, Peter  
 Gideon, Jo  
 Glen, rh John  
 Gove, rh Michael  
 Graham, Richard  
 Grant, Mrs Helen  
 Grayling, rh Chris (*Proxy vote cast by Mr Marcus Jones*)  
 Green, Chris  
 Green, rh Damian  
 Griffith, Andrew  
 Grundy, James  
 Gullis, Jonathan  
 Halfon, rh Robert  
 Hall, Luke  
 Hammond, Stephen  
 Hands, rh Greg  
 Harper, rh Mr Mark  
 Harris, Rebecca  
 Hart, Sally-Ann  
 Hayes, rh Sir John  
 Heald, rh Sir Oliver  
 Heapey, rh James  
 Henderson, Gordon  
 Henry, Darren  
 Higginbotham, Antony  
 Hinds, rh Damian  
 Holden, Mr Richard  
 Hollinrake, Kevin  
 Hollobone, Mr Philip  
 Holloway, Adam  
 Holmes, Paul  
 Howell, John  
 Howell, Paul  
 Hunt, Jane  
 Hunt, Tom  
 Jack, rh Mr Alister  
 Javid, rh Sajid  
 Jayawardena, rh Mr Ranil  
 Jenkin, Sir Bernard  
 Jenkinson, Mark  
 Jenkyns, Andrea  
 Jenrick, rh Robert  
 Johnson, Dr Caroline  
 Johnson, Gareth  
 Johnston, David  
 Jones, Andrew  
 Jones, rh Mr David  
 Jones, Fay  
 Jones, rh Mr Marcus  
 Jupp, Simon  
 Kawczynski, Daniel  
 Kearns, Alicia  
 Keegan, rh Gillian  
 Knight, rh Sir Greg

Knight, Julian (*Proxy vote cast by Craig Mackinlay*)  
 Kniveton, Kate  
 Kruger, Danny  
 Lamont, John  
 Largan, Robert  
 Latham, Mrs Pauline  
 Leadsom, rh Dame Andrea  
 Leigh, rh Sir Edward  
 Levy, Ian  
 Lewer, Andrew  
 Lewis, rh Brandon  
 Lewis, rh Sir Julian  
 Loder, Chris  
 Logan, Mark (*Proxy vote cast by Mr Marcus Jones*)  
 Longhi, Marco  
 Lopez, Julia (*Proxy vote cast by Mr Marcus Jones*)  
 Lopresti, Jack  
 Lord, Mr Jonathan  
 Loughton, Tim  
 Mackinlay, Craig  
 Mackrory, Cherylyn  
 Maclean, Rachel  
 Mak, Alan  
 Malthouse, rh Kit  
 Mangnall, Anthony  
 Mann, Scott  
 Marson, Julie  
 Mayhew, Jerome  
 Maynard, Paul  
 McCartney, Karl  
 Menzies, Mark  
 Mercer, rh Johnny  
 Merriman, Huw  
 Metcalfe, Stephen  
 Millar, Robin  
 Miller, rh Dame Maria  
 Milling, rh Amanda  
 Mills, Nigel  
 Mohindra, Mr Gagan  
 Moore, Damien  
 Moore, Robbie  
 Mordaunt, rh Penny  
 Morris, Anne Marie  
 Morris, David  
 Morris, James  
 Morrissey, Joy  
 Mortimer, Jill  
 Morton, rh Wendy  
 Mumby-Croft, Holly  
 Mundell, rh David  
 Murray, Mrs Sheryll  
 Murrison, rh Dr Andrew  
 Neill, Sir Robert  
 Nokes, rh Caroline  
 Norman, rh Jesse  
 O'Brien, Neil  
 Offord, Dr Matthew  
 Opperman, Guy  
 Pawsey, Mark  
 Penning, rh Sir Mike  
 Penrose, John  
 Percy, Andrew  
 Philp, rh Chris  
 Poulter, Dr Dan

Pow, Rebecca  
 Prentis, rh Victoria  
 Pritchard, rh Mark  
 Pursglove, Tom  
 Quin, rh Jeremy  
 Quince, Will  
 Randall, Tom  
 Rees-Mogg, rh Mr Jacob  
 Richards, Nicola  
 Richardson, Angela  
 Roberts, Rob  
 Robertson, Mr Laurence  
 Robinson, Mary  
 Rowley, Lee  
 Sambrook, Gary  
 Saxby, Selaine  
 Scully, Paul  
 Seely, Bob  
 Shapps, rh Grant  
 Sharma, rh Sir Alok  
 Simmonds, David  
 Skidmore, rh Chris  
 Smith, rh Chloe  
 Smith, Greg  
 Smith, Henry  
 Smith, Royston  
 Solloway, Amanda  
 Spencer, Dr Ben  
 Spencer, rh Mark  
 Stafford, Alexander  
 Stephenson, rh Andrew  
 Stevenson, Jane  
 Stevenson, John  
 Stewart, rh Bob  
 Stewart, Iain  
 Streeter, Sir Gary  
 Stuart, rh Graham  
 Sturdy, Julian  
 Swayne, rh Sir Desmond  
 Syms, Sir Robert  
 Thomas, Derek  
 Throup, Maggie  
 Timpson, Edward  
 Tolhurst, rh 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  
 Wallis, Dr Jamie  
 Warburton, David (*Proxy vote cast by Craig Mackinlay*)  
 Warman, Matt  
 Watling, Giles  
 Webb, Suzanne (*Proxy vote cast by Mr Marcus Jones*)  
 Whately, Helen  
 Wheeler, Mrs Heather  
 Whittaker, rh Craig  
 Whittingdale, rh Sir John

Wiggin, Sir Bill  
 Wild, James  
 Williams, Craig  
 Wood, Mike  
 Wragg, Mr William

Wright, rh Sir Jeremy  
 Zahawi, rh Nadhim

**Tellers for the Noes:**  
**Jacob Young and**  
**Ruth Edwards**

*Question accordingly negated.*

*The occupant of the Chair left the Chair (Programme Order, 29 March).*

*The Deputy Speaker resumed the Chair.*

*Progress reported; Committee to sit again tomorrow.*

## Business without Debate

### DELEGATED LEGISLATION

*Motion made, and Question put forthwith (Standing Order No. 118(6)),*

#### ANIMALS

That the draft Microchipping of Cats and Dogs (England) Regulations 2023, which were laid before this House on 13 March, be approved.—(*Andrew Stephenson.*)

*Question agreed to.*

### PETITION

#### Local post office closure

5.13 pm

**Zarah Sultana** (Coventry South) (Lab): I rise to present a petition on behalf of the residents of Coventry South regarding post office services in the Quinton Park area of Cheylesmore. The petition notes the vital services local post offices provide and highlights the importance of them being easily accessible for those with mobility issues. It further notes that since the Daventry Road post office in Cheylesmore closed, there has been a loss of service in this area. The petitioners therefore urge the House of Commons to support better provision of post offices in the community and specifically for a post office to open that serves the community of Quinton Park, Cheylesmore.

*Following is the full text of the petition:*

*[The petition of residents of the constituency of Coventry South*

*Declares that local Post Offices provide a vital service for the community, further declares that it is particularly important that they are nearby and easily accessible for older people and people with mobility difficulties, notes that the closure of Daventry Road Post Office in Cheylesmore, Coventry, resulted in the loss of this service in the area.*

*The petitioners therefore urge the House of Commons to support better provision of Post Offices in the community, and specifically for the Post Office on Daventry Road to serve the community of Quinton Park, Cheylesmore, Coventry.*

*And the petitioners remain, etc.]*

[P002828]

## In-patient Abuse: Autistic People and People with Learning Disabilities

*Motion made, and Question proposed,* That this House do now adjourn.—(*Andrew Stephenson.*)

5.14 pm

**Barbara Keeley** (Worsley and Eccles South) (Lab): The abuse of autistic people and people with learning disabilities is not raised frequently enough in this House. I am glad to have secured this debate today to outline some of the issues and to stress the urgency of the situation. The Government's record on the scandals I am about to describe has been appalling. I would like to begin with the experiences of two young autistic women who were detained in in-patient units commissioned by the NHS.

**Sir Robert Buckland** (South Swindon) (Con): I am very grateful to the hon. Lady for giving way. Before she goes into those two harrowing cases, the Government set themselves a target to reduce the number of people in mental health detention—let us call it that—by half by March next year. At current progress, they will not hit that target until 2028. What would be her words to the Government to ensure that they get on with it and start releasing people back into the community?

**Barbara Keeley:** I thank the right hon. and learned Gentleman for his intervention. That is very much the sentiment I will be expressing in this debate tonight, but I would go further and say we cannot just accept continual targets. I will remind Members that the original target was to reduce to zero the number of people in inappropriate in-patient units, and I shall say that that is the target we should get back to.

As I said, I would like to begin with the experiences of two young autistic women who were detained in in-patient units commissioned by the NHS. Their stories were told recently in a powerful Channel 4 “Dispatches” programme, on which they and their families spoke with immense bravery about the abuses they faced. I encourage all Members to watch it.

Amy is a 22-year-old autistic woman who was, until recently, detained at the Brightmet Centre for Autism in Bolton, run by ASC Healthcare. The unit is supposed to provide care tailored to the needs of autistic people that would not be available on a general psychiatric ward. While she was detained at the Brightmet Centre, Amy said that her eating disorder actually worsened and that “it’s all about punishment”, not treatment. Amy reported that not a day went by when staff members did not use restraint and that the threat of violence was used to make patients conform. She said:

“They’ve chucked me about...they will nip you, they have pulled my hair out, they will push your wrists down. When I tell them it hurts they do it more”.

After staff at Brightmet were told that Amy had spoken out in the Channel 4 documentary, they took her phone away from her. When she got it back, she sent photos of dark bruises covering her arms.

Amy was moved to a different hospital and the Care Quality Commission has taken further enforcement action against the Brightmet Centre, stating that “if there is not rapid, widespread improvement”

it

“will start the process of preventing the provider from operating the service.”

The CQC reports there are still 12 patients at the Brightmet Centre, and I am deeply concerned that they may be having similar experiences to the abuse suffered by Amy. It should not have taken a TV programme for the CQC to take action, because the Brightmet Centre has been placed in and out of special measures since 2019. Amy had to return there even after the CQC rated it as inadequate in 2022—it was rated not safe, effective, caring or well-led.

Danielle is another young autistic woman who told her story to the Channel 4 “Dispatches” programme. Like many autistic people admitted to in-patient units, Danielle has spent not weeks or months but years detained. In one unit she was 320 miles away from her family. Her mother Andrea reported that Danielle had lost half her life—13 years—spent in hospital in-patient units. While she was held at the Littlebrook Hospital in Dartford, Danielle was placed in solitary confinement for 551 days—more than 18 months. She was locked in a room with just a mattress on the floor and drugged heavily. According to the UN’s special rapporteur on torture and other cruel, inhuman or degrading treatment or punishment, confinement lasting for more than 15 days and lacking meaningful engagement constitutes torture. Danielle endured that for 551 days, a punishment not even inflicted on violent criminals. Yet Kent and Medway NHS and Social Care Partnership Trust paid to impose that treatment on a young woman whose only offence was to be autistic in a society that does not understand or support that diagnosis.

Solitary confinement in those units is so commonplace that data on the practice is collected and published by NHS England and broken down by the kind of restraint used, from chemical injection to prone physical restraint and seclusion. From those datasets we can see that more autistic people and people with learning disabilities are held in solitary confinement now than three years ago. That is a failure of care, and people such as Danielle are paying the price.

Danielle’s story gets even worse. Her mother Andrea told the “Dispatches” programme that during her stay at Littlebrook Hospital, Danielle was taken by staff members to areas away from cameras. She was then molested and raped. That is no isolated incident. Further investigation by the “Dispatches” team found that 18 reports of sexual assault and 24 reports of rape at Littlebrook Hospital were made to the police between 2020 and 2023. No charges have been brought in any of those cases to date, including Danielle’s case. The programme later showed Danielle on a ward in a general hospital being surgically fed through a tube, because she is now refusing to eat. Danielle’s mother said:

“After 13 years of trauma and neglect, she can’t see an end to it, so she’s been starving herself. She just wants this to stop.”

As the Minister hears these stories and listens to the words of those parents speaking out, I wonder whether she really believes that the right support is being given to autistic people. I hope that she can pledge action to help Danielle. I understand that Danielle needs housing so that she can move back to the community with support. Will the Minister look at her case, to avoid Danielle being shifted from facility to facility? Her life



seems to be at risk. I have discussed the case with the family's MP, the hon. Member for Maidstone and The Weald (Mrs Grant).

**Jim Shannon** (Strangford) (DUP): I commend the hon. Member for Worsley and Eccles South (Barbara Keeley) on bringing this subject forward. She has outlined two tragic and poignant cases, and I commend her on the respectful way that she has done so. In Northern Ireland, the Muckamore inquiry recently brought to light the abuse of people in care. I had a mother in my office whose heart broke when it happened to her child. Some 2,045 people are detained in in-patient settings, and a lot of families only want the best for their loved ones. Does the hon. Lady agree this problem does not just pertain to the individual but affects the entire family circle? That is the wider aspect that we need to look at.

**Barbara Keeley:** I very much agree. What the hon. Gentleman says is true; I have seen many reports from Muckamore and I know that there are similar issues. It is desperate for the parents and the families because they rightly sought help for their children, but they ended up being abused and their lives are ebbing away—particularly those with eating disorders, who are not getting the support that they need.

The truth is that the abuses experienced by these two young women have been mirrored in similar scandals across the country. There was a toxic culture of abuse at the Edenfield Centre, revealed by BBC "Panorama" last September. There were the preventable deaths of three adults with learning disabilities held at Cawston Park hospital, who were subjected to torture and neglect, including the appallingly named "crucifix restraint". At Cygnet Yew Trees hospital, staff members were arrested after reports that they kicked, slapped and dragged around the autistic women and women with learning disabilities being held there. Before that was the BBC "Panorama" exposé of the scandal at Whorlton Hall, which I cannot discuss in any detail due to ongoing legal cases.

All those reports were preceded by the scandal at Winterbourne View, revealed by BBC "Panorama" in 2011. Members will remember the scale of the outcry when that programme was broadcast. There was a feeling then that something might change. I remind the Minister that the coalition Government actually committed to closing all inappropriate in-patient beds for autistic people and people with learning disabilities by 2014.

At one time, reports and investigations into the scandals gave rise to the hope of change, but despite the relentless efforts of journalists, charities and activists, the criticisms reported in the CQC's inquiry into Winterbourne View all that time ago are as true today as they were 12 years ago: there is a

"systemic failure to protect people or to investigate allegations of abuse".

Each of the scandals I have outlined across the decade, from the events at Winterbourne View to those at the Edenfield Centre, shows striking similarities. I encourage Members and the Minister to read the safeguarding adults review on Whorlton Hall and to decide whether anything has changed since the inquiry into Winterbourne View, despite all the promises of action.

More recently, we seem to have entered a phase of total apathy. Each scandal that hits national TV or the press results in a more muted and defensive response from the Government. As calls to address repeated failed targets grow more desperate, less and less appears to be happening to rectify the situation.

In February, NHS England quietly published a report analysing 1,770 individual reviews of the care of autistic people and people with learning disabilities, including children, who were detained in in-patient services. The report was commissioned following the tragic deaths of Joanna, Jon and Ben at Cawston Park. It found evidence of high levels of restrictive practice, that people's medication was not always reviewed in a timely way and that more than half the people were being detained a long way from home. Most concerning, the report found that 41% of people did not need to be in hospital at all. NHS England stated that many people could not be discharged because there was no adequate care provision in the community and because staff did not always have the training necessary to support people's transfer from hospital. These findings are a deplorable indictment of the Government's failure to act.

We are now 13 years on from the inquiry into Winterbourne View and not a single Government target to reduce the use of in-patient beds has been met, as referred to by the right hon. and learned Member for South Swindon (Sir Robert Buckland) in his earlier intervention. After the coalition Government's ambition to close all in-patient beds by 2014, a succession of watered-down targets have been announced over the years, none of which has been met. As the right hon. and learned Member said, the goal is now to close 50% of in-patient beds by March next year, but it looks impossible for the Government to meet even that much-delayed target. The latest data indicates that bed numbers will reduce not by half but by around only a quarter in 2023, compared with the 2015 benchmark.

Over the last three years, even the meagre progress made earlier has stagnated. The number of autistic people and people with learning disabilities in mental health hospitals has actually increased since the publication of the Government's Building the Right Support action plan last July, which was meant to drive cross-Government action.

There is also a problem with the data itself, whereby data for past months is retrospectively amended, sometimes by quite large margins. That makes it difficult to understand with any accuracy how many people are being detained. Getting the data right really matters. When the risk of abuse is as high as the evidence suggests, it is a dereliction of duty to have so much variation in data collection. How are the Government supposed to measure progress when the targets keep shifting?

A similar story can be told when it comes to financial investment in the Building the Right Support agenda. The Government's own review from last summer stated that

"the limited ability to analyse financial data...to provide a national perspective is a significant barrier to the effective oversight and management of the BtRS programme overall."

An answer to my written parliamentary question confirmed that the Department of Health and Social Care did not hold data on how much money had been spent on developing community services for autistic people and people with learning disabilities, either since

[Barbara Keeley]

2015 or since the Winterbourne View scandal in 2011. The data that was provided instead of the data I asked for showed that investment in community services had actually fallen between 2021-22 and 2022-23, from £62 million to £51 million, and that funding for discharging long-stay patients has remained frozen, despite the fact we now have rocketing inflation, meaning soaring costs to providers. That financial picture is clearly unacceptable.

In her response, the Minister may want to point to the draft Mental Health Bill. While the draft Bill includes some provisions to address the detention of autistic people and people with learning disabilities, concerns have been raised by charities that the Bill must be significantly strengthened if it is to achieve its aims. There are also concerns that the Bill will take years to come into force and will not end the scandal on its own, without urgent investment in both social care and mental health services.

In the meantime, last year's Building the Right Support action plan is woefully inadequate. Not only was it published a full 11 years after Winterbourne View, but it is vacuous, it is unambitious and it has been derided by organisations working in the sector. I believe that to call it an action plan is absurd. Instead of a fully funded strategy for caring for people at home rather than in hospital, the Government have established the Building the Right Support delivery board, which is responsible for monitoring the commitments in the Building the Right Support action plan. After so many years of allowing mistreatment to continue, it seems pathetic that the best system of accountability the Government can come up with is a delivery board that I have discovered has met for only six hours in the 22 months since it was established.

We know from more than a decade of reports and evidence that investment in social care, in community support and in the workforce is critical to reducing the number of autistic people and people with learning disabilities who are detained in inappropriate in-patient settings. However, the Government have just announced that they are halving the already pitiful £500 million budget for the social care workforce for the next three years. I believe that that will have a severe impact on a workforce who are already overstretched and are operating with a vacancy rate of 11%. I ask the Minister what assessment her Department has made of the repercussions that the cut to the social care workforce budget will have on the quality of care.

I could go on listing the repeated failures of successive Conservative Governments to do anything about the matter. The fact is that well over 2,000 autistic people and people with learning disabilities are still being held in inappropriate in-patient units. Approximately one in 12 are being held in units rated inadequate by the CQC. Some 40% have been there for more than 10 years. Fewer than ever have a planned date of discharge. Many people are being detained far from home. The risk of abuse is shockingly high, as we saw in the cases highlighted by Channel 4's "Dispatches" programme, yet at every turn Government Ministers have lacked any humility. Nor have they made any apology for their abject failure to get a grip on this national scandal.

I hope the response this evening will be different. Will the Government now finally stop choosing to ignore the issue? Will the Minister instead offer assurances that

her Department will take urgent action to end the inappropriate detention of autistic people and of people with learning disabilities, which is destroying the lives of so many people detained and their families?

5.32 pm

**The Parliamentary Under-Secretary of State for Health and Social Care (Maria Caulfield):** I thank the hon. Member for Worsley and Eccles South (Barbara Keeley) for securing an Adjournment debate on this really important issue. I hope she will see from my response that we are by no means complacent about it. It is appalling to see reports of the care and treatment that some autistic people have experienced, and we absolutely take them very seriously.

As the Minister responsible for patient safety, I have made it clear to the House that everyone in an in-patient mental health facility is entitled to high-quality care and treatment and should be safe from harm. These are very vulnerable people who should feel safe and looked after in any in-patient setting: that applies to all patients admitted, but particularly to people with a learning disability and autistic people.

When in-patient care is absolutely necessary, it needs to provide a therapeutic benefit. It should be high quality, it should be close to home, and it should be as unrestrictive and for as short a time as possible—we have been very clear about that. Abuse cannot and will not be tolerated. That is why we are committed to taking steps at a national level to prevent the abuse and poor treatment of people with a learning disability and of autistic people in in-patient settings.

As we announced in January, the Government have commissioned a rapid review, independently chaired by Dr Geraldine Strathdee, of mental health in-patient settings. The review is focusing on how we use data and evidence, on how we respond to complaints, on how we listen to feedback and on how whistleblowers can raise the alert to identify risks to safety in in-patient settings.

I have met many Members across the House with concerns about in-patient care in their constituency. We absolutely take the issue seriously. We want to ensure that the right people get the right information, so patients get the care and support they deserve, and to ensure that if there are concerns, we can identify them as early as possible.

**Barbara Keeley:** There is obviously a considerable amount of detail in both what the Minister is saying and what I covered in my speech. However, the Brightmet Centre in Bolton, where Amy was detained, has been in and out of special measures, and it is inadequate. Amy was sent back to the unit and abused further, although the centre had been declared inadequate across all its settings. I am therefore finding it difficult to align what the Minister is saying with the actual situation. The list of scandals that have emerged since Winterbourne View extends across the country. We keep finding extra hospitals in which people have been abused, including Littlebrook Hospital in Kent. The CQC is taking some action, but these places are still open, they still have patients, and patients are being abused. How does what the Minister is saying line up with the reality out there?

**Maria Caulfield:** As I have said, we instigated a rapid review in January to examine the national picture across England because we wanted to see what was being done

in in-patient settings. This will include looking at the data concerning the use of restraints, the safety of patients, how concerns are flagged and how many patients are being treated out of area, because that does increase the risk. However, the review—which will report very soon—does not prevent us from investigating further particular concerns about particular in-patient units, and once it has been published we will come to the House to update Members in response to many of the points that the hon. Lady has raised about specific in-patient settings.

**Barbara Keeley:** As I have said, there has already been a review. NHS England published a report on the 1,770 individual reviews of the care of autistic people and people with learning disabilities, including children, who had been detained. As I also said, that report was commissioned following the tragic deaths at Cawston Park, and revealed that there were high levels of restrictive practice and that 41% of people did not need to be in hospital at all but could not be discharged.

Does the Minister not accept that things are going seriously wrong, and that there is not the necessary provision in the community or the necessary training of staff to work with people? I cited the case of Danielle, and I hope the Minister will look at that case, along with the hon. Member for Maidstone and The Weald (Mrs Grant), because it is an example of someone being moved around for 13 years of her life, from one inappropriate facility to another. We are destroying lives, in many cases young people's lives, because this often starts with children and teenagers.

**Maria Caulfield:** I will come on to what we are doing to try to keep people out of hospital, and to get others discharged. We fully recognise that there are too many people in in-patient settings at present, but we also want to ensure that when people are in an in-patient setting and need to be there, the service is safe and they do not come to harm.

NHS England has established a three-year quality improvement programme which seeks to tackle the root causes of unsafe, poor-quality inpatient care. We all acknowledge that there has been practice that has caused harm to patients. We want to see the picture across the country, and then look at specific trusts that are not providing the standard of care that patients and their families expect. Baroness Hollins is overseeing independent care and treatment reviews relating to people in long-term segregation, and a senior intervener pilot has been undertaken to help individuals in the most restrictive settings to be moved towards discharge. Work is being done to examine the specific units about which we have concerns.

The CQC, which the hon. Lady mentioned, has a central role in identifying cases of poor in-patient care and taking immediate action when that is necessary. We acknowledge that some settings are not delivering the high quality of care that everyone deserves, and we want to ensure that we are setting standards so that units, integrated care boards and commissioners are aware of the standards that should be expected and can raise concerns when they are not being met.

**Barbara Keeley:** As I said towards the end of my speech, around one in 12 of the 2,000 autistic people and people with learning disabilities being held in these

inappropriate units are being held in units rated by the CQC as inadequate. The Brightmet Centre in Bolton, run by ASC Healthcare, has been in and out of special measures and is rated inadequate. Why is the Minister allowing people to be held in those units? She is talking about setting standards, but that is not an adequate standard. Would it not be a good place to start to say that no one with autism or learning disabilities can be held in a unit that is rated inadequate? That is an incredibly low bar.

**Maria Caulfield:** Admissions to services that are rated inadequate are an absolute last resort, and they should be being done with patients and their families being consulted and consenting to being placed in those units. We are minimising the number of new admissions to a unit that has been rated inadequate and we are working with the CQC to see how those units can be better supported to improve the quality of the service they offer.

The hon. Lady touched on funding. We are investing £121 million in this financial year across community support for people with learning abilities and autistic people as part of the NHS long-term plan. We are recruiting 27,000 mental health workers and we are on track to meet that target to increase the support available in the community. It is absolutely the solution to look after people in their communities with the care that they need so that admission to hospital—which, as she points out, is often not just for days or weeks or even months—is the absolute last resort.

The hon. Lady touched on the Building the Right Support action plan. We are drilling down on implementing the actions. We have short-term and long-term actions, and some of the work has had an effect already. At the end of February this year, the number of people with learning disabilities and autistic people in a mental health in-patient setting was 2,045, so we are seeing a reduction. That is a net decrease of 860 people, or 30%, since March 2015. Unlike someone with a physical health need, which can be quite complex in terms of planning their discharge, it is not just a case of finding people homes; they often have to have the right support in those homes. It is not just a case of providing them with support, because they often need complex support. The in-patients who still need to be discharged are the more complex cases, who, as the hon. Lady has pointed out, have often been in hospital for years. Adapting to moving back into the community is not an easy process for them, and that is why it is taking time to get them the packages of care that they need.

**Barbara Keeley:** I just wonder how the Minister can reconcile the figures as if they were increasing when I have told her that we found, through written parliamentary questions trying to get to the financial picture, that the investment in community services actually fell between 2021-22 and 2022-23, from £62 million to £51 million. With rocketing inflation and soaring costs to providers, that funding needs to increase.

I recommend that the Minister consider the issue of dowries, as was suggested in the Health and Social Care Committee's report on this issue a few years ago. Time and again we find situations where a county council or urban council responsible for social care does not have the funding to provide that support. Millions and millions

[Barbara Keeley]

are being spent. We do not even know how much these placements cost, but some of them are very expensive. I am sure the Minister is aware of how expensive they can be. Decades ago, when we discharged people from long-term psychiatric institutions, a dowry accompanied them. We talked about Danielle's case. If there were a system of dowries, Kent County Council could have the funding to provide her with housing and support. I have never understood why such a system has not been brought in. We included that in our Select Committee report. Cost-shunting is really a factor here. Local authorities do not have to fund an NHS England place, and that is part of the problem, yet we never get around to tackling that.

**Maria Caulfield:** The hon. Lady is right; a number of organisations are responsible for caring for people in the community, and it is often about pulling those organisations together. That is why we have the integrated care boards, which now have responsibility for looking after people with learning disabilities or autism and helping with their discharge.

**Barbara Keeley:** It is not just about responsibilities; it is also about the budget to go with those responsibilities. If the budgets were transferred from NHS England, which is shelling out millions for these inappropriate units, to the ICBs, I could see it working. It certainly worked all those years ago for discharges into the community. I was a councillor and vice-chair of social services in Trafford, and we might get a dowry of £1 million to settle someone from a long-term psychiatric hospital. That is the sort of funding we need to be thinking about, and it does not happen.

**Maria Caulfield:** A key reason why we sometimes find it hard to discharge someone from an in-patient setting is the housing element. We have capital funding available. I recently met ICB chairs and chief executives to encourage them to ask their local councils—particularly district councils, which do the planning element—to consider the funding that is available. The county councils, the upper-tier authorities, are often responsible for care, so it is about joining up the funding, but we are not building the right type of housing to support people back into the community. The capital funding is there. Sometimes one of the frustrations is making sure that the money flows with the patient so that they are able to get the care they need, but sometimes the money is there and it is about joining up the services to make it happen.

**Barbara Keeley:** Is the Minister saying that there is unspent money that could be used or transferred to local authorities? If so, how much is available? I have asked written questions about this, but it seems to me that the money has tailed off. Whether it is money to help pay for housing or money to pay for workforce improvements, the Government have halved the funding. People need housing and they need support, and those elements have been cut back.

