

**Wednesday  
3 May 2023**

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**HOUSE OF COMMONS  
OFFICIAL REPORT**

**PARLIAMENTARY  
DEBATES**

**(HANSARD)**

**Wednesday 3 May 2023**

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# House of Commons

*Wednesday 3 May 2023*

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

## PRAYERS

[MR SPEAKER *in the Chair*]

## Oral Answers to Questions

### SCIENCE, INNOVATION AND TECHNOLOGY

*The Secretary of State was asked—*

#### Horizon Europe

1. **Dame Diana Johnson** (Kingston upon Hull North) (Lab): What recent progress she has made on negotiating the UK's association to Horizon Europe. [904746]

**The Secretary of State for Science, Innovation and Technology (Chloe Smith):** I am thrilled to answer today for the new Department for Science, Innovation and Technology, stepping in while my right hon. Friend the Member for Chippenham (Michelle Donelan) begins her maternity leave. May I also take a moment to wish my colleague, the Minister for Data and Digital Infrastructure, my hon. Friend the Member for Hornchurch and Upminster (Julia Lopez) well? As a Department, we are keen to make maternity leave normal and successful, and it is vital that this House gives support to that.

Outstanding science and research is vital to me, to my right hon. Friend who has started her maternity leave and to the Prime Minister, so we are working hard on the UK's involvement in Horizon Europe. We hope negotiations will be successful and that it is our preference. However, our participation must be on the basis of a good deal for UK researchers, businesses and taxpayers. If we are not able to associate on the right terms, we will implement our bold, ambitious alternative to Horizon—Pioneer.

**Dame Diana Johnson:** I welcome the right hon. Lady to her place. Having the University of Hull in my patch, I know very well how important Horizon grants have been to the funding of research and scientific excellence. The Conservative party made a manifesto promise to secure association to Horizon Europe, which is the world's biggest science funding and collaboration programme. How can universities and scientists plan for the future if that has not been sorted out yet?

**Chloe Smith:** The right hon. Lady's question reflects exactly why we are working so hard to achieve that association. However, we need to accommodate the lasting impact of two years of European Union delays to the United Kingdom's association. Senior scientists, such as Professor Boyle, the chair of the Universities UK relevant network, for example, acknowledge that our approach demonstrates how seriously this issue is

being taken by all sides. They also agree that it is entirely appropriate that we have the alternative plan and that the sector can work together with the Government to achieve that.

**Dr Neil Hudson** (Penrith and The Border) (Con): I welcome the Secretary of State to her place.

We have the best scientists, universities and institutions in the world here in the UK. The best science comes from research collaboration. Our UK scientists want to collaborate, and the world wants to collaborate with us. With that in mind, will my right hon. Friend reaffirm the Government's commitment to rejoining Horizon and similar programmes?

**Chloe Smith:** As I have already said at this Dispatch Box, I can confirm that association is our preference. However, that must be on the basis of the right deal and a fair set of terms for UK taxpayers, researchers and all others involved. I also gladly confirm that in this Government we see a golden thread that goes from outstanding basic science through research to innovations that change people's lives, sustain economic growth and create solutions to the challenges of the age.

#### Commercialisation of Research

2. **Dr Rupa Huq** (Ealing Central and Acton) (Lab): What steps she is taking to support the commercialisation of research. [904747]

**The Minister for Science, Research and Innovation (George Freeman):** Better commercialising our UK research is completely key to our global science superpower and domestic innovation nation missions, and a key component of our science and technology framework and this Department's work. I am delighted to report that spin-outs from universities have gone up sixfold in the past nine years, to £2.5 billion last year, and in the life sciences sector that has gone up 1000% since we took office. We are creating jobs and opportunities for innovation clusters all around the UK, including in west London.

**Dr Huq:** We have just heard about uncertainty about Horizon. In addition, there are no more European structural funds and under-investment in R&D. We are hurtling down the global rankings for clinical research trials. The Minister just mentioned life sciences, but last week Novartis, the Swiss pharma giant, pulled out of a major trial for cardiovascular drugs in this country for those very reasons. When will the Government admit that, rather than an example of confidence in the world-beating, post-Brexit life sciences sector that the ex-Health Secretary who went to the jungle claimed at the time it would be, that decision shows what an unmitigated disaster Brexit has been? When will they fix this mess?

**George Freeman:** Here we go—Labour talking Britain down again. The truth is that I am not at all complacent about the clinical trials numbers. At the Life Sciences Council, in the next few weeks, we will be setting out a very clear plan to reverse the decline since the pandemic in the NHS.

The hon. Lady might have mentioned the major investment coming into west London—her part of the world—including the MedTech SuperConnector, the

spin-outs there and SynbiCITE, the synthetic biology hub. She might at least acknowledge the major investment—billions of pounds—from Moderna and BioNTech into this country, laying the foundation for a next phase of science innovation. With the life sciences sector, we are in a global race, but we are still leading in the technologies of tomorrow.

**Stephen Metcalfe** (South Basildon and East Thurrock) (Con): Can my hon. Friend comment on the Department's 10-point science and technology framework, which will help provide the long-term funding needed to turn the start-ups he has mentioned into sustainable, successful, globally leading businesses?

**George Freeman:** I thank my hon. Friend, who has been a strong champion of that agenda. In the new Department's science and technology framework we have set out a long-term, 10-year view of the serious reforms that we need to make to procurement, regulation and skills across the whole of Government if we are to drive our science superpower agenda. A fundamental part of that is converting the health of our start-up ecosystem into scale-ups. That is why the Treasury is leading on the re-regulation of pension funds—so that we can unlock some of our pension trillions and put it into supporting our companies to grow here rather than go to NASDAQ.

#### Life Sciences: Private Investment

3. **Gary Sambrook** (Birmingham, Northfield) (Con): What steps her Department is taking to help the life sciences industry attract private investment. [904748]

**The Secretary of State for Science, Innovation and Technology (Chloe Smith):** The UK's life sciences sector is key to creating highly skilled jobs across the UK and cementing the UK's role as a science superpower, as my hon. Friend the Minister for Science, Research and Innovation, a doughty champion of life sciences, has just set out. We have a life sciences vision, which sets out our ambition to develop a globally competitive investment ecosystem in the UK, and we will bring forward further measures to support the sector in the coming weeks. A great example is the life sciences investment programme, a £200 million initiative that is expected to attract at least double that in private investment.

**Gary Sambrook:** Post pandemic, there has been a significant advance in attracting new pharma to the United Kingdom. Will the Secretary of State join me in welcoming the hugely significant partnership with Moderna as a sign of confidence in the United Kingdom? It will bring much-needed jobs and investment to the whole of the UK, and hopefully to Birmingham in particular.

**Chloe Smith:** Yes, I do of course join my hon. Friend in welcoming that investment. As he sets out, our goal is to ensure that the UK is the most attractive environment possible for life sciences investment, and we are doing a range of things to help achieve that. We can see exciting innovations coming into the UK as a result, including one I am very excited about that is due this year: greater personalisation in cancer drugs.

**Graham Stringer** (Blackley and Broughton) (Lab): It is a delight to see the right hon. Lady in her new position. As a previous member of the Select Committee on Science and Technology, at least she will know something about science.

I would like to believe the story that is being told about this country being a life sciences superpower, but I am sure the right hon. Lady will have noted the comments in January of Kate Bingham, the chair of the vaccine taskforce. She said that the lessons from that taskforce had not been learned, and that this country was falling behind. She gave evidence of AstraZeneca and GlaxoSmithKline investing outside this country because civil servants had not learned those lessons and had created a hostile environment for such companies.

**Chloe Smith:** I can understand that point, and I take this opportunity to pay tribute to Kate Bingham for her past work on the vaccine taskforce. We have created the new Department for Science, Innovation and Technology so that we can drive forward science, and life sciences as part of that, as a force for good. More on this agenda will be set out in the coming weeks, because we have the opportunity to continue to ensure the UK's leadership on it. That is my priority and that of all of my team.

#### Commercialisation of Research: North-east England

4. **Mary Kelly Foy** (City of Durham) (Lab): What steps she is taking to support the commercialisation of science and technology research in the north-east. [904749]

**The Minister for Science, Research and Innovation (George Freeman):** Having worked on coalfield regeneration in the north-east, I am delighted to report that it is becoming a science and technology powerhouse economy in the UK. I have been up three times since taking on this role, particularly to see NETPark, the extraordinary north-east technology park, whose third phase of expansion has now been announced. We put £5 million into helping it grow, and world-class companies such as Kromek are now there. We have also put £5 million into the Northern Accelerator in collaboration with six north-east universities, and we have nine Catapult hubs in the north-east. Let us say it loud and clear: the north-east is building the new economy of tomorrow.

**Mary Kelly Foy:** Led by Durham University, the Northern Accelerator has invested more than £100 million in partner university spin-outs in the past five years, bringing skilled jobs and opportunities to my constituents and across the region, but if the Minister is really serious about levelling up Durham, can he explain why the north-east receives just 4% of Research England's budget and six times less money than London?

**George Freeman:** I pay tribute to the hon. Lady's leadership on this issue, because it is really important. Traditionally, our research funding follows excellence, and that is why, say, Northumbria University has shot up the league tables in the last few years from 42nd to 16th—it is knocking on the door of the Russell Group—and the northern universities are delivering increasingly excellent science. But there is something else. Last year there was £50 billion-worth of private investment in research and development, which is matching the public investment,

and as we go to £20 billion of public R&D, a wave of private money will start to come into the north-east. The answer to her question is that this is about building the applied science into the industries of tomorrow, which the north-east is doing.

**Mark Pawsey (Rugby) (Con):** Does the Minister agree that the Catapult centres in the north-east, as well as the manufacturing technology centre in my constituency, are the way forward in commercialising some of the great ideas that are coming from the academic world?

**George Freeman:** Yes, I absolutely agree. That is why we have put £1.9 billion into the Catapult network—our network for deep industrial collaboration with our universities. In the north-east, we have the offshore renewables Catapult in Blyth, the digital Catapult in Sunderland and the satellite applications Catapult in Durham. This is a deep investment in the north-east economy of tomorrow.

**Mr Speaker:** We now come to the Scottish National party spokesperson.

**Carol Monaghan (Glasgow North West) (SNP):** One of the companies based in NETPark is Pragmatic Semiconductor, which is innovating chip production. It has indicated that it would consider moving its operations overseas if the UK fails to produce a semiconductor strategy that funds and supports chip production. We have been asking for this strategy for years now, so can the Minister assure the House not only that the strategy is imminent and will be published very shortly, but that it will properly fund and support companies such as Pragmatic?

**George Freeman:** Yes. The Under-Secretary of State for Science, Innovation and Technology, my hon. Friend the Member for Sutton and Cheam (Paul Scully), has already met the company concerned, and in a matter of days we will be setting out the semiconductor strategy, which will answer exactly the question that the hon. Lady has raised.

### Artificial Intelligence Technologies: Regulation

5. **Tim Loughton (East Worthing and Shoreham) (Con):** What steps she is taking to ensure effective regulation of artificial intelligence technologies. [904750]

**The Secretary of State for Science, Innovation and Technology (Chloe Smith):** Artificial intelligence plays a vital role in our economy and society, from helping doctors to identify cancers faster to powering smart devices and driverless cars. We recognise the need to act not only to unlock the opportunities but to address the potential risks of this technology. Our White Paper articulates what the responsible development and use of AI should look like, supporting innovation while protecting people so that businesses, consumers and the wider economy can all benefit.