**Maria Caulfield:** There is capital funding available to build supported housing for people with a learning disability or autism, which is why I recently encouraged a number of ICBs to make bids for funding at a local level.

We have made good progress on reducing the number of people with a learning disability in mental health hospitals. We are not where we want to be. Of course, we want every person who is able to be discharged to be either at home or in the community. I recognise that there is work to be done, but the number of in-patients with a single diagnosis of a learning disability and the number of in-patients with both a learning disability and autism are down from March 2015.

I am very happy to keep the hon. Lady updated on the work we are doing. We will be meeting the Building the Right Support team again very soon for an update on progress, but I recognise her point. The two elements for me are that we need to get more people out of hospital, whether by providing the care and support they need through the 27,000 extra mental health staff and by focusing on building resilience in the community, or, when someone needs to be an in-patient, by making the experience as safe and as therapeutic as possible. I have previously made it clear from the Dispatch Box that we will not accept poor care in in-patient settings. Once the independent rapid review reports back very soon, we will set out the next steps to improve safety in such settings.

**Barbara Keeley:** The Minister has mentioned the Building the Right Support delivery board, and I have said that I see it and the plan as vacuous and unambitious. It has been derided by the organisations in the sector that work with it. There is not a lot of confidence in it. I have also quoted to her something that we found out by asking questions about it: the delivery board, which is meant to be driving cross-departmental Government action on this important area to those 2,000 people and their families, has met for only six hours in the 22 months since it was established. How is that enough? It is not exactly a powerhouse is it, with six hours of meetings in all that time?

**Maria Caulfield:** The work goes on in between the meetings. The meeting reports back to update members of the board on specific areas, but the work is happening on a daily basis to both improve the safety and quality of the care that patients are receiving, and to get patients home where they are able to be discharged. That is our absolute focus. I will be able to update the hon. Lady further once the rapid review is completed very soon, and I absolutely take her points on board.

I do not want anyone to be in an in-patient setting unless they absolutely have to be, and if they are in such a setting they should be receiving good-quality, safe care, so that family members and friends can be reassured that their loved one is being looked after well. No one wants that more than me.

*Question put and agreed to.*

5.50 pm

*House adjourned.*

# Westminster Hall

*Tuesday 18 April 2023*

[CAROLINE NOKES *in the Chair*]

## Religious Minorities in Nigeria

9.30 am

**Jim Shannon** (Strangford) (DUP): I beg to move,

That this House has considered religious minorities in Nigeria.

I declare an interest as a chair of the all-party parliamentary group for international freedom of religion or belief. The APPG speaks for those of all faiths, and those with no faith, in order to defend freedom of religion or belief for all, everywhere. It is a real pleasure to have the opportunity to speak on this issue, and a special pleasure to see so many hon. Members here to contribute as well. I am, as always, very pleased to see the Minister in her place. I know that she is not responsible for this issue, but she always tries to respond in a positive way and I very much look forward to her correspondence and follow-up on it. It is also nice to see the two shadow Ministers in their place. The shadow Minister for the Labour party, the hon. Member for West Ham (Ms Brown), always comes to any issue with passion and belief, and I very much look forward to what she has to say; and the shadow spokesperson for the Scottish National party, the hon. Member for Glasgow North (Patrick Grady), believes fervently in what we are saying, so I very much look forward to what he has to say as well.

As many hon. Members know, Nigeria is a topic that is very close to my heart. Nigeria is a country that rightly receives a lot of attention from this House and from the other place. It is one of the largest African economies and, by 2050, will be the fourth largest country in the world. That gives an idea of the importance of Nigeria. It is also a country that is facing profound instability, with religious groups suffering targeted attacks.

I visited Nigeria, along with the APPG, in May and June of last year, so we have first-hand knowledge of what was happening out there at that time. In 2020, the APPG published a report entitled “Nigeria: Unfolding Genocide?” That report highlighted extreme levels of violence in northern states and in the middle belt that targeted Christian communities in particular, the main perpetrators being Boko Haram and Fulani herders. In the past three years, the situation has continued to deteriorate, with violence creeping further south. We witnessed that when we were in Nigeria last year. The violence was mostly in the north-east, but it was filtering down into the middle belt and into the south-west as well.

**Theresa Villiers** (Chipping Barnet) (Con): I am very grateful to the hon. Member for tabling this important debate. Does he agree that the situation is so sad because Nigeria has such tremendous potential? In many ways, there has been much success, but the country is still disfigured by those appalling attacks on Christians. I want particularly to highlight the 2022 case of Deborah

Yakubu, who was murdered by fellow students. It is a truly shocking case, and illustrative of so many other tragedies in Nigeria.

**Jim Shannon:** I thank the right hon. Lady for that intervention. I will mention later the lady to whom she has referred. Like the right hon. Lady, I was particularly annoyed and disturbed by the violence that took place. That is the subject of one of the questions that I will ask the Minister, so I thank the right hon. Lady very much for bringing it up.

The situation to which I was referring before the intervention is the assessment not just from the APPG, but from a wider range of experts. The United States Commission on International Religious Freedom states that freedom of religion or belief in Nigeria remains poor and there are widespread instances of violence and kidnapping, of Government inaction and of general criminality that targets religious minority communities, so the right hon. Lady is absolutely right: that is exactly what is happening. Nigeria is a country with so much potential and so much to offer—it is a close contact, of course, of the United Kingdom—so it is really important that this issue is aired.

**Margaret Ferrier** (Rutherglen and Hamilton West) (Ind): Persecution of religious minorities is still an issue in many parts of the world and many parts of Nigeria. That includes minorities such as those of the Baha’i faith. Does the hon. Member agree that the UK Government could exert greater influence through their diplomatic routes to pressure Governments such as the Nigerian one to commit to better treatment of minorities?

**Jim Shannon:** I thank the hon. Lady for that intervention. As always, she brings to us her knowledge and a very helpful question. I agree with her. There is a role for our Foreign Office to perhaps be more active, and I think that that is what I am going to ask for as I move through this speech.

Last year the Foreign Affairs Committee released a report entitled “Lagos calling: Nigeria and the Integrated Review”, which urged the Government to focus on priority areas of engagement, including improving the human rights record of the Nigerian security sector, promoting the rule of law, supporting the rights of minority groups in Nigeria, and promoting freedom of religion or belief.

In January of this year, Open Doors launched the 2023 world watch list, which placed Nigeria at No. 6 in the top 50 countries where it is hardest to be a Christian. A country does not want to be in the top 10; Nigeria is sixth. Open Doors describes how Christians in some parts of the country face persecution that is extreme and often brutally violent. Islamic militants and armed bandits attack communities in northern and middle belt states with increasing impunity. The fact that it is happening with, it seems, little done to stop them adds to the issues.

There have been increasing attacks in southern states, too. If violence was the sole factor in the Open Doors world watch list, Nigeria would be at the top. Last year 5,014 Christians were killed in attacks in places of worship in Christian communities in Nigeria. That accounts for 87% of the total number of Christians killed for their faith worldwide in 2022. No one can say that Christians in Nigeria are not targets.

[Jim Shannon]

Last year was by no means an outlier. Just last week *The Tablet* newspaper reported that in the last 14 years at least 52,250 Christians were killed in Nigeria—targeted because of their faith. The trend is escalating. Under the last Government more than 30,250 Christians were killed alongside an estimated 34,000 Muslims. They were killed in attacks that deliberately targeted places of worship or communities because of their religious affiliation. Attacks were primarily carried out by non-state actors, including Boko Haram, Islamic State and the Fulani herders.

**John Howell** (Henley) (Con): As the hon. Gentleman knows, I was until relatively recently the Prime Minister's trade envoy to Nigeria. I fully accept what he says about Boko Haram, but there is a difference between the Fulani terrorists and the Christians that they are killing, which is their way of farming. The Fulani tribe are generally herders and the Christians are generally farmers. It was very difficult to tell whether that was the real reason for the killings or whether it was religiously inspired from the beginning. Does he have a feeling about which of the two it is?

**Jim Shannon:** I thank the hon. Gentleman for his time as envoy. We all recognise his interest in Nigeria. Although he is no longer the envoy, I am not surprised he is here to participate in the debate. I thank him for his knowledge. It is clear to me, and probably others as well, that Islamic State and Daesh are very much in the background. They are using the unrest and perhaps the grievances as well to escalate the violence. The Government and the police and security forces in particular have been accused of deliberately standing by as attacks happen. The impunity must end and our Government—our Minister—should not continue to turn a blind eye when it persists.

In January armed gunmen invaded the home of Father Isaac Achi, a Catholic priest in Niger state, setting his residence ablaze and burning him to death. The attackers also shot his colleague, Father Collins, as he tried to escape. Days later, when the state's minority Christian community marched to protest security force inaction at the local police station—not in a violent fashion—authorities called in reinforcements and responded with force against peaceful demonstrators. It frustrates me that that is just another example of the Nigerian security forces failing to ensure security for religious minorities and other vulnerable communities.

Many Members will remember the attack during Pentecost Sunday on St Francis Xavier Church in Ondo state. The attack led to the death of 50 worshippers and injured more than 70. Bishop Jude of the Ondo diocese visited Parliament in the months after the attack. I and probably many others met him when he was here. He told Members that despite Government buildings being across the road from the church, the gunmen were able to act with impunity for 20 minutes. Nobody tried to detain them or stop what was happening.

The attack on St Francis Xavier Church is nowhere near an isolated incident. During Holy Week there were numerous attacks on Christians across Nigeria. On Palm Sunday, during an early morning prayer vigil at the church in the village of Akenawe in Benue state,

gunmen entered the church, killed a young boy and kidnapped three worshippers, including the church leader, Pastor Gwadue Kwaghtyo. Three days later, on April 5, gunmen killed at least 50 people in the village of Umogidi.

On Good Friday gunmen raided an elementary school building in the village of Ngban in Benue state, which serves as a shelter for 100 displaced Christian farmers and their families. The attack left 43 people dead and more than 40 injured. On the same day gunmen abducted at least 80 people, mostly women and children, in Zamfara state. The Catholic diocese of Makurdi reported that 94 Christians were killed during Holy Week in Benue state alone. Where is our Government's response to that targeted violence? I am respectful to the Minister, but I need answers—I think we all do—to see what exactly has happened.

While violence has historically been concentrated in the northern states in Nigeria and perpetrated by Boko Haram, recent years have seen the middle belt become the epicentre. Benue state in particular has been badly affected. All those examples indicate exactly what is happening. Fulani herders traditionally migrated through pasture lands in the middle belt region. However, the desertification of the Chad basin has led to those groups being forced to migrate further south, bringing them into conflict with settled farms. Fulani militia targeted non-Muslim communities, trying to secure grazing lands. Five hundred churches in Benue state have been destroyed and more than 200 have been abandoned. That is 700 churches with all their congregations affected.

**Fiona Bruce** (Congleton) (Con): The hon. Member is making a compassionate speech, as ever. Will he, as chair of the all-party parliamentary group for international freedom of religion or belief, join me, as vice-chair, in calling on the President of Nigeria to be similarly compassionate and exercise clemency by granting a pardon to the young Sufi singer, Yahaya Sharif-Aminu, whose situation we have mentioned before in this House and who is in prison, having been sentenced to death by hanging? His case is currently on appeal. He was accused of blasphemy because a song he wrote was circulated, as I understand it, by someone else on social media.

**Jim Shannon:** I congratulate the hon. Lady for all she does. Each and every one of us in this House recognise her good work and I join with her in calling on the President to grant a pardon to this young man. It seems to me that he is guilty of no crime and it is only right that he should be released. I hope that will be the case.

The United States Commission on International Religious Freedom raised concerns about a spate of lethal attacks against Christian communities in Kano and Kaduna states. Central Nigeria is known as the country's bread basket, but because farmers are being killed in their fields, many are afraid to go out to work. First, we need to recognise that security must be obtained for everyone in Nigeria, and the police and the army must be active in making sure there is peace in the streets and securing peace for people to work, live and not be brutalised by others. That is really important. So often, much of the discussion focuses on Christians in Nigeria, and for many reasons. Attacks on Christians receive more headlines in the western media and often, monitoring groups have links to the global church networks. However, the situation for other religious

minorities is precarious: the hon. Member for Rutherglen and Hamilton West (Margaret Ferrier) rightly mentioned the Baha'i. For humanists, atheists and non-religious belief groups, discrimination and persecution is a fact of life. Many in those groups are forced to live in hiding, making it hard to estimate the number of people in Nigeria of non-religious belief.

I want to give the example, along with a question for the Minister at the end, of Mubarak Bala, a Nigerian human rights activist and president of the Humanist Association of Nigeria. In April 2022, he was sentenced to 24 years in prison for posting blasphemous content on Facebook. He was originally arrested in 2020 and held without charge for more than a year. He faced charges before the Kano State High Court in connection with Facebook posts that were deemed to have caused a public disturbance because of their blasphemous content. In addition to being arbitrarily detained for more than a year before being charged, there have been several other violations of the rights to a fair trial, which include being denied access to his legal representation. I want to express my thanks to the Minister and to the United Kingdom Government, which have been repeatedly outspoken in support of Mubarak Bala's release. When we were in Nigeria last year, we met some of the Ministers responsible. At that time, we felt we were moving towards a solution. Can the Minister update us on where that is?

Nigeria is also home to a variety of traditional beliefs and indigenous religions. However, they often face discrimination and have less legal recognition. The majority of the discrimination affects children and is particularly prevalent at school. While students have a legal right to wear headscarves, crosses and other symbols of Christian or Muslim faiths, schools have prohibited students from wearing symbols of traditional faiths, such as prayer beads. Schools are obligated to provide both Christian and Islamic education for students, but have no such requirements for traditional beliefs, leaving members of those communities forced to select either the Christian or Islamic course track against their parents' wishes. Finally, the Nigerian Government recognise the official holidays of Islam and Christianity, but they have refused to recognise holy days common to traditional African religions. Therefore, when we speak for those of a Christian faith, those of other faiths and those of no faith, we do so for everyone in Nigeria—I want to put that on record.

I will come to the horrific case raised by the right hon. Member for Chipping Barnet (Theresa Villiers). On 12 May, Deborah Samuel was murdered by her classmates for blasphemy following a message on WhatsApp. She had passed her exams at Shehu Shagari College of Education in Wamako, Sokoto state, and she posted a voice message in a group WhatsApp saying:

“Jesus Christ is the greatest. He helped me pass my exams.”

Deborah was accused of blasphemy and forcibly taken from the security room. While they were trying to take her from the room to a local police station, she was attacked by a mob, stoned to death and burned beyond recognition.

Many of us in this room have said that Jesus Christ is the greatest and has helped us in our health and jobs, and in all our lives. We have done it and never had any fear; Deborah Samuel did it in Nigeria and lost her life because of it, so the right hon. Member for Chipping

Barnet is absolutely right. Her killers acted with a sense of impunity. In one video, men with sticks can be seen beating the lifeless, bloody body of a woman reported to be Deborah Samuel. The video also showed young men celebrating, with one man holding up a matchbox and saying he used it to set her on fire and kill her—such gross social media and gross debauchery against an innocent Christian.

Efforts by the authorities to identify and arrest those involved in the murder of Deborah Samuel were met with violent protest. It is nearly one year later, and no one has been prosecuted for her murder. The last statement from the Sokoto state police in August said that they are still looking for the killers.

**Mr Gregory Campbell** (East Londonderry) (DUP): The horrific case mentioned by my hon. Friend is one of many. Does he agree that, as others have suggested, the Nigerian authorities—hopefully approached by our own Government—need to make it absolutely clear that that type of activity is not only illegal, but unacceptable, and it must be clamped down on? Otherwise, they will become the pariah in Africa.

**Jim Shannon:** My hon. Friend is absolutely right. We know that the Minister and our Government cannot change the security policy in Nigeria, but we need to encourage our colleagues and friends in Nigeria. We have a diaspora here in the UK: we have contacts historically, economically, financially, socially and through families, and we need to use that influence to ensure that these cases are answered.

Deborah's case is illustrative of the wider violence in Nigeria that targets people for their faith. Often, those who are targeted are women and children, with killings and sexual violence used to prevent that community having a future. Blasphemy allegations are often used as an excuse to justify violence or silence voices from minority communities. The brutality of the case illustrates the appalling violence that these communities face every day. There is a lack of prosecutions or arrests, exactly as my hon. Friend the Member for East Londonderry (Mr Campbell) said, despite video evidence. It is all there: why have the police not arrested these people and made them accountable? It illustrates the inaction of security forces to protect religious minority communities.

I am very aware of the agreement you and I, Ms Nokes, came to about the timescale of my speech. Let me ask the Minister the following questions. Deborah Samuel's murder shocked the world, and the video footage went viral on social media. It was widely condemned by everyone in this House and by the wider international community. Despite promises to bring the perpetrators to justice, there have been no recent updates whatsoever. Will the Minister and her Department seek an update from her counterparts and inform them that the case has not been forgotten by UK parliamentarians in this debate or, indeed, outside of this House?

Secondly, will the Minister confirm whether a recent RICKS assessment has been carried out by the Foreign, Commonwealth and Development Office, and will it be made available in the Libraries of the House of Commons and the House of Lords? It should be. I know the Minister will endeavour to respond to these four questions, and I appreciate that very much.

[Jim Shannon]

Thirdly, what assessment has the FCDO made of the impact of cuts to UK aid for internally displaced persons in Nigeria, particularly in the light of the conflict in Ukraine? We visited some of those IDP camps in Nigeria last year, and we are well aware of the pressures on the families who, in some cases, have been there for 10, 12 or 15 years. They want to go back to their land; they are farmers, and other land is available. We need to see action, and that goes beyond words.

Fourthly, have recent representations been made on the case of Mubarak Bala since his sentencing last year? These questions are really important. I believe that we in this House have highlighted the issue for many of the people across Nigeria—for Christians, those with other religions and those with no religion. Nigeria is very much in our thoughts, and this debate gives the chance to ask those questions of the Minister. I want to speak up for my Christian brothers and sisters, and everyone of a different religion. I hope the debate can achieve some of those goals.

9.50 am

**Kevin Foster** (Torbay) (Con): It is an absolute pleasure, as always, to serve under your chairmanship, Ms Nokes. I congratulate my good friend, the hon. Member for Strangford (Jim Shannon) on securing the debate from the Backbench Business Committee, where it has to be said that he is a fairly regular attender. He is also a regular passionate defender of the right to religious freedom, and he often secures debates that highlight the experience of Christians and religious minorities across the world.

With a population of more than 230 million, Nigeria is the most populous country in Africa and the sixth most populous in the world. That size brings diversity, with more than 250 ethnic groups speaking 500 distinct languages and all identifying with a wide variety of cultures, as the hon. Gentleman highlighted in his opening remarks.

In the context of today's debate, it is worth noting that despite that range of cultures and backgrounds, the nation is officially divided almost in half when it comes to religion. The Pew Research Center estimated in 2010 that 49.3% of Nigerians were Christian and 48.8% were Muslim, with less than 1% unaffiliated to any religion. Although religious freedom is guaranteed under the Nigerian constitution, as the hon. Gentleman has reflected on, that does not speak to the reality for many, especially in the northern states of Nigeria.

**Margaret Ferrier:** The characterisation of Nigeria as a secular state has been described as simplistic, as religion in the country becomes increasingly politicised and politics is influenced by religion. Does the hon. Gentleman agree that we see the same thing across many parts of the world, where the separation of church and state is incredibly difficult to achieve in practice?

**Kevin Foster:** The hon. Member is right that in many cases, religious belief is enforced through society, formal political power or state structures. That is particularly true in the northern parts of Nigeria, where some states still have the death penalty for blasphemy, as has been touched on in interventions. Although in theory it is a

secular state where freedom of religion is guaranteed, the evidence is that that is not the reality felt or experienced by people living in Nigeria.

Given that Parliament is returning this week after the Easter recess, it is apt to reflect on the situation for Christians. As has been mentioned, Nigeria is seventh on the Open Doors 2022 world watch list of the 50 countries where it is most difficult to live as a Christian. However, if the world watch list measured only violence, Nigeria would be at the top. According to Open Doors research, the majority of Christians killed for their faith around the world—79% of the global total—are killed in Nigeria.

Most violence in Nigeria against civilians, especially Christians, occurs in the north, including the middle belt. It is perpetrated by a range of groups, including Boko Haram, the Islamic State West Africa Province, Fulani militants and armed bandits. As a result of the violence, Christians are being dispossessed of their land and means of earning a living, and many end up internally displaced.

Although all civilians are subject to violence and threat, Christians are often specifically targeted because of their faith. Boko Haram and Islamic State West Africa Province, for example, want to eliminate the presence of Christianity in Nigeria—not just demean or persecute it, but eliminate it—with all the dark echoes of history that that brings. That means that men and boys are often specifically targeted by extremist groups, with the aim of destroying livelihoods and stifling Christian population growth.

Christian women and girls in northern Nigeria, and increasingly further south, are vulnerable to persecution for their faith and gender—to being targeted for abduction, sexual assault, and forced marriage by armed groups. In northern states that operate under sharia—Islamic—law, Christians can be treated as second-class citizens. Christians who convert from Islam are at risk of pressure and persecution, and Christians from Muslim backgrounds face rejection from their own families, pressure to give up their faith and, all too often, physical violence.

This debate is not just about those who share my Christian faith. Those who do not have a religious faith are also effectively a religious minority in Nigeria.

**Margaret Ferrier:** It is interesting to note that atheists in Nigeria also complain of persecution. They might otherwise be overlooked, because we often do not think about those with no specific faith when we talk about religious persecution. Does the hon. Gentleman think that that is an important signal that, as is sadly often the case, religion has very little to do with the real reasons behind the persecution? Persecution is most often about the perpetrators' control.

**Kevin Foster:** The hon. Lady is absolutely right: in many ways, it is about control and forcing people to follow a set of beliefs. All too often, religious persecution goes hand in hand with political and other persecution, and with restrictions on freedom of expression. In parts of Nigeria, if a person says they do not have a faith, that is almost the same as expressing a different political or religious faith. Those we would refer to as humanists in the UK—those of non-traditional beliefs—are as ostracised as Christians in parts of the north.



Sadly, Nigeria is one of only 13 countries where blasphemy remains punishable by death. Although laws and treatment differ between states, life for non-religious people in Nigeria remains challenging and dangerous. Given the fear of imprisonment and threats of violence, it is not possible to be openly non-religious in northern Nigeria, and it is very challenging even in the south. It is therefore difficult to calculate what proportion of the population is actually non-religious, as we can do through our census returns, which means that the 1% figure that I cited earlier is likely to be highly unreliable.

In the same way that Open Doors chronicles the persecution of Christians, every year Humanists International compiles “The Freedom of Thought Report”—a global report on discrimination against humanists, atheists and the non-religious. It lists a number of areas where those without a religious faith face extreme persecution, and potentially threats of death, simply for wanting to say that they do not follow the faith that others do. Highlighting these issues is itself a way of encouraging those who face persecution to literally keep the faith. It enables them to know that others hear them, are praying for them and are raising their cases.

I have some points on which it would be interesting to hear the Minister’s thoughts. First, what engagement are the Government having with the Nigerian Government on the removal of the death penalty for blasphemy in all parts of their territory? I appreciate that the UK Government’s long-standing position is to oppose the death penalty in all cases, but where it is unlikely to be abolished immediately, as is the case in Nigeria, the focus is often on reducing its scope. Is that happening in Nigeria? Secondly, what international development work is being undertaken to support religious minorities in Nigeria? Thirdly, how will the UK Government support those who do not have a religious faith to express that opinion in Nigeria?

This has been a welcome opportunity to speak up on behalf of those who often feel voiceless, and who are unable to express their faith or view for fear of being called out, persecuted or even executed. If this debate makes one person who faces persecution for their faith feel more hopeful or inspired, it is worth holding it.

9.58 am

**Florence Eshalomi** (Vauxhall) (Lab/Co-op): It is a pleasure to serve under your chairship, Ms Nokes. I pay tribute to the omnipresent Member for Strangford (Jim Shannon) for securing this important debate, which close to our hearts; we often speak about Nigeria. As many Members know, my family heritage is from Nigeria. This subject is also close to the hearts of my constituents in Vauxhall. The Nigerian diaspora in the UK continues to grow its large community. The last figures from the Office for National Statistics estimated that there are 215,000 Nigerian-born people living in the UK. I am sure the real figure is much higher, so it will be interesting to see what the 2021 census highlights.

I declare an interest: I am an officer of the all-party parliamentary group on Nigeria. Two weeks ago, I joined many Christians across the world in celebrating Easter. I am very active in my church, and I read on Easter Sunday. Easter is the most important weekend in the Christian calendar; it symbolises rebirth, forgiveness and redemption. When I attended mass on Easter Sunday,

it was not lost on me that I am blessed to be able to practise my religion and beliefs freely, as a number of people are able to do. It was not lost on me that it is not just Nigerians who face persecution, but a lot of people across many areas of the world.

I look back to my election in 2019. One of the first things I did as the new MP for Vauxhall in January 2020 was to respond to some really disgraceful anti-Islamic graffiti that was spray-painted on one of the mosques in central Brixton. I remember speaking to residents and people from the mosque, which showed me how devastating these cowardly attacks are—not just for individuals who want to freely practise their faith, but for the wider communities, who all feel targeted when issues like this arise. It is important that we look at the issue of people not being able to celebrate and practise their faith.

I have been appalled by the stories of religiously motivated persecution and violence in Nigeria. Members have mentioned the Open Doors report, which is concerning. I think a lot of Members were present at the Open Doors reception in January, and at that reception it struck me that Nigeria was in the top 10—it was No. 7—on the organisation’s world watch list of countries where Christians face persecution.

It is really disturbing to see frequent reports of kidnappings targeted at the Christian community. Last May, Samuel Kanu, the head of the Methodist Church in Nigeria, was kidnapped after being abducted on a highway in Abia. In September, dozens of members of the Cherubim and Seraphim Church were kidnapped while attending an all-night service in Magani. We have to be honest: these attacks have a clear religious aspect, and they are a terrifying reminder of incidents such as the kidnapping of the Chibok schoolgirls by Boko Haram. Kidnapping continues to happen. The Chibok kidnapping happened in 2014, but not all of those girls are free yet; some of them remain kidnapped.

Whether in conflict or persecution, women and girls are always the main targets. They are the ones who suffer. Throughout history, we have seen how unchecked religious persecution and violence does not dissipate. Instead, all too often it builds among the perpetrators and makes it harder to build the fair and free society we all deserve.

**Jim Shannon:** I commend the hon. Lady for her contribution. Her knowledge of Nigeria comes through in what she says, and we look forward to whatever else she will mention. Does she share my and others’ concern that the Nigerian police and army seem unable or unwilling to be involved in stopping such crimes taking place? All the reports that she and others have mentioned indicate that the security forces have sat by and done nothing. Does that worry her, just as it worries me?

**Florence Eshalomi:** I thank the hon. Member for making that really valid point. One thing that we in the all-party parliamentary group on Nigeria did was to meet the high commissioner, His Excellency the honourable Tunji Isola, last November. At that meeting, we highlighted issues with policing and security, and we spoke about what he was doing as the ambassador to the UK to work with the British Government. I will be honest: the reports I get from family members are quite disturbing. In the recent presidential elections, there were some incidents of violence at polling stations, and we have to look at how we can help and work with the new,

[*Florence Eshalomi*]

incoming President—the inauguration will take place in May—to make sure that there is the stability that Nigeria desperately needs. It is not right that many citizens still feel fearful, yet they cannot report it to the police. I thank the hon. Member for highlighting that really important point.

It is important that the Minister considers how we can work with our counterparts to help bring stability to Nigeria. We would all like to see an end to the persecution faced by far too many people in Nigeria, but we know that it is not going to happen overnight. These situations have to be handled with diplomacy and tact, because we know that people will face reprisals on the ground if we go in too hard, so it is important that we use our soft powers to work with our counterparts and look at how the Government can help to secure freedom for believers and non-believers.

Hon. Members have highlighted the case of Mubarak Bala, who was sentenced to 24 years in prison. Nigeria is one of only 13 countries where breaking blasphemy laws remains punishable by death. That should not be right in 2023. We need to work with the international community to help to bring an end to that barbaric rule. People are still being killed, and that should not be happening. The Government have made their feelings clear to Nigerian Ministers on the subject. I would welcome an update from the Minister on that, especially in the light of the presidential elections that have just happened. I echo all hon. Members' comments and concerns. What meaningful dialogue will we take part in to ensure that Nigerians can be safe and continue to be safe?

10.5 am

**Ms Marie Rimmer** (St Helens South and Whiston) (Lab): It is a pleasure to serve under your chairmanship for the first time, Ms Nokes. I congratulate the hon. Member for Strangford (Jim Shannon) on securing this important debate. Many of the facts have already been set out by people who have much more knowledge, involvement and understanding of the situation than I do, but freedom of religious belief, or none, is a fundamental right. We all know that, and those of us who believe it need to do more to ensure that it is spread across the world. People, no matter where they are, should not be persecuted for their beliefs.

Nigeria is a wonderful country. It is the most populous country in Africa and a major political and economic force. This century, Nigeria has already seen huge changes, and I have no doubt that there will be huge opportunities over the next few decades, but there are increasing tensions and violence along religious and ethnic lines. Nigeria came sixth in the Open Doors 2023 watch list of the 50 countries where it is most difficult to live as a Christian. If violent persecution was recorded, Nigeria would be No. 1. Some 89% of the Christians killed worldwide for their faith were killed in Nigeria. Nigerians of all faiths suffer at the hands of criminal and extremist groups, but Christians are targeted at a ratio of more than 7:1 compared to Muslims. Nobody of any religion should be targeted for their beliefs.

Only earlier this month, a young boy was killed and three people, including a local pastor, were kidnapped in an attack on a church on Palm Sunday. The young

boy was butchered with a machete. That—on Palm Sunday—is barbaric, inhumane and just outrageous. We all remember the notorious kidnapping of the 276 schoolgirls by Boko Haram back in 2014, and many of them remain hostages to this day.

There is growing concern that the persecution will only get worse and that the Nigerian Government are not doing enough to stop it. The international community needs to pressure the Nigerian Government to do more to stamp out religious persecution. Nigeria will not prosper as much as it could if a substantial minority of its citizens are being persecuted.

Nigeria is one of 13 countries where blasphemy is punishable by death, and we in the developed world must do more about that. Mubarak Bala, a prominent human rights activist, was sentenced to 24 years in prison for a blasphemous comment on Facebook. Nigeria is a big recipient of UK aid, and the British Government need to do more to assist Mr Bala and other people who are being punished because of the blasphemy laws. I urge the Government to take more action to make life bearable for those of all faiths in Nigeria.

Our Government need to ensure that these issues are raised directly with their counterparts in Nigeria. Words are not enough; they are not listening. The laws are there, but they are not being enforced. Why not? Why are the police forces getting away with not taking the action that they are paid and employed to take? All of us want a successful and prosperous Nigeria with rising standards of living—a Nigeria that is welcoming to people of all faiths and none, and that provides and protects the basic freedom of belief for all. I am sure that the Minister will do her best to urge the Government to take more action to ensure positive change for people of all faiths and no faith in Nigeria.

10.10 am

**Patrick Grady** (Glasgow North) (SNP): It is a pleasure to serve under your chairmanship, Ms Nokes. I congratulate the hon. Member for Strangford (Jim Shannon) on securing this debate, and on his ongoing commitment to the cause of freedom of religion and belief. As the hon. Member for Torbay (Kevin Foster) pointed out, the hon. Member for Strangford has secured a number of debates on the subject in recent months—both on the global context and on the situation in specific countries and regions, including Nigeria. It is a tribute to his passion for the issue, its importance to our constituents, and the personal interest that many Members take in it that this has been a busy and well-informed debate. That is encouraging, because of late some debates have been quiet; this debate is on the busier end of the scale, which is good.

It is important and right to draw attention to Nigeria at this moment. The right hon. Member for Chipping Barnet (Theresa Villiers) was the first to use the word “potential” with regards to Nigeria. It is already Africa's most populous country, and it is on course to have the world's fourth-largest population by 2050, but potential can go in different directions.

With genuine peace and stability, Nigeria could be even more of an economic powerhouse. It could make the most of its natural resources and the talents of its people to build sustainable livelihoods, tackle climate change and support development across the region. The

potential risk is of spiralling violence and economic decline, which would then give rise to further social, cultural, ethnic and religion tensions; that in turn could lead to the displacement of populations, more political instability and further violence. That has been recognised in the contributions today, and in the detailed and powerful briefings that international observers and non-governmental organisations have supplied in advance of the debate. That is why it is in the interests of the UK Government and the global community to work with the Government in Nigeria to ensure that the rights of all religious minorities are respected.

Briefings and research papers give slightly different statistics on the exact proportion of the population in Nigeria that follow different religions, but clearly by far the largest overall designations are Muslim and Christian.

**Florence Eshalomi:** It is possible to meet Christians who would say that they are Muslim as well. The figures are definitely disputed. On celebrating that diversity, and the fact that so many languages are spoken in Nigeria, does the hon. Gentleman agree that more work should be done to highlight the figures, so that we can work with the relevant communities—be they Christian, Muslim or people of no faith?

**Patrick Grady:** The hon. Lady is absolutely right. Even in our country, people can say that they are Christian or Muslim, and within those wide designations there are more specific doctrines, denominations, practices and branches. In reality, in the UK as in Nigeria, on some definitions, everybody is a religious minority in some way. That plurality and diversity should be celebrated, as she says.

Some groups are larger than others, and unfortunately sometimes religion or belief becomes an excuse for perpetrating violence, abuse and oppression. The hon. Member for Rutherglen and Hamilton West (Margaret Ferrier) was right to say that that is about power relationships, not practising a faith, not least because all the faiths we are talking about have in common a golden rule: the ethic of reciprocity. They state that we should do to each other as we would be done by; that is a principal teaching of all the major religions in the world. How is that principle reflected in the stories of one group committing atrocities and violence against another in the name of religion? I find that extremely difficult to believe.

As the hon. Member for Vauxhall (Florence Eshalomi) and the hon. Member for Strangford said, it is important to respect traditional indigenous cultures and diversity. If the state's constitution is supposed to protect diversity of and freedom of religion and belief, that should be respected. Instead, we have seen the rise of militant factions of different kinds. Boko Haram, which translates as "Western education is forbidden"—an incredibly oppressive ideology just by name—has been described as one of the deadliest terror groups in the world, and its atrocities continue to horrify us. Several years ago, one of my parish priests, who was from Nigeria, powerfully read out the names of the Chibok schoolgirls at a prayer service, which had been organised to allow us to reflect on the situation and to pray for their release and safe homecoming, yet years later, so many of them have not been released.

We have heard other examples of violence by different factions, and of insurgencies; they appear to be getting worse. An example is the Pentecost Sunday attack at St Francis Xavier Catholic Church in the Ondo diocese last year. As the hon. Members for Torbay, and for St Helens South and Whiston (Ms Rimmer), have said, events of that kind have led Open Doors to conclude that the majority of Christians who are killed for their faith across the world are killed in Nigeria. Other forms of abuse and violence are also taking place: around 100 million people are trafficked, usually within the country. As the Islamic State West Africa Province grows and displaces Boko Haram, there is real concern that it may use its presence in Nigeria as a base for attacks further afield.

I briefly want to echo some of the cases mentioned. A number of hon. Members have raised the serious concerns expressed by Humanists International about the treatment of Mubarak Bala, the atheist activist who was arrested in April 2020 and held without charge for more than a year. He was accused of insulting the Prophet Mohammed on Facebook, but was denied access to legal support. The authorities have been accused of denying him access to adequate medical care. He received a sentence of 24 years for a Facebook post. We have issues with online safety Bills here, and different views on how to regulate social media, but everyone in this part of the world would think that was quite extreme.

An even more serious example is the death penalty being applied for blasphemy. Nobody should face the death penalty anywhere in the world, least of all for what is essentially a prayer. The hon. Member for Strangford raised the case of the young woman who, after passing her exams, wanted to thank Jesus, who is recognised as a prophet in the Koran, for his inspiration and support. To be executed for that is quite incredible.

Attention has been drawn to different parts of the country, and the way that the violence has moved from the north down to the middle and central belt. Christian Solidarity Worldwide's briefing drew attention to the situation in southern Kaduna; it called the situation a crisis, and documented abductions, physical and psychological torture, sexual violence and militia attacks. It notes that

"Christian leaders, their families, and congregations are particularly targeted for abduction for ransom, and even execution."

As the hon. Member for Torbay and others have said, today's debate is an important opportunity to draw attention to these outrages, and to ensure that the Nigerian Government and authorities know that these atrocities are not going unnoticed by the global community. It falls to the UK Government to outline how they will respond. They could, for example, support initiatives to establish a joint United Nations and Nigerian Government commission of inquiry, which would investigate sectarian attacks on civilians and report back to the UN Human Rights Council.

A number of hon. Members have mentioned the important opportunity presented by a change in Government and the outcome of the election. There is an opportunity to look at the blasphemy laws, and the penalties, including the death penalty, associated with them, and to call them out for being inconsistent with international human rights law and conventions to which Nigeria is party.

[Patrick Grady]

The hon. Member for Vauxhall rightly said that perhaps we can think about the diaspora community in the UK as well. Glasgow is incredibly proud to welcome the many Nigerians who make our city their home. Many of them come as talented economic migrants, but sadly many come seeking refuge and asylum, precisely because of the kind of oppression that we have been talking about. I hope the Minister will speak with her colleagues in the Home Office to ensure that asylum seekers from Nigeria do not experience a hostile environment when making an application for settlement in the UK. Perhaps the Government could also think about how to work with community groups, so that the Government can better understand the challenges that community groups are aware of back in their homeland, and could think about how to support peace and stability through those different kinds of contact.

No intervention is cost-free, and the reality is that the Government's decision to dramatically reduce the aid budget has real and ongoing consequences. In April 2021, the Foreign, Commonwealth and Development Office cancelled £12 million-worth of conflict resolution projects in some of the world's most volatile regions, including Myanmar and Nigeria, which, as we have heard, endure considerable insecurity and violence. In April 2022, CARE International found that the UK Government had cut £120 million from gender equality projects in Nigeria. Now that the FCDO is merging the conflict, stability and security fund into a new UK integrated security fund, how and when will it detail how much money will be earmarked for conflict and atrocity prevention and accountability projects, including in Nigeria?

As we have heard throughout the debate, Nigeria has so much promise and potential, but clearly a tipping point is being reached. For the benefit of the country and its people, but also the wider region and indeed the world, we have to ensure that the positive potential prevails. The UK Government must have a role in achieving that.

10.21 am

**Ms Lyn Brown** (West Ham) (Lab): It is an absolute and genuine pleasure to serve under your chairship, Ms Nokes. My thanks go, as ever, to the hon. Member for Strangford (Jim Shannon) for securing this debate. I will echo much of what he said.

Nigeria is an important partner for the UK. We have such vibrant connections through our diaspora communities, thriving trade and cultural links. We have a clear, common interest in reducing insecurity across the Sahel and west Africa, and in supporting democracy in a region where military coups have sadly become frequent. As we heard in the debate last June, the days when religious violence was largely about Boko Haram and concentrated in the north-east are long gone. Violence and kidnappings connected to religious and ethnic differences are now common in the north-west, the middle belt and parts of south Nigeria too.

Much of that violence is utterly horrific, including the attack on St Francis Catholic Church in Ondo state. Today we remember the victims of that terrorist atrocity: 41 innocents killed during a Pentecost mass. We express again our solidarity with the people of Nigeria for those

terrible losses. The fact that the church was filled with worshippers again on Easter Sunday demonstrates the inspiring resilience of that community. So many communities right across Nigeria are showing that same resilience, and a true commitment to peace and working together across differences.

Reports suggest that increased activity by Nigeria's security forces in the run-up to the elections led to a decrease in killings and kidnappings, but clearly the violence has not stopped. Just two weeks ago, on 5 April, at least 46 people were killed in conflict between farming and herding communities in Benue state in the south-east. Many attacks by armed groups are accompanied by mass kidnappings for ransom, with hostages subjected to horrific brutality. Villages are emptied as people flee, putting even more humanitarian pressure on a country where over 3.1 million people are displaced already.

Some of the violence is clearly targeted at Christians, while in other cases the motivation is less clear. It could be financial gain from ransoms, land seizure, revenge or a political dispute. Many victims of violence by armed groups in Nigeria are Muslim and from many ethnic groups. It is a really complex picture. We must be careful, because generalisations could fuel dangerous narratives about a religious war. As we all know, that can only play into the hands of extremists.

In last year's debate, I made it clear that greater priority and a change in focus is needed for our security partnerships with Nigeria. We need to better complement efforts to provide security to communities across the country, and our partnership needs to work in harmony with regional efforts to tackle the cross-border drivers of insecurity in Nigeria. We need to understand how interlinked security problems have been growing across the wider region, which means the Sahel and, increasingly, other coastal west African states, including our Commonwealth siblings Ghana and Togo, as well as Côte d'Ivoire and Benin. Without concerted action, insecurity may increase further, so I hope that the Minister can tell us today about the work being done across those borders. What are we doing to tackle the supply of weapons to armed groups? How are we supporting peacebuilding between pastoralist and agricultural communities? I would be grateful to know what progress the Minister thinks is being made on the Accra initiative, and whether she knows of any discussions about future Nigerian involvement in the initiative.

**Jim Shannon:** The hon. Lady is right to highlight the issue of weapons. My understanding is that that part of middle Africa is awash with illegal weapons, which supply many terrorist organisations across the middle of Africa, as well as in the north and south. Could the Minister say what is being done to try to address that?

**Ms Brown:** I will just say to the Minister that I can only imagine what it is like to sit there and face questions she was not expecting, so I am happy to have written responses to any question to which she does not have the answer at her fingertips.

In the past year, there have been repeated reports of human rights violations by Nigerian armed forces, including extrajudicial killings and mass forced abortions, despite our security partnership's engagement on human rights. I hope that the Minister will help us to reflect on the lessons that have been learned, and I would be grateful

to know if there is a date yet for this year's security partnership dialogue, and how we are navigating the difficulties caused by the contested election. As we know, religious freedom in Nigeria is not just about armed groups; state institutions can also bear responsibility. Last April, Mubarak Bala, president of the Humanist Association of Nigeria, was sentenced to 24 years in prison because of blasphemous posts on Facebook. I hope the Minister can update us on the latest developments in Mr Bala's appeal.

Sadly, the massive cuts to international development funding will have had an impact, and will limit support for new programmes where the Nigerian people need them most. Bilateral aid to western and southern Africa has fallen from £1.12 billion in 2019 to just £345 million in the last financial year. It is a scandal. Thanks to incompetent and uncontrolled Home Office spending, our aid budgets will fall even further to just £256 million across the whole of western and southern Africa. A cut of almost 80% in just five years will clearly block our ability to respond.

But let us face it: the problem is not just the lack of international aid. Sorting this out requires governance that responds to the Nigerian people's needs and demands. Sadly, turnout in February's presidential election hit a new low, and with legal challenges ongoing, the process is not yet complete. I strongly welcome the commitment of the candidates who are challenging the presidential result to rely on only the courts. While that legal process continues, we need to engage with all political forces and civil society to inform priorities for our partnership over the next years.

In February, this Opposition joined the Government in supporting sanctions against anyone who organised to disrupt peaceful, fair and free elections. There have been credible reports of violations, both in the presidential election on 25 February and the gubernatorial elections on 18 March. There were several documented incidents of violence around polling stations during the presidential vote and still more reports of violence and intimidation aimed at voter suppression on 18 March.

The issue is wider still: the technologies that were supposed to provide transparency and credibility failed on a huge scale. That has understandably led to even greater distrust in the electoral system from Nigerian voters. The UK provided support for these systems, so, surely, there are questions to be answered about why they failed.

On sanctions, I say very gently that the Government's record on the killings at Lekki, where no action was taken despite calls from across this House, does not inspire huge confidence. Although I know the Minister cannot comment on any specific sanction designations, I hope she will confirm that the Government are prepared to back their words with action, because what happened in the Nigerian election matters for religious freedom and for security in Nigeria. It matters because incitement to hatred and violence based on identity was used as a political tool, but equally, if the Nigerian people lose trust in their Government, I fear the violations we are discussing will only worsen. It is clearly in the UK's interest to support security, human rights for all and an inclusive, prosperous and sustainable economy in Nigeria.

Nigeria's path forward is critical for the future of the region, so I hope that the Minister will set out how she

will secure the stronger partnership, backed by long-term commitment and resources, that the UK and the people of Nigeria so urgently need.

10.32 am

**The Minister of State, Foreign, Commonwealth and Development Office (Anne-Marie Trevelyan):** I am grateful to the hon. Member for Strangford (Jim Shannon) for securing this vital debate and, as ever, I commend him for his long-standing commitment to highlighting and championing freedom of religion and belief for all.

I also welcome the passion to protect the rights of religious minorities that has been demonstrated by all Members who have spoken. If I am unable to answer all Members' questions, as the shadow Minister, the hon. Member for West Ham (Ms Brown), has rightly identified, I will ensure that officials respond fully after the debate. In particular, there are whole debates to be had on the question of the weapons wash across Africa and the issue of sanctions, for which I have responsibility within the FCDO. I would be happy to pick that up, but as she rightly pointed out, we do not discuss potential sanctions because that could reduce their impact. However, we will swiftly pick up those areas separately, and I am happy to do that.

My right hon. Friend the Member for Sutton Coldfield (Mr Mitchell), who is our Minister with responsibility for Africa and development, is disappointed not to be able to be here. This area is of real importance to him, but he is covering other ministerial duties. However, I will ensure that we cover off the much wider issues as best we can after the debate.

Promoting the right to freedom of religion or belief is one of the UK's long-standing human rights priorities. The UK Government are committed to defending that freedom for all and promoting respect between different religious and non-religious communities. Our special envoy, my hon. Friend the Member for Congleton (Fiona Bruce), who was present earlier, chairs the International Religious Freedom or Belief Alliance, which is an important part of our toolbox in helping to bolster joint international action in this important arena.

In July last year, we hosted the ministerial conference on freedom of religion or belief, which brought together more than 100 Government delegations and 800 faith and belief group leaders. The conference was attended by delegates who work on peace building, social justice and relations between faith groups across Nigeria. The high commissioner for Nigeria in London reiterated at that event his Government's commitment to freedom of religion or belief.

As hon. Members may know, Nigeria has an even balance of Muslims and Christians, and we welcome Nigeria's constitutional commitment to protecting religious freedom for all groups to ensure that all can live peacefully together. Sadly, that commitment is not shared by every Nigerian and, in some places, it is under violent attack. Boko Haram and Islamic State West Africa, which operate predominantly in north-east Nigeria and the Lake Chad basin, undermine the rights of anyone who does not subscribe to their extremist ideologies. The region's predominantly Muslim population have borne the brunt of this insurgency, but Boko Haram and Islamic State West Africa have also specifically targeted Christians.

[Anne-Marie Trevelyan]

My hon. Friend the Member for Strangford and others raised the case of Mubarak Bala. The UK Government continue to monitor that case closely, following his sentencing by Kano state courts to 24 years in prison for blasphemy in a Facebook post. Most recently, our officials raised Mr Bala's case with the deputy governor of Kano state on 19 January, and in April, the British high commissioner joined a meeting with Mr Bala's humanist organisational associates, along with other international partners, to continue to raise our disquiet about the situation.

Other specific cases have been raised. The shocking murder of Deborah Samuel last year following an allegation of blasphemy was a barbarous and heinous act. My right hon. Friend the Member for Sutton Coldfield, the Minister with responsibility for Africa, expressed public condemnation, and in May, our deputy high commissioner raised the case with the President's chief of staff. This is not a forgotten situation.

My hon. Friend the Member for Torbay (Kevin Foster) asked about death penalty laws more widely. Of course, the UK Government regularly raise human rights issues with the Nigerian authorities, including calling for the removal of the death penalty. Most recently, these issues were raised by officials in January in Kano state in relation to the blasphemy case.

The strong calls from parliamentarians here in Westminster Hall today really have been heard. I know that my officials will take away the strength of feeling about these issues, so that Ministers and officials, who have regular contact with Nigerian authorities at lots of levels, will be able to raise them.

**Florence Eshalomi:** I thank the Minister for her commitment to pass the comments on to other Ministers. Will she highlight to them the scarcity of cash in Nigeria? The outgoing President recently announced that Nigeria is withdrawing the 1,000, 200 and 500 naira notes in a bid to curb money laundering and fraud, but that has caused real situations and issues and violence on the ground in Nigeria, where a number of people still rely on cash. Will she raise that and get other Ministers to raise it as well?

**Anne-Marie Trevelyan:** The hon. Lady raises an important issue. We have seen this done in other countries, possibly for good reasons, but that does create disputes, so I will ensure that it is picked up and that the high commissioner can discuss it with officials, as required.

The UK is the lead in the UN Security Council on the Lake Chad basin issues and we convene the international community to tackle the challenges regarding violent extremism in north-east Nigeria. We contribute to the demobilisation, deradicalisation and reintegration of former group members. Since 2019, we have contributed £16.9 million to the United Nations Development Programme's regional stabilisation facility, which improves security, services and economic opportunities for people in affected areas.

We are a leading provider of life-saving humanitarian assistance to support Nigerians affected by this conflict, including religious minorities and internally displaced people. Between 2017 and 2022, our £425 million humanitarian programme provided life-saving food

assistance to more than 2.1 million Nigerians and supported 660,000 people to resume agricultural livelihoods. We continue to invest in this priority area with our humanitarian and resilience programme, which seeks to protect those at risk of having their rights violated, including religious minorities.

Alongside that conflict, criminal gangs have extended their activities from the north-west of Nigeria into other regions, and tensions between communities across Nigeria have also increased. Together, these issues are resulting in a widespread deterioration in security. Heavy weapons smuggling into Nigeria has increased the deadliness of the violence, which has taken the lives of Muslims and Christians alike, and sadly displaced many communities.

Unlike attacks by violent extremist organisations, differences of religious opinion are often not the key driver of inter-communal conflict; economic disenfranchisement, historical grievances and criminality are stronger factors. Climate degradation has disrupted lives and agricultural income, increasing criminality and forcing nomadic herders to move southwards, where they come into conflict with settled farmers. However, these grievances are easily tied to communities' religious and ethnic identities, which are closely associated in Nigeria. Conflicts can therefore increasingly take on a religious dimension as tensions build between communities and reprisal attacks take place. We have already seen that religious identity has been a factor in some of those attacks.

Nigeria's recent elections have brought increased attention to relations between religious and ethnic groups. Across much of the country, people of different faiths live peacefully together. Its political leadership is diverse, reflecting the country's different communities; however, in some places this is a fragile peace. All parties must promote tolerance and dialogue between communities through their messaging, recognising the complexity of the conflict and ensuring that disinformation is addressed.

My hon. Friend the Member for Torbay asked for more information on how the UK is supporting peace initiatives. In 2021, the FCDO launched a new initiative, strengthening the delivery of peace and security in Nigeria, which fosters dialogue in conflict-affected areas, supports responsible journalism, counters disinformation, and provides evidence-based analysis to support lasting peace. The FCDO has also funded peace-building projects in states such as Kaduna, Plateau, Niger and Benue, aimed at promoting tolerance and understanding between communities impacted by intercommunal violence. Those projects have included work to train peace ambassadors, including faith leaders, to engage with youths who are at risk of radicalisation.

Tackling insecurity and closing the space for criminality and extremists to operate in will be a critical part of creating an environment where religious tolerance can flourish. The UK's wide-ranging bilateral security and defence partnership with Nigeria provides practical support to defend against all forms of insecurity that threaten the Nigerian people. We look forward to refreshing that partnership to address the ongoing challenges with the new Government. The partnership includes training Nigeria's police force to work with local communities to tackle criminality and kidnappings, as well as helping them to prioritise the protection of vulnerable groups, such as religious minorities, in their operations and goals.

We are a strategic and technical partner for the multinational joint border taskforce, which has seized weapons intended for use against civilians. Earlier this month, we were pleased to launch our new strengthening peace and resilience in Nigeria programme, which will help Nigeria to tackle the interlinked root causes of intercommunal conflict, including security, justice and natural resource management challenges.

Nigeria is a sovereign and capable state, and addressing the challenges that we have discussed will be key for Nigeria's incoming Administration. The Minister of State with responsibility for Africa and development raised the impact of insecurity on human rights, such as freedom of religion or belief, with President-elect Bola Tinubu when they met in December. We will continue to raise those challenges after the Government are inaugurated in May. FCDO staff will continue to work closely with state governors, local community and faith leaders and NGOs to promote social cohesion and understanding between communities, including religious minorities.

We will continue to lead the international community on our shared action plan across security, stabilisation and humanitarian agendas in areas affected by violent extremist organisations. Violence against civilians of any kind has an unacceptable impact on human rights, which we will continue to prioritise, including the freedom of religion or belief for all, across all areas of our valued partnership with Nigeria.

**Caroline Nokes (in the Chair):** I call Jim Shannon to wind up—you have two minutes.

10.43 am

**Jim Shannon:** Thank you, Ms Nokes. I thank all Members for their contributions. It is a pleasure to lead a debate in which so many right hon. and hon. Members have taken the time to participate. The right hon. Member for Chipping Barnet (Theresa Villiers) outlined the issue of Deborah Samuel. None of us was not moved, and the Minister's response on that was helpful. The evidential base is there, so we should push Nigeria to make that happen.

The hon. Member for Rutherglen and Hamilton West (Margaret Ferrier) referred to the Baha'is and others across Nigeria who are being persecuted. The hon. Member for Henley (John Howell) is a former envoy to Nigeria, and his interest in Nigeria is well known. The hon. Member for Congleton (Fiona Bruce) asked for the singer Yahaya Sharif-Aminu to be granted a pardon; we hope that that will happen. My hon. Friend the Member for East Londonderry (Mr Campbell) referred to multiple attacks on Christians. We all know about that and have referred to it in our contributions.

I thank the hon. Member for Torbay (Kevin Foster) for coming along. He and I have participated in many debates. Today, as so often, we are on the same side,

doing the same thing: speaking up for Christians and our brothers and sisters across the world, in Nigeria in particular, who do not have anyone to speak for them. He rightly highlighted that while we could worship with freedom and liberty at Eastertime, others were unable to do so. He also commented on blasphemy laws.

My friend, the hon. Member for Vauxhall (Florence Eshalomi), made a significant contribution. She also referred to celebrating Easter, where religious belief is important to us, and violence against women and girls in particular. Some people who were kidnapped some time ago have never returned to their families. That needs to be addressed. She also referred to using soft powers. The Minister outlined some of the soft powers that are used to influence the Government.

The hon. Member for St Helens South and Whiston (Ms Rimmer) is also a good friend. We have been to Pakistan together to speak up for Christians and others. Again, she referred to the fundamental right of freedom of religious belief, and the number of murders of Christians and those with other beliefs across Nigeria. There are still schoolgirls who never got home to their parents.

I always look forward to the contributions of the hon. Member for Glasgow North (Patrick Grady). He and I are very much on the same page on these issues, and his knowledge is significant. He put the focus on the violence in Nigeria that is spiralling out of control. He also referred to Nigeria as—

**Caroline Nokes (in the Chair):** Order. Two minutes, Mr Shannon.

**Jim Shannon:** Just give me one wee second, please.

**Caroline Nokes (in the Chair):** Thirty seconds more—that is all.

**Jim Shannon:** Thank you, Ms Nokes. I thank the shadow Minister, the hon. Member for West Ham (Ms Brown), for her passionate contribution. I thank the Minister very much; there were positives in her contribution. Our Government are pushing the cases of Mubarak Bala and Deborah Samuel, and the Minister referred to the new initiatives to promote dialogue for peace and the protection of vulnerable groups.

Thank you, Ms Nokes, for indulging me a wee bit longer than most. I thank everyone for their contributions, and the Minister in particular.

*Question put and agreed to.*

*Resolved,*

That this House has considered religious minorities in Nigeria.

10.47 am

*Sitting suspended.*

## Dalgety Bay: Radioactive Contamination and Remediation Works

11 am

**Caroline Nokes (in the Chair):** Before I call Neale Hanvey to move the motion and the Minister to respond, I remind Members that there is not an opportunity for the Member in charge to wind up in 30-minute debates.

**Neale Hanvey (Kirkcaldy and Cowdenbeath) (Alba):** I beg to move,

That this House has considered radioactive contamination and remediation works at Dalgety Bay.

It is a pleasure to serve under your chairship, Ms Nokes. At the outset, I pay tribute to the community of Dalgety Bay, the action group and the sailing club. Without their organised determination, perseverance and forbearance, I do not believe we would be approaching the conclusion of the remediation work. Indeed, one wonders whether remediation work would have begun at all. I also praise the journalism of the *Dunfermline Press* and *The Courier*, which have played an exemplary role in highlighting the concerns surrounding Dalgety Bay. They deserve credit for their investigative and supportive coverage of the issues that have developed over many years.