**Tim Loughton:** When advances in medical technology—around genetic engineering, for example—raise sensitive issues, we have debates on medical ethics, we adapt legislation and we put in place robust regulation and oversight. The explosion in AI potentially poses the same level of moral dilemma and is open to criminal use for

fraud or impersonation and by malign players such as the Chinese Government, for example. As leaders in AI, what should the UK be doing to balance safety with opportunity and innovation?

**Chloe Smith:** I recognise the profound experience from which my hon. Friend speaks. We also recognise that many technologies can pose a risk when in the wrong hands. The UK is a global leader in AI, with a strategic advantage that places us at the forefront of these developments. Through UK leadership—at the OECD, the G7, the Council of Europe and more—we are promoting our vision for a global ecosystem that balances innovation and the use of AI, underpinned by our shared values of freedom, fairness and democracy. Our approach will be proportionate, pro-innovative and adaptable. Meanwhile, the integrated review refresh recognises the challenges that are posed by China.

**Darren Jones (Bristol North West) (Lab):** With elections under way and a general election due next year, people are rightly concerned about the fake videos, images and audio being created by artificial intelligence. Can the Secretary of State confirm to the House what actions her Department is taking to protect the integrity of our democratic processes in that context?

**Chloe Smith:** I welcome the hon. Gentleman's involvement, and I look forward to debating these issues with him and others across the House. I can understand his concerns and the anxiety that sits behind his question. We have a fully developed regime of electoral law that already accounts for election offences such as false statements by candidates, but in addition to the existing regulations we are setting out an approach on AI that will look to regulators in different sectors to apply the correct guidance. We will also add a central co-ordinating function that will be able to seek out risks and deal with them flexibly, appropriately and proportionately.

**Mr Speaker:** I call the Chair of the Science, Innovation and Technology Committee.

**Greg Clark (Tunbridge Wells) (Con):** I warmly welcome my right hon. Friend to the Dispatch Box. We can get a lot done in 10 weeks, in my experience, and I am sure she will do so.

At its best, Britain has been highly influential in setting international standards that combine confidence with security. Does my right hon. Friend agree with me and the hon. Member for Bristol North West (Darren Jones), the Chair of the Business, Energy and Industrial Strategy Committee, that the UK should now seize the initiative and set out an international approach to standards in AI, so we can gain all the benefits that come from AI while making sure we do not suffer the harms attendant on it?

**Chloe Smith:** The short answer is yes. I welcome my right hon. Friend's expertise, experience and encouragement as I begin my role. He is right that the UK has a global leadership position, and we rank in the global top three in many aspects of this question and others throughout science and technology. We will therefore seek a leadership role so any regulation of AI that may be needed reflects our values and strikes the correct balance.

**Kevin Brennan** (Cardiff West) (Lab): One area in which our global leadership is a reality, not just rhetoric, is the creative industries. What assurance can the Government give to our music makers, writers and others that AI will be properly regulated to make sure their creative content is protected, and so we can maintain our global leadership?

**Chloe Smith:** The hon. Gentleman makes a very good point, which comes from his deep expertise in music and the creative industries more generally. I look forward to my conversations with the industry on this very subject this afternoon. The UK has world-leading copyright and intellectual property protections, and we know how important they are for the continued success of the creative industries. We want to maintain them, and they will therefore be a focus as we take this work forward.

### Science and Technology Sector: International Competitiveness

6. **James Sunderland** (Bracknell) (Con): What steps her Department is taking to support the international competitiveness of the science and technology sector. [904751]

10. **Mark Menzies** (Fylde) (Con): What steps her Department is taking to support the international competitiveness of the science and technology sector. [904756]

**The Parliamentary Under-Secretary of State for Science, Innovation and Technology (Paul Scully):** The Government published the science and technology framework in March 2023, setting out our approach to making the UK a science and technology superpower by 2030. This will increase the UK's strategic advantage in relation to other nations. As part of that, we have a 10-point plan, having identified five critical technologies, including AI, semiconductors and quantum, which we will prioritise to deliver the framework's ambition.

**James Sunderland:** The Minister will know that I have written to the Department about the future of Syngenta in Bracknell. Berkshire is the Silicon Valley of the Thames valley, and it is important that we do everything possible to maximise investment and job creation. Will the Minister please agree to visit Syngenta with me, and to do what is necessary to ensure that this is not another GSK moment?

**Paul Scully:** I acknowledge my hon. Friend's work to encourage innovation, including at Syngenta. My colleague, the Minister for Science, Research and Innovation, has already met Syngenta, and one of us will follow up with my hon. Friend to see what more we can do to support innovation in the Bracknell area.

**Mark Menzies:** We have a truly world-class nuclear skillset in Fylde, with Springfields being home to the country's only nuclear fuel-manufacturing facility and the National Nuclear Laboratory, which last year made a significant breakthrough in developing lead-212, a cancer-fighting medical isotope. There are real opportunities not only to preserve but to build on that success. What conversations has my hon. Friend had with the Prime

Minister and other Ministers about ensuring our domestic nuclear capability is the go-to choice for use in the UK and about maximising opportunities abroad?

**Paul Scully:** My hon. Friend always champions industry and innovation in his area. We recognise the UK's significant capabilities in the nuclear fuel cycle and the benefit this provides to our energy security and to realising export opportunities. Through the nuclear fuel fund, the Government are investing in Springfields and other parts of the supply chain to further expand essential capabilities so we can realise benefits for the UK and abroad. The £6 million medical radionuclide innovation programme will also develop capability in the production of radionuclides for medicine.

**Daniel Zeichner** (Cambridge) (Lab): The life sciences sector is very exercised by the unintended but very high levy being paid to the Government for branded medicines in the NHS. The risk is that investment and jobs will go elsewhere, so what is the Secretary of State doing to make sure that that does not happen?

**Paul Scully:** We are negotiating hard on this. Obviously, the negotiations are sensitive at this time, but we are aware of the fact that we are ahead and we want to stay ahead in life sciences, which are part of our key technologies.

**Mr Gregory Campbell** (East Londonderry) (DUP): Biomedical sciences have been a success in my constituency, at Ulster University in Coleraine. Will the Minister undertake to ensure that that success is replicated and the United Kingdom becomes genuinely a world leader in biomedical sciences?

**Paul Scully:** Absolutely. We know we have a strong cluster there, and universities such as Ulster University are at the heart of that innovation. We will do exactly as the hon. Member said and make sure we can replicate as much of that clustering around the UK.

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

**Stephanie Peacock** (Barnsley East) (Lab): Broadband access is essential to UK competitiveness, yet Ofcom has revealed that just 220,000 of the 8 million households struggling to pay their internet bill have signed up to a discounted broadband package. When will the Government match Labour's commitment to ensure that there is an industry-wide, mandatory and well-advertised social tariff for low-income families?

**Paul Scully:** There has been a fourfold increase in people taking up social tariffs, but we know we have to do more to help people with the cost of living. That is why we lent in to the carriers in the first place and encouraged the introduction of social tariffs, but we will do more. We will work with the carriers to make sure that those tariffs get advertised well, so we can get better take-up.

### Topical Questions

T1. [904777] **Dr Lisa Cameron** (East Kilbride, Strathaven and Lesmahagow) (SNP): If she will make a statement on her departmental responsibilities.

**The Secretary of State for Science, Innovation and Technology (Chloe Smith):** For its first three months, the Department for Science, Innovation and Technology has been harnessing the power of transformative science to grow a more innovative economy, with stronger businesses, better jobs and better lives for the British people. We have touched on AI and Pioneer. I can add that our £2.5 billion strategy for quantum tech will unlock its vast potential to the benefit of the British people.

**Dr Cameron:** As chair of the all-party group on crypto and digital assets, I have been hearing about the potential of blockchain technology for jobs of the future. It is important that these jobs are inclusive, so how will the Secretary of State ensure that people with disabilities, veterans and women have opportunities such as those to achieve their full potential?

**Chloe Smith:** I am delighted that the hon. Lady asked that question because, as she knows, I share her deep interest in the labour market and accessibility. I thank her for the work that her all-party group has done on the issue. This Government's digital inclusion strategy has four principles: access; skills; motivation; and trust. They hold firm for blockchain and other technologies to ensure that no one is left behind.

**Michael Fabricant (Lichfield) (Con):** Last year, during the Eurovision song contest, Russian agents attempted to interfere with the voting for Ukraine. This year, we are hosting the Eurovision song contest. What is the Department doing to ensure that the integrity of the voting will be maintained?

**The Parliamentary Under-Secretary of State for Science, Innovation and Technology (Paul Scully):** The Government are always aware that there are a number of possible threats to our systems and events. I am not able to discuss the details, but those at the National Cyber Security Centre are world experts at understanding attacks and providing an incident response for the most serious. We want to make sure that all organisations are aware, so we can keep that resilience in our voting process.

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

**Chi Onwurah (Newcastle upon Tyne Central) (Lab):** I welcome the Secretary of State to her position and wish the right hon. Member for Chippenham (Michelle Donelan) well in her maternity leave.

Three years on, the Tories have failed in their manifesto promise to associate to Horizon Europe, and Britain has paid the price in lost jobs and scientific research. Their plan B short-changes British scientists and they are fudging the figures in other ways. Will the Secretary of State confirm that, whereas Horizon funding was counted as international science spend, she is planning to count the same money as British science spend to meet her commitment to double the British science budget? *[Interruption.]*

**Chloe Smith:** I think I had better keep this brief. The answer, as the hon. Lady very well knows, is that we are hard at work negotiating our potential accession to Horizon. That is our preference, as I have made clear

this morning. However, she is out of step with key voices in the sector. For example, the Russell Group says that our negotiations are a serious step forward and that the ambition of the proposals for Pioneer is welcome. More details will become clear as negotiations progress, but I cannot give a running commentary.

**Chi Onwurah:** It seems that the Tory science superpower is actually just cooking the books. Ministers promised to increase science spend outside London and the south-east by a third while doubling it overall, so our regions continue to miss out. Now they are refusing to replace European regional development science funding, slashing £600 million from what should be our regional powerhouses. That is not levelling up—it is holding us back. The country knows it. Does the Secretary of State?

**Chloe Smith:** The hon. Lady is mischaracterising this very badly and in a way that does not help to command confidence in our shared mission to make science, innovation and technology the success that it needs to be for this country. She will have seen the presentation of my right hon. Friend the Chancellor at the Budget, which made it clear just how seriously we take science in this country, and that level of ambition will continue.

**Aaron Bell (Newcastle-under-Lyme) (Con):** Last month, Sir Patrick Vallance stepped down as the Government's chief scientific adviser after five years in the role, in which Government investment in science has doubled. Most of all, he became a household name through his handling of covid and the leadership that he showed then. Will the Secretary of State join me in thanking Sir Patrick for all his service to the country and in welcoming his successor, Dame Angela McLean, and wishing her all the best in the role?

**The Minister for Science, Research and Innovation (George Freeman):** May I, as Science Minister on behalf of the Government, pay tribute to Sir Patrick and thank Dame Angela for taking on the role? Sir Patrick has been a stalwart servant for science and for this country during difficult times.

## PRIME MINISTER

*The Prime Minister was asked—*

### Engagements

Q1. <sup>[904761]</sup> **Sir Stephen Timms (East Ham) (Lab):** If he will list his official engagements for Wednesday 3 May.

**The Prime Minister (Rishi Sunak):** I know that the House will join the nation and the Commonwealth in sending our very best wishes to Their Majesties, the King and Queen, ahead of the coronation. This will be a moment of extraordinary national pride, a demonstration of our country's character and an opportunity to look to the future in the spirit of service, unity and hope.

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

**Sir Stephen Timms:** At Question Time last week, in column 725, the Prime Minister referred to “record numbers of people in work”.—[*Official Report*, 26 April 2023; Vol. 731, c. 725.]

In fact, as he knows, the number of people in work at the moment is still less than it was just before the pandemic—122,792 less, according to the latest official figures. Will he reassure the House that he is not slipping into the bad ways of his predecessor but one, and will he properly correct the incorrect statement that he made last week?

**The Prime Minister:** That clarification has already been made in *Hansard*, but there are near record numbers of people in work and in payroll. That is thanks to the actions of this Government—a record of which we are very proud.

Q4. [904764] **Gary Sambrook** (Birmingham, Northfield) (Con): Non-compliant hand car washes seem like a cheap and quick way to have our cars washed but, unfortunately, behind this £1.8 billion industry is hidden money laundering, fraud, drug dealing, prostitution, labour abuse, modern-day slavery, tax avoidance and many other sinister crimes. An estimated half a billion pounds is lost in tax revenue. It is a pull factor for illegal migration and the pollutants often used damage the environment. Does the Prime Minister agree that it is time to step away from the voluntary scheme and have a mandatory scheme to protect people?

**The Prime Minister:** We expect all businesses to follow the law, including providing fair pay and working conditions for their employees. We are tackling exploitation in the labour market, especially by increasing funding for enforcement bodies to more than £35 million a year, and we will continue to keep the position of hand car washes under close review.

**Mr Speaker:** I call the Leader of the Opposition.

**Keir Starmer** (Holborn and St Pancras) (Lab): I join the Prime Minister in his comments about the coronation. Across the House, we are all looking forward to the celebrations this weekend.

Does the Prime Minister know how many mortgage payers are paying higher rates since the Tory party crashed the economy last autumn?

**The Prime Minister:** Our record on home ownership is crystal clear. Because of our tax cuts, 90% of first-time buyers now do not pay any stamp duty at all. Last year, we saw the largest number of people buying their first home in 20 years. That is a Conservative Government delivering on people’s aspirations to own their own home.

**Keir Starmer:** The question was how many people are paying more on their mortgages each month, and the answer that the Prime Minister avoided giving is 850,000. Nearly 1 million people are paying more on their mortgage each month because his party used their money as a casino chip. That is why George Osborne called them economic “vandals” who created a “self-inflicted financial crisis”—not for the Prime Minister and his “non-dom thing”, not for the super-wealthy that the Conservatives

gave tax cuts to, but for mortgage holders all across the country. Does the Prime Minister know how many more people will be joining them on higher mortgage rates by the end of this year?

**The Prime Minister:** Thanks to the actions we are taking, the Bank of England is showing that public expectations of inflation have now eased to a 15-month low. Consumer confidence is at the highest level since Russia invaded Ukraine and, because of our stewardship of the public finances, we can see a clear way to reduce debt and bring interest rates down. The right hon. and learned Gentleman keeps up his habit of quoting former Chancellors. We know that our plans will deliver lower inflation and lower interest rates, but we know that his plans just mean more debt, “year after year after year”. Those are not my words, but the assessment of the former Labour shadow Chancellor.

**Keir Starmer:** The question was how many more people this year will be paying more on their mortgages. The answer, which the Prime Minister again avoided giving—he knows these answers; he has the stats there in front of him—is 930,000 people. I know they do not want to talk about it—that is why he will not answer the questions—but by the end of this year, nearly 2 million homeowners will be counting the cost of the Tories’ economic vandalism with every mortgage payment they make.

It is not just those who already own their home who are counting the cost of Tory recklessness. The average deposit for a first-time buyer is going up to £9,000. Does the Prime Minister even know how long it will take an average saver to put that sort of money aside?

**The Prime Minister:** That is why we have introduced a 95% mortgage guarantee scheme. It is why we are helping people in social housing to own their own home through our first homes and shared ownership schemes. Those things are working. As I said, last year we had a record number of first-time buyers, the highest number in 20 years. That was twice the number of first-time buyers that Labour ever managed. While Labour failed homeowners, the Conservatives are delivering for them.

**Keir Starmer:** Every week, whatever the topic, the Prime Minister stands there and pretends everything is fine across the country, and every week that he does so, he reinforces just how out of touch he is, because £9,000—[*Laughter.*] It is not “Ha, ha!”—would take four years. The Conservatives think it is funny that it would take four years for the average saver to save £9,000. To put it a different way, in terms the Prime Minister will understand, it is roughly the annual bill to heat his swimming pool. But for most people, four more years of scrimping is a hammer-blow to their ambitions. Now he is kicking them when they are down, because his decision to scrap housing targets is killing the dream of home ownership for a generation. Why does he not admit he got it wrong and reverse it?

**The Prime Minister:** I promised to put local people in control of new housing, and I am proud that that is what I delivered within six weeks of becoming Prime Minister. The right hon. and learned Gentleman wants to impose top-down housing targets, concrete over the green belt and ride roughshod over local communities.



Previously, he is on record as saying that local people and communities should have more power and more control. Now he has U-turned—just another in a long list of broken promises.

**Keir Starmer:** The only power the Prime Minister has given to local communities is not to build houses. We know why he will not change course; he admitted it last month: his councillors simply do not want to build the houses that local people need, so he has given them a way out. Picture the scene as he explains this to a family: mum and dad paying four grand extra on the mortgage because the Tories tanked the economy; their eldest paying hundreds more in rent; their youngest still stuck in the spare room because they need an extra £9,000 for a deposit. Then along comes the Prime Minister, who merrily tells them, “Sorry for crashing the economy—but we don’t want to talk about that. Sorry I can’t help you through house building, but my councillors do not like it. Oh, and before I go, here is a massive council tax increase for your troubles.” Why does he not stop the excuses, stop blaming everyone else, and just build some houses instead?

**The Prime Minister:** Our memories are not that short. We all know what happened when Labour was last in power: there was “no money left” for the country. Let us talk about the Labour record on house building. In London, the former Conservative Mayor built 60,000 affordable homes in his first five years in office. How many has the current Labour Mayor managed? Half of that. In Wales, we need 12,000 new homes a year. How many has Labour built in the last year? Half of that. As ever, Labour talks and the Conservatives deliver.

**Keir Starmer:** With debt doubled since 2010, growth down, tax up, the economy crashed, the Government are going to need a bigger note.

It is right that, week after week, we debate the issues in this place, but looking beyond the elections tomorrow, we also have a hugely significant weekend coming up, with the King’s coronation. For most, it will be the first time that they have seen a monarch crowned. I hope, as will Members across the House, that people across the country enjoy the ceremony, the street parties and, of course, the extra day off. Some 300 million people will tune in. The world will see our country at its best, celebrating the beginning of a new chapter in our history. But it will also be a reminder of the loss of our late Queen, Elizabeth II, and another chance to remember all that she gave our country through her dedicated service. Will the Prime Minister join me in honouring our late Queen and wishing the new King a long and happy reign?

**The Prime Minister:** As I said at the outset, we are all very much looking forward to the coronation. It will be a very special moment in the history of our country, and I know that we will join the country in celebrating it. But before we get to the coronation weekend, we have an important day tomorrow. The choice before the country is clear: when they go to the ballot box, they can see a party that stands for higher council tax, higher crime and a litany of broken promises; meanwhile, we are getting on with delivering on what we say, with lower council tax, lower crime and fewer potholes. The choice is clear: vote Conservative.

Q5. [904765] **Jason McCartney** (Colne Valley) (Con): Labour-run Kirklees Council has, as you know, Mr Speaker, reneged on a deal to house the national rugby league museum at the George hotel. It has also declared a climate emergency, but has one of the worst recycling rates in the country. It is building on green fields and now on green belt. It is demolishing Holmfirth indoor market. We are blighted by litter and fly-tipping. Now it is proposing to chop down mature trees in urban areas—

**Mr Speaker:** Order. Sit down a moment, Mr McCartney. I presume you are going to ask a question. You have made a great statement; now ask a quick question.

**Jason McCartney:** Does the Prime Minister agree that local people can have their say on Kirklees Council’s appalling record by voting Conservative this week?

**The Prime Minister:** My hon. Friend is absolutely right. It is typical Labour: saying one thing and doing the other. It is only the Conservatives who will protect the green belt; the Labour party will concrete over it. That is why, in Kirklees and elsewhere, people should vote Conservative tomorrow.

**Stephen Flynn** (Aberdeen South) (SNP): In 2010, David Cameron convinced Nick Clegg to adopt his pledge on university tuition fees. Does the Prime Minister intend to take the credit for convincing the leader of the Labour party to do likewise?

**The Prime Minister:** I thank the hon. Gentleman for the question. It is hard to keep up with the list of broken promises, but on tuition fees I will say that under this Government, a record number of people from disadvantaged backgrounds are going to university. That is because of the efforts we have made to put more money into supporting those people and communities to fulfil their aspirations, alongside fantastic new apprenticeships in every part of our country.

**Stephen Flynn:** For the avoidance of any doubt, the Liberal Democrats do not believe in abolishing tuition fees, the Conservatives do not believe in abolishing tuition fees, and of course the Labour party, now having its own Nick Clegg moment, does not believe in abolishing tuition fees either. Is it not the case that the main Westminster parties do not offer young people any hope at all?

**The Prime Minister:** I gently point out to the hon. Gentleman that, actually, somebody from a disadvantaged background is far more likely to go to university in England than they are in Scotland.

Q8. [904768] **Chris Loder** (West Dorset) (Con): The Conservative police and crime commissioner in Dorset has delivered 174 new police officers, quadrupled the rural crime team and made Dorset the sixth safest county. Given that recorded crime is 34% higher under Labour police and crime commissioners, does the Prime Minister agree that only Conservatives can be trusted to keep local communities safe and to make sure that offenders face the justice they deserve?

**The Prime Minister:** My hon. Friend is right. It is a simple statement of fact: crime is lower in areas that have Conservative police and crime commissioners. I am delighted that Dorset has been selected as one of the areas to pilot our new immediate justice scheme, which will deliver swift and visible punishment, so that victims of antisocial behaviour know it will be treated seriously and with all urgency.

**Caroline Lucas** (Brighton, Pavilion) (Green): This Government's vile and immoral refugee ban Bill and the toxic language coming from the Home Office are not even dog-whistle politics; they are a giant hard-right foghorn, blasting out a poisonous "them and us" narrative. The Government plumbed new depths last week when the Minister for Immigration claimed that people trying to come to the UK

"tend to have completely different...values to those in the UK".

Can the Prime Minister explain what he thinks is so different about the values held by the people of war-torn Sudan, and what values are preventing him from creating a Sudanese family visa scheme, like he did for the people of Ukraine?

**The Prime Minister:** This country has a proud history of welcoming almost half a million refugees over the past several years, and we will always continue to do so, but our ability to do that is absolutely hampered when we have tens of thousands of people illegally crossing the channel every year. It is precisely because we want to help the most vulnerable people, whether they be in Syria, Afghanistan, Sudan or elsewhere, that we must get a grip of the problem, break the cycle of the criminal gangs, and target our resources and compassion on those who most need them.