This long-running saga has taken place over decades, so it is important to set out the historical context. During the second world war, the Dalgety Bay area was home to Donibristle military airfield. At the end of the conflict, a large number of planes were dismantled and decommissioned, and the resulting debris was burned and buried. What has proved problematic is that radium was used to coat the instrument panels on the aircraft so that the pilots and other personnel could see the dials in the dark. It is extremely hazardous to health and has a half-life of 1,600 years.

Radium was discovered by radiation treatment pioneer Marie Curie, and it was considered a miracle element at that time, but by 1938 its toxic impact on human health had been well and truly established, principally as a result of the women who are commonly known as the radium girls. The case was properly established in 1938, when radium worker Catherine Wolfe Donohue successfully sued the US Radium Dial Company for causing her illness. Despite the established risk, there was no regulation, so the contamination at Dalgety Bay was not established until 1990.

It is only since 2011, when the health risks posed by that contamination became increasingly apparent, that part of the foreshore of Dalgety Bay has been off limits to the public. Aside from Dalgety Bay, a further 15 sites across the UK were identified in 2011 as potentially at risk of contamination from radioactive substances.

Although the fact that the matter lay fallow for two decades demands consideration, that is not the subject of this debate. Demands for the Ministry of Defence to accept responsibility and begin remediation began in earnest after the closure. On behalf of the community, I acknowledge and publicly thank my predecessors, Roger Mullin and Gordon Brown, for their efforts to keep this issue at the forefront of the minds of Ministers and civil servants. I also acknowledge the efforts of local campaigners and councillors Alice McGarry and David Barrett for their enduring work.

Speaking in an Adjournment debate in December 2013, Gordon Brown MP said that the

“responsible course is for the MOD to own up to the damage, to pick up the bill to get rid of the waste and clean up the area, and to do so as soon as possible.”—[*Official Report*, 17 December 2013; Vol. 572, c. 718.]

Notwithstanding the progress that has been made towards remediation in recent years, almost 10 years on from that debate, the community of Dalgety Bay is still awaiting completion. On 15 April 2019, the then Defence Minister, the right hon. Member for Bournemouth East (Mr Ellwood), gave the following assurance:

“Remediation is due to physically begin in April 2020 and be completed in September of the same year. The second phase of work is planned to begin in April 2021 and be completed in September 2021.”

On 18 May 2021, the then Defence Minister, Jeremy Quin, gave the following assurance to Parliament in a written answer:

“The target remains to complete all work by September 2022.”

However, dates for completion have come and gone without the work being concluded, undermining public trust and confidence in the process. On 2 March 2022, the then Defence Minister, Jeremy Quin, confirmed in a letter to me that despite decontamination and remedial work having been undertaken since May 2021 by the Ministry of Defence contractor Balfour Beatty, the timescale had slipped and

“it seems increasingly likely that work may extend into 2023 to ensure the full remediation is effectively undertaken.”

Work finally got under way on the site, following the granting of a licence by the Scottish Environment Protection Agency, commonly known as SEPA, on 17 May 2021. The MOD has confirmed to me that it has removed existing infrastructure, laid ground membrane and placed rock armour on top of it. It also intends to replace the jetty and slipway.

I sought assurances in October 2020 on how MPs should contact the MOD prime contractor for the remediation works, in order to seek clarification and updates on the licence application and subsequent stages of the project. That helped to clarify that it was the responsibility of the MOD prime contractor to apply to SEPA for the licence to commence the remediation works and decontamination of the shoreline. The final contract award was made to the MOD prime contractor in February 2020. I also asked what residents of Dalgety Bay and the surrounding area can expect in terms of disruption to their lives, and what visual remediation would take place on site. The MOD confirmed in a parliamentary written answer on 14 May 2019 that implementation of the agreed management strategy would involve

“the removal of radium sources; the reinforcement, replacement and extension of coastal armour stone and the construction of a replacement slipway at Dalgety Bay Sailing Club.”

Key milestones in the progression of this work have included the appointment of Balfour Beatty as the MOD prime contractor, and the development of a construction plan in consultation with Fife Council, in order to minimise disruption to the local community.

In concluding, I pose the following questions to the Minister. What recent discussions has his Department had with SEPA and Fife Council on the remediation of the coastline at Dalgety Bay and on carrying out this work in a timely manner? What is his current estimate



of the costs of the remediation works? Will he confirm, for the avoidance of doubt, that all costs will be borne by the MOD? When did officials from his Department last visit the site where the work is being carried out? Will he provide an undertaking to visit the site and inspect it during the period of the remediation works? What recent advice has his Department received in relation to the risks to health from radioactive pollution particles found at Dalgety Bay? Will he publish that advice? Finally, what ongoing monitoring will take place, once the remediation works have concluded?

**Caroline Nokes (in the Chair):** Before I call the Minister, I gently remind the hon. Member that in this House we do not refer to Members by name. In this case, he should have referred to the right hon. Member for Horsham (Jeremy Quin).

11.9 am

**The Minister for Defence Procurement (Alex Chalk):** It is a pleasure to serve under your chairship, Ms Nokes, and thank you for calling me to speak. I congratulate the hon. Member for Kirkcaldy and Cowdenbeath (Neale Hanvey) on securing this important and constructive debate regarding radioactive contamination at Dalgety Bay. We met on 21 March to update him on the remediation works, and I am grateful to him for this opportunity to update the House, as I am to all those who have helped to keep this important issue on the agenda. It falls to me to update the House on the work to clean up this beautiful part of Fife, Scotland and the wider United Kingdom.

The hon. Gentleman helpfully summarised the background to this issue. I will not detain the House by rehearsing all the details again, but it is worth reiterating some of the more salient facts. In 1990, the first in a series of radioactive objects and particles was located on the shore of Dalgety Bay. As the hon. Gentleman indicated, the material is thought to have originated from an eroded landfill site containing debris from the second world war—specifically, aircraft that had radium painted on their dials to make them luminous in the dark. To be clear, that contaminant was buried using the best practice at the time. Frankly, it is not entirely clear how material that appears to have been buried about a kilometre away from where it was ultimately found got from place A to place B, but the fact is that that appears to be the most likely source.

The amounts involved are small. It is worth reflecting on the fact that the particles are smaller than a grain of rice, and both Public Health England and SEPA have concluded that the threat to people using the beach is very low. Nevertheless, the existence of radioactive material, in a place where people walk and children play, clearly created a theoretical risk, however slight, that such particles might be breathed in, swallowed or come into prolonged contact with skin. On that basis, in July 2013, following an investigation by SEPA, the Ministry of Defence agreed to carry out the work to remove those radium particles on a voluntary basis. This is at a cost of around £15 million, and I stress that there was absolutely no legal requirement on the Ministry of Defence to do so. However, we decided to take that step.

The hon. Gentleman has, quite properly, referred to the period of time that has elapsed since then. Before the physical work could begin, it was necessary to agree

the extent of the work with SEPA, the protocols for removing the contaminant, the protocols to carry out investigations, and the design of the infrastructure. The tendering also had to take place. All of that was done within the expected timelines for a project of this scale. Thereafter, there had to be protracted discussions with landowners about access. It was then necessary to procure a contractor, which was a difficult process, not least because there was only one applicant to do that job; there was not a cast of thousands bidding to do the work. Then there were unforeseeable issues with the contractor, which sought to renegotiate the contract after it had been awarded, and there was the issue of statutory licences. Indeed, as the hon. Gentleman indicated, those statutory licences were not issued until the spring of, I think, May 2021.

In any event, the project finally got under way in spring 2021, and it is worth reflecting on the scale of the operation. It is not just an enormous endeavour, but a hugely complex one. Nothing like this has ever been done before in the UK. After all, we are searching through many tonnes of sand and soil for minute radioactive particles. Let me just give the House a brief sense of what is involved. Essentially, material is scooped up from the beach and poured on to a specifically designed conveyer belt, which then passes under eight detectors that are sensitive enough to detect tiny traces of radiation. If a particle is detected, workers wearing safe clothing and gloves use a handheld monitor to locate it, before removing it with a trowel. Each one has to be physically and manually removed. Particles are then securely packaged and stored, before being taken away to be safely disposed of.

By the end of last year, over 3,500 individual particles had been picked out by hand. By the time the operation concludes, the team estimate that they will have dug up, scanned and replaced some 7,500 cubic metres of beach, which is equivalent to three Olympic-sized swimming pools. On top of that, they will have installed a ground membrane, rock armour—in plain English, big lumps of hard-wearing rock—and a replacement slipway and jetty, as the hon. Gentleman referred to. All of those will provide a wider environmental boost to the local community.

That is the job, but where have we got to? I am delighted to say that we are on track to finish all of the work by this September. There was a necessary pause over winter to protect nesting birds, in line with Scottish Natural Heritage guidelines. Following that, work began again on the remediation project at the start of April. Regarding updates, over the coming months Ministry of Defence officials will continue to attend Fife Council's south and west Fife area committee meetings alongside SEPA to provide updates. Those records are in the public domain, and I would be only too happy to answer questions from the hon. Member for Kirkcaldy and Cowdenbeath as and when they arise.

The hon. Gentleman asked some specific questions. We wrote to him at the end of March following our meeting. I hope he received that. We did not get an acknowledgment, but that communication contained some of the information he requests. The costs are over £15 million. Officials visit the site regularly. I do not know whether I will be able to do so—I will discuss that with my officials—but the Ministry of Defence is in place there, and I will happily write to the hon. Gentleman on the issue of ongoing monitoring.

[Alex Chalk]

To conclude, few could have predicted at the end of the second world war how artifacts from that dreadful conflict might return to impact the present. The residents of Dalgety Bay have waited some time to be able to enjoy what is a stunning part of the Fife coastline. I pay tribute to those who have fought hard to get the work done. I am pleased to say that the job will soon be over.

*Question put and agreed to.*

11.16 am

*Sitting suspended.*

## Farming on Dartmoor

[STEWART HOSIE *in the Chair*]

2.30 pm

**Sir Geoffrey Cox** (Torridge and West Devon) (Con):  
I beg to move,

That this House has considered the matter of farming on Dartmoor.

I am delighted to serve both under your chairmanship, Mr Hosie, and in the company of so many of my hon. and right hon. Friends. It is good to see representatives from other parties present to discuss this question as well.

I should say at once that the issues connected with Dartmoor are enormously complex, and they have been debated over decades, if not longer. I do not intend to enter into the wider debate as to what is right or wrong in connection with overgrazing or undergrazing, or as to the causes of the problems that we face on Dartmoor today. The immediate occasion of the debate—I am grateful to the Minister for preliminary discussions—is a problem that has arisen in connection with the farmers on Dartmoor, the viability of their business, and the levels of stocking and grazing that are to be expected by Natural England in connection with the renewal of their higher level stewardship arrangements.

Farmers on Dartmoor sustain the communities of Dartmoor. They breed a particularly independent and hardy-minded type of family who are able to make a living from the harsh and adverse environment that the moorland presents. There are approximately 900 farms and 23 commons on Dartmoor. Dartmoor is owned by a patchwork of private landowners, including the Duchy of Cornwall—there are many other landowners—but it is divided into 23 commons. Some of the land is tenanted, but invariably the commoners have rights to graze on those commons, and there are hundreds of commoners. It is therefore a particularly complex environment.

The higher level stewardship schemes were introduced on Dartmoor in the early 2000s. They were 10-year agreements. Broadly speaking, they commenced in 2012 and 2013, and they are now due for renewal. It is open to farmers to extend their agreements by five years, and the first agreements started to expire in February of this year. The problem that has arisen is this: in or about February of this year, a letter arrived at all of the commoners' associations, each of which is responsible for the management of one of the 23 commons, indicating to them that, if they were to enter into new agreements, they would have to remove their stock entirely from the moors in the wintertime. What in fact was said was that, other than ponies—you may be familiar with the famous Dartmoor pony, Mr Hosie—stocking and grazing in the winter would be permitted only if they could be justified on ecological and environmental grounds. In essence, that has been interpreted to mean—and Natural England does not appear to contest that it means—the effective removal of stocking and grazing in the winter.

The letter was followed a few weeks later by another letter to a particular common indicating that it would have to reduce its summer grazing by some 80%. Were those indications to be implemented, they would effectively mean the complete eradication of grazing on that common throughout the year and only 20% levels in the summer.

That exploded a metaphorical bomb in the small and fragile communities that the moorland hosts. Throughout the entire moor, Natural England's policy was interpreted to be to apply those stocking levels across the moor. I am glad to say that that is now apparently not Natural England's intention, but the fact is that those letters were written without consultation or warning. Not a single organisation on the moor was consulted—not the Dartmoor National Park Authority, not the Dartmoor Commoners' Council, not the landowners, not the farmers' groups. Not a single warning was given before that sudden and unexpected announcement by the statutory regulator for the moor, which controls the sites of special scientific interest where statutory consent must be given and, more widely, advises the Rural Payments Agency on whether it should agree to these higher level agreements. Not a single word of consultation was given or received.

I think my right hon. and hon. Friends would agree that that was an extremely unfortunate step for the regulator to have taken, and I think it regrets it. I have had a chance to speak to representatives of the agency, and there is no doubt that it accepts that its communications were poor. The problem on Dartmoor is that there has been a steady and gradual breakdown in the relationship of trust and confidence that should exist between the statutory regulator and the farming communities that, by common consent, must implement the agency's statutory objectives. Natural England cannot fulfil its statutory objectives without the people, the human capital of Dartmoor. Therefore, if that relationship of trust is damaged, the problem of how we manage this precious landscape for the future, both for Dartmoor's inhabitants—its families and wider communities—and in the wider public interest, will get far worse.

**Selaine Saxby** (North Devon) (Con): My right hon. and learned Friend is making an excellent speech. On the subject of that relationship and communication, does he agree that the damage has already been done on other moors? Exmoor farmers in my constituency are already contacting me with concerns about their future in the light of what has happened on Dartmoor.

**Sir Geoffrey Cox:** It is a highly regrettable situation. My hon. Friends and I have absolutely no argument with the absolute necessary of Natural England fulfilling its statutory objectives—we gave it those legal responsibilities, and they must be fulfilled and enacted—but that can be achieved only in partnership with those who live and work in the area. That means building a positive relationship of trust and confidence. It means achieving, if at all possible, consensus.

My hon. Friends the Members for South West Devon (Sir Gary Streeter) and for Totnes (Anthony Mangnall) and I wrote to the Secretary of State and to my right hon. Friend the Minister. As our letter said, we strongly believe that Natural England on its own in Dartmoor will not be able to achieve the kind of relationship, partnership, co-operation and consensus that will lead to a way forward for the future. We all know that the sites of special scientific interest on Dartmoor are in an unfavourable condition. The farmers know that the moor needs to be brought towards a favourable condition. We can argue, as I said I would avoid, about the causes of that. Many say it is because of overgrazing. It is perfectly true that in the '80s and '90s the policies of the

European Union, which paid farmers to intensify their livestock numbers because they paid headage subsidies, undoubtedly overgrazed the moor. Many farmers and experts would argue that since that time the dramatic reduction in stocking numbers on Dartmoor, which has been happening since the late 1990s, has caused problems with the consequential burgeoning of molinia purple moor grass, but I do not want to get into that debate today; I want to focus the Government's mind on how we are to move forward for the future.

**Jim Shannon** (Strangford) (DUP): I accept that the right hon. and learned Gentleman is focusing on Dartmoor, but he mentioned a human element. Part of that human element is family tenant farms—those who want to hand over their farms to their sons for the future. Surely, with this way forward, Natural England has a big job to do with farming families who have an obligation to their families and to their sons, who want to take over afterwards.

**Sir Geoffrey Cox:** I completely agree with my hon. Friend, if I may be so bold as to call him that. One of the problems with stocking reductions, including the elimination of winter grazing, is that there are many tenants on Dartmoor. They are not landed people; they are tenants. They have no other farms than those they farm on Dartmoor. Where are they to put their flocks if they are told that they must be removed in the winter? What will happen is simple: those flocks will be lost. Either they will be sold if a commercial consideration can be obtained for them or they will be culled, because they may not be wanted anywhere else since they are used to the high moorland and the conditions they live in there.

These flocks are not just any flocks: in many cases they have been there for generations, for decades, for hundreds of years. They are hefted flocks; flocks, in Dartmoor terminology, that hold their leers. Leered flocks, put quite simply, are flocks that instinctively know the boundaries of their own grazing. It is a minor natural marvel of its own. It is part of the social and cultural heritage of Dartmoor, which, if winter grazing is removed completely, will be lost for all time.

My submission to my right hon. Friend the Minister and all Members who have attended the debate is that, as with so many things with life, Dartmoor presents us with a complex balancing exercise in which there are competing public interests to weigh and balance. Of course, the health of the natural environment is a primary consideration, but so I would argue is the cultural and social capital of Dartmoor, its communities and families who have farmed there for centuries—Dartmoor's own unique heritage. In introducing the grazing calendar for the renewed agreement, we must have regard to that cultural, social and economic capital, which has been built up over the centuries and which is at risk if these destocking or stocking levels are insisted on. That is why my hon. Friends and I have called for an independent process in which, prior to the agreement of the new higher level schemes, an impartial facilitator and reviewer would lead the negotiation and discussion, review the contesting arguments and balance the competing public interests.

I am glad and relieved to say that the call for an independent process has been heeded by the Dartmoor National Park Authority and the Dartmoor Commoners'

[*Sir Geoffrey Cox*]

Council. Indeed, every relevant stakeholder on the moor, including Natural England, agreed on 4 April this year that such an independent process would be valuable. I would argue that we are now beginning to make progress. Unless we do something like this—unless we subject the factors that should go into these new extended agreements to objective review—we will constantly have a tug of war on Dartmoor, which will sap our strength and undermine our conviction and singleness of purpose to achieve the objectives we all want to see. I call on the Minister to give a fair wind to this important process.

The proposal is that an independent reviewer be appointed, possibly by the Minister himself, and paid for by the stakeholders at no cost to the Government. Who would look a gift horse in the mouth? The proposal is simple: we appoint an independent facilitator and all parties are brought into the process. He then reports over a period of 12 months, taking the views of all sides and proposing ways forward by negotiation and mediation. That seems to be a positive step forward.

We have been vexed for too long on Dartmoor by these entrenched positions—by the naturalists and environmentalists on one side and the farmers on the other, and by anybody else who wants to weigh in. The time has come for us to work together, and the way forward is via this independent process. Since all parties are now subscribed to it, I urge the Minister to agree. When one is presented with an opportunity like that, one does not spurn it.

My first call to the Minister is to allow the proposal to take place. It may require a degree of co-operation and assistance from the Department. The proposal is that for the first 12 months there would be no or minimal grazing level changes and the stocking calendar would essentially not change. However, the proposal is called “one plus four”, so that after the 12-month review in which the independent facilitator works to achieve consensus, the remaining four years would implement the recommendations of that review.

The park authority supports the proposal, and it is the park authority’s job to balance these factors. Part of its statutory definition and purpose is to achieve a balance between the communities, the socioeconomic factors affecting Dartmoor, the natural landscape and environment, and many other factors besides. If the park authority supports the proposal and Natural England is also in agreement, I urge my right hon. Friend the Minister to give it fair wind. However, it will need more than that. Once the independent facilitator has produced his recommendations, it may be that he makes recommendations for the adjustment of grazing on Dartmoor. The problem with the current situation is that in order to renew these agreements, which must be renewed now, none of the farmers concerned about whether to make adjustments in the business model that they have pursued for many years have any time to do so. The proposal would give time not only for an independent review and for the recommendations of an impartial and credible character to be advanced but, as the process unfolded, for farm businesses on Dartmoor to adapt. In many cases, they are fragile, particularly where there are tenants who have no cushion with which to adapt, but they would at least have the opportunity

of planning how, over time, they would adapt to graduated changes, if that was the recommendation for the stocking calendar.

However, the Government can help in this way. It may well be that the grazing of molinia by cattle and ponies is regarded as a good thing, so why are the Government not considering incentivising hill farmers to graze molinia at the correct time—between May and July, when molinia is palatable to cattle? Why are they not producing a scheme for the upland areas that will join in tandem with the statutory objective of bringing these sites into favourable condition by encouraging the practices that will achieve that very thing?

I urge the Minister to have an open mind about how the new environmental land management schemes are being developed for the purposes of the upland areas. It may be that on particular moors there should be an element of bespoke, precise targeting of practices that will assist Natural England, and the families and businesses that farm there, to achieve objectives that we all want to see.

We appreciate that ELMS are experimental schemes. They are still being tried and tested. Although we have seen much welcome detail so far, we have not seen, perhaps, sufficient detail about the upland areas. That presents us with an opportunity over the next 12 months on Dartmoor to design the further detail for the upland areas in a manner that will be tailored to the interests of preserving those precious farms and farming communities, and achieving the objectives of Natural England.

That is my second call to the Government and to my right hon. Friend the Minister: support the independent process, allow it to do its work, and consider how, in designing ELMS for the upland areas, they might be tailored and designed to incentivise and encourage the wholesome objectives of Natural England while preserving viable farm businesses on the moor.

In my opinion and, I believe, in the opinion of my right hon. and hon. Friends who surround me, this is a compelling menu for the Minister to choose from. It achieves what we need to achieve on Dartmoor. I do not want to demonise one side or the other, but there is no doubt that the recent indications and announcements from Natural England have plunged Dartmoor into uncertainty. It would appear from the evidence of my hon. Friends here who represent other moors—indeed, I see across the Chamber others who represent moorland areas—that the same is true elsewhere, but certainly in the south-west, an enormous amount of uncertainty, anxiety and stress has been caused.

It is not just farmers who are experiencing that. Around this country, there are tens of thousands of people who regard with deep sentiment the welfare of Dartmoor and its communities—and also its ponies; we must not forget them. They are genetically unique, and precious to many thousands of people. They, too, are under threat from a policy that would eliminate winter grazing and dramatically reduce summer grazing. Why? Quite simply, it is because they are included in the stocking calendars. Given the choice between a productive unit or an unproductive unit, which will people choose? There is bound to be reduction in the number of Dartmoor ponies, to the extreme dismay of tens of thousands of people throughout this country.

The problem has simply been that Natural England has acted, no doubt with the best intentions, in a

manner that fails to take into account that it is regulating a complex environment, in which there are multiple public interests and goods that have to be weighed. That might mean that it has to accept, as I believe it does, that the return to favourable condition of these precious sites, which we all want to see, might take place over time. We cannot simply explode on these fragile communities a sudden change in the models of what they have been doing for decades—the loss of their hefted flocks and all these social and cultural values—because of a single perspective that fails to take account of the complexity of the balance that must be achieved.

Not only have I described the problem, but I hope I have described the solution. Having served under two Prime Ministers in government, I recall that both used to say, “I don’t want problems, Geoffrey, I want solutions.” Faithful to that prescription, I hope I have adumbrated not only a problem that is of acute concern to many hundreds of decent people, whom I and my colleagues represent, that is precious and integral to the survival of their communities and way of life, but the solution, to which they are all subscribed and which, with one heart and voice, we call on the Minister to endorse.

2.57 pm

**Luke Pollard** (Plymouth, Sutton and Devonport) (Lab/Co-op): It is a pleasure to follow the right hon. and learned Member for Torridge and West Devon (Sir Geoffrey Cox). I greatly enjoyed his speech; in fact, I enjoy nearly every one of his speeches. He has a style of delivery that every one of us in this House can only aspire to. He made a powerful case and I hope the Minister will listen. I do not represent part of Dartmoor—I represent an urban area of Plymouth—but Dartmoor is on our doorstep, and what happens in Dartmoor has consequences for the entire south-west, including Plymouth. That is why I want to support the case made by the right hon. and learned Gentleman, and to share his concern.

I met commoners on Dartmoor last summer. They operate in an incredibly complex environment of legislation and tough economic conditions, especially around the value of their produce. They also face myriad complexities in the rights of tenants to access certain land at certain times, and the conditions under which they are regulated. That balance is not quite where we need it to be for Dartmoor to thrive. We want Dartmoor to thrive; it should be home to a thriving community.

A good case has been made for an independent reviewer, but we have to look at why one is needed in the first place. That is because the system of regulation, the pace of change by Government, and the complex relationships between those who farm the land, those who own the land and those who visit the land is not in balance at the moment. That is the challenge to look at here.

As we have heard, there are 900 farms on Dartmoor. The south-west is home to a quarter of England’s agricultural holdings and a fifth of England’s total farmed land. That means that what happens for farming in the south-west is a signpost to what could happen to farming across the country. That is one reason I have argued to the Minister and the former Secretary of State, the right hon. Member for Camborne and Redruth (George Eustice), about the need for certainty for our farming communities, so that they can make informed judgments about their investments and future in agriculture.

I worry that the net effect of our agricultural transition from the common agricultural policy to a new future will result in fewer farmers, albeit larger farms; fewer payments from Government; and a greater adoption of technology. The effects of that in the south-west, where our farmers are more independent, there are more tenant farmers and the land is not necessarily as open to successful aggregation as the east of England’s flatter land, mean that we will produce fewer farmers, less of our land will be cared for, and there will be less stewardship in the way that Dartmoor and the surrounding countryside is looked after. I am not convinced that that is the direction that we, on a cross-party basis, wish to take agriculture in, so when the right hon. and learned Member for Torridge and West Devon raises a legitimate concern about how this policy change, which may not have troubled too many headlines outside the agricultural press to date, will have a profound effect on Dartmoor, we should listen.

Mr Hosie, I declare an interest: my two little sisters work in farming. Indeed, they used to have their sheep on a farm in Dartmoor, exercising their right to graze them on common land, so they know this subject well, and I know the passion and determination of people who farm on Dartmoor. It is not just a job; it is a relationship, which in many cases goes back generations. People have farmed that land over many years and see no advantage in destroying it, denying access to it or disrupting the balance. That is really important, because sometimes there can be a view that farmers are deliberately destroying land to make a quick buck.

Environmental and farming policies have not always helped that case, but now we are in a better place. That is why we should look for the principles that the right hon. and learned Gentleman set out. First, we should look for greater certainty for the people who farm. That means giving them an understanding of what regulatory changes will happen and how they can plan for them. Changes that hit too early, too often and too hard have a disruptive effect on businesses and the landscape. Given the complexity of Dartmoor, we should look for a carefully managed transition from one state of agriculture regulation to another. The proposed change is too fast and too hard, without sufficient information for farmers to make a decent decision.

Secondly, we need to make sure that sustainability—environmental but also economic—is embedded as part of the policy. Having fewer farmers and fewer people managing the land has an adverse effect. Land that is not managed in a sustainable way by agriculture does not magically appear as dense forest. In many cases, it produces scrubland, which has a lower biodiversity and ecological value than farmland, so we need to see the transition properly managed.

The third principle is effective regulation and relationships. It seems to me that for the Minister to accept the case that has been made today about an independent reviewer, he must also accept that the way that Natural England has pursued the policy has not been as good as we would like. That means we need to make the case for change, but for sustainable change over time. That is where the three principles kick in.

I want to see the environmental land management schemes properly implemented. I want them to be sustainable and benefit all the different types of farming. But because our farming industry in the south-west is

[Luke Pollard]

different from the agricultural sectors elsewhere in the country, ELMS need to be a success in the south-west, with our particular style of agriculture, farming and tenancy. That means we need a different way of doing it.

The right hon. and learned Gentleman mentioned rare breeds and talked about the importance of Dartmoor ponies. For those who do not follow the agricultural debate in detail, I think the headline of the debate will be, “There is a threat to Dartmoor ponies.” If we are to preserve rare breeds, particularly in Dartmoor, where we have rare breeds of not only cattle but sheep—generally, in the west country we are really good at growing grass, and we get our income from the animals that eat that grass—we need to make sure that the environmental land management scheme approach, and all the regulation that accompanies it, supports not only mainstream species that are being farmed, but rare breeds. I am sure Members have read the Rare Breeds Survival Trust briefing about the risks to rare breeds. I think its mantra of farming the right breed in the right place at the right density is one that we could all agree on, but how it is implemented here is quite difficult.

There is a challenge around ELMS in upland areas, which affects not only Dartmoor and the south-west but elsewhere. I see the hon. Gentleman from up north, the hon. Member for Westmorland and Lonsdale (Tim Farron), who I am sure will say something similar when he gets to his feet.

We also need to look at why it is important to get this right. There is an ecological prize to be won for managing the transition to get us into the right place. We need to move towards making sure that farmers are not only supported, and sustainably, but that the outcomes are clearly specified. Changes hitting hard, without much notice, do not deliver that.