Q9. [904769] **Saqib Bhatti** (Meriden) (Con): Thanks to this Conservative Government and £1.8 million from the brownfield land release fund, Conservative-led Solihull council is getting on with regenerating Kingshurst village centre, creating space for new businesses and new homes. When it comes to economic regeneration, none of the Opposition parties has a viable plan—not the Greens, not the Liberal Democrats and not the Labour party—and a Labour candidate has gone so far as to scare local people into thinking that the development will not go ahead, despite the spades in the ground. Does the Prime Minister agree that while the Opposition talk down opportunity and job creation, when it comes to investing in our community, it is only Conservative-led Solihull council that delivers for our people?

**The Prime Minister:** I agree with my hon. Friend and I am so glad to see the local Conservatives delivering for the people of Solihull, with dozens of new family homes, new flexible commercial space and a new integrated health, social care and community hub. As he says, it is clear that for his local area, only the Conservatives can deliver.

Q2. [904762] **Alan Brown** (Kilmarnock and Loudoun) (SNP): Mr Speaker, imagine seeing the car in front of you swerving erratically or braking suddenly for no reason, risking your car slamming into the back of it and endangering those daft enough not to wear seatbelts. These are not the actions of a drunk or reckless driver,

but my constituent's experience of using a Tesla in autopilot mode—software that is still in beta phase, but is deemed suitable for cars on our public roads. Will the Prime Minister meet me to discuss the issues with Tesla's autopilot, and will he instigate an urgent critical safety review of its suitability for operation and the licensing of it?

**The Prime Minister:** I am sorry to hear about what happened to the hon. Member's constituent. I will ensure that he gets a meeting with the Transport Secretary to discuss the safe regulation of autonomous and self-driving vehicles.

Q11. [904772] **Karl McCartney** (Lincoln) (Con): Labour-run City of Lincoln Council has destroyed the 40-year reputation of our city's Christmas market and the Christmas cheer that Lincoln benefits from annually. The dereliction of its role, in choosing to take the easiest option by cancelling the market behind closed doors and in secret, shows Labour's neglect and disregard for small local businesses, charities and entrepreneurs, and for voters. Labour councillors in Lincoln should be ashamed of their actions, and have rightfully been likened to the Grinch.

**Kevin Brennan** (Cardiff West) (Lab): Get on with it!

**Mr Speaker:** Order. Mr Brennan, I do not need you shouting from the back row. I have always offered a cup of tea to Government Members, but there is equally an opportunity for you to take one.

**Karl McCartney:** I thank the hon. Member for the extra minute he has given me.

**Mr Speaker:** I would not count on that.

**Karl McCartney:** Tomorrow, the people of Lincoln will have the chance to remove from office the anti-business socialist Scrooges and elect local Conservatives. Does my right hon. Friend the Prime Minister agree that for better-run local services—

**Mr Speaker:** Order. In fairness to the Prime Minister, I think the text went out, and I think he has got the answer. Come on, Prime Minister.

**The Prime Minister:** I share my hon. Friend's disappointment that after a decision taken by the Labour-run council behind closed doors, there will no longer be a Christmas market in Lincoln, ending its 40 years of history. Lincoln deserves better, and I urge the people of the city to vote Conservative.

Q3. [904763] **Vicky Foxcroft** (Lewisham, Deptford) (Lab): Ahead of tomorrow's local elections, I have been campaigning in Medway and Swindon. The word on the doorstep is that people are ready for a change, and will be switching their votes from the Conservatives to Labour. However, I am concerned that only 4% of those without valid ID have applied online for a voter authority certificate. Will the Prime Minister commit to a post-election review of how many people have effectively been disenfranchised by his Government's response to the virtually non-existent problem of voter fraud?

**The Prime Minister:** Mr Speaker, 98% of people already possess a suitable form of voter ID, and the Government made available free alternative ID for those who do not have it. The pilots have demonstrated that it has not significantly impacted turnout, and indeed, this was a policy that was introduced by the Labour party in Northern Ireland all those years ago. It is common in European countries, it is common in Canada, and it is absolutely right that we introduce it here too.

Q14. [904775] **Mr Gagan Mohindra** (South West Hertfordshire) (Con): Ever since being elected in 2019, I have been inundated with correspondence from my constituents in South West Hertfordshire, rightly complaining about huge speculative developments on our beautiful green-belt land. Lib Dem-controlled Three Rivers District Council continues to dither and to delay its local plan. Does the Prime Minister agree that the choice tomorrow is simple: vote Conservative to protect our green belt, or vote Lib Dem for massive developments on unspoilt land?

**The Prime Minister:** My hon. Friend raises an important point. It is always the same with Liberal Democrats, saying one thing and doing the other—we have all seen it. It is the Conservatives that are the party of local decisions taken by local people, and it is only the Conservatives that will protect the green belt.

Q6. [904766] **Mary Kelly Foy** (City of Durham) (Lab): Unable to secure an NHS dental appointment, my constituent Ray was forced to go private. It was then discovered that he had a large, aggressive tumour in his face and jaw, and 16 hours of gruelling surgery was required to remove it. If he had not been able to afford it, Ray might not be with us now. This is yet another chapter in the horror story that is the decay of dentistry on this Government's watch, so does the Prime Minister accept that NHS dentistry is in crisis, and will he meet me and the British Dental Association to ensure that no one loses their life because they could not get a dental appointment—yes or no?

**The Prime Minister:** I am sorry to hear what happened to the hon. Lady's constituent. That is why the NHS has recently reformed dental contracts to improve access. We now invest more than £3 billion a year, and there are more than 500 more dentists working in the NHS this year than last year. Discussions are ongoing between the Department of Health and Social Care and the NHS around dentistry, and DHSC is planning to outline further reform measures in the near future.

**Sir Geoffrey Clifton-Brown** (The Cotswolds) (Con): Every single young person who gets on the housing ladder under a Conservative Government makes our communities more sustainable. Does my right hon. Friend agree that in order to build the right type of housing and speed it up, we need to fund planning authorities properly through innovative funding?

**The Prime Minister:** My hon. Friend, as ever, makes an excellent point. That is why the reforms that we introduce will provide incremental resources to planning authorities to make sure that planning decisions can be taken quicker. Also, we have strengthened the ability of local communities to put in place local plans. That is the

best way for our towns, cities and villages to have control over development in their area and to make sure that it happens in the way they are comfortable with, and I know he is supportive of that too.

Q7. [904767] **Holly Lynch** (Halifax) (Lab): The recent ITV documentary, "Life and Debt: Stories from the Edge", followed Halifax mum Izzy. Her prepayment energy bills have tripled, and she relies on a local primary school, Ash Green, which is providing free breakfasts, budget cooking classes and a hardship fund for its families. When headteacher Mungo Sheppard is asked whether he worries about the children at his school when he goes home at night, he says:

"All the time. It never leaves you".

Does the Prime Minister think it is right that things are so bad that schools are having to become the fourth emergency service for the families they support?

**The Prime Minister:** Because of the actions we have taken, a typical family, including those like Izzy's, will be seeing half of their energy bills paid for by the Government. That support is worth £1,500, and it was extended in the most recent Budget. For the most vulnerable in our society, there is additional support, with £900 for those on welfare. Through the holiday activities and food programme, there is support for families with costs and food during the holidays. What I would say to Izzy and others who are in particular need is that they should talk to their council, because the Chancellor has provided more than £1 billion of funding to the household support fund. It is there to help families like that who need a little bit of extra assistance during this time.

**Sir John Whittingdale** (Maldon) (Con): As my right hon. Friend will be aware, today is World Press Freedom Day. At a time when the need for professional and factual journalism has never been greater, will he reaffirm the Government's commitment to defending media freedom worldwide? Will he redouble the efforts of the Government to obtain the release of Evan Gershkovich and Vladimir Kara-Murza in Russia, and of Jimmy Lai in Hong Kong?

**The Prime Minister:** The Government are committed to defending media freedom worldwide, because thriving independent journalism is one of the cornerstones of democracy. We absolutely condemn the politically motivated sentencing of journalists across the world, and our embassies and missions work every day to protect media freedom where they are based. I know that my right hon. Friend has been a right champion of that throughout his career, and I look forward to his continuing to champion it from a different perch, as I take rather fewer questions from him over the next few months from this position.

Q10. [904770] **Catherine McKinnell** (Newcastle upon Tyne North) (Lab): I want to thank our police forces, who I know will be working hard across the country this weekend to support the coronation events, but police numbers in the north-east are down 8% since 2010. I know that the Prime Minister is keen on his maths, so here is a sum: if Northumbria police has lost

1,000 police officers since 2010, but gained the funding to put back 615, by how much have the Conservatives short-changed the north-east?

**The Prime Minister:** As we saw last week, there is now a record number of police officers across the country thanks to the actions of this Government, and crime is 50% lower than it was when we took office. The hon. Lady talks about investing in the north-east. When we invested £20 million of the levelling-up fund in her constituency, she said it was “transformational”. She said it would play

“an important role in rejuvenating”

her local area. That is this Conservative Government delivering not just for the north-east, but for her constituents too.

**Ian Levy** (Blyth Valley) (Con): I was pleased to welcome the Secretary of State for Transport to Newsham recently to see the progress on the Northumberland line. Does my right hon. Friend agree that this Conservative Government—this Conservative Government only—are committed to the development of that line, keeping levelling up on track?

**The Prime Minister:** My hon. Friend has been a fantastic champion for the restoration of the line. Indeed, it was one of the first deliveries from the restoring your railways fund. It will be fantastic for his local communities because that connectivity will provide jobs, opportunity and employment, particularly for young people in his local area. After years, if not decades, of neglect, it is this Conservative Government who are delivering for the people in his local area.

Q12. [904773] **Rebecca Long Bailey** (Salford and Eccles) (Lab): Over 3.6 million women born in the 1950s had their pension age increased without their knowledge. Many, like my constituent, unknowingly gave up work at 60, only to realise they had no income, they could not pay their bills and some have even lost their homes. My constituent asks the Prime Minister: will he commit to the fair and fast payment of any compensation that is recommended by the Parliamentary and Health Service Ombudsman to 1950s women for the injustice they have suffered due to maladministration by the Department for Work and Pensions?

**The Prime Minister:** This issue has been long discussed in this place. Obviously, the hon. Lady knows that there is an ongoing process, which I cannot comment on, but rest assured that of course we will respond appropriately to any recommendations that come our way.

**Jane Hunt** (Loughborough) (Con): As asbestos awareness month comes to a close, I draw the attention of the Prime Minister to the dangers of asbestos in workplace buildings. Please will he back the “Don’t Let the Dust Settle” campaign from the Mesothelioma UK charity in

my constituency by setting up a register of all workplaces in the country that contain asbestos and determine a timetable for the eradication of this terrible substance?

**The Prime Minister:** May I thank my hon. Friend for raising this important issue? The law does require duty holders to assess whether asbestos is present, what condition it is in and whether it gives rise to a risk of exposure, and they must draw up a plan to manage that risk, which must include removal if it cannot be safely managed where it is located, but I commend her for her continued campaigning on this important issue.