Finally, no debate about Dartmoor can pass without wild camping being mentioned briefly. We need to strike a balance, of which wild camping is a part. Sometimes, there is a simple headline to be got, but we need to see a proper balance, proper relationships and proper certainty restored. I am glad that the case on wild camping was brought, because it puts pressure on Parliament to update the laws to make sure that there is a proper right to roam, not just on the countryside, but also in terms of access to rivers and waters. In return, there needs to be a proper relationship between the people who visit the land, to ensure that it is looked after and to prevent over-exploitation, and the people who look after the livestock and the environment. There is a balance to be struck here.

I hope the Minister will take seriously the suggestion from the right hon. and learned Member for Torridge and West Devon of an independent reviewer for what happens with farming on Dartmoor. This is something that Members on both sides of the House will be watching carefully.

**Several hon. Members** *rose*—

**Stewart Hosie (in the Chair):** Order. I suggest that colleagues take no more than six minutes, in order to give the Front-Bench spokespeople time to make their contributions. I call Anthony Mangnall.

3.6 pm

**Anthony Mangnall (Totnes) (Con):** Thank you, Mr Hosie. It is a pleasure to serve under your chairmanship. I fear that if I were in the dock and my right hon. and learned Friend the Member for Torridge and West Devon (Sir Geoffrey Cox) were prosecuting, I would surely be sent down. In this instance, I can only hope that his argument has landed so effectively with the Minister that the points will be taken on board, accepted and implemented.

I thank my right hon. and learned Friend for securing the debate and for his continued work and engagement on this issue on Dartmoor with the common land farmers. It has made all the difference and it is the reason why we speak on this side of the Chamber with one voice. I welcome the hon. Member for Plymouth, Sutton and Devonport (Luke Pollard) back and wish him a speedy recovery; it is good to see him in his place.

This debate is of the utmost importance, and time is of the essence. As has already been stated, on 31 March, while farmers in my constituency were calving and lambing and preparing for the year ahead, a letter arrived, asking them to reduce their livestock and their grazing rights. Farmers do not prepare and work on a monthly basis; they sometimes work two or three to 10 years in advance. To receive a letter asking them to make a decision within two months is an insult that cannot be left alone. It must be answered for, and I hope that this debate will go some way to answering it.

For those who have not been there, Dartmoor is a remarkable place and space. Those of us who are fortunate to represent areas of it know that it is a multi-focused area, with focuses on agriculture, environmentalism and recreation. We should not prioritise one over the other, but all of them together, allowing livelihoods to flourish, experiences to be gained and traditions to be passed down. It is a working environment.

Farmers on Dartmoor are not a recent phenomenon. They have been playing their part for hundreds of years, through multiple generations. They have been the cultivators and protectors of the landscape and biodiversity. They have been so, and are so, because their livelihoods depend upon rich, fertile lands and healthy livestock.

Farmers are not anti-environmentalist. They have followed Government rules and regulations, because that is what is required of them. However, Natural England’s recent pronouncement about livestock and grazing reductions will push most common land farmers to the brink. Their future hangs in the balance. This is not rhetoric or parliamentary drama; it is a fact.

I will give the Minister an example. One of my farmers, on the Holne valley, has been asked by Natural England to reduce his sheep by 75% and his cattle by 66%, with no winter grazing at all. That is meant to happen over the next five years, but Natural England would like to see the majority of that cut in 2024 and 2025. I reiterate that right now, farmers are calving and lambing and preparing for next year and the year after. The request from Natural England is not only out of time; it is completely out of kilter with how people farm and look after their land. It is an insult for a regulatory body to take that approach with farmers. It should be working with them, rather than against them.

Using the sites of special scientific interest as a reason, Natural England is attempting to force farmers out of business by making their business models untenable.

I question why Natural England is taking such an approach. Perhaps it is unhappy with the state of the SSSI. Of course, it is important to protect SSSIs—no one on the Government side of the House doubts that—but to date there is little information or evidence to show that farmers are to blame. Livestock numbers have successively been reduced, but the environmental issues have not improved, so why try the same thing again and expect a different result? It appears, rather, that farmers are the easy target: a small group of people who are often overlooked or are not considered, and who are sometimes at the mercy of the Twitter mob, rather than being able to stand up for themselves. We are here today to stand up for them and to ensure that we can get done the things they need to see delivered.

Whether it is higher concentrations of nitrate, milder winters or just climate change in general, we have to look at the alternatives. That is why the request from my right hon. and learned Friend the Member for Torridge and West Devon for an independent inquiry and the breathing space of an extension on 2022 stocking rates is absolutely essential. We ask our farmers to produce food, meet our food security levels and look after our land, all of which they do in spades. However, right now, Natural England is jeopardising that relationship on Dartmoor, and that cannot be allowed to continue. If we wish to see our farmers remain and the viability of their businesses endure, we must look at the issue of HLS and provide all farmers—not just those on Dartmoor—with the flexibility and understanding they need.

That is why myself and my hon. Friend the Member for South West Devon (Sir Gary Streeter) and my right hon. and learned Friend the Member for Torridge and West Devon ask for that independent inquiry and that extension. We also ask for an improvement in Natural England's communication and engagement with farmers. Things cannot be allowed to go on like this and cannot be allowed to take place in other parts of the country. I hope the Minister will be able to assure us of that. The damage and lack of trust is worrying, and we must now provide that reassurance.

We should take note of what is going on in Europe, specifically in the Netherlands, where the cry is going out, "No farms, no food." If we lose our Dartmoor farmers, they will not come back. We will find ourselves at odds, and we will see a poorer landscape as a result. I hope the Minister will take on board the points we are raising. We cannot simply stand idly by—we must see an improvement.

3.12 pm

**Tim Farron** (Westmorland and Lonsdale) (LD): It is a pleasure to serve under your chairmanship today, Mr Hosie, and to follow all three of the speakers so far. They have all spoken articulately and passionately, and I support pretty much everything they have said. I want to say a big thanks and congratulations to the right hon. and learned Member for Torridge and West Devon (Sir Geoffrey Cox) on securing this important debate.

The conflict that has arisen around the higher-level stewardship schemes on Dartmoor common is deeply concerning for everybody involved and for all of us who care about the future of Britain's vital uplands and moorlands. Our uplands are crucial to our biodiversity and to tackling climate change; they contribute to food

production and flood prevention, to our tourism economy and our landscape heritage; and they are crucial to the communities who live there. Indeed, it is the human destocking of our uplands that troubles me even more than the enforced removal of animals entailed in this deeply upsetting stand-off.

Too often, the Government and their agencies take rural Britain for granted—especially those communities and families who underpin life in our uplands. We officially call them less-favoured areas, but they are favoured by God with awesome beauty, immense significance and wonderful people who sustain that landscape beauty with hard work and commitment all year round.

As we have heard, letters from Natural England were sent to more than 20 commoners on Dartmoor at the very last minute—at the very point when the current HLS schemes were running out. The letters, which were received just as farmers had their animals in calf and in lamb, told those farmers that they had to remove their stock by this coming winter—no wonder the commoners reacted with such dismay. Natural England's argument is that current schemes have not delivered in ecological terms, as if this was all down to the farmers, and nothing to do with Natural England itself. Of course, Natural England is a Government agency, responsible to and ultimately directed by Ministers, and funded—or, crucially, underfunded—by the Government. If HLS partnerships have not delivered on Dartmoor, or anywhere else, for that matter, the responsibility must be shared. The solution must also be based on partnership and patience and not on a Government agency blaming farmers and taking zero responsibility itself.

It is no accident that this conflict has arisen after Natural England has seen its staffing levels in the south-west reduced by around 90% over the past few years. In Cumbria, we too have seen Natural England staffing resources severely restricted. That is perhaps why only half of the farms that could enter countryside stewardship higher tier are able to even contemplate doing so. It is also one reason the Government are inexcusably botching the transfer from the old payment scheme to the environmental land management scheme.

Farmers in general are being sold short. The uplands have all but been abandoned by the Department for Environment, Food and Rural Affairs, which knows full well the impact of its painfully slow agricultural transition policy on business viability. The Government's error in Dartmoor is caused not just by underfunding but by a fundamental misunderstanding—a mindset that says that there is an overriding conflict between farming and nature. That is simply untrue. There is no such in-built conflict. In Cumbria, and, I am sure, in the west country, farmers demonstrate that they can produce food and care for the environment, but if we do not enable them to farm and to maintain their businesses, we will lose our most important partners in the fight to defend and improve nature.

The debacle in Dartmoor could be averted if Natural England and the Ministers to whom it is responsible took the time to negotiate with commoners, create space for respectful conversations and listen. The Minister must surely know that, if the threats in the February letters are carried out, that will be the end of many of those upland farms. Farmers whose families have cared for these commons for generations will be dealt the

[Tim Farron]

cruellest blow, through no fault of their own, and will face the crushing reality of being the ones who lost the family farm—all because of intransigence and a failure to treat people like people and to work in partnership to find workable solutions together.

In Cumbria we have seen that, although it can be difficult, progress can be made, but only if we work in partnership. In 2019, “co-operation not conflict” was the theme of a meeting between all players in our world-class uplands in the lakes and the dales. The meeting was led by the Foundation for Common Land and was attended by His Majesty the King when he was the Prince of Wales. The outcome was a clear understanding that when we co-operate we deliver far more. I hope that this Government will heed that outcome and, in doing so, put right the grave wrong that Natural England has done to the commoners of Dartmoor.

This year, the result of partnership working in Cumbria has seen, for example, the agreement that led to the Duddon, Subberthwaite, Torver and Coniston commons coming into a countryside stewardship agreement that ensures 600 hectares of woodland pasture. That shows what can happen when people talk with each other over time, rather than when Government agencies send terrifying letters to commoners who now find themselves on a cliff edge with nowhere to turn.

In considering how we work with farmers to achieve public goods, we need to remember that arresting biodiversity decline is essential but that it is not the only public good that we must secure. Environmental schemes must also deliver on our climate goals, food security, landscape quality, cultural heritage, flood prevention and water quality. To achieve those vital gains, we will need partnership, which is distinctly lacking in this case. People who work for Natural England in Cumbria are good people, but there are not enough of them. That is surely the case with Dartmoor too.

The simple fact is that the Government have let down rural England as a whole. Promises to maintain previous levels of funding for agriculture and our environment have been broken. With basic payments reduced by at least 35% this year but fewer than 10% of farms entering the new sustainable farming initiative schemes, Ministers know that they are making huge savings and not using that money to support farmers, or even their own agencies, to bridge the gap to keep farmers farming and to protect our environment. Farm funding is being hollowed out. It is overcomplicated and riddled with red tape and built-in conflict. The consequence is that farmers from Cumbria to Cornwall will be needlessly put out of business. Or they will do what many are already doing: they will look at the inaccessibility, unattractiveness and restrictiveness of the new schemes and do the only thing they can think of to save their business and feed their families—turn their backs on environmental schemes and increase their stocking levels. I spoke to farmers in Westmorland just last week who are doing that very thing. They are doing it with heavy hearts, but what are they meant to do when the Government have let them down so badly?

The conflict on Dartmoor is tragic but not inevitable. We simply need Ministers to give Natural England the resources and the instruction to manage transitions in

partnership, not with threats, and allow time for solutions to be delivered. I strongly urge the Minister to choose co-operation over conflict.

3.18 pm

**Sir Gary Streeter** (South West Devon) (Con): I congratulate my right hon. and learned Friend the Member for Torridge and West Devon (Sir Geoffrey Cox) for not just securing this debate and making such a powerful speech but leading the charge for us all in Devon in relation to Dartmoor over the last 12 months. It has been a joy to work with the other three Dartmoor Members of Parliament, including my right hon. Friend the Member for Central Devon (Mel Stride), whose representative on earth is with us in the Public Gallery this afternoon. All of us have been working together to bring about a better outcome for our farmers and commoners.

I will make a few quick points. It will be difficult enough to balance all the competing interests on Dartmoor. First, there is the importance of access for recreation and leisure, especially post lockdown and given the mental health issues about which we all know very well. Secondly, there are the legitimate rights and interests of landowners—we have heard a bit about that from my right hon. and learned Friend. Thirdly, there are the interests and needs of the farmers and commoners whose families have been farming Dartmoor for generations, and other moor communities. Finally, there is the need to protect and see flourish nature and biodiversity for the long-term sustainability of often overlapping and sometimes competing interests. All of that would be difficult enough to balance if all stakeholders were collaborating and pulling together, working hand in hand towards meeting a set of common goals, but sadly we have not seen that collaborative approach in recent years. Especially in the past three months, it has been very far from that, and Natural England’s heavy-handed, clumsy approach has caused alarm and distress among farming communities the length and breadth of the moor and more widely. My right hon. and learned Friend covered that in some detail.

If Natural England accepts that the situation has been badly handled and now wants to work more collaboratively with other stakeholders, that is hugely to be welcomed and we should look forward, not backwards. However, from my conversations with hill farmers in recent weeks, including two yesterday, it is clear that there has been a breakdown in trust. I will not say that it is irretrievable, but it is serious. I therefore strongly support the call for an independent process to get to the bottom of how we get the balance right and protect the moor without damaging beyond repair the long-established practice of farming on the commons. I hope the Minister will confirm that DEFRA will embrace and facilitate the independent process that all parties appear to have agreed at the meeting on 4 April. It is important that Natural England becomes a trusted partner once again to enable long-term solutions to be found by consensus.

Whatever the Minister says in his response, it is clear that time and space must be given for any changes to be made. I grew up on a dairy farm not far from Dartmoor, and my father milked Channel Island cows—Jerseys and Guernseys in the main. In those days, there was a



premium for Channel Island milk—the Minister is probably too young to remember that—because it was creamier, so the Government paid a bit more for it. I remember the horrible day when the letter came from the then Ministry of Agriculture saying, with little warning, that the premium was going to be removed. I remember my late mother being in tears for days over that, wondering how we would survive. Although the premium was taken away in just a few short months, it took my parents three to four years to change the herd to Friesians, which as most farmers know give an awful lot more milk, to enable them to recover the lost income. It was a tough few years while we transitioned.

Farming is not like manufacturing widgets: farmers cannot just flick a switch and increase or reduce production levels overnight. If we are going to ask farmers to reduce stocking levels, once the case has been made, there has to be time for transition. If possible, the existing agri-environment agreement should be left in place while the independent process is carried out. Many of the five-year HLS agreements are coming to an end over the next six months or so, so we would like them to be left in place if possible. I hope the Minister will talk long and hard with his officials about that. If that is not possible legally, I strongly support the “one plus four” proposals that were discussed at the 4 April meeting.

Whatever happens, the process must be evidence based. The farmers need to see Natural England’s workings. What is it basing its assumptions on? It must be related to Dartmoor, not to moorlands further north—I am sure they are wonderful, but Dartmoor is its own complex ecosystem, so we need statistics and evidence gathered from Dartmoor.

Finally, I hope that out of the stress of the past few months—it has been stressful for many of our constituents—an exemplar for the future will emerge. We were promised that, once we left the EU and the common agricultural policy, our support for farmers would be less bureaucratic and more tailor-made and farmer-friendly. Perhaps the jury is still out on that, but if in the months ahead genuine dialogue is undertaken with all the interested parties and agreement is reached about the long-term benefits to nature and communities on Dartmoor, that model could be built on for other communities. This has been a crisis, but out of it can come an opportunity. I urge our widely respected farming Minister to play his part in making that come about.

3.24 pm

**George Eustice** (Camborne and Redruth) (Con): I declare an interest in that our family farm in Cornwall is home to a number of rare breeds and native breeds, including a handful of Greyface Dartmoor sheep.

The spur for today’s debate is a specific issue with the conditions that Natural England is applying for new countryside agreements, particularly when it comes to stocking densities for sheep, but behind that are two much bigger debates that I want to focus on predominantly. First, how do we secure the financial viability of certain farming types, particularly in upland areas, as we move away from the nonsensical area payment scheme to something that rewards environmental and other outcomes, such as animal welfare? Secondly, what are the right

organisational structure and functions of DEFRA’s arm’s length bodies in a post-EU world, and how do we correct the lack of accountability that was an inherent feature of our EU membership?

On the specifics of this issue, as ever, DEFRA is between a rock and a hard place, in that there is currently a very trenchant debate about water quality. We know that, in some geographies, including places such as Dartmoor, diffuse agricultural pollution, some of it linked to winter grazing, is a contributory factor; but at the same time, there is the issue of farm viability. The Minister’s predecessor gave Natural England a steer to try to adjust stocking densities, but gradually, not suddenly—perhaps over five years. However, it is unclear why that seemed not to be followed through. Either Natural England felt that it was doing that and was simply beginning a conversation with farmers, or perhaps it thought that, with the Minister’s predecessor out the way, it could do its own thing. Or maybe the Minister gave Natural England a different order and told it to be more hawkish and move faster. He might want to explain what happened in that instance.

On the issue of viability, the big challenge is that many upland areas are already quite invested in agri-environment schemes. Some would see limited scope to earn more money through agri-environment schemes as the BPS payment falls away. We have considered this quite a lot in DEFRA, and there are three main answers. The first is that, in some of these landscapes, frankly, land rents are too high. There is a lot of evidence that about 50% of the BPS payment that immediately disappeared in the first few years has inflated land rents, and that needs to adjust. Secondly, the Department must depart from the old-fashioned “income foregone” methodology for payment rates. I would like the Minister to say explicitly today that income foregone will no longer be followed and that there will be a margin for farmers in the new environmental schemes, as we always intended.

The third solution is that the Agriculture Act 2020 made provision for ways to reward farmers other than through the conventional agri-environment schemes. In particular, payments can be made to farmers on a headage basis, for instance, if necessary for higher welfare outcomes, or indeed for rare and native breeds. We made explicit provision for wider payments to be made, acknowledging that, in some landscapes, different public goods might be pursued over and above the environmental ones that people tend to associate with them.

In that context, the Minister will know that I have made the case for a new coronation fund to support rare breeds and native breeds in this country. The King has been passionate about our rare breeds in particular, but also our native breeds, throughout his life. The year of his coronation would be a fantastic opportunity to open a fund to support rare breeds such as the Greyface Dartmoor and others that can be found on Dartmoor. The National Sheep Association has called for this and can see an opportunity to add greater value to some of its produce through such a scheme. I hope the Department will take that forward.

I looked at arm’s length body reform during my tenure at DEFRA, and the truth is that the structure we have was designed for an EU era. Many of these agencies were given powers to, effectively, implement EU law directly, and they were specifically designed to bypass

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democratic structures. In a post-EU era, we really need to think about how we change this. There is a consultation sitting somewhere in DEFRA—it was due to be published shortly before I departed in September and is still sitting there, should the Minister want it—that basically argues that we should change the function of Natural England when it comes to SSSIs, in particular. It is not sensible for Natural England to have to make the decisions on SSSIs. Instead, Ministers should take such decisions having taken advice from Natural England and others, which would restore accountability.

The Minister will shortly have submissions coming his way, asking him to agree certain licences—for instance, for heather burning on blanket bog. That is because I explicitly made it a legal requirement that the Minister should make that decision based on advice, not that Natural England should make the decision on its own without seeking the advice of Ministers. I hope the Minister will return to that system of accountability and publish the consultation because, in its absence, I am afraid he will be condemned to have episodes similar to this, where things take him by surprise simply because he does not have the powers he should have in the post-EU era.

3.30 pm

**Derek Thomas** (St Ives) (Con): I credit my right hon. and learned Friend the Member for Torridge and West Devon (Sir Geoffrey Cox) for securing the debate. It raises questions about the role of Government organisations such as Natural England, which operate under the extraordinary powers in the Wildlife and Countryside Act 1981. The Act and Natural England demonstrate a lack of understanding of the significant transformation that is taking place in the countryside, where landowners whose families have farmed and cared for our countryside for generations understand more than ever the value of the natural environment and the need to protect and enhance it.

When I meet farmers and landowners, it is clear to me that the countryside and landscape we enjoy is in a good condition only because of decades of care and good management. What we have heard today, in relation to Dartmoor and the similar experience of landowners on Penwith moors in west Cornwall, is that Natural England is using a sledgehammer to crack a nut.

In October 2022, Natural England wrote to landowners in west Cornwall informing them that Penwith moors had been notified as an SSSI. It has 7,700 acres of countryside, 995 acres of which are described as clean land that is used for productive grazing and food production. The decision will affect up to 50 landowners. Some will not be able to run viable farms if the notification is not amended, in keeping with evidence that has since come to light following the SSSI notification, which was poorly drafted and poorly communicated. What is most frustrating is that the landowners do not object to the need to continue to protect and enhance the moors, but, as my right hon. and learned Friend clearly established in his speech, they deserve to be around the table, working with Natural England and DEFRA to draw up plans to continue to nurture the countryside that we enjoy so much.

A landscape recovery scheme may be the tool to use. Whatever it is, the SSSI notification as it currently stands must be amended to recognise that viable farms with decades of experience, which have ensured that Penwith moors is worthy of designation, may be lost rather than protected and enhanced. Along with Members across the Chamber, I appeal for consideration to be given to how Natural England can be reformed to nurture a better, more constructive relationship with landowners, who the Government and our constituents ultimately rely on to support a healthy and flourishing countryside.

3.33 pm

**Daniel Zeichner** (Cambridge) (Lab): It is a pleasure to serve with you in the Chair, Mr Hosie. I, too, congratulate the right hon. and learned Member for Torridge and West Devon (Sir Geoffrey Cox) on securing the debate, as it gives us an opportunity to discuss the crucial challenge of balancing our objectives with regard to food production, conservation and mitigating climate change. It is also an excellent opportunity to talk about a place as unique and exceptional as Dartmoor.

As we have heard, Dartmoor has a rich natural history, an iconic landscape and an impressive cultural heritage, often related to commoning. It also contains three of the largest moorland SSSIs in the south-west and is an extremely important area for conservation—not just in the region or even the whole country, but in the world. Of course, it should be and is treasured by the nation.

The tragedy is that none of the areas of scientific interest—not one of them—is in a favourable condition. The upland heathlands are now patchy and in poor ecological state and the peatland bogs degraded. The wildlife that once thrived is no longer as rich or resilient as it was just a generation ago. Their habitats are seriously threatened and in some cases have been destroyed. That has negative consequences not just for wildlife and nature but for the surrounding rural communities.

We cannot simply stand by and watch this irreplaceable moorland deteriorate even further. I am afraid that what has been tried in the past clearly has not worked, and Natural England, whatever its shortcomings, has a statutory duty to take steps to halt the degradation and restore the health of the moors. However, as we have heard from many excellent contributions—I was particularly taken by the comments from my hon. Friend the Member for Plymouth, Sutton and Devonport (Luke Pollard)—it is important that we work together to urgently tackle the causes of the damage. From the evidence that has been presented to me, it is fair to say that we are looking at a combination of factors—it is complicated, exactly as has been said. There is a mixture of environmental change, pollution, some overgrazing perhaps, particularly by sheep, and possibly large-scale burning. However, I also think that the role that pollution and environmental change are playing in environmental deterioration is worthy of further investigation.

The impact of those factors can be complex and variable, as we have heard. Grazing is not inherently positive or negative. Livestock grazing can be good for biodiversity by keeping the grass sward down and sustaining insects such as dung beetles, which punch above their weight in terms of their positive

contribution to the ecosystem. As has also been said, it is about getting the right animals in the right place at the right time.

I absolutely understand why there is huge concern among the farming community, which has been eloquently expressed today. I understand why farmers are concerned about the proposed measures. They are already working on tight margins and are understandably worried about their livelihoods. It is not just about the finances but about the culture and tradition. Many come from families who, as has been said, have been farming on Dartmoor for generations.

Farmers have plenty to cope with—eking out what is in many cases a very modest living from what they do. It is not an easy job, and the mental health pressures are well documented. I think that it has been made harder by the very rocky transition from basic payments to ELM schemes, particularly for the uplands, with all the attendant uncertainty, instability and delay. They are also having to work within a system that does not yet seem to provide the right balance of incentives. That needs to change. We need a system that properly rewards hard-working farmers for all their efforts to conserve nature and help in the battle against climate change.

There are alternative models that are worthy of serious consideration. Harriet Bell led the first Dartmoor test and trial project, and I would like to thank her for providing some invaluable information. One of her recommendations was for DEFRA to build on the work she conducted on developing a payment-by-results system. That is not without problems, but I think it has much to commend it.

Another approach is to develop a much more strategic, finely tuned and proportionate plan regarding land use—a strategy that takes much more account of the qualities of land and the nation's overarching objectives regarding food production, climate change and conservation. Government should then incentivise activities that are most appropriate for the land in question and that can help achieve those broader goals. I very much echo the comments made by a number of earlier contributors that a one-size-fits-all approach is hardly likely to work, but that is what we have now. I am grateful to Dustin Benton and his colleagues at Green Alliance, who have developed a compelling argument along those lines, and I thank him for his advice. What could that mean for Dartmoor? Green Alliance has calculated that if farmers were paid a fair price for the carbon value of their land, average incomes could rise by at least 20%. In cases where a farm is on actively eroding peat, farm incomes could rise by a factor of two.

I appreciate that, while the theory may be compelling, the practical implementation presents real challenges. However, any such system would have to work on incentivisation, not compulsion. If a farmer wants to continue to farm land deemed to be less amenable to food production, he or she should absolutely be able to continue to do so. The stakes have become much higher, so the status quo will no longer suffice. We are asking our land to work even harder in delivering objectives that, in themselves, have become more urgent and important.

In conclusion, the time has come to grasp the nettle and develop that proper land use strategy. It is too precious a resource to leave to chance. Farmers, and

particularly commoners on Dartmoor, have not only intimate knowledge of the land but considerable experience of agri-environment schemes and innovations. They are certainly not resistant to change, as the Dartmoor test and trial revealed. We have seen the positive outcomes for nature when farmers take on environmental stewardship. As long as the Government can provide the right framework of incentives and support, there is exciting potential for all stakeholders to work together to achieve our objectives on food production, climate change and conservation, rather than fall short on all of them, which I fear is the danger if the Government continue to get it wrong.

3.40 pm

**The Minister for Food, Farming and Fisheries (Mark Spencer):** It is a pleasure to serve under your chairmanship, Mr Hosie. I pay tribute to my right hon. and learned Friend the Member for Torridge and West Devon (Sir Geoffrey Cox) not only for calling the debate but for the extensive work that he has done behind the scenes, working with landowners, tenants, Natural England and representatives of the moor to pull together his plan. It is worth saying that the Department and I recognise that farming is the lifeblood of our communities. I know at first hand the valuable work that farmers do to keep food on our tables and look after the natural environment for today and for generations to come. It is therefore only right that we take time to duly consider how best we can support farmers—the custodians of our countryside—to be sustainable and productive and have profitable businesses to help manage that moorland and help protect the beautiful landscape that they have created over generations.

Being an upland farmer is pretty challenging. Only last week, I was on Dartmoor with farmers looking at the challenges they face and talking to them about the solutions that we can help to deliver. The Government are listening: that is why we are introducing more than 130 different actions for upland farmers—a huge package of support—through the SFI.

I hear some of the challenges and suggestions put by the Opposition, but there is danger in some of them. The hon. Member for Cambridge (Daniel Zeichner) talks about offering payments for carbon sequestration and carbon management, but there is an inherent danger in that: sheep and tenants are not required to be paid for that action. As a landlord, there would be a benefit in removing those tenants from that land and taking the payment directly. That would have a catastrophic effect on those communities, delivering exactly what the hon. Member for Westmorland and Lonsdale (Tim Farron) suggested: the removal of people—families and tenants—from the moor. We have to progress through this with a little thought and ensure that we get it right for the generations to come.

The purpose of the debate is to get to the detail of how we will move forward, so let me cut to the chase. I pay tribute to my right hon. and learned Friend the Member for Torridge and West Devon for the work that he has done on his plan for us to undertake, as soon as possible, an independent evidence review covering the ecological condition of designated sites on Dartmoor. I subscribe to his view. The plan is worthy of support, and I, alongside the Department, will work with him, Natural England and those representatives to undertake

[Mark Spencer]

that independent review. It should be done rapidly by someone who is recognised as being independent. His “one plus four” model is credible and could move us forward.

At the end of that process, we could end up in a circumstance where reducing the number of livestock on the moor is the scientifically credible option and proven to be the right course of action, but I recognise that we need time for people to adjust to that, form a business plan and work with those in Natural England who want to achieve the same as the farmers who farm on that moor. I will never be convinced that those farmers do not have the environment at the heart of their interests. I met many enthusiastic farmers on Dartmoor who were keen not only to show me their fantastic sheep flocks but to demonstrate the ecology available to them and the amount of species and plants to be enhanced and protected for the future.

I pay tribute to hon. Members for taking part in this debate. I look forward to working with colleagues to find solutions, and thank my right hon. and learned Friend for the work that he has done on the challenge. We look forward to working together to resolve the challenges moving forward.

**Stewart Hosie (in the Chair):** I call Sir Geoffrey Cox to give a brief wind-up.

3.45 pm

**Sir Geoffrey Cox:** I am immensely grateful to my right hon. Friend the Minister for what was an unexpectedly full acceptance of our proposals. It is heartening to see

how the process we engage with in this House can sometimes lead to positive outcomes so quickly and efficiently. I am grateful to all right hon. and hon. Members who have participated, including those from the Opposition, and I endorse the comments of my right hon. Friend the Member for Camborne and Redruth (George Eustice).

We need to look again at the arm’s length agencies. If my right hon. Friend prepared a paper for DEFRA, it would be interesting to look at it. The reality is that Ministers did not have any awareness at all of what was developing on Dartmoor—I know that because I spoke to my right hon. Friend. With deference to the great deal of useful substance in the speech of the hon. Member for Westmorland and Lonsdale (Tim Farron), it was what I would call “matter and impertinency mixed”, as the Fool said to King Lear, or King Lear said to the Fool.

**Stewart Hosie (in the Chair):** Order. This is a brief wind-up.

**Sir Geoffrey Cox:** May I conclude by expressing my gratitude to all who have attended, to the Minister and to you, Mr Hosie? Let’s make this work now.

*Question put and agreed to.*

*Resolved,*

That this House has considered the matter of farming on Dartmoor.

3.47 pm

*Sitting suspended.*

## Parish and Town Council Precepts

4 pm

**David Morris** (Morecambe and Lunesdale) (Con): I beg to move,

That this House has considered parish and town council precepts.

This debate is about Morecambe Town Council and the huge parish council tax rise that it has inflicted on my constituents in Morecambe. The rise—reportedly of anywhere between 231% and 237%—is believed to be the highest such increase in Britain, bearing in mind that the base precept for this town council increased by 66% last year and by 50% in 2021-22.

I will not mention any political party or politician, as there are local elections, but I will name responsible officers. I have no political interest in Morecambe Town Council, because the Conservatives do not field candidates for Morecambe Town Council, as it has historically been mired in controversy and accusations of financial impropriety. I do not receive a bill from the town council because, thankfully, I live one street out of the catchment area. I very rarely, if ever, get involved in local politics, but I cannot not get involved in this issue of double taxation and needless spending that has inflicted a cost of living crisis on approximately 17,500 homes in my constituency, which equates to approximately 33,000 people.

As expected, my inbox has been flooded with messages from angry constituents who are paying an extra £100-plus—in some cases, even more—but have no idea for why or for what. I have forensically researched this issue, which is so complex and at times perplexing that I will try to articulate the main problems as best I can. All sources for my research—Companies House, the Charities Commission, media reports and Morecambe Town Council itself—are in the public domain, on the internet. For the Minister, I have printed the 2023-24 Morecambe Town Council budget, before, I fear, it is taken offline after this debate. It looks as if it has been written and amended copious times, because the more I read it the more contradictory information I find.

The main increase and the published reason in the Morecambe Town Council budget are set out on page 26, which includes the proposal for the vote; this concurs with the first report of the town council wanting to buy a large area on Morecambe seafront, known as Frontierland, for its own purposes. I have spoken to several town councillors—some have whistleblown to me and some have already resigned—and they all tell me the same story: they say that they voted on this budget without being given the full papers in adequate time.

There was a question in the full council meeting of the larger Lancaster City Council in February that the print for the billings in regard to the budget was not there, and it was asked why the Morecambe Town Council precept was not listed. It was believed that the precept would stay the same and there was silence from the city council members who were also town councillors. They evidently did not know about this huge increase—or just did not care.

I was told that the recent town council budget was voted on in a rush, and the controversial motion that has caused all the huge increases is set out in the box at the bottom of page 26, and states:

“Proposed earmarked reserve to be collected to safeguard the former Frontierland site for community use”.

The main controversy is that there have been copious reports in the press that Morecambe Town Council wants to buy the Frontierland area but it is already owned by the taxpayer. The city council, which owns it, states that it is not for sale and already has guidelines in place for development interests. Some town councillors who are also city councillors should already know that and make their declaration clear in their respective meetings.

The reports started to mutate, depending on what each political group on the town council had in mind for this piece of land. The proposals range from a park to a housing project to—the latest proposal—a community centre. It would presumably be a very large building, given the acreage of the land. All of these proposals are for land that is owned by the taxpayer and is not for sale. There have also been reports in the media of begging letters to raise capital to buy this land, but I cannot confirm that they are true because I have not seen one. As I have said, the land is already owned by Morecambe taxpayers as it was bought by the city council for £3 million. It is therefore unlikely ever to be sold for £1 million.

There has been an admission in the press that the town council has engaged architects, at the cost of £48,000, to design a community centre on Frontierland—a site that the town council has no ownership of, and it has not even sought or been given outline planning permission. It is needless spending and blatant double taxation. According to the town council clerk Luke Trevaskis in the local press, the council has also created a “£1 million community action fund” to respond to the call from residents for a community project to be delivered on the former Frontierland site.

I understand from section 32(2)(a) of the Local Government Finance Act 1992 that revenues can be raised only from

“the expenditure which the authority estimates it will incur in the year in performing its functions and will charge to a revenue account for the year”.

A parish council cannot create a second reserve fund, but only a reserves fund up to a reasonable safeguarding of the running costs of the parish council. Interestingly, in the town council budget, the clerk has advised 25% to 100% could be claimed, which is extreme. That would be cheap in comparison to the actual increase for 2023-24 of up to 237%.

According to the town council budget, the action fund is a result of a public consultation with 1,600 responses. On page 14 of the same document, the town council published that there were 5,638 responses, not 1,600. Interestingly, on page 13, there is a detailed breakdown of 430 residents and the amounts they are willing to give. On the same page, it is claimed that there were 1,554 respondents. Sixty-five respondents—the highest bracket—were willing to give £100, followed by 55 respondents at £50, and 35 at £10. Some 100 respondents ranged from £2 to £15,000, which was obviously a resident having a laugh at the ludicrous proposals.

A total consultation percentage of 1.3%—or 430 people giving various answers—is not justification to charge my 33,000 constituents in Morecambe a £1 million bill for a vanity project that will never get built. What will

[David Morris]

become of that money? The answer can be found on page 14, paragraph 5.7 of the town council budget, which says that

“the Council must consider the level of capital receipt required to attract additional grant funding.”

In plain English: the town council wants to have a separate £1 million from the reserves to borrow against, based on the consent of 1.3% of residents. The taxpayer will inevitably be asked for more and more money over the ensuing years. That cannot be right.

Indeed, page 15, paragraph 6.9 says:

“Since 2012-13, the Government has had the power to require parish and town councils to hold a referendum if their precept increases by more than a set threshold. Thresholds are imposed on principal authorities every year. The Government has decided not to require parish and town councils to hold a referendum for 2022-23, however this policy has only been set for a period of one year and it is not known if the Government will impose such restrictions in future years.”

That is a giveaway. To me, it means “get as much out of the local taxpayers as quick as you can, while you can.”

There are irrelevant figures released by the town council, including the costs of the precept historically up to '22-23, accompanied with volumes of national examples and comparisons that are not like for like. Most notably, there are scant figures demonstrated for the council tax bands across Morecambe for '22-23. As an example, a band D dwelling for '22-23 was £44.11. A band B for '23-24 now costs £130.75. That alone is more than double the cost for a band D dwelling last year. I know, as I have seen a copy of an actual bill given to me by a constituent. Most houses are in band C, which is not demonstrated in the document. The costs are extortionate and this situation is causing a cost of living crisis for my constituents.

Morecambe Town Council has gone from £200,000 expenditure historically to nearly £2 million in the two years since the clerk, Mr Luke Trevaskis, arrived. By law, any amount raised over 200,000 must follow the local government transparency code 2015, which is a requirement of any parish council with gross annual income or expenditure exceeding £200,000. I have been told by a former town councillor that Mr Trevaskis said he would work part time for £16.50 per hour for 20 hours, or do a really good job for £26.50 per hour for 25 hours. That was supposedly to educate the town council. I have been told by former town councillors that he has since drafted his own contract, and his part-time salary is now nearly £60,000. He has had to be named by law as he earns over £50,000. It is clearly a part-time position, contrary to claims that it is full time, as Mr Luke Trevaskis is a serial town parish clerk: he recently claimed that he is town parish clerk to five other parish councils.

I cannot find a 2015 transparency code on the Morecambe Town Council website. I can find a link to the definition of a transparency code, but no detail. I have searched the budget for 2023-24, and the council's accounts paint an alarming picture. The salaries have nearly doubled in 12 months, going from £185,000 to £360,000 for 10 staff, including two apprentices. That is empire building by officers who have seemingly replicated the larger district council for that small area of Morecambe only.

By law, any officer paid over £50,000 must be named. There are two officers earning that much: the chief officer and the community and events officer. The income from events for 2023-24 is estimated to be £30,000, so why is that officer being paid over £50,000? A £25,000 donation has been given to community causes, but two of the charities listed on the Charity Commission website that Mr Trevaskis claims the council gives to are a food bank that had a surplus of nearly £196,000 in the year ending 2021, and More Music, which had £111,000 retained—presumably in the bank—in the year ending 2022. I cannot see the donation in its accounts, but that is presumably because the year is not specified. It is good to give, but not taxpayers' money to rich causes. Both charities have reserves higher than the town council, which has reserves of £105,000 for 2022-23. What is going on here?

There are three new officers earning less than £50,000, who are unnamed. There are administration and projects officers, a public realm supervisor, and six public realm operatives, including two apprentices—for what services? This is a parish council and its wages bill is now a whopping £360,000. It costs nearly as much as Lancaster City Council to the taxpayers in that small area. This is high double taxation. There are no names given for any of those titles, and it is rumoured that they are linked to some councillors—in short, nepotism. I cannot confirm that. However, the leader of the main political party on the town council wrote to me criticising my questioning as I was trying to hold this exorbitant spending to account. He naturally gave his open letter to the press and the local radio station, Beyond Radio, before I received it, but it was heavily redacted and he omitted the following important passages:

“The Town Council's Street Rangers along with dedicated volunteers from the Morecambe”—

I redact his political party—

“have taken over the weeding service (funded by Lancashire County Council for the next 5 years)...Do you expect our Street rangers, weeding service and events organisers to provide their services for free?”

I expect the town council not to give jobs to cronies of political parties, and the taxpayer not to be charged again through the town council's exorbitant precept for funding that is already in place.

I analysed the statement. Page 9 of the Morecambe Town Council budget shows £63,295 from the Conservative county council per year for weeding. There is an environment committee costing the town council £150,000, with no specification, yet on page 8, under the same category, it states that litter collection and backstreet projects cost £130,000 in 2022-23. Again, it is double taxation. The events officer costs over £50,000. There is an events budget of £100,000, which brings in a projected income of £30,000—a loss of £120,000. That is very telling.

There have at times been accusations of impropriety, and problems with financial matters involving the town council go back nearly a decade. Perhaps the Department can find out who those 10 public officers are—we already know two—and whether they have links to other councillors or officers.

It would not be the first time that there have been accusations of impropriety. There have been reports in the press about office holders in the town council and about self-appointed funding in the past. I alluded to

financial misappropriation earlier. There was a report 18 months ago in the *Lancaster Guardian* with the headline “Independent audit finds fundamental weaknesses and failings within Morecambe Town Council”—I have attached a link for the Minister’s perusal. It was found, after an audit by Internal Audit Yorkshire, that there were serious problems with funds used for payments from different accounts to linked suppliers. Mr Trevaskis, the town council clerk, stated in the article:

“Morecambe Town Council will be considering the matters raised in the audit report and intend to publish the report alongside a statement on October 1 2020.”

A statement was published; it was a two-page apology and an admission of irregularities due to lack of officer scrutiny. The auditor was not paid and a court date was set. Mr Trevaskis appeared at Skipton county court only a few weeks ago, with the chairperson of the town council present, for non-payment to the auditor. I was told that a *Daily Mail* reporter was also there. The town council defence and counterclaim was immediately thrown out by the judge. The basis of the town council defence for the non-payment was given by Mr Trevaskis, who stated that the audit was not done properly and that there were losses. The losses were not specified; however, this relates to the appointment of another auditor and external work by the watchdog PKF Littlejohn, costing the town council a further £4,359.

This case is estimated to have cost £3,500 plus extra costs, bringing this debacle to around £10,000 in costs to the Morecambe taxpayer. That response was surprising, because a public statement released from the town council and Mr Trevaskis previously concurred with this audit. In the counterclaim to Skipton County Court, he also claimed, and I quote—

**Stewart Hosie (in the Chair):** Order. Before the hon. Gentleman moves on, I want to check that he is not speaking about a live court proceeding, but one that is already completed.

**David Morris:** It is completed; I can confirm that. Thank you for your intervention, Mr Hosie, to make that clear.

In his counterclaim to Skipton county court, he claimed:

“Mr Trevaskis also sits on the National Association of Local Councils (NALC) for its local council award scheme, so has significant experience and knowledge of the requirements of auditing local authorities.”

When this court appearance was reported on Beyond Radio, covering the Morecambe and Lancaster district, he responded:

“Following a recent independent review by the National Association of Local Councils, Morecambe Town Council has also been recognised nationally for its high standards in transparency, responsible governance and exceptional community impact, becoming the first council in Lancashire to receive a quality gold award for its achievements in the last two years.”

Interestingly, there is absolutely no mention of him on the NALC website. The problem with these statements, if true, is that, if Mr Trevaskis is on the award scheme board of the National Association of Local Councils, this would not appear to be an independent gold-quality award for Morecambe Town Council.

This is not the first time that Mr Trevaskis has run a parish council where late or non-payment of bills has occurred. Indeed, his own parish council of Hale, which

he ran at the time, had the bailiffs calling for non-payment. That was reported in the *Liverpool Echo* in August 2019, when it was said that the parish council was in chaos and financial transactions were being done on the back of event flyers.

Mr Trevaskis was also a director of a company called the Cheshire Clerk Ltd. That company has had an application to strike it off, yet it has been stopped from being struck off, as somebody made a complaint to the Companies House registrar in January 2022. He has not disclosed that as an interest as a councillor on his Halton Borough Council website. He has not submitted a confirmation certificate to carry on trading, yet it is still listed as active, presumably until whatever complaint prevented the closure of this company is resolved. That is not good or proper compliance from Morecambe’s proper officer, or chief executive officer, as he prefers to be known.

That is the fifth company over the years of which Mr Trevaskis has been a director. Most appear to have been struck off with no accounts. All companies are operating out of a residential address in Halton, near Liverpool. The house is obscured on Google Earth but, in a different setting, it is plain to see that it is a domestic residence. So why has office space increased from £6,000 to £15,000? I sincerely hope there are no expense claims by Mr Trevaskis for carrying out his duties from a spare room, as that would be subsidy to the other parish councils where he is also clerk.

The town council is now advertising to hire a financial officer, salaried at £30,000-plus. Given the recent court appearances, previous record, and any advice given that has been the cause of this debate, Morecambe Town Council should seriously question the expensive level of service and supposed expertise that Mr Trevaskis is charging the taxpayers for.

With local elections in full swing, again Mr Trevaskis emailed the town councillors—not other candidates standing—a crib sheet of excuses for why the exorbitant budget had to be inflicted on the taxpayers, apparently for their own good, because the candidates are facing fierce criticism on the doorsteps covering the town council. One excuse was to blame the Conservatives for requesting the town council to ringfence £80,000 for Morecambe lights. That is, again, incorrect and purposefully misleading.

**Stewart Hosie (in the Chair):** Order. I am conscious that this is only a half-hour debate and we are now 20 minutes into it. I hope there will be sufficient time for the Minister to respond.

**David Morris:** I am literally on the last two pages. Thank you for reminding me of the time, Mr Hosie.

The excuse was reported to me as breaking purdah, because on page 10 of the budget the amount is £20,000 ringfenced as lower match funding. The other 90%, which comes from the Conservative-led city council for the next few years, totals £425,000.

To sum up, since I became the MP 13 years ago, Morecambe and the surrounding area has prospered. We have had hundreds of millions of pounds in Government investment. Just to scratch the surface, there is the link road, sea wall defences, the prestigious Eden Project North and, very recently, more millions to

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finish off the majestic winter gardens. That is without going into public service upgrades, new builds and business partnerships. The area of deprivation in Morecambe has reduced by 10% since 2011, according to the Office for National Statistics. That has not been easy, and the antics of the town council put all that at risk, with its ongoing legacy of super-taxation, which is causing a cost of living crisis that is unique to my Morecambe constituents. I call for a Government taskforce to investigate this matter urgently.

Where does one start to sum up? We have what is believed to be the highest council tax rise in the country—237%. Some councillors and officers are not adhering to the Nolan principles. The budget has questionable content and fabricated figures. There is a wealth fund created out of Morecambe taxpayers to supposedly buy land that is not for sale, and architects have charged fees twice for a building that has had no planning permission, sought on land that the town council does not own and is already owned by the city council. There is an intention to borrow against this money, causing more precept rises and a further cost of living crisis for my constituents. We have a part-time clerk on over £50,000 who admits the lack of scrutiny in an audit report, goes to court, was okay and loses £10,000 for not paying the same auditor. We have wages doubling, £25,000 grants given to charities and political parties paying themselves twice from the taxpayer.

What is needed is auditor or an official regulator from the Department to ascertain whether the conduct of the town council is fit and proper and legally compliant, given the exorbitant tax rises and various excuses given to do so. Yesterday, I had a meeting with the Secretary of State for Levelling Up, Housing and Communities, who assures me that he will take advice and see what he can do in this extraordinary case. I have full faith in him to do so.

Thank you very much for your patience and time, Mr Hosie. My speech has been long winded, but it just scratches the surface of a very complicated issue.

4.23 pm

**The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Lee Rowley):** It is a pleasure to serve under your chairmanship, Mr Hosie. I am grateful to my hon. Friend the Member for Morecambe and Lunesdale (David Morris) for raising this issue and organising the debate. This is an important subject. Those of us who have parish and town councils in our patches, or those of us, like me, who have had the opportunity to work with parish and town councils in a ministerial role, know how important they are for local communities. I know what a difference they can make and how much work goes into ensuring that parish and town councils and councillors make a difference in, and improve, their local areas. There are over 9,000 councils in the country, and I am grateful for the work they do, including in my own patch of North East Derbyshire.

This is also an important subject because it is important for my hon. Friend who secured this debate. He is a champion for Morecambe. We hear him in the Chamber week in, week out, being that extremely strong voice for his constituency. I congratulate him on his recent successes, which he outlined—in particular, Eden Project North,

which will be transformative for the area that he has the privilege to represent. In the time that I have, let me briefly go through the legal position that town and parish councils operate under. I will then comment on the points my hon. Friend has made.

My hon. Friend speaks passionately and clearly about the challenge of a council tax increase driven by the increase in a precept from Morecambe Town Council. As he is aware, council tax is set by local authorities—in this instance that includes a town council—and they decide what level of council tax they need to raise. The Government set referendum principles for some, but not all, councils each year. Where councils set excessive increases, they have to go to referendum. Increases are usually within the bounds of around 5% for other council tiers.

We have not traditionally applied referendum principles to town and parish councils, but we have said very clearly that all tiers of council should exercise restraint when they are setting council tax increases. This was made clear in the consultation for the local government finance settlement for 2023 to 2024. We stated that the Government continuing to not set referendum principles was contingent on town and parish councils taking all available steps to mitigate the need for council tax increases and the Government seeing clear evidence of restraint. It is the case that the thousands of town and parish councils will face different challenges and perform different functions, but it is also the case—I want it to be clearly noted in this debate—that we expect town and parish councils to be restrained in their council tax increases.

My hon. Friend raises points about powers and in particular the disclosure of information. He references the local government transparency code of 2015. The code is a statutory instrument that contains two elements: a mandatory section and a section of recommendations. The requirement to publish invoices over £500 and to publish procurement card transactions is mandatory. Where that is not done, or where there is a concern that it is not done, we recommend in the first instance that the authority is contacted, following their complaints procedure, and then the monitoring officer of the principal authority is contacted.<sup>1</sup> Finally, there is the opportunity to go to the local government ombudsman if there remain concerns.

A number of points were raised about the approach of the town council to its precept raising and decisions that it is making about how to utilise that precept. Ultimately, because there needs to be enough flexibility in the system, decisions about how precepts are set, how much they rise by and how they are applied is mainly down to the town or parish council itself. However, it is important that restraint is shown. My hon. Friend has made important points, and I agree, having had a superficial look at the budget—which he has kindly provided—that there are a number of relatively odd things happening here. It is a question of fact, which all residents of Morecambe will be able to see by accessing the documentation, that there are significant increases in the amount of spending expected here and the amount of precept being raised. There is an opportunity to comment on that at the ballot box in a couple of weeks. There are also opportunities through the complaints procedures that I have referenced and the principal authorities, which can also be pursued by residents and those who are interested in this matter.

1. [Official Report, 26 April 2023, Vol. 731, c. 6MC.]



As my hon. Friend indicates, we have spoken several times about this. As a Minister for local government, I know that the Secretary of State for Levelling Up, Housing and Communities has also taken an interest in this. We will take back all the points from this debate and consider them from a policy perspective. We must ensure that parish councils work going forward. I would be very happy to talk to my hon. Friend about any specifics outside this debate if that would be helpful.

The vast majority of town and parish councils do incredible work, as do councils of all tiers, day in, day out, to ensure that local residents and communities thrive and improve. In any system with thousands of different entities, that cannot always be the case, and where there is challenge, problems and poor behaviour, that absolutely should be raised. It is absolutely the case that light should be shone on it and that transparency ultimately wins the day. I wish my hon. Friend well in the work he is doing to highlight the challenges he sees. I am happy to continue the conversation and thank him for the opportunity to be able to contribute today.

*Motion lapsed (Standing Order No. 10 (6)).*

## Research and Development Funding and Horizon Europe

4.31 pm

**Paul Blomfield** (Sheffield Central) (Lab): I beg to move,

That this House has considered research and development funding and Horizon Europe.

I am pleased to serve under your chairmanship, Mr Hosie—I am trying to speak slowly enough that we might have the vote before I start my substantive comments. I am grateful to have been granted this debate to discuss the benefits of UK association with Horizon Europe, just as the Government are at an important stage of discussions with the European Commission. Research and development are clearly integral to ambition for growth and the productivity challenge that we face.

We have a special asset in the UK, in our universities. We often use the phrase “world leading” a little too casually in this place, but it certainly applies to our universities and the research they do, which helps us build our economy, creates innovative solutions to global problems and positions us internationally. Universities pay their way many times over. For every pound spent on public research funding, universities deliver an average return of £9 to the UK economy. Importantly, given the geographical spread of our universities, beyond the golden triangle and across all four nations of the country, R&D enables our universities working with business and industry to lead prosperity in towns and cities in every part of the UK. I know that from my city of Sheffield, where the University of Sheffield’s advanced manufacturing research centre is rightly held up as a model by Government—a model that would not exist had it not been for European funding.

**Stewart Hosie (in the Chair):** Order. Forgive me; I was expecting to hear a bell. We will suspend the sitting for 15 minutes for the first vote and 10 minutes for any subsequent votes. I am not sure precisely how many Divisions there are, so I will see you back in 15, 25, 35 or 45 minutes.

4.33 pm

*Sitting suspended for Divisions in the House.*

5.9 pm

*On resuming—*

**Stewart Hosie (in the Chair):** The sitting will run until 6.8 pm. Those with very agile mental arithmetic will work out that I want to start the winding-up speeches no later than quarter to 6.

**Paul Blomfield:** It is good to see you again so soon, Mr Hosie. I think that, when we were interrupted in such an untimely way, I was talking about the AMRC in Sheffield. Its partnership with Boeing and Rolls-Royce has shown how universities and industry can work together effectively, and participation in Horizon and the earlier framework programmes was vital to its development.

It is not just big companies—for example, Footprint, which is a tool-making SME with hundreds of years of history in Sheffield, has been involved with several

[*Paul Blomfield*]

Horizon-funded projects, including as a lead industrial partner working with companies and researchers across Europe to develop new additive manufacturing processes for metal components for the aerospace sector. Its chairman, Christopher Jewitt, said of Horizon that

“it’s important to rub shoulders with other manufacturers in Europe...we are competing with the world”.

There is a lot at risk if we fail to associate with Horizon Europe.

Let me use another example. EU-funded research and collaboration laid the foundations for the University of Sheffield’s gene therapy innovation and manufacturing centre, which is now leveraging private investment to develop promising treatments for millions of patients with life-threatening illnesses.

**Daniel Zeichner** (Cambridge) (Lab): Everywhere I go in Cambridge, the issue that is raised is collaboration, collaboration, collaboration. I think that that is the point that my hon. Friend is making. Does he agree that without that collaboration UK science and research will be the poorer?

**Paul Blomfield:** My hon. Friend is absolutely right. I will come to the point that much of the debate around Horizon is focused on the funding, but it is collaboration that is so important—not only in the way that my hon. Friend describes but, as in the case of the gene therapy innovation and manufacturing centre, in creating hundreds of highly skilled local jobs.

**Philip Dunne** (Ludlow) (Con): I congratulate the hon. Gentleman on securing the debate. It is important that we talk about the significance of Horizon; I am sure that he will go on to welcome the fact that negotiations with the EU have now been reopened by the Government, and I am sure that the Minister will be able to talk to that when he sums up.

On collaboration, let me give the hon. Member one other pertinent example, which has come to my attention as a result of the Environmental Audit Committee’s work with universities, not just in the golden triangle but including the hon. Gentleman’s university in Sheffield. Imperial College was host to our 25th-anniversary celebration the other day, and the president gave me a good example of the reach that Horizon has given the UK, specifically in collaboration. He talked about the graphene core 3 project, which had 160 partner organisations across 24 countries; allowed the UK research community to compete with the US and China, which have significant infrastructure themselves; and helped to spin out Bramble Energy, an industrial company that is developing graphene. The industrial connections are important as well.

**Stewart Hosie (in the Chair):** Order. I do not mind slightly extended interventions when time permits, but that was longer than some speeches I have heard.

**Paul Blomfield:** Thank you, Mr Hosie, but it was nevertheless an important intervention to hear and, given the authority of the Chair of the Environmental Audit Committee, worth noting. I thank the right hon. Gentleman for making it.

There are countless similar examples. The example that I was giving about the gene therapy innovation and manufacturing centre is similar in many ways. It is led by Professor Mimoun Azzouz, who has won several prestigious EU framework programme awards. He leads a consortium of 34 international partners from academia and business, including big pharmaceutical companies, that is progressing gene therapy approaches for industry and patients. It is part-funded by the EU and part-funded by industry. The earlier funding that he received was European Research Council funding. The next step for his project is an ERC synergy grant, which will not be open to him if we are reduced to third-country participation in Horizon. That is an important point, and there will be many similar projects.

**Margaret Ferrier** (Rutherglen and Hamilton West) (Ind): Some have suggested that the UK not only join the Horizon scheme but press forward with aspects of the Pioneer programme to cement ourselves as a global scientific powerhouse. Does the hon. Member think that that is a realistic solution that will boost our performance in research and development?

**Paul Blomfield:** The hon. Member makes an important point and I will go on to cover it in a little bit more detail.

Horizon and its predecessor programmes have been central to the UK’s research success, which is why the Government made association with Horizon Europe an aim throughout the Brexit negotiations. Obviously, that aim fell victim to the Government’s mishandling of the Northern Ireland protocol, but now that the Windsor framework has been agreed, which we can all welcome, the door is open again. I look to the Minister to reassure us, when he responds to this debate, that the Government will take advantage of that opportunity, because it is good news that these discussions have been taking place.

When the Secretary of State for Science, Innovation and Technology met Commissioner Mariya Gabriel earlier this month, she said that association must be on the “right terms”. Of course that is right, but we need reassurance that behind her comments there is a real commitment to securing the right terms so that we can re-engage with Horizon Europe, because we should remember that it is the single largest collaborative research programme in the world. Let us dwell on that fact; alternatives to Horizon Europe are not available. Horizon Europe provides participants with unparalleled routes to international partnerships, both within the EU and—importantly—beyond the EU.