Q13. [904774] **Munira Wilson** (Twickenham) (LD): Nick swims regularly in the Thames at Shepperton, but after a recent dip, he found himself hospitalised with cellulitis for 13 days. His doctors think this was caused by polluted water. What caused that polluted water? Well, Thames Water dumped filthy sewage nearby just days earlier. Will the Prime Minister tell Nick and everybody else: why does he think that it is okay for water companies to keep polluting our rivers for another 25 years?

**The Prime Minister:** It was just last week that it was clear that only one party will protect the environment, and that is the Conservative party. That is why we have given the Environment Agency more powers of enforcement, that is why we are moving to unlimited fines, and that is why we have a clear plan to increase investment and increase monitoring of sewage overflows. It was the rank cynicism and hypocrisy of the Liberal Democrats that they could not even show up to support those plans.

**Anne Marie Morris** (Newton Abbot) (Con): Newton Abbot constituents face hosepipe bans after torrential spring storms, and they are asking me why water catchment plans have not prevented this. Reservoirs, desalination plants and other natural catchment structures require siting where geography and geology allow. Is there a national strategy and implementation plan to increase water catchment and enable cross-water company water transfer to match regional demand to supply?

**The Prime Minister:** Water companies publish water resources management plans, which show how they will continue to provide a secure supply of water for customers. I understand that they have been consulting on their latest drafts of those plans. In my hon. Friend’s area of Devon and Cornwall, where temporary use bans are in place, the Department for Environment, Food and Rural Affairs and the water regulators are working closely with South West Water to ensure that the company is taking all appropriate precautionary action to ensure that water supplies remain resilient this year.

**Several hon. Members** *rose*—

**Mr Speaker:** That is all for now on Prime Minister’s questions.

## Points of Order

12.34 pm

**Shaun Bailey** (West Bromwich West) (Con): On a point of order, Mr Speaker. I get what time of year it is, and we all know the game, but sticking to the courtesies of this place outside the Chamber is important. The hon. Member for Birmingham, Edgbaston (Preet Kaur Gill) has appeared in my patch twice over the last two days, without giving me any notice. I made her aware yesterday of my intention to raise this point of order. She has not even deigned to respond to that in any way, shape or form, and I forwarded that notification to your office this morning. Mr Speaker, I anticipate what your response will probably be, and I appreciate that, but for the courtesy of Members of the House, will you restate the expectation of Members when they attend other constituencies in their capacity as Members of Parliament? We are a very welcoming place, but we want to make sure that everyone plays by the rules.

**Mr Speaker:** I am grateful to the hon. Gentleman for giving notice of his point of order. The booklet “Rules of behaviour and courtesies in the House of Commons” makes clear that Members should make “all reasonable efforts” to notify colleagues if they intend to visit constituencies, except on purely private visits. I have said that time and again to Members across the House. I know it is fever time at the moment, but please, they should show the respect that each Member is due by letting them know when a visit is taking place.

**Dawn Butler** (Brent Central) (Lab): On a point of order, Mr Speaker. My right hon. Friend the Member for East Ham (Sir Stephen Timms) asked the Prime Minister to correct the record as he misled the House last week—[*Interruption.*]

**Mr Speaker:** Order. We do not say that. He unintentionally or inadvertently misled it.

**Dawn Butler:** Okay, he inadvertently or unintentionally misled the House last week. Unfortunately, the Prime Minister has inadvertently misled the House this week when he claimed that the former Tory Prime Minister built more houses than the current Labour Mayor. Official statistics are not open to interpretation. Last year, the number of new homes in London was up 22% compared with the Tory Mayor’s final year. More than 23,000 new City Hall-funded council homes have been started since 2018, with more than 10,000 in the last year alone. Latest figures show that London started more than double the number of council homes last year than the whole of the rest of England, and Sadiq, the Labour Mayor of London, has delivered more than 10 times the number of the previous Tory Mayor—[*Interruption.*]

**Mr Speaker:** Please, I think I have got the message and I need to reply—[*Interruption.*] No, let me reply; it might be helpful to us all. I am grateful to the hon. Member for giving notice of her point of order. She will

know that the Chair is not responsible for a Minister’s answers. If an error has been made, it should be corrected—I make that very clear. It is not for the Speaker to determine whether an error has been made, but the hon. Member has, quite rightly, given us a fruitful line that has ensured that the point has been made correctly. I will therefore move on to the next point of order.

**Marion Fellows** (Motherwell and Wishaw) (SNP): On a point of order, Mr Speaker. Forgive my eagerness as I have never done this before, but today at Prime Minister’s questions I believe the Prime Minister inadvertently and unintentionally misled the House on the question of disadvantaged children in Scotland going to universities. The figures he used are simply the UCAS applications directly from school, but in Scotland, as I well know as a former further education lecturer, most disadvantaged children and adults go through the college route, whereby they can do a higher national certificate or higher national diploma, moving to first, second or third year of a university course, or join an access to higher education course at any time.

**Mr Speaker:** It is exactly as I said to the hon. Member for Brent Central (Dawn Butler). I am grateful to the hon. Lady for giving notice of her point of order, but I am not the one who makes such a determination. I say again that if an error has been made, I expect it to be corrected. The point is certainly now on the record.

**Yvette Cooper** (Normanton, Pontefract and Castleford) (Lab): On a point of order, Mr Speaker. During Prime Minister’s questions, the Prime Minister used a figure for crime that did not include fraud, even though that is the fastest-increasing crime and has been one of the most prevalent and damaging crimes. He has been repeatedly challenged on this but again used the figure without fraud, and he did so on the day on which he is supposedly launching a fraud strategy. Does that not show that the Government’s fraud strategy is actually a total fraud and a con? Do you think that the Prime Minister will be ready to correct the record?

**Mr Speaker:** I think that I have already answered that, but actually we have got a Minister who is itching to respond.

**The Minister for Security (Tom Tugendhat):** Further to that point of order, Mr Speaker. Thank you very much for allowing me to correct the record. The fact is, we were not counting fraud in 2010 when we took over the Government, so it is difficult to draw comparisons from before. What we have seen since, though, is a record number of police officers who are solving crimes. We have seen car crime down 22% since 2019, and neighbourhood crime and community crime down 50%. This is a success for the Government.

**Mr Speaker:** What I would say is, if research is going to take place, we ought to try to get the figures out correctly in the first place. Let us come to a more sedate moment and the ten-minute rule Bill.

## Greater London Authority Act 1999 (Amendment)

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

12.41 pm

**Theresa Villiers** (Chipping Barnet) (Con): I beg to move,

That leave be given to bring in a Bill to amend the Greater London Authority Act 1999 to give the Secretary of State power to review and overturn decisions made by the Mayor of London relating to transport and to air quality; and for connected purposes.

In my 18 years as MP for Chipping Barnet—I cannot believe it is so long—almost nothing has provoked such strong opposition as the Mayor of London’s plan to expand the ultra low emission zone. It comes up on almost every doorstep and at almost every meeting. People stop me in the street to tell me how strongly they feel about it, and over 50,000 have signed the Conservative petition. That is why I am bringing forward a Bill to give the Government power to overrule Mayor Khan and stop ULEZ expansion.

Of course, we need to continue to improve air quality in London, but this is the wrong scheme at the wrong time. The Mayor’s own integrated impact assessment concluded that ULEZ expansion is likely to have only a minor or negligible beneficial impact on air pollution, so it is completely unacceptable for a £12.50 a day charge to be levied on my constituents who are already grappling with the worst cost of living pressures for many years.

ULEZ has been tolerated in inner London because it has one of the most extensive public transport systems in the world. That is just not the case in the suburbs. In Barnet, and in other outer London boroughs, many of us depend on our cars for millions of journeys every year. For many of us, the nearest train or tube station is well beyond walking distance. The claim that the Mayor’s new orbital bus route, which, I would add, barely makes it into my constituency, can provide a viable alternative to suburban car travel is simply risible. The Mayor has already withdrawn vital bus services such as the 384 from certain streets and he is doing nothing to restore the cancelled 84 route. The reality is that ULEZ expansion to the Greater London boundary leaves my constituents facing the cost of buying a new vehicle, which many cannot afford, or paying an annual bill that could reach as much as £4,500 a year just to get about their own neighbourhood.

The scheme could devastate our local town centres in outer London as their regular customers stop coming because of the paywall that Mayor Khan is constructing around our capital. Small businesses will be hit hard. Many are already struggling to find compliant vans that are affordable. The Mayor’s grace periods, exemptions and scrappage scheme are narrowly drawn and frankly barely touch the sides of tackling the problem. Even those who do qualify find that the payments do not meet anything like the whole cost of a new vehicle.

Let us take the example of an emergency worker doing a night shift: they face the double whammy of a charge to travel to work and another after midnight to return home, meaning £25 just to do a shift. ULEZ

expansion will mean that public services in outer London, especially the care sector, find it even harder to hire the staff they need, since so many of the current workforce live outside London and drive in.

Driver and Vehicle Licensing Agency data indicates that there are over 690,000 non-compliant cars registered in London. That rises to over 850,000 when we count all vehicle types. The number will be higher still when we take into account people whose work or daily life means they need to come into London from neighbouring counties. And of course, they have no vote in a mayoral election—taxation without representation in a particularly blatant form.

Along with my constituents, residents across the London suburbs and bordering counties will be paying the price for Sadiq Khan’s wholesale mismanagement of Transport for London’s finances. He has been given a £6 billion bail-out by the Government and yet still, even with that, he wants to squeeze people for more charges and more fines, cynically disguised as air quality measures. We in this House have to be aware that if the Mayor is allowed to push this scheme through, it is only a matter of time before he hikes up the daily charge and imposes it on an ever wider range of vehicles as a stepping stone to the pay-per-mile road charging he would like to inflict on every single driver in London. That is why we need to stop ULEZ expansion now.

But ULEZ is not the only scheme that the Bill could give Ministers the power to review and potentially overturn: there are also streets shut off by low traffic neighbourhoods; road space lost to poorly designed and wrongly sited cycle lanes; inexplicable and seemingly pointless pavement extensions; and 20 mph limits on wide main roads. A range of policies are now being pursued that are manifestly and disproportionately anti-car. Some are led by the boroughs, but they all have the enthusiastic backing of the Mayor and many are funded by TfL. Schemes of this kind can be appropriate in the right setting and following meaningful consultation, but the Mayor of London just seems intent on making our capital city harder to get around. It feels like parts of London are being turned into a hostile environment for cars, vans and taxis. That damages productivity, prosperity and quality of life.

I support measures to make cycling easier and safer, but why remove swathes of road space in Park Lane for a segregated cycle lane when there is already a far more pleasant cycle lane through Hyde Park right next to the road? And why did it take two years of massive congestion on Euston Road for the Mayor to accept that his cycle lane there was a disaster and remove it? Why ban licensed taxis from Bishopsgate, one of our most important transport arteries since the Roman era? There seems to be no logic in the imposition of the 20 mph limits on major arterial routes such as Finchley Road and Park Lane, unless it is to soak drivers for the 1 million speeding fines that the Mayor is urging the police to issue. Add to that the Mayor of London’s attempt to build over station car parks and his increasing pressure in the planning system for so-called car-free developments to be built, and we have what looks like an ideological anti-car approach. Of course, there is merit in schemes that support a switch to cycling, walking and public transport, but the focus should be on improving services, not piling on new charges or arbitrarily removing chunks of our road network capacity.

There are also serious equality concerns. For many who are elderly or those who have reduced mobility, such as parents with young children, cycling may not be a practical option. The concerted push to restrict car and taxi access to road space harms those groups and can also have a negative impact on women's safety, because they force more women to walk home after dark.

In conclusion, I find it hard to believe that I have to restate this, but the car is a force for good in the world. Huge progress has been made in recent years in improving road safety and reducing emissions. Without cars, vans, lorries and taxis, our transport system would grind to a halt and our economy and our society would be paralysed. Cars help us live our lives in the way we want to. They keep us connected to friends and family. They make possible so much of what we enjoy; so much of what makes life worth living would be difficult or impossible without the freedom that driving allows us.

It is time for a reset. It is time to lift the stigma increasingly attached to driving. It is time to scrap anti-car ideology. It is most definitely time to stop ULEZ expansion and elect a Conservative Mayor of London.

*Question put and agreed to.*

*Ordered,*

That Theresa Villiers, Bob Blackman, Sir David Evennett, Sir Robert Neill, Bob Stewart, Elliot Colburn, Gareth Bacon, David Simmonds, Mr Louie French, Stephen Hammond, Sir Iain Duncan Smith and Mr Gagan Mohindra present the Bill.

Theresa Villiers accordingly presented the Bill.

*Bill read the First time; to be read a Second time on Friday 24 November, and to be printed ( Bill 302).*

## NATIONAL SECURITY BILL (PROGRAMME) (NO. 3)

*Motion made, and Question put forthwith (Standing Order No. 83A(7)),*

That the following provisions shall apply to the National Security Bill for the purpose of supplementing the Order of 6 June 2022 (National Security Bill: Programme) as varied by the Order of 22 September 2022 (National Security Bill: Programme (No. 2)):

### *Consideration of Lords Amendments*

(1) Proceedings on consideration of Lords Amendments shall (so far as not previously concluded) be brought to a conclusion two hours after their commencement.

(2) The Lords Amendments shall be considered in the following order: 26, 153, 22, 122, 1 to 21, 23 to 25, 27 to 121, 123 to 152, 154 to 174.

### *Subsequent stages*

(3) Any further Message from the Lords may be considered forthwith without any Question being put.

(4) The proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.—(*Steve Double.*)

*Question agreed to.*

## National Security Bill

### *Consideration of Lords amendments*

*King's and Prince of Wales's consent signified.*

**Madam Deputy Speaker (Dame Rosie Winterton):** I must draw the House's attention to the fact that financial privilege is engaged by Lords amendments 33 and 34. If they are agreed to, I will cause the customary entry waiving Commons financial privilege to be entered in the *Journal*.

### Clause 28

THE FOREIGN POWER CONDITION

12.52 pm

**The Minister for Security (Tom Tugendhat):** I beg to move amendment (a) to Lords amendment 26.

**Madam Deputy Speaker (Dame Rosie Winterton):** With this it will be convenient to discuss the following:

Lords amendment 26, and amendment (c) and Government amendment (b).

Lords amendment 153, and Government amendment (a).

Lords amendment 22, and Government motion to disagree.

Lords amendment 122, and Government motion to disagree.

Lords amendments 1 to 21, 23 to 25, 27 to 121, 123 to 152 and 154 to 174.

**Tom Tugendhat:** Let me start on a personal note by thanking the Clerk who is sitting in his place and congratulating him on becoming Clerk of the House. It is the first time that he has been in his place when I have spoken from the Despatch Box. He has been a friend for many years, so I am glad to have the opportunity to put on record that the Clerks keep us all on the straight and narrow, and in some cases get us out of rather a lot of trouble. I thank them very much indeed.

It is a pleasure to bring the National Security Bill back to this House. A number of changes have been made in the other place to improve it. The House will know the importance of the Bill: it gives our intelligence and security services, as well as law enforcement, a new toolkit to tackle state actors who threaten the safety and security of the United Kingdom. It also takes steps to prevent public funds from being given to those who could use them to support terror. As always, this Government have listened. I pay tribute to Lord Anderson and Lord Carlile for their work to improve the Bill—[*Interruption.*] I am glad to hear the acknowledgement from the Opposition Benches. That has improved the Bill for all sides.

We have heard the views of the other place, of industry and of many others, and we have focused the foreign influence registration scheme into a more targeted weapon against those who would do us harm. Arrangements to carry out political influence activity will now be registerable only when directed by a foreign power. Receiving funding from a foreign power, absent a direction, will not trigger a requirement to register under the scheme. For example, cultural institutes that make an important contribution

[Tom Tugendhat]

to life in the United Kingdom will not be required to register simply because they receive funding from a foreign power. That is in line with the original intention of the scheme.

Only where organisations or individuals are directed by a foreign power to carry out political activities will that arrangement need to be routinely registered. We will publish guidance to support understanding of the scheme and circumstances in which arrangements will need to be registered. It remains the case that criminal offences will be attached to failures to register.

The Government made a number of changes in the other place following concerns expressed about the Bill's potential impact on journalistic freedoms and other legitimate activity. I pay enormous tribute to Lord Black for his contribution to the debate. The Government are clear that the Bill's focus is on protecting the United Kingdom from threats from those acting against the UK's interests, not interfering with press freedom. The Lords amendments clarify the scope of offences and requirements in part 1. That includes amending the language in the phrase

"knows, or ought reasonably to know"

to put beyond doubt that it would need to be proved what an individual knew rather than capturing individuals acting unwittingly. That applies in every instance when the phrase appears in the Bill, including in the foreign power condition.

Further drafting changes have been made, including to clarify the scope of the offence of assisting a foreign intelligence service and the meaning of foreign power threat activity.

**Martin Docherty-Hughes** (West Dunbartonshire) (SNP): Does the Minister agree that we must exclude assistance in torture from the scope of defence, to protect people such as my constituent Jagtar Singh Johal, who was repeatedly electrocuted and threatened with being set alight by the Government of India?

**Tom Tugendhat:** The hon. Member will know that that is a matter for the Foreign Office in its dealings with other states. The Bill does not in any way erode any of the protections under the European convention on human rights, including the right not to be tortured.

We are pleased that the chief executive officer of the News Media Association Owen Meredith said in response to the Government's changes that he welcomed

"the government's reassurances that journalism will not be criminalised under this new national security regime."

That is absolutely correct. It will not be, and it is not the Government's intention that it should be. The media sector recognises the balance that the Government have struck between protecting press freedoms and safeguarding national security.

We have also taken on board the concerns of the Intelligence and Security Committee of Parliament, which I thank for the incredibly constructive and supportive manner in which it has engaged on the Bill. In response, the Government have changed the Serious Crime Act 2007 amendment from non-application of the offences to a defence. We believe that the amendment strikes the right balance. It ensures that the dedicated individuals

in the intelligence and security services can carry out activities to support our foreign partners, but that there can be proper legal consideration of any potential wrongdoing.

The Bill is now in a strong position. We have effective tools and powers to tackle hostile activity on British soil or that is against the UK's interest, done for or on behalf of, or with the intention to benefit, foreign states. We have a thorough transparency scheme designed to ensure that we know who is influencing our politics. Under the enhanced tier of the foreign influence registration scheme, we have the ability to specify states and entities and thereby require the registration of activities to protect the safety or interests of the United Kingdom. We also have the means to prevent the exploitation of the UK's civil legal aid and civil damage systems by convicted terrorists.

**Stephen Doughty** (Cardiff South and Penarth) (Lab/Co-op): I have raised on a number of occasions in debates and Committees the use of cryptocurrencies, and cryptocurrency mixers in particular, to facilitate the activities of hostile state-sponsored activities in a number of countries. The US Treasury acted against a number of the so-called mixers back in August last year. Despite raising that on a number of occasions, I am yet to receive clarification on what we are doing to ensure that cryptocurrency is not used to facilitate hostile state activities, as has been done in sums of billions.

**Tom Tugendhat:** The hon. Gentleman, who is a friend, is right to highlight this issue as it is true that cryptocurrency can be used in such ways. I urge him to look at the Economic Crime and Corporate Transparency Bill, which we are taking through the House. Naturally, the National Security Bill does not cover every element that we are using to ensure the protection of the United Kingdom; there are many other Bills, which work together as a woven fabric of defence. Cryptocurrency is one aspect of the Economic Crime and Corporate Transparency Bill, which my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) is leading on. That Bill is making its way through the House and will address some of the hon. Gentleman's concerns.

Turning to amendments 22 and 122, the Government have set out clear reasons why we will not accept either amendment. I know that my right hon. Friend the Member for New Forest East (Sir Julian Lewis) will be making an intervention about this later in the debate. We have set out the reasons why we will not accept the amendments, which were made clear in the other place.

Amendment 22 would introduce a requirement for political parties to

"publish a policy statement to ensure the identification of donations from a foreign power".

Upon receipt of a donation, political parties are already required by law to verify whether they are or are not from a political source. Donations that do not meet the permissibility tests or are unidentifiable must be returned and reported to the Electoral Commission. If political parties fail to do that, their treasurers face being sent to jail. They risk the reputations of their staff and their elected representatives being shredded. There is already a strong incentive for parties to ensure that donations come only from permissible donors.



**Sir Chris Bryant** (Rhondda) (Lab): But earlier the Minister was praying in aid Lord Carlile, saying what a wonderful job he had done in helping the Government to bring forward wonderful amendments. This is one of his amendments, so it seems a bit odd to turn against this one.

On the point the Minister just made about permissible donors, all that has to be checked is whether the person is on the electoral register. The Elections Act 2022 has added to the register 3.5 million people who do not even live in this country. All that political parties presently have to do is check whether somebody is on the electoral register. I do not think that safeguards our elections from interference from those who would wish us ill.

**Tom Tugendhat:** The hon. Member has formerly been very kind about the work that we have done together, such as on the Foreign Affairs Committee and on other appointments. He has agreed with me on some areas and disagreed on others. It cannot be an enormous surprise to him that I agree with Lord Carlile on some areas and disagree with him on others. Frankly, that is the nature of parliamentary work, as the hon. Gentleman knows better than anyone.

As for the hon. Gentleman's point about foreign registrations, those are of British citizens living abroad. Those are the only terms on which people are registered to vote on our electoral register. It is not right to say that those are a random 3.5 million people; that is certainly not true. They are British citizens and therefore their donations are as valid as their votes.

The Government recognise that there are risks. That is why it is already an offence to attempt to make a donation by concealing information, giving false information or knowingly facilitating the making of an impermissible donation. Where the foreign power condition is met in relation to a relevant electoral offence, as set out in schedule 1 to the Bill, clause 16 provides for a substantially increased maximum penalty: where a one-year sentence previously applied, that has been increased to four years; and two-year sentences have been increased to seven years. These relevant electoral offences include offences of undue influence, for which the maximum sentence has been increased to seven years, and making a false declaration about the source of a donation, for which the maximum sentence has been increased to four years.

Indeed, the Government have already taken action. The Elections Act 2022 tightened the law to close loopholes on foreign spending. The Electoral Commission is also being given more powers to access Companies House information, through measures under the Economic Crime and Corporate Transparency Bill. That will allow the Electoral Commission to undertake the proper targeted and proportionate checks.

For absolute clarity, donations to political parties from foreign powers, made directly or indirectly, are not permissible. The amendment places new requirements on minor parties, who are not subject to any other financial reporting requirements at this time, as they can contest only local and parish elections. The amendment would therefore place huge administrative burdens on small, grassroots political campaigning and would punish grassroots democracy.