I will give one final example from Sheffield. The University of Sheffield’s Amos project illustrates how Horizon provides a platform for collaboration with the world beyond Europe. The university’s nuclear advanced manufacturing research centre leads a €2.6 million four-year collaboration between European and Canadian aerospace manufacturers and researchers, in order to investigate the use of additive manufacturing techniques for repair and manufacture of aerospace components. The project was supported by Canadian funding agencies: the Consortium for Aerospace Research and Innovation in Canada, or CARIC; and the Naval Systems Engineering Resource Centre, or NSERC. However, it was more attractive to them because of its association with the Horizon programme.

Horizon is an established infrastructure—an ecosystem for leading innovation and research—that has been built over four decades, and built with the UK at its heart. It gives us a platform to establish ourselves as global research leaders, where we have been highly successful not just in securing grants but in shaping the direction of international research programmes and in training the next generation of scientists. It is a champions league for research and development; it connects the best countries with the best talent to produce the best results.

The UK received €7 billion in research funding between 2014 and 2020 as part of Horizon 2020, with 2,000 UK businesses participating and €1.4 billion being awarded to UK industry. In total, 31,000 collaborative links were established with countries around the world, delivering scientific breakthroughs that strengthen the breadth and diversity of both our trade and our academic connections. Russell Group universities alone won grants worth €1.8 billion through Horizon 2020, which was more than the whole of France won.

The economic benefit of Horizon is huge but, as we have begun to discuss, there are even more compelling reasons for association with it. Horizon Europe offers unrivalled access to a ready-made collaborative funding scheme, making it easier to work across multiple countries. That point was made in a recent letter to the Prime Minister from over 30 business leaders, who said that the UK cannot do alone what Horizon Europe offers. Their letter warned that a UK alternative to Horizon “could not recreate...wide-ranging benefits”

of being part of the EU programme. While we are considering the contributions of Select Committee Chairs, I will add that the same point was made by the Conservative Chair of the Science and Technology Committee, whose Committee will look at this issue tomorrow. He said that

“the benefits of association go beyond the funding the government can provide”.

Horizon also gives access to international markets and strengthens trade. Without association, the UK is not eligible for grants or investment from the European Innovation Council fund, which supports small and medium-sized enterprises and start-ups in developing disruptive innovations that are too risky for private investors. Horizon projects not only fund innovation, but bring together researchers, SMEs and multinationals to develop new products and supply chains.

**Margaret Ferrier:** EU officials have expressed concerns about the UK’s willingness to take part in the Horizon scheme, despite assurances that there would be no expectation of membership payments for the two years during which the UK was excluded from it. Does the hon. Gentleman share my concern that ongoing delays may push UK-based researchers to seek alternative access to funding by moving operations out of Britain, causing us to lose some of the brightest minds in the UK?

**Paul Blomfield:** It was because of those concerns that I sought today’s debate. Government policy for quite some time—since the referendum—seems to have been going through a period of hesitancy, so I am looking for reassurance from the Minister, particularly given some of the issues about funding. We know that we will not

have to make a contribution for those two years as part of the reassurances on the EU side, so we need to engage effectively in those discussions.

Through access to international markets, Horizon provides a springboard to partnerships with businesses and universities worldwide, and strengthens our position as a global player. This will be absolutely necessary to achieve the Government’s ambition of becoming a science superpower.

To train and recruit more scientists and researchers—the Department for Business, Energy and Industrial Strategy set a target of 150,000 more by 2030—we need to attract top talent from abroad. We will lose out without Horizon, which has drawn international researchers—not just other Europeans—to the UK for the past 40 years. We will lose domestic talent too. Even with the Government’s guarantee to match the funding that researchers are unable to receive through Horizon, Science|Business found that 13% of researchers relocated out of from the UK in 2021. According to the Royal Society, we have lost at least one in six of the outstanding UK-based researchers who were awarded flagship Horizon Europe grants, so matching funding alone, as plan B seeks to do, will not maintain our position as a global research leader. Finally, association with Horizon, as opposed to third-party status, gives us a seat at the table in shaping the direction of international research.

It is against that background that we should look at plan B, the Pioneer programme, which was announced during the recess. It is claimed that it would match Horizon’s £14.6 billion spending and its seven-year programme length. The prospectus is long and heavy on jargon, but light on detail, so we do not know whether it will match up to association with Horizon Europe. There are too many unanswered questions.

First, on the funding split between the four pillars of Pioneer, the largest amount—£3.8 billion—will go to Pioneer Global. Pioneer Innovation will receive £3.5 billion, Pioneer Talent will receive £2 billion and Pioneer Infrastructure will receive £1.7 billion. That adds up to £11 billion—I know the Prime Minister is keen on maths—but page 4 of the document says that the UK will invest £14.6 billion through to 2027-28. Where is the other money?

Where is the guarantee over the duration of the programme? Horizon offers certainty for seven years, but the prospectus for the Pioneer proposal says in many places that funding will be “subject to future spending reviews”.

A seven-year programme means nothing if the Government can pull the plug on funding at any stage. It is not simply about contributions; it is about confidence.

On the net contribution, how can the Government claim that researchers will get more from Pioneer than from Horizon when there is no certainty about the funding? Frankly, the Government’s record of replacing EU funding at the same level via domestic schemes is not great. Despite a 2019 Conservative party manifesto commitment to match EU economic development funding, the domestic replacement scheme, the UK shared prosperity fund, represents a 43% cut. It is even more for us in South Yorkshire, where the £605 million of structural funds we would have received as a less developed region has been replaced just by pots of £10 million here and

[Paul Blomfield]

£10 million there. But this is not just about money—it is about confidence. A lack of certainty will drive away talent to other countries where the funding can be secured.

There are also questions about the role of the European Research Council if we are left with Pioneer. Throughout the prospectus that the Government published over the recess, there is much emphasis on the importance of the ERC and the benefits it brings to the UK. That is right, but how will collaboration with the ERC be possible in practice if we are reduced to third party status? For example, we will not be eligible for ERC grants.

In the global pillar, the prospectus suggests that Pioneer will look beyond bilateral agreements to multilateral agreements, with groups of countries on specific challenges, but it is not clear how those partners will be chosen and what issues they will consider. As a plan B, Pioneer does not match up to what is needed.

Among the organisations that have commented on the prospectus, the Institute of Physics put it well, saying that

“any alternative to Horizon must also make up for the loss of the established networks, partnerships, and infrastructure the UK has benefited from over many years”—

which plan B clearly fails to do. It risks leaving us at the margins of global research, no longer at the centre. Clearly, a UK-based programme would be better than nothing, but I hope that the Government’s benchmark is higher.

Outside Horizon, or with third party status, the UK will have no seat at the table to shape the direction of the world’s biggest research programme. It will limit the attraction of the UK as a destination for talent and investment. We will be locked out of our leadership position in key research disciplines, because we will not be a trusted partner to lead on specific projects. Turning our backs on Horizon means putting us in direct competition with countries that should be our key global partners.

Frankly, this situation does not match up to the Government’s ambition to be a science superpower. If they are serious about retaining Britain’s position as a global research superpower and about promoting and sustaining economic growth, I hope the Minister will reassure us today that the Government are serious in the negotiations and that they will do everything in their power to secure association.

5.27 pm

**Margaret Greenwood** (Wirral West) (Lab): It is a pleasure to serve under your chairmanship this afternoon, Mr Hosie. I congratulate my hon. Friend the Member for Sheffield Central (Paul Blomfield) on securing this really important debate, and on his excellent opening speech.

Horizon Europe is the EU’s key funding programme for research and innovation. Running until 2027, it has a budget of €95.5 billion. Among other things, it aims to address climate change and help to achieve the United Nations sustainable development goals. However, the future is unclear where the UK’s association with Horizon Europe is concerned.

The Government recently stated that negotiations on this matter have taken place. Earlier this month, the Minister for Science, Research and Innovation spoke of a recent visit to Brussels by the Secretary of State for Science, Innovation and Technology, to discuss research collaboration with the EU, including the UK’s expectations around association to Horizon Europe.

I hope the Minister will be able to tell us in his response to the debate what further progress there has been over the past few weeks and what progress he expects in the weeks and months to come. I hope he can also say whether he is hopeful, now there is an agreement in place between the UK and the EU on the way in which the Northern Ireland protocol operates, that that will move things along where the UK’s association to Horizon Europe is concerned. I would be grateful if the Minister could elaborate on that point.

Participation of the UK in Horizon Europe is vital to our universities. Back in July 2020, around 100 organisations signed a statement advocating that the UK participates in Horizon Europe. One of those organisations was Universities UK, the collective voice of 140 universities across the UK, including the University of Liverpool, Liverpool John Moores University, Liverpool Hope University and the University of Chester, Edge Hill University and others that are near to my constituency of Wirral West. These universities are crucial to the local economy and to the many academics who live in my constituency who work in them. The statement by Universities UK said:

“Horizon Europe association should be a core part of the future relationship between the EU and the UK for research, underpinning valuable scientific partnerships that have been built up over many years.”

It went on:

“Clinical trials, particularly on diseases with limited patient populations, are reliant on EU-UK collaboration, while close research partnerships continue to accelerate life-changing medical research. Our ability to respond to the threat of climate change and outbreaks of new diseases like Covid-19 has also been greatly improved by close scientific and clinical partnerships across Europe.

Knowledge and discovery do not stop at borders, and the shared global challenges we face require joint solutions.”

I would like the Minister to reflect on that point. I would also like him to address the fact that his Department recently returned £1.6 billion of funds previously allocated for Horizon Europe association to the Treasury, despite the Government having previously stated that research and development budgets would be protected, and that the money allocated for association to Horizon Europe would be spent on research and development. What has happened, and why was that funding returned to the Treasury?

The Government recently published plans for the Pioneer programme, which they have said will

“protect and support the UK research and innovation sector”

if negotiations on associating with Horizon Europe break down. Pioneer has been described as a back-up plan, and a plan B, so why are the Government concerned that negotiations on an association with Horizon Europe might break down? It is clear that UK scientists and researchers, and those representing them, are still pushing for Horizon Europe association. For instance, Sarah Main, the executive director of the Campaign for Science and Engineering, has said:

“Of course, it is sensible for the Government to prepare alternatives...but let not the alternatives get in the way of the progress on both sides towards the goal of a full and cooperative research relationship between the UK and EU.”

Similarly, Tim Bradshaw, the chief executive of the Russell Group, which represents the UK’s leading research universities, has pointed out that

“it will be a challenge to replicate the full benefits of the world’s largest collaborative research programme, with ready-made routes for talent flow, facilities access and collaboration with multiple countries.”

Tony McBride, the director of policy and public affairs at the Institute of Physics, has acknowledged

“the need for a fallback position”,

but has suggested that the Government’s priority must be to secure association to Horizon Europe, and Dr Owen Jackson, the director of policy at Cancer Research UK, has said:

“UK-based cancer scientists are in a strong position to win funding from Horizon Europe and the EU’s Cancer Mission...but they will be at the margins, rather than at the centre, of these important opportunities if we don’t get association over the line.”

Can the Minister confirm that the Government are listening to voices from the sector, and are continuing to engage with stakeholders on the importance of associating with Horizon? Will he make it clear in the strongest terms that the Government are fully committed to making an association with Horizon Europe? Can he also indicate when he expects the negotiations to come to fruition?

**Several hon. Members** *rose*—

**Stewart Hosie (in the Chair):** Order. I will start the wind-ups shortly after quarter to six. There will be five minutes for the SNP, five minutes for Labour, 10 minutes for the Minister, and a short time for the mover of the motion. If the remaining Back Benchers can take around six minutes, everything will be fantastic. I call Rachael Maskell.

5.32 pm

**Rachael Maskell** (York Central) (Lab/Co-op): Thank you, Mr Hosie; it is a pleasure to serve with you in the Chair. I congratulate my hon. Friend the Member for Sheffield Central (Paul Blomfield) on opening the debate with such a comprehensive analysis of what is happening around Horizon Europe.

Before the Minister makes all sound well and plausible, I want us to appreciate the environment in which we are calling for immediate and urgent talks to settle our future in Horizon Europe. I welcome the new Department for Science, Innovation and Technology, which brings focus, and I welcome the commitment on energy. However, President Biden’s Inflation Reduction Act is dwarfing the global community. His “Build Back Better” plan for life sciences, climate mitigation and industrial investment is ambitious, challenging and market-changing, built on invest-to-save principles. He is investing half of what he will see in return, posturing as a global leader and ensuring that he is sucking in the global science community. Things are scaling and advancing at pace.

We need to be alert to what is happening across the water, and of course must integrate it with the focus around the bioeconomy strategy, which, over 20 years, will bring a possible 30-fold return. That can go back

into resourcing the Government and the science community. We can start to see the power that has been realised in the States. That power has clearly not been realised by this Government. This is a wake-up call for Europe. Of course, we are talking about not just the flows of money, but the whole scientific community and the opportunity that it presents. If it is happening in the States, it is happening in China, too. We need to wake up.

I was speaking to scientists this morning who said that UK Research and Innovation and Horizon have been dwarfed into “irrelevance”—that was the word used by those leading scientists, including people leading in the field of biotechnology. That brings home the scale of what we are talking about and the importance of investment. Horizon Europe is investing £95.5 billion in this cycle, and it is really important that we understand what that brings. It is not just the investment; it is about one community. It is about one set of regulations from conception, research and innovation to scaling and manufacturing. It is about one market, and it is about how that market interacts with the rest of the world. Of course, we are now sitting outside that, as a result of decisions taken in 2016 and consequently.

Behind Horizon Europe is a brand that is understood on a global scale, builds confidence and delivers. The next phase is up to 2027, and there will no doubt be another to follow, yet we have lurched into a short-term commitment from February to June this year. What comes after that? Who knows? Who will make investments when there is no security or guarantee of where that will take us? We have heard about the Pioneer programme, which might be laudable if we were just an island, but we are part of the global community. This is certainly not the way that research works. Pioneer will not deliver the scale, connectivity and research interfaces required in today’s world of research to get the capacity that we need.

I particularly draw the Minister’s attention to the focus that is needed. Look at the BioYorkshire project. I have had debates in this place on it, and have engaged with the Prime Minister, Ministers and former Prime Ministers on it, but three years down the line, after UKRI and the Government recognised the importance of the project, we still have not seen any money. The investment is small compared with the return it will bring in 10 years; the amount returned to the Treasury will be greater by a factor of 8.3, and the project will create 4,000 jobs, return £1.4 billion of gross value added and upskill 25,000 people. It will also bring 2.8 million tonnes of carbon reduction and 1.2 million tonnes of landfill reduction. It is the biggest green new deal on offer and could be world changing, but the Government have failed to bring forward the money, despite how long we have begged for it.

As the days slip by, others across the globe take up these innovative technologies and advance, and that shuts down our opportunities to be world leaders in this field. We feel frustration; “negligent” does not begin to describe the Government. They really need to get their act together, get investment into the hands of scientists, universities and places of research, and bring these projects forward.

I could talk about the benefit we have seen at the University of York under Horizon 2020, for example through the European training network for

[*Rachael Maskell*]

safe autonomous systems. I could talk about supporting health technology through Horizon. I could talk about wellbeing-inclusive sustainable economies, and about the research and innovation at the cutting edge of bioarchaeology. We have seen so many benefits at the University of York; it has punched above its weight when it has been in receipt of funding. However, if the Government do not start to invest, we will seriously be left behind.

The Government need to get their act together. I echo what has been said by colleagues from across the Chamber: the Government need to get an agreement signed with Horizon Europe, because we need to keep up with the European community, let alone the global community, and time is running out.

5.39 pm

**Andy Slaughter** (Hammersmith) (Lab): I congratulate my hon. Friend the Member for Sheffield Central (Paul Blomfield) on his excellent speech, and on getting this debate, which is relevant and pertinent, given what the Government are saying but not doing on this subject. I want to use my few minutes to talk about Imperial College London. Hon. Members will be familiar with Imperial; it is consistently one of the world's top universities and is of great standing. It has been around for more than a century and leads in fields of science, engineering, medicine and business. If I can be slightly parochial, it also has the new White City campus, which is of much more recent origin, but which is already an innovation district. It has an industrial strategy jointly with Hammersmith and Fulham Council. It is a major employer, builder and investor in the area, and it is developing world-leading research on quantum engineering, clean energy, machine learning and clinical trials on dementia, infectious diseases, cancer and many other matters. This is absolute cutting edge, but like many of our leading universities, Imperial relies on Horizon, and has done over a long period. I will explain what that means and why the Government's solutions are simply not adequate to the task.

UK universities have built high-impact science and innovation networks over more than three decades of collaboration within EU framework programmes. Those deep-seated networks aid the flow of ideas, talent and funding that underpins the UK's leading science base. Imperial was a partner on collaborative Horizon 2020 research projects worth more than €2.2 billion over the course of the programme. That means that in addition to direct funding, it had access to the data, infrastructure and knowledge generated through the wider project consortia. On average across all its collaborative Horizon 2020 projects, Imperial received access to world-class research consortia that had funding at a scale of 27 times its own financial awards. Those projects averaged 16 partner organisations, which developed networks and shared research expertise. On average, over eight large-scale collaborative Horizon 2020 projects with a budget of more than €50 million, Imperial accessed world-class research consortia with funding that was at a scale of 280 times its own financial award, and those projects averaged 94 co-collaborating organisations. Hon. Members can take my word for it, but we also heard a lengthy

intervention from the right hon. Member for Ludlow (Philip Dunne) about one of those Imperial projects and its success.

We are not just talking about regenerating a whole district of London, and about a top UK university; we are talking about enabling British science and technology to compete with the US. The quality of the national ecosystem and the way it leverages in the wider EU ecosystem allows us to achieve scale through partnership. About 60% of Imperial's research papers with a US collaborator also have a European co-author, as do 68% of research papers with Canada and 83% with Brazil. Imperial told me in advance of this debate:

“Outside Horizon Europe, the UK is in real danger of ceding our hard-won position in the global R&D hierarchy and becoming less attractive as a research partner and less attractive for foreign direct investment. As part of Horizon Europe, the UK can influence the future direction of billions of pounds worth of research investment to more closely align with UK strategic priorities.”

That is what is at risk.

Already, R&D investment in the UK is little more than half what it is in Japan, the US or Germany. Also, as my hon. Friend the Member for Sheffield Central indicated, the Government's alternative simply does not address the issues of certainty, longevity or, in particular, leveraging in. It is impossible to replace what is being achieved. This is a real crisis and a fundamental moment of decision for the Government. We have to go back into Horizon; we have to have that access. Our universities are doing absolutely everything they can. They are world-leading. We need a Government who have the vision and understanding to match that.

5.44 pm

**Owen Thompson** (Midlothian) (SNP): It is a great pleasure to serve under your chairmanship, Mr Hosie. I join others in commending the hon. Member for Sheffield Central (Paul Blomfield) on securing the debate. We have heard from the hon. Members for Wirral West (Margaret Greenwood), for York Central (Rachael Maskell), and for Hammersmith (Andy Slaughter), who perhaps share a sense of frustration. In many ways, this is a story of what could have been—or what could be, if the negotiations are positive and we can get this sorted.

Scotland has a long and proud history of scientific and technological discovery. It punches well above its weight in science and research, accounting for 12% of all UK research output. No place demonstrates that more than the Midlothian Science Zone in my constituency, which is leading the way as a world-renowned centre of excellence in research, new technologies and scientific studies. Midlothian is at the cutting edge of advances in crucial research across many disciplines such as animal health, human health, agri-tech and aquaculture.

I appreciate the Government's efforts on the Horizon Europe guarantee, which promised to fund all Horizon Europe calls from UK researchers and companies post Brexit. I also appreciate the Chancellor's announcement of an extension to the scheme in his spring Budget; he stated that the support provided to UK Horizon Europe applicants would continue to be guaranteed, and that successful applicants to Horizon Europe would receive the full value of their funding at their UK host institution for the lifetime of their grant. However, it is disappointing, if slightly unsurprising, that researchers such as my

constituent, who I will refer to as Dr A, are still being disqualified due to the UK not having associated with Horizon Europe in time, despite all those guarantees.

My constituent was a successful applicant to the Horizon Europe funding call, and was successful in her evaluation, but Innovate UK—the part of the UK Research and Innovation funding agency used to manage the scheme—does not support or match her call, despite it falling into the listed scope of the Horizon Europe guarantee. The UK Government have committed to covering all Horizon Europe calls, but we must ask how they can claim to be sticking to that pledge when they make it impossible for applicants to be treated in the same way as non-UK Horizon Europe applicants. It is worth noting that successive Governments have failed to place strategic importance on science, and the continued underfunding of science.

Although the £370 million in funding for science and innovation announced in the Budget is welcome, it falls far short of the £1.6 billion in funding that had been earmarked for research collaborations with the European Union. The Government withdrew that money for participation in Horizon from the pot. If it is not being used for the UK's part in Horizon, at the very least, the entire £1.6 billion should be delivered to UK Research and Innovation.

As we have heard, scientific progress is not achieved in isolation, but through collaboration. Only through joined-up, international programmes such as Horizon can Scottish and UK science flourish and contribute to wider European scientific progress. We should consistently stand behind UK science, research and development. It is being held back in Scotland by a lack of control over areas such as foreign policy and immigration.

The budget for the Scottish Funding Council, which supports Scotland's world-leading universities, was taken above £2.2 billion for the first time ever in the last Scottish budget. Scotland attracts a higher proportion of EU and international students than any other UK nation. The latest statistics published by the Higher Education Statistics Agency show that in 2020-21, Scotland led the way in attracting international students, with 24.1% of Scottish university enrolments coming from outwith the UK, compared with just 22.2% in England; also, 7.3% of university enrolments in Scotland came from the EU.

However, there has been a sharp drop in the number of new EU students coming to Scotland this year. The most recent data highlights the devastating impact that Brexit is having on new students. The UK Government's previous refusals to negotiate a deal with the EU on Horizon typify how Brexit is harming Scotland's science sector. Since 2014, Scottish and UK universities have lost almost £1 billion in structural EU funds for research, which has harmed Scotland's research and development.

I hope that there are more positives to come from current negotiations, but we cannot overlook what has happened in past years. The UK Government must do so much more not only to draw STEM workers to the UK, but to incentivise those who are already here to remain. To do that, a firm commitment and increased funding is absolutely vital, and that will enable us to collaborate on a unrivalled scale while continuing to attract the best talent, signalling ambitions to lead the

world in science. At the very least, it should not be too much to expect that the Government could make good on their own commitments.

5.50 pm

**Stephen Doughty** (Cardiff South and Penarth) (Lab/Co-op): It is a great pleasure to serve under your chairmanship, Mr Hosie. I pass on apologies from my hon. Friend the Member for Newcastle upon Tyne Central (Chi Onwurah), who has been unavoidably delayed. I congratulate my hon. Friend the Member for Sheffield Central (Paul Blomfield) on securing this vital debate. He is a great champion of universities and research across the country, particularly in his own constituency, and I know that my shadow ministerial colleague, my hon. Friend the Member for Newcastle upon Tyne Central, recently visited Sheffield University's gene therapy innovation and manufacturing centre, which my hon. Friend the Member for Sheffield Central mentioned in his speech.

I also congratulate the other Members who have spoken, including my hon. Friends the Members for Wirral West (Margaret Greenwood), for York Central (Rachael Maskell) and for Hammersmith (Andy Slaughter). They all made it clear that the UK has a world-leading science base. We rank third, behind only the US and China, in science and technology journal articles, and we have four of the world's top 10 universities. As well as pushing the boundaries of humanity's collective understanding, science represents a priceless platform for the UK's future growth and prosperity, as well as to ensure our security and respond to the global threats that have been referred to today, from pandemics to climate change.

Under this Government, we have not seen our rich science base converted into the high-skill, high-wage and high-productivity economy that we all want to see. We have the lowest levels of business investment in the G7. As a result, our great UK science start-ups are being bought up or moving abroad. We have seen a constant churn of Ministers—nine in five years—with multiple changes of policy and strategy, and chronic uncertainty, making it impossible for people to invest or plan for the future. We have had an innovation strategy, a research and development road map, a science plan, an Office for Science and Technology strategy, Grand Challenges, the first National Science and Technology Council, the new National Science and Technology Council, and two reorganisations of UKRI, as well as other multiple broken promises.

The reality on the ground is stark. I recently met representatives of Universities Wales, who told me that nearly a thousand jobs are at risk across the sector in Wales because of a combination of the end of the Horizon funding with no deal yet on the horizon, the failure to replace the crucial European regional development fund and the European social fund, and the changes around Erasmus. That means that high-quality, high-paid academic and technical jobs are at risk for almost a thousand people in Wales alone, which is reflected across the United Kingdom.

As hon. Members of different parties have said, innovation and science are critical to building regional economies across the UK that are strong and self-sufficient. However, under this Government, that has very much

[*Stephen Doughty*]

been concentrated on the golden triangle of the greater south-east, which receives more public R&D funding than the rest of England combined, excluding regions, towns and cities from the high-paid, high-skilled science jobs that we need to drive growth. We on this side of the House would champion universities and clusters of universities across the UK as engines of regional growth, and we see a clear path from investing in scientific research to creating jobs on which people can raise a family. We have called for a target of 3% of GDP to be invested in R&D. I understand that Ministers claimed recently that we have reached 2.8% with the new accounting approach. Will the Minister confirm that and admit that we were right to call for that crucial 3% target?

On Horizon Europe, the Conservatives made a manifesto promise that they would associate with that €95 billion programme, which is the world's biggest science funding scheme. They have repeated that promise more than 50 times, and across social media, yet we have seen years of delay and uncertainty, whereby jobs, projects and inward investment have been lost. There was also chaos recently with the Northern Ireland protocol negotiations, which have now thankfully been resolved. The Minister will undoubtedly say that negotiations are under way, but the reality is that we have seen scientists and researchers having to choose between the country that they love and the funding that they need. Indeed, there is not even a single mention of Horizon in the latest two science plans.

We have heard a lot today about Pioneer, but it simply does not match Horizon Europe for funding, prestige, influence or range. The sector knows it, the Minister knows it and the Prime Minister knows it. I note that the national academies that would be delivering the Pioneer talent element say that Horizon Europe is still their first choice. The British Academy says that the association with Horizon must remain an “overriding priority”, and the Royal Academy of Engineering says that that is its “strong preference”.

We will also have huge administration and set-up costs with Pioneer. How much of the £14 billion would actually be spent as grants for our scientists and researchers? Much of it will be spent on bureaucracy, thereby short-changing our science base. The UK Government claim that Pioneer will provide more funding for R&D than it would have received through Horizon, but I am not sure how they can make that claim, when the reality is that the UK was the second top grant receiver from Horizon 2020 and we got more out of the programme than we put in. Almost half of Pioneer's total budget—£6 billion—is set outside the current spending review period. Is that an unfunded spending commitment, or will it be part of the Government's seemingly abandoned promise to invest £22 billion in R&D by 2027?

Can the Minister say what steps his Government will take to increase public and private research and development across the UK? I mentioned the loss of crucial funding from the European regional development fund—£618 million—that has not been replaced by the shared prosperity fund or other funds. Of course, the Government have not provided detail on how British scientists will be supported after the Horizon guarantee ends in June. Can the Minister explain whether that

guarantee will be extended, and how the Government will prevent a draining of jobs and talent away from our crucial science sector in the months to come?

We deserve a Government who do not politicise the funding and livelihoods of our science base. We cannot build a science superpower with sticking plaster policies. Labour will deliver on Horizon association, boost R&D across the UK and catalyse the regions that have been left out of our science investment.

5.55 pm

**The Parliamentary Under-Secretary of State for Science, Innovation and Technology (Paul Scully):** It is a pleasure to serve under your chairmanship, Mr Hosie. I congratulate the hon. Member for Sheffield Central (Paul Blomfield) on securing this debate on research and development funding, and indeed Horizon Europe. It is a hugely important and timely debate, and I thank the hon. Gentleman for the opportunity to speak to Members today.

As we have heard today, despite our relative size, Britain outperforms our closest competitors. We are a main challenger nation to the US and China in so many areas, with four of the world's top universities and a technology sector worth more than \$1 trillion. Just eight of our university towns are home to more billion-dollar unicorn start-ups than the whole of France and Germany combined. However, when others, including France and Germany, are moving further and faster to invest in science and technology, we have to do the same.

In February, the Prime Minister announced the creation of the Department for Science, Innovation and Technology to ensure that the UK is at the forefront of global scientific and technology advancement and to ensure that the brightest scientists, most brilliant innovators and most ambitious entrepreneurs can turn their ideas into companies, products and services here in the UK that will change lives and drive growth. We are focused on optimising public R&D investment to support our strengths and increase levels of private R&D to make our economy the most innovative in the world.

We are already making swift progress. We have launched the Government's plan to cement the UK's place as a science and technology superpower by 2030, challenging every part of Government to put the UK at the forefront of global science and technology through 10 key actions, creating that co-ordinated cross-Government approach. Those key actions include identifying critical technologies; investing in R&D and talent and skills; financing innovative science and technology companies; creating international opportunities; providing access to physical and digital infrastructure; and improving regulation and standards. That delivery starts now. Although the Secretary of State may pause in a week or so for her own delivery, the Department's work will not pause. We have a raft of projects initially worth around £500 million in new and existing funding that will help to ensure the UK has the skills, talent and infrastructure to take a global lead in game-changing technologies and groundbreaking science.

In line with our focus on delivering long-term economic growth, we remain committed to increasing publicly funded and economy-wide R&D spending. As set out in the 2023 Budget, the Government are turning their vision for UK enterprise into a reality by supporting growth in



the sectors of the future. There are huge opportunities to do that by capturing a share of growing global markets in green industries, digital technologies, life sciences, creative industries and advanced manufacturing.

The Government have recommitted to increasing public expenditure on R&D to £20 billion per annum by 2024-25, representing a cash increase of around one third—the largest ever increase in public R&D spending over a spending review period. We have provided UKRI, our national funding body, with a multi-year settlement across all parts of its budget, which will be vital to support our science superpower ambitions. The total UKRI allocation is £25.1 billion for 2022-25, and will reach more than £8.8 billion in the year 2024-25—its highest ever level.

On 25 January, we launched the Advanced Research and Invention Agency—ARIA—a new independent research body custom built to fund high-risk, high-reward scientific research. The Government have committed £800 million to ARIA out to 2025-26. ARIA will help maintain the UK's position as a science superpower, helping to attract top talent to the UK, grow our economy, boost prosperity and, crucially, invest in breakthrough technologies with a potential to profoundly change the world for the better.

Clearly, we are also fully committed—we have heard the request—to science and research collaboration, including internationally and with our European counterparts. That is why we are discussing association to Horizon Europe with the EU, and we very much hope that our negotiations will be successful. I know people have been asking for guarantees. Clearly, it is not within our gift unilaterally so we have to negotiate, but Horizon Europe is our preference.

Association needs to be on the basis of a good deal for the UK's researchers, businesses and taxpayers. We welcome the EU's recent openness to discussions on UK association to EU programmes following two years of delays. We have always wanted to do this, and the hon. Member for Wirral West (Margaret Greenwood) talked about the Windsor framework and the Northern Ireland protocol. They have helped unlock our move to have these productive conversations now. At the partnership council on 24 March, the UK and the EU agreed to take forward discussions on UK association in the coming weeks. Indeed, the Secretary of State travelled to Brussels on 4 April for an introductory meeting with the EU's research and innovation commissioner Mariya Gabriel to discuss research collaboration, including the UK's expectations around association to Horizon Europe.

Our discussions will need to reflect the lasting impact of two years of delay to the UK's association, which means, as we have heard, researchers and businesses across the UK have missed out on over two years of a seven-year programme. In all scenarios, we will continue to put the interests of researchers, innovators and entrepreneurs across the UK first, so that they can take forward groundbreaking research and drive forward innovation with their international partners. With that in mind, if we are not able to secure association to Horizon Europe on fair and appropriate terms, and I highlight again that that is very much our preference, we will implement Pioneer.

Pioneer is the Government's bold, ambitious alternative to Horizon Europe, should we be unable to reach that agreement with the EU on association. On 6 April, as

we have heard, the Government published their prospectus on Pioneer. That has been developed with input from researchers and businesses across the UK, and it sets out the proposals that would inform the scheme. By publishing the prospectus now, we are giving the research community and industry a further opportunity to provide feedback to shape these proposed plans. Our plans provide clear reassurance that the Government are fully prepared to launch an ambitious alternative scheme should we be unable to associate to Horizon Europe. We look forward to engaging with and seeking further input from researchers and businesses as we develop these proposals over the coming weeks and months.

Pioneer would deliver four interconnected programmes covering offers for talent, global, innovation and R&D infrastructure to boost the UK's R&D system. These programmes would be supported by the Horizon Europe guarantee, and a transitions package would ensure there is no gap in investment flowing to the sector. Pioneer would receive at least the same amount of funding as the UK would have paid to associate to Horizon had we associated from 2021-27, which means the UK would invest around £14.6 billion in Pioneer to the end of 2027-28, including the support we are already providing to the sector, such as via the Horizon guarantee. I will answer the maths question from the hon. Member for Cardiff South and Penarth (Stephen Doughty) because he mentioned some of the figures. Pioneer funding includes £2 billion for talent, £3.5 billion for innovation, £3.8 billion for global and £1.7 billion for infrastructure. Add the funding we are already providing for the sector, including the Horizon guarantee—a further £3.6 billion—and that adds up to the £14.6 billion.

Regardless of whether we reach an agreement with the EU on association or we launch Pioneer—that proposed alternative—the Government will ensure that UK researchers and businesses continue to benefit from world-leading collaboration opportunities with colleagues from Europe and beyond. The Government have already committed investment for UK researchers to engage in and benefit from global collaboration through the international science partnerships fund. That was designed to deepen scientific collaboration between the UK and international R&D powers on strategically important science themes. In December last year, £119 million for ISPF phase 1 was announced. That allows UK researchers and innovators to collaborate with international partners on multidisciplinary projects. It will help the UK and its partners to deliver bigger, better science than one country can alone.

Global collaboration under the ISPF will give researchers access to global talent, large-scale facilities, research ecosystems and markets to swiftly move forward ideas to greater maturity, applicability and commercialisation. It is being delivered through trusted and established partners, including UK Research and Innovation, the UK national academies and selected public research establishments, such as the Met Office, UK Atomic Energy Authority and the National Physical Laboratory. Should we not be able to associate to Horizon Europe, this fund would be expanded to tackle global challenges and develop future technologies, positioning UK researchers at the heart of global solutions.

I would like to thank my right hon. Friend the Member for Ludlow (Philip Dunne) and the hon. Members for Wirral West, for Cardiff South and Penarth, for

[*Paul Scully*]

Hammersmith (Andy Slaughter), for York Central (Rachael Maskell), and for Midlothian (Owen Thompson) for their contributions. There is a network of universities and innovators in many of the constituencies of hon. Members, across the UK in all nations. We must ensure we keep that collaboration going and build on those strengths. We are committed to being at the centre of what the Department for Science, Innovation and Technology can deliver. That will cement the UK's place as a science and technology superpower by 2030, increase publicly funded and economy-wide R&D spending, optimise public R&D investment to support areas of relative UK strength and increase the level of private R&D to make our economy the most innovative in the world.

As I have set out, we are discussing association to Horizon Europe with the EU, and we hope our negotiations will be successful. However, if we are not able to secure association on fair and appropriate terms, we will pioneer a long-term, bold and ambitious programme to support research and innovation in the UK. I can assure hon.

Members that we are and we will continue to negotiate in good faith with the EU, because international collaboration with our closest partners is at the heart of what we are trying to do.

6.7 pm

**Paul Blomfield:** I would like to thank hon. Members for their contributions. We have had the opportunity to shine a spotlight on the benefits of association with Horizon Europe, and we have done it with unanimity on both sides and from all three Front-Bench spokespeople. I hope the Minister will take back the message from this debate to his colleagues that if they are serious about being a science superpower, nothing less than association will do.

*Question put and agreed to.*

*Resolved,*

That this House has considered research and development funding and Horizon Europe.

6.8 pm

*Sitting adjourned.*

# Written Statements

Tuesday 18 April 2023

## TREASURY

### Office of Financial Sanctions Implementation

**The Exchequer Secretary to the Treasury (James Cartlidge):** My noble friend Baroness Penn, the Treasury Minister in the House of Lords, has today made the following written ministerial statement.

On 18 April, the UK announced a sanctions designation under the Counter Terrorism (Sanctions) (EU Exit) Regulations 2019. This regime is used to target those involved in terrorist financing on UK soil and is the first use of HM Treasury's sanctions power.

Today's designation imposes an asset freeze on an individual suspected of being associated with financing Hezbollah. This action demonstrates that the UK is prepared, and will continue to take action, to proactively defend the UK economy against terrorist financing threats, prevent terrorism in the UK and protect UK national security interests.

The specific designation is:

Nazem Ahmad—Suspected Hezbollah financier who has control over White Starr DMCC, Bexley Way General Trading LLC, Best Diamond House DMCC, Sierra Gem Diamonds Company NV, Park Ventures SAL and the Artual Gallery.

[HCWS724]

### Tax Administration and Maintenance Day

**The Financial Secretary to the Treasury (Victoria Atkins):** At the spring Budget 2023, the Government announced that they would bring forward a further set of tax administration and maintenance announcements at a Tax Administration and Maintenance Day. I am pleased to confirm that the Government will set out these announcements on 27 April. This will outline the action that the Government are taking to simplify the tax system, tackle the tax gap and modernise the tax system.

[HCWS723]

## HEALTH AND SOCIAL CARE

### NHS Industrial Action

**The Secretary of State for Health and Social Care (Steve Barclay):** Yesterday evening NHS England published data about the impact of a 96-hour strike by junior doctors from 07:00 on Tuesday 11 April to 06:59 on Saturday 15 April.

It is regrettable that the BMA's Junior Doctors Committee, HCSA, and BDA hospital trainees chose to cause maximum disruption to NHS services by staging such a long walk out with no national derogations immediately after the Easter bank holiday.

I would like to thank all those NHS staff, including nurses and consultants, who went above and beyond to provide cover last week and ensure patient safety.

Our priority is always to keep patients safe during any industrial action. The NHS makes every effort through rigorous contingency planning to minimise disruption and its impact on patients and the public during industrial action. The NHS rightly prioritised resources to protect emergency and critical care, maternity care and, where possible, continued to prioritise patients who have waited the longest for elective care and cancer surgery. Where necessary, Trusts cancelled non-urgent appointments to prioritise urgent and emergency care.

The data published last night shows that around 196,000 appointments were rescheduled due to strike action, with around 5,000 in mental health and community appointments. On average, around 26,000 junior doctors were absent each day. The data can be found at: <https://www.england.nhs.uk/publication/preparedness-for-potential-industrial-action-in-the-nhs/#headingq-3>. These figures are subject to change as not all Trusts have submitted data yet and hence, data is incomplete.

Through the Strikes (Minimum Service Levels) Bill we intend to legislate across different sectors, that will enable people to continue to attend their place of work, access education and healthcare, and go about their daily lives during strikes, while balancing this against the ability to strike. We are already consulting on whether minimum service levels should be in place for ambulance services. Given that increasingly strike action is being taken without voluntary derogations being agreed, we will now consider whether we need to consult on additional minimum service levels covering a wider range of health services to protect the lives and health of the public.

[HCWS725]

## HOME DEPARTMENT

### Disclosure and Barring Regime: Independent Review

**The Parliamentary Under-Secretary of State for the Home Department (Miss Sarah Dines):** I am pleased to announce that the Government are today publishing the report of the independent review of the disclosure and barring regime, led by Simon Bailey.

As part of the Government's strategy to tackle violence against women and girls, the Home Office commissioned Simon Bailey, former chief constable of Norfolk constabulary and National Police Chiefs' Council lead for child protection and abuse investigation, to carry out a review of the disclosure and barring regime, to provide assurance on its effectiveness in safeguarding children and vulnerable adults.

This review has now been completed. I would like to express my thanks to Mr Bailey and to Stephen Linehan KC who supported him throughout. I am also grateful to the many individuals and organisations who contributed their experience and expertise to the work of the review.

Mr Bailey concludes that the disclosure and barring regime is delivering its mission of helping employers and organisations to make safer employment decisions but he identifies several areas where the regime could be strengthened. He makes nine recommendations, which the Government will now carefully consider.

I will place a copy of the report in the Libraries of both Houses.

[HCWS721]

### Use of Machetes and Other Knives in Crime: Legislative Proposals

**The Minister for Crime, Policing and Fire (Chris Philp):** The Government are today launching a seven-week consultation on new knife legislation proposals to tackle the use of machetes and other bladed articles in crime.

There are already strict controls on particular offensive weapons, including certain types of knives, which are listed in the Criminal Justice Act 1988 (Offensive Weapons) Order 1988. It is an offence to sell, manufacture, hire, loan or gift these weapons. This offence is in addition to the general offences of possessing a knife or offensive weapon in public or on school grounds. In England and Wales, there are 20 different weapons listed as offensive weapons. They include items such as the “belt buckle knife”, “butterfly knife” and “push dagger”.

There are also similar prohibitions in respect of “flick knives” and “gravity knives” in section 1 of the Restriction of Offensive Weapons Act 1959.

In August 2016, we added “zombie knives” to this list, as we were concerned that such knives had no legitimate use and were designed to look menacing, intimidate and encourage violence. In 2019, we added “cyclone knives” to the list.

We are consulting on legislative measures to provide the police with more tools to disrupt knife possession and tackle knife crime. We have identified certain types of machetes and large outdoor knives that do not seem to have a practical use and appear to be designed to look menacing and be favoured by those who want to use these knives as weapons. We intend to include them in the list of prohibited offensive weapons set out in the schedule to the Criminal Justice Act 1988 (Offensive Weapons) Order 1988. Weapons listed in this schedule are prohibited under section 141 of the Criminal Justice Act 1988. This would mean that the manufacture, importation, sale and supply of these items would be an offence. Possession, both in public and in private, would also be an offence, unless a defence applies. We are inviting views from respondents on the finer details of the description of the items that we intend to ban.

We are also consulting on whether to provide the police with additional powers to enable them to seize, retain and destroy bladed articles of any length held in private, or whether the powers should be limited to articles of a certain length, even if the items themselves are not prohibited. We consider it a proportionate response for the police, where they are in private property lawfully, to seize, retain and eventually destroy bladed articles if they have good reason to believe that they will be used in crime. We would like to test this proposal with stakeholders and other members of the public so that we ensure that the most effective but proportionate system is put in place.

In addition, we are consulting on whether there is a need for the Government to toughen the current penalties for selling prohibited offensive weapons and selling bladed articles to persons under 18, and on whether the criminal justice system should treat carrying prohibited knives and offensive weapons in public more seriously, to better reflect the severity of the offences.

Finally, we are consulting on whether it would be appropriate to mirror firearms legislation and introduce a separate possession offence of knives and offensive

weapons with intent to injure or cause fear of violence. This would carry a maximum penalty higher than the current offence of possession of an offensive weapon in public under section 1 of the Prevention of Crime Act 1953.

In summary, we are seeking views on the following proposals:

Proposal 1: Introduction of a targeted ban of certain types of large knives that seem to be designed to look menacing with no practical purpose.

Proposal 2: Whether additional powers should be given to the police to seize, retain and destroy lawfully held bladed articles of a certain length if these are found by the police when in private property lawfully and they have reasonable grounds to believe that the article(s) is likely to be used in a criminal act.

Proposal 3: Whether there is a need to increase the maximum penalty for the importation, manufacture, sale and supply of prohibited offensive weapons—section 141 of the Criminal Justice Act 1988 and section 1 of the Restriction of Offensive Weapons Act 1959—and the offence of selling bladed articles to persons under 18—section 141A of the Criminal Justice Act 1988—to two years, to reflect the severity of these offences.

Proposal 4: Whether the criminal justice system should treat possession in public of prohibited knives and offensive weapons more seriously.

Proposal 5: Whether there is a need for a separate possession offence of bladed articles with the intention to injure or cause fear of violence with a maximum penalty higher than the current offence of possession of an offensive weapon under section 1 of the Prevention of Crime Act 1953.

The consultation will be live from 18 April to 6 June 2023, and a response will be published in summer 2023.

We intend to make any changes related to the consultation as soon as parliamentary time allows thereafter.

Knife crime causes misery and fear in our communities, which is why this Government have taken concerted action to tackle it.

We are pursuing a twin-track approach, combining tough enforcement with prevention and intervention as we relentlessly bear down on violent crime.

The results are clear to see. Since 2010, violent crime has reduced by 38%, according to the crime survey of England and Wales.

A copy of the consultation document and the accompanying impact assessment will be placed in the Libraries of both Houses and published on [www.gov.uk](http://www.gov.uk).

[HCWS722]

## SCIENCE, INNOVATION AND TECHNOLOGY

### Digital Infrastructure

**The Minister for Data and Digital Infrastructure (Julia Lopez):** The Prime Minister has set out his five priorities for this Government: halving inflation, growing the economy, reducing debt, cutting waiting lists and stopping the boats. These can only be delivered with world-class digital infrastructure that will support growth and help transform delivery of public services. We are currently connecting the UK at breakneck speed. From rural villages to major cities, no area will be left behind. This underpins my Department’s mission to put the UK at the forefront of global scientific and technological advancement, with future telecoms one of the five critical technologies in our new science and technology framework.

In the last five years, impressive progress has been made in the deployment of the very best fixed and wireless networks across the whole of the UK. This includes:

Project Gigabit, through which we are investing £5 billion in gigabit broadband networks, with an ambition to get gigabit broadband to at least 85% of premises by 2025, and over 99% by 2030;

Our £1 billion Shared Rural Network programme, through which we are supporting rural communities, will ensure that 95% of the UK's landmass has 4G coverage by 2025. This currently stands at 92%;

Substantial progress with 5G. Last year, we met our ambition five years ahead of schedule for the majority of the population to have access to a 5G signal by 2027 through the deployment of basic, non-standalone 5G using existing 4G networks to deliver increased network capacity; and

The steps we have taken to strengthen the security of our networks and diversify supply chains through the Telecommunications (Security) Act 2021 and the 5G supply chain diversification strategy.

This connectivity has already brought benefits for UK households and businesses, boosting growth, productivity and opportunity for all. We are on the brink of a new technological revolution. We need to make sure that everyone in the country, no matter where they live, gets the chance to benefit from all the opportunities of the modern world.

We have now set out a new package of measures to drive the deployment and adoption of digital networks and to invest in the next generation of connectivity.

#### *Wireless Infrastructure Strategy*

The wireless infrastructure strategy reaffirms our commitment to extending 4G coverage to 95% of the population, and sets out the improvements we want to see in the accuracy of Ofcom's coverage reporting, so that any gaps in coverage are identified. We also set a new goal to blanket the country with the fastest and most reliable wireless coverage available—with an ambition for all populated areas to be covered by “standalone” 5G by 2030. Standalone 5G will offer significantly superior performance to current 5G networks, which are built on a 4G core, with up to 10 times faster reaction speeds—latency—and three times faster download speeds.

To support this, we are taking steps to create an environment to encourage commercial investment in advanced wireless networks by mobile network operators and other providers of wireless connectivity by reducing deployment costs, increasing revenues, and ensuring that regulation is not a barrier to innovation.

At the local level, we are taking steps to support local areas to attract commercial investment in 5G networks and encourage the adoption of 5G-enabled technology—everything from agri-tech that improves yields for farmers to next-generation healthcare equipment. This includes a new £40 million fund to drive take-up of innovative 5G-enabled services for businesses and the public sector, and an ambition that our new hospitals should be 5G or equivalent wireless-enabled.

This will unlock new technologies that will change our lives and the way businesses operate, at a time when the connectivity we depend on is significantly evolving and is woven further into the lives of us all—from driverless vehicles, drones and robots on the factory floor, to making our cities smarter, cleaner and less congested.

Our 6G strategy details how we will work to shape this next generation of telecoms to ensure that it helps to address some of the biggest challenges of our time, and delivers for people and businesses right across the UK.

#### *Future telecoms*

However, this is not a Government that are purely focused on the here and now. We are taking direct action that will improve the lives of the next generation of Britons, ensuring that we are not just following other nations, but leading the way in the telecoms technologies that will shape the lives of our children and grandchildren.

That is why we have also set a new long-term national mission to ensure that the UK is at the leading edge of future telecoms research and development, with up to £100 million of funding initially committed to shape and drive future telecoms research and influence global 6G standards setting.

The UK will work closely with allies to deliver this mission, ensuring that we are influential in shaping the global landscape, embedding our values into future telecoms technology and protecting our security interests.

#### *Spectrum statement*

As spectrum has become more critical to UK strategic priorities, from communications and broadcasting to space and defence, my Department has also published a spectrum statement to ensure that we have the right policy framework in place to maximise the overall value of spectrum to the UK while supporting wider policy objectives.

This sets out a new strategic vision and principles for spectrum policy, with a focus on innovation in the use and management of spectrum to create greater opportunities for growth and societal benefits through increased access to spectrum.

It also outlines the arrangements in place to support effective cross-Government working and engagement with Ofcom on spectrum matters, including international representation and our work towards a new framework for public sector spectrum use.

#### *Support for the most remote premises*

The Government are committed to delivering gigabit-capable connectivity to 85% of the UK by 2025, and nationwide by 2030. However, for a small number of premises this is unlikely to be possible due to their remote nature, often in areas where the geography makes delivery challenging.

However, this Government are committed to ensuring that everyone, regardless of where they live, is part of the journey toward a fully connected UK. There is a huge amount of potential and talent in rural areas that can be unlocked by connecting communities to telecoms and broadband services.

In order to help facilitate this, my Department has announced an £8 million fund to provide an initial wave of capital grants for new low earth orbit satellite connectivity to the most remote 35,000 premises where we know that suppliers will be unable to provide either gigabit-capable or terrestrial fixed wireless connectivity.

Further details on the value of the grants, on which premises will be able to apply for the scheme and on how they can apply will be released in due course. For those very hard-to-reach premises where we believe that fixed wireless access connectivity will be possible, we

will bring forward additional policy measures later this year on how we expect to see these premises benefiting from fixed wireless access networks.

*Street works*

On the path to achieving these stretching targets, we continue to explore ways to make commercial roll-out easier. That is why we are working with local authorities and the telecoms industry to further trial the use of flexible street works permits in a number of counties. If successful, flexi-permits could help the roll-out of broadband, especially in rural areas.

Alongside these trials, we have launched the pioneering national underground asset register, which will help improve planning and safety of street works—reducing cost, time and disruption.

Overall, this represents £150 million in new funding for telecoms innovation and research and development and to support our most remote communities to access high-speed broadband. These measures will underpin the delivery of key Government objectives, including the delivery of the digital strategy, supporting our levelling-up ambitions, and ensuring that the UK is at the forefront of science, technology and innovation. They will also enable the UK to remain one of the best places in the world to live and do business.

I will deposit copies of the wireless infrastructure strategy and the spectrum statement in the Libraries of both Houses.

[HCWS720]

# Petitions

Tuesday 18 April 2023

## OBSERVATIONS

### HEALTH AND SOCIAL CARE

#### Pharmaceutical Consumer Product Labelling in Relation to Animal Safety

*The petition of Adrian Paul,*

Declares that current pharmaceutical laws do not currently appear to force manufacturers of medicines and medical treatments, in particular creams, to add warnings to their product packaging about their toxicity to pets and other animals; notes that without these warnings pets and animals can be accidentally and unintentionally injured, suffer and die; further declares that the petitioner's own pet cat suffered greatly, and died with four days, as a result of his application of Bayer's Germolene antiseptic cream to wounds of his cat's face, further declares that warnings on products should clearly and emphatically state, in sufficiently large capital letters, that their products are "for human use only" and "Warning: this product is toxic to pets and animals."

The Petitioner therefore requests that the House of Commons urge the Government to urgently introduce legislation that forces UK pharmaceutical companies, as well as those who import medicinal products to the UK, to clearly label any products which are toxic to pets and animals, with special regard to products which can lead to the death of pets and animals.

And the petitioners remain, etc.—[*Official Report*, 21 February 2023; Vol. 728, c. 1P.]

[P002803]

*Observations from the Minister for Health and Secondary Care (Will Quince):*

The labelling of licensed medicines in the UK must comply with the requirements set out in schedules 24 and 25 of the Human Medicines Regulations (2012). The control of medicines for animals and humans follows the principle that positive statements are made where use is for animals only. Human Medicines by default are clearly labelled with human dosage instructions only and a warning to indicate that the medicine is for human use only or that it may be toxic if used in animals is not required. If there is room on the labelling once the statutory information has been accommodated, there is scope to include extra-statutory text, provided this meets the relevant criteria. Any additional information included on labelling of Human Medicines must be consistent with the Summary of Product Characteristics (SmPC) for the medicine in question, useful to the patient and non-promotional.

### HOME DEPARTMENT

#### Policing and drug and alcohol treatment in Hull

*The petition of residents of the constituency of Kingston Upon Hull,*

Declares that they consider that levels of anti-social behaviour in the constituency are growing at a rapid rate.

The petitioners therefore request that the House of Commons urge the Government to consider reallocating funding for both the Police and drug and alcohol treatment in Kingston Upon Hull to restore it to 2010 levels in order to reduce anti-social behaviour.

And the petitioners remain, etc.—[*Presented by Dame Diana Johnson, Official Report*, 27 March 2023; Vol. 730, c. 801.]

[P002818]

*Observations from the Minister for Crime, Policing and Fire (Chris Philp):*

The Government are committed to tackling and preventing antisocial behaviour (ASB). The Government know the serious impact that persistent ASB can have on both individuals and the wider community.

On 27 March the Government published the ASB Action Plan. The ASB Action Plan commits to tackling ASB across five key themes: stronger punishment, making communities safer, building local pride, prevention and early intervention, improving data, reporting and accountability for action. Cracking down on antisocial behaviour works in tandem with this Government's priorities to prevent more murders, drive down violent crime, including against women and girls, and burglaries.

This plan is backed by £160 million of funding. This includes up to £60 million to fund an increased police and other uniformed presence to clamp down on antisocial behaviour, targeting hotspots. Initially this will be in 10 police force areas, but from 2024 will support a hotspot approach across every police force area in England and Wales, which will see thousands of additional patrols taking place in places blighted by antisocial behaviour. The Government are delivering £10 million of additional funding in 2023-24 for 10 Police and Crime Commissioners to establish new Immediate Justice pathways aimed at delivering swift, visible punishment for anti-social behaviour. This will be rolled out to all police force areas in 2024-25.

Through legislation, the Government are bringing in a number of changes to tackle drug misuse. Nitrous Oxide (laughing gas) will be banned under the Misuse of Drugs Act 1971. Police powers will be extended to enable them to drug test suspected criminals in police custody for a wider range of drugs, including ecstasy and methamphetamine. It will be easier to test in cases linked to crimes like violence against women and girls, serious violence, and antisocial behaviour.

The Government are also consulting on key ASB powers to ensure they are as effective as possible and will prohibit begging where it is causing a public nuisance.

The Government have an ambitious programme of activity underway to tackle alcohol-related crime and work with police and licensing stakeholders to ensure thriving and safe night-time economies. The Government are piloting a training programme to help frontline practitioners identify where alcohol misuse and domestic abuse are co-occurring and to facilitate greater join-up with GPs and police.

Humberside Police's funding will be up to £231.7 million in 2023-24, an increase of up to £7.9 million when compared to 2022-23. As at 31 December 2022, Humberside had recruited 299 additional uplift officers against a total

three-year allocation of 322 officers. The force has been allocated 129 additional uplift officers in the final year of the uplift.

## TRANSPORT

### **Pedestrian safety at the junction of A4 Jersey Road**

The petition of residents of Heston,

Declares that, following a tragic accident in which a Hounslow father, Terence Gillard, lost his life, the safety of the junction at the intersection of Jersey and Great West Road must be improved, notes that this junction is unsafe for pedestrians and more safety measures must be introduced as soon as possible.

The petitioners therefore request that the House of Commons urge Transport for London and Hounslow Council to review the safety of crossing at this junction to avoid further loss of life.

And the petitioners remain, etc.—[Presented by Seema Malhotra, *Official Report*, 29 March 2023; Vol. 730, c. 1111 .]

[P002819]

*Observations from the Parliamentary Under-Secretary of State for Transport (Mr Richard Holden):*

I am sorry to hear of the death of Mr Gillard and extend my sympathies to his family. This must be a very difficult time for them, and there is little anyone can say to provide comfort.

Most road junctions, including this one are designed and operated by local councils, in this case Hounslow Borough Council. They have a duty under section 122 of the Road Traffic Regulation Act 1984 to “secure the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians)”. The Department provides good practice guidance in Chapter 6 of the Traffic Signs Manual, which stresses the importance of providing pedestrian facilities as part of any design. This is available on the Department’s website at: <https://www.gov.uk/government/publications/traffic-signs-manual>.

Local councils make their own decisions about the design of the streets under their care. I am sure both Hounslow Borough Council and Transport for London will want to look closely at this sad case, to see whether further actions are needed by them at this site.



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