It is not clear how the proposals would work in practice. Political parties are not banks; rightly, they do not have access to individuals' financial records. They are not His Majesty's Revenue and Customs; they do not have access to tax records. They do have access to the electoral roll and to Companies House, which they are already obliged to check. The Electoral Commission already publishes guidance on these legal duties. Indeed, political parties must already report all larger donations to the Electoral Commission, which are then published online for public scrutiny.

**Martin Docherty-Hughes:** Is the Minister saying that small grassroots organisations, many of them associational organisations that may be registered charities in England and Wales, Scotland or Northern Ireland, are not capable of filling out an extra form to make sure that they are not being utilised by foreign states?

**Tom Tugendhat:** The hon. Member underplays what the amendment would do. It would be much more than simply filling in a form and would place a greater burden of a need to check, which would be a major requirement for small political parties and grassroots organisations. I am surprised that he, as a champion of local democracy, would require smaller parties to do that.

As I have said, Lords amendment 22 is not needed. The law already makes robust provision in relation to donations to political parties. Foreign donations are banned. It is an offence to accept them and there are strong rules safeguarding against impermissible donations via the backdoor. Parties can accept donations only from permissible donors. As such, the Government will not accept the amendment.

Amendment 122 imposes a duty on the Prime Minister to amend the memorandum of understanding between the Prime Minister and the Intelligence and Security Committee to account for changes to intelligence or security activities

“as a result of this Act”.

It also requires engagement on these revisions to begin within six months of the Act coming into force.

The power to make revisions to the MOU between the Prime Minister and the ISC is not limited to changes resulting from a specific piece of legislation. Adding the amendment risks creating the erroneous impression that explicit legislative provision is required in order for the ISC to propose amendments to the MOU. Further, the power to amend the MOU is already included in the Justice and Security Act 2013. I would be happy to meet with the chair of the ISC, my right hon. Friend the Member for New Forest East, on this matter. Indeed, we have spoken about that in the past.

**Sir Julian Lewis** (New Forest East) (Con): I am grateful to my right hon. Friend—and he is a friend—who I know is saying what he has to say. We know that the memorandum of understanding can be amended as developments in the organisation of Government require it to be amended, but the trouble is that the Prime Minister has been reluctant to amend it and it is not being amended. The reason this amendment was introduced in the other place is to force the Government to do what they should be doing voluntarily.

**Tom Tugendhat:** As usual, my right hon. Friend makes his point cogently. In reality, the MOU requires amendment because the nature of the Government has changed. He is absolutely right that we need to ensure that the House is able to scrutinise the Government on areas where intelligence and security information is required. I agree that that update needs to be made, but I disagree that this is the place to do it or that it should be done in legislation, for the reasons of flexibility that we have already discussed. I know that he will be making his case powerfully to the Prime Minister, and no doubt to other Ministers, to make sure that the updates required to make sure scrutiny is observed are followed through.

Finally, I turn to the amendment to the Serious Crime Act 2007 tabled today, which largely speaks for itself. It clarifies the application of the new defence, which will apply to

“the proper exercise of a function of the armed forces”

only when relating to intelligence. This addresses concerns raised in the other place about the scope of armed forces activities that may have been covered by the defence. It builds upon the amendment tabled by Lord Anderson on Report in the Lords and the commitment made in the other place to bring forward a similar amendment. I am glad that we can bring it forward today.

The ISC has heard and accepted the operational problems caused by the application of the SCA offences. I believe the new SCA defence, and today’s amendment to it, satisfy the concerns of the United Kingdom intelligence community, the armed forces, the other place and this House. I therefore ask the House to support the Government amendment. Let me again thank the Intelligence and Security Committee for its co-operation and help in improving the Bill.

As the House will know, the Government have also tabled a minor amendment to the foreign influence registration scheme, designed to ensure parity across the devolved Administrations in respect of the public officials covered within the meaning of political influence activity.

This Bill is a groundbreaking piece of legislation that will revolutionise the tools and powers available to the police and our intelligence agencies, so that they are equipped to keep us safe.

**Stephen Doughty:** Will the Minister give way again?

**Tom Tugendhat:** I will, because the hon. Gentleman is an old friend.

**Stephen Doughty:** The Minister will be aware of Lords amendment 130, which relates to the sovereign base areas of Akrotiri and Dhekelia. He will also be aware of the concern that has been expressed about the possible unintended consequences of the Bill. Those bases are critical to UK national security, as is our relationship with the Republic of Cyprus, which a close friend of many in the House. Will he say a little about where the discussions have got to, and whether there will be a good conclusion?

**Tom Tugendhat:** The hon. Gentleman has tempted me to approach the issue a little early in my speech, but let me put this firmly on the record. I have met the high

commissioner of Cyprus, and my right hon. Friend the Foreign Secretary has spoken to its Foreign Secretary. I want to make it clear that any references in the Bill to the sovereign base areas of Akrotiri and Dhekelia shall be in accordance with the 1960 treaty concerning the establishment of the Republic of Cyprus, shall not affect the status of the sovereign base areas as defined in the treaty, and will not in any way undermine its provisions. References to the sovereign base areas in the Bill in no way indicate a change in UK policy towards their governance. I hope that is extremely clear.

If we had these powers now, I would already be encouraging the police to use them against those who side with our enemies. As always, I want to share my admiration and appreciation for the services, their work and all their efforts that so often go unseen, although the impact does not go unnoticed. I hope that right hon. and hon. Members will support the Government’s changes, and our opposition to the amendments relating to the ISC and political party donations.

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

**Holly Lynch (Halifax) (Lab):** We on the Labour Benches are in no doubt about the importance of the Bill. Transnational repression and interference from hostile state actors and their proxies are testing the UK’s defences as never before. As the global landscape continues to change at a staggering pace, interference from countries that do not share our values is nothing new. However, the breadth and enduring nature of the threats we are now facing is a contemporary challenge, combined with the technology and methods used by those seeking to undermine us, which are new and enhanced.

Today is World Press Freedom Day, giving us a chance to recommit ourselves to defending press freedom, but also to acknowledge that many of the threats to which our security services and counter-terrorism police are responding here in the UK relate to the protection of journalists, from the—thankfully disrupted—assassination and kidnap plots against UK residents who are perceived as enemies of Iran owing to their coverage of the protests and the regime’s brutal crackdown, to the unacceptable harassment reported by Caoilfhionn Gallagher KC and her colleagues acting on behalf of the British national Jimmy Lai, the pro-democracy newspaper owner currently detained in Hong Kong. We must challenge that overseas and refuse to tolerate it here.

We have always understood that we need the new provisions in the Bill, but the Minister will understand where I am coming from when I say that this has been far from a shining example of best practice in passing legislation. The churn in the Government since the Bill was tabled in May last year, coupled with the late and lengthy additions to it, has meant that scrutiny has been truncated on occasion, but it is all the more crucial as a result. It is unusual for a Bill to come back from the other place with—if I am not mistaken—no fewer than 117 Government amendments, but that is why I, like the Minister, am particularly grateful to our colleagues at the other end of the building, where operational expertise in particular has had a positive impact in shaping and sharpening these measures to ensure that they deliver the protections we need and the safeguards we can all trust.

1.15 pm

Let me begin by discussing the Government amendments, secured in the House of Lords, that amend the foreign influence registration scheme, which is a case in point. It constitutes a comprehensive section of the Bill, but provisions on it were not tabled until the final stages of the Bill Committee in the House of Commons. It was a recommendation in the Intelligence and Security Committee's Russia report, and it is something that we have consistently supported in principle. As the Minister knows, however, it will require a degree of fine tuning to get the balance right. We are broadly supportive of the plethora of Government amendments, given that scrutiny in the House of Lords has brought about some of that fine tuning. We look forward to further guidance on this, and will work with the Government to ensure that we capture what we need to capture without impeding genuine activity and interactions that are benign to national security.

I welcome the fact that the Government have listened to journalists' concerns by clarifying the scope of offences in part 1, and the fact that part 1 will be subject to oversight as a consequence of Lords amendments 33 and 34, which was an ongoing ask from the Labour party throughout the Bill's passage in the House of Commons.

As the Minister knows, we also had serious concerns about the Bill's changes to the Serious Crime Act 2015, outlining our reasons in detail at this Dispatch Box and in Committee and voting to remove that clause on Report having been unable to shift the Government's position. I am therefore pleased that Lords amendment 26 means that clause 28 has been significantly reshaped with, I understand, some assistance from the Intelligence and Security Committee. We pleaded with the Government to engage in that dialogue, and I thank all those, in this place and outside, who helped to bring clause 28 to a much better place. However, I understand the points raised by the right hon. Member for Orkney and Shetland (Mr Carmichael) in his amendments. I therefore invite the Minister to put on record once more the Government's commitment to the Fulford principles, and to stress that

"The UK Government does not participate in, solicit, encourage or condone unlawful killing, the use of torture or cruel, inhuman or degrading treatment...or extraordinary rendition. In no circumstance will UK personnel ever take action amounting to torture, unlawful killing, extraordinary rendition, or CIDT."

Lords amendment 122, tabled by Lord Coaker, will introduce a duty to update the Intelligence and Security Committee's memorandum of understanding to reflect the provisions in the Bill. This follows a recommendation made by the ISC in its 2021-22 annual report. As noted in the report, during the passage of what became the Justice and Security Act 2013, the then Security Minister told Parliament that it was

"the intention of the Government that the ISC should have oversight of substantively all of central Government's intelligence and security activities to be realised now and in the future."—[*Official Report, Justice and Security Public Bill Committee*, 31 March 2013; c. 98.]

Ten years on, intelligence and security activities have continued to fall under the remit of different policy Departments, yet those Departments have not been added to the ISC's memorandum of understanding. I think it fair to say that as a result, the ISC is not functioning as originally intended. Indeed, one of the

starkest revelations from the report is that although, in the 20 years following the ISC's establishment in 1994, the ISC met the Prime Minister annually to discuss its work, the ISC has not been able to secure a meeting with a Prime Minister since December 2014. There have been five Prime Ministers in the intervening time.

**Sir Julian Lewis:** For the record, I think I should say that during her very short tenure the current Prime Minister's immediate predecessor, my right hon. Friend the Member for South West Norfolk (Elizabeth Truss), did offer to come and meet the ISC. I hope that is an example that her successor will follow soon, but we are waiting for a similar commitment to be made.

**Holly Lynch:** I am grateful to the Chair of the ISC for that clarification. It was indeed a short tenure, and we will never know whether that meeting would have come to fruition, but I hope the spirit was there then and is continued. Beyond the spirit, however, let us hope that we can nail down some of this today.

It has been argued that Select Committees should instead have primacy in fulfilling the role. Pages 42 and 43 of the annual report list numerous Departments that have various security and intelligence functions that they are expected to oversee. However, these Committees, while no doubt providing robust scrutiny, simply do not have the same powers and security clearance as the ISC members and so cannot fulfil that duty to the same level. The Minister might well say that this amendment is not required, but the problem remains, as we have already discussed, and there is a need to address the issues raised by the ISC's most recent report, so I look forward to the Minister reflecting once again on his position on that in his closing remarks.

Lords amendment 22, tabled by Lord Carlile, to whom we have already paid tribute today, enjoyed broad support in the other place. The amendment would require UK political parties to publish a policy statement to identify donations from foreign powers, either directly or indirectly. Moreover, the amendment would bind political parties to making an annual statement of risk management to the Electoral Commission and create a duty for the Secretary of State to publish guidelines on these provisions. In the most recent annual threat update, the director general of MI5, Ken McCallum, said:

"We see the Chinese authorities playing the long game in cultivating contacts to manipulate opinion in China's favour—seeking to co-opt and influence not just prominent Parliamentarians from across the political landscape, but people much earlier in their careers in public life, gradually building a debt of obligation."

We know that offering donations to individuals and political parties is unfortunately a tried and tested approach used by hostile state actors. That is not in doubt. The Minister might tell me that Lords amendment 22 is unnecessary and that it is covered by other provisions, but can he tell me that those other provisions are effective and that dirty money, with a price attached, is not finding its way into our system and our democracy? The need for such provisions is both pertinent and serious. In 2020, a report by the Intelligence and Security Committee found that members of the Russian elite linked to Putin had donated to UK political parties.

This amendment would also guard against undue Chinese influence. The Minister was in Belfast when we had an urgent question in the House in April on Chinese

[Holly Lynch]

police stations in the UK—the second urgent question on that issue. The shadow Home Secretary, my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper), stated that it had been reported in *The Times* that

“a Chinese businessman linked to an alleged Chinese secret police station in London has attended Chinese Communist party political conferences, is linked to the united front work department and has organised Tory party fundraising dinners and attended events with Conservative Prime Ministers.”—[*Official Report*, 19 April 2023; Vol. 731, c. 248.]

Just last month, the Good Law Project published damning revelations that since the start of Russia’s invasion of Ukraine in 2022 the Conservatives had accepted at least £243,000 from Russian-associated donors, some of whom were linked to sanctioned businesses and organisations.

The Electoral Commission has produced a helpful briefing on Lords amendment 22. It states:

“Enhanced due diligence and risk assessment processes would help campaigners identify foreign money, identify potential proceeds of crime, and establish a culture of ‘know your donor’ within parties—similar to the ‘know your customer’ approach, encouraged through Anti-Money Laundering regulations for the financial sector.”

It goes on to stress:

“These requirements could be introduced in a way that recognises the need for proportionality”—

this speaks to the Minister’s concerns—

“with different requirements depending on the size of a regulated entity’s financial infrastructure, or the size of a donation, to prevent the checks becoming a disproportionate burden on smaller parties and campaigners.”

Spotlight on Corruption argues:

“The rules that are supposed to prohibit foreign donations—in the Political Parties, Elections and Referendums Act 2000—are riddled with loopholes which enable foreign money to be channelled to political parties and MPs through lawful donors.”

The Committee on Standards of Public Life, in its 2021 “Regulating Election Finance” report, recommended that laws should be updated and that

“parties and non-party campaigners should have appropriate procedures in place to determine the true source of donations. Parties and campaigners should develop a risk-based policy for managing donations, proportionate to the levels of risk to which they are exposed”.

There is an evidence base for such action. We know that the risk is there, and this is a rational and proportionate response to that risk. If the Minister and the Government reject these proposals, the electorate will draw their own conclusions as to why.

I have set out the case for the Lords amendments before us today. Before closing, I want to join the Minister in paying tribute to the incredible work that our security services and police forces do every day. We very much recognise that the additional tools in the Bill will assist them in that important work. We have not agreed with every detail of the Bill, but I am pleased that we have made a great deal of progress in the areas where we have had differences. We are in no doubt that many of the new powers within it are necessary and needed urgently. I hope that the Minister will be persuaded by the arguments he has yet to hear in the Chamber today, and that he will reflect again on the merits of Lords amendments 22 and 122.

**Madam Deputy Speaker (Dame Rosie Winterton):** I call the Chair of the Intelligence and Security Committee.

**Sir Julian Lewis:** It is clear from the opening contributions of both Front Benchers that there is a considerable degree of common ground on this legislation, and I would like to congratulate both of them on the way they have made their presentations. The Intelligence and Security Committee strongly welcomes the National Security Bill. The Committee has long called for reform of the Official Secrets Acts regime and highlighted the grave dangers posed by hostile state actors to the UK’s national security. Most recently, as we have heard, the ISC’s Russia report of 2020 made it clear that the Official Secrets Acts regime was outdated and not fit for purpose. It recommended that new legislation be urgently introduced to provide new tools to help our law enforcement and intelligence community, who work tirelessly to defend the UK’s national security.

The Bill modernises the Official Secrets Acts espionage regime and creates important new offences such as sabotage, foreign interference and assisting a foreign intelligence service. As recommended in the ISC’s Russia report, the Bill also creates the long-awaited foreign influence registration scheme. That must be a cause of particular satisfaction to the Minister for Security, my right hon. Friend the Member for Tonbridge and Malling (Tom Tugendhat), who strongly promoted that policy during his very successful term as Chair of the Foreign Affairs Committee.

Together, these changes will increase the transparency of those threats and help to make the UK a more difficult operating environment for foreign intelligence services to act. They will help to deter hostile foreign powers from undertaking harmful activities and disrupt them at a much earlier stage. There have been several justified concerns about the way in which the Bill was handled, but after considerable scrutiny, especially in Committee and in the upper House, it has been greatly improved.

**Theresa Villiers (Chipping Barnet) (Con):** I very much agree with everything my right hon. Friend has said. Does he agree that we will need to look at further reform of the Official Secrets Act 1989 in order to complete the excellent reform process in this Bill?

**Sir Julian Lewis:** I am extremely grateful to my right hon. Friend, a fellow member of the Committee, because that is one of the points I am about to come to and it is good to have it reinforced by someone with her status and experience.

We were very engaged in the legislation and three members of the Committee formed part of the Commons Bill Committee. Since then, the Committee has considered classified information on behalf of Parliament from the Government and held constructive sessions with the intelligence community to explain the rationale behind important parts of the Bill, such as clause 31 as it now is—it was previously clause 28. We have focused on ensuring that the Bill is as effective as possible in providing the intelligence community and law enforcement with the required tools while incorporating the necessary safeguards.

**Martin Docherty-Hughes:** The right hon. Gentleman is highlighting what he sees as benefits, but does he agree that clauses 85 to 88 will mean any British Government could avoid paying damages in cases where the secret intelligence services have arbitrarily handed a UK citizen into the detention of a friendly state that goes on to torture them? Surely being liable for playing a part in the torture of a UK citizen is not a good way to do intelligence.

1.30 pm

**Sir Julian Lewis:** My understanding of the legislation—someone from the Intelligence and Security Committee is due to speak after me who has a better perspective of the detail of this than I have—is that there are safeguards against anything that could possibly be used to justify or facilitate torture. This was debated in considerable detail in Committee, and I am concerned that the hon. Gentleman, for whom I have a great deal of respect from our time together on the Select Committee on Defence, still feels that the safeguards may not be strong enough. Perhaps we will hear from him later.

We are pleased to see that the Government have incorporated various changes recommended by members of the Intelligence and Security Committee, including on strengthening the Bill's independent oversight provisions and replacing the "exemption" under clause 21 with an improved "defence", with stronger safeguards and accountability provisions.

As my right hon. Friend the Member for Chipping Barnet (Theresa Villiers) flagged a moment ago, there has been a missed opportunity, namely the failure to reform the 1989 Act. As the ISC has said since the Bill's introduction, it does not go far enough, despite reforming the espionage regime under the OSA, because it fails to reform the 1989 Act, as both we and the Law Commission recommended. That is despite a previous Government commitment that reforming the 1989 Act would be a key part of the Bill. This means the problems with the 1989 Act, which the Government have already acknowledged, will persist. Among those problems is the requirement to prove that damage has been done by unauthorised disclosures, which acts as a barrier to prosecution because showing that disclosures have done damage risks increasing the damage.

The recommendations include increasing the two-year maximum sentence, which we feel is clearly insufficient to deter or to respond to the most serious unauthorised disclosures. Will the Minister commit to introducing legislation to reform the 1989 Act in this or the next parliamentary Session? I would like an answer either now or at the end.

**Bob Stewart** (Beckenham) (Con): The problem is that classified information sometimes has to be used to prove something like this, and it is just not acceptable to use classified information in an open court.

**Sir Julian Lewis:** My right hon. and gallant Friend underlines my point, which is that, in proving damage has been done, the mere fact of displaying why something has been damaging can increase the damage and adverse impact by many multiples.

Both Front Benchers focused on Lords amendment 22, on foreign interference in elections, and Lords amendment 122, on the duty to update the MOU of the ISC. Like Admiral Lord West, who spoke in favour of Lords amendment 22

on the ISC's behalf, I firmly support the introduction of the proposed new clause, which would help to increase the transparency and accountability of our political system. The ISC's Russia report of 2020 recognised that the UK has clearly welcomed Russian money, including in the political sphere. It found that several members of the Russian elite with close links to Putin have been identified as being involved with political organisations in the UK, including by making large donations to political parties. That clause would require a UK-registered political party to create a policy statement, and to provide the Electoral Commission with an annual statement of risk management, identifying how risks relating to donations from a foreign power are being managed to ensure such donations are properly identified. This should not be controversial, and it is still not clear, despite the Minister's best efforts, why the Government would wish to oppose that clause. Indeed, the Government said in the other place that the current electoral finance legislation is sufficient.

Several Lords also noted that, unlike companies or charities, political parties do not have to examine the source of the funds they receive. As those Lords explained, that means it is perfectly possible for companies to make significant donations to political parties despite clearly not making operating profits—so with limited explanation of how they can afford such donations or where the money comes from. That means that, unlike companies and charities, there is no enhanced due diligence even when a donor is operating from a high-risk country listed in terrorism-financing or money-laundering legislation.

As was also suggested in the other place, incorporating this modest amendment would mean that political parties develop a culture of knowing their donor, just as companies, particularly financial and legal entities, are required to know their customer. It is entirely appropriate for political parties to do more to determine the source of donations. The additional measures proposed would not be onerous. Lords amendment 22 is eminently reasonable, and it should not be controversial for political parties to want to ensure the transparency of their foreign political donations. We must protect against covert, foreign state-backed financial donations if we are to defend our democratic institutions from harmful interference and influence.

**Alison Thewliss** (Glasgow Central) (SNP): I absolutely agree that we should be guarding against this. Does the right hon. Gentleman agree there is also a problem with incorporated associations that donate money? It is very difficult to trace where the money has come from, despite the efforts of organisations such as openDemocracy.

**Sir Julian Lewis:** I agree that it will always be difficult to man the defences sufficiently against people who apply great ingenuity and unscrupulousness in finding their way around such defences. Perhaps we should bear in mind—I say this in the context of British politics, rather than anywhere else—that, so long as we have an adversarial political system, parties that accept what we might dub "dirty donations" will be found out if their opponents are doing their job properly; or if they are not absolutely proven to have accepted money from unacceptable sources, they will still suffer general reputational damage that will not do them any favours when people cast their vote. It is very much in the interest of political parties to make sure their funds come from clean and acceptable sources.

[*Sir Julian Lewis*]

In turning to Lords amendment 122, on the duty to update the Intelligence and Security Committee's memorandum of understanding, I can almost hear an under-the-radar groan in the Chamber because this subject keeps coming back in one Bill after another. It featured prominently during our consideration of the National Security and Investment Act 2021, and I fear this will continue until the matter is resolved. People might be forgiven for saying, "Isn't this all a bit unimportant, a bit introspective and a bit self-regarding of the Intelligence and Security Committee?" In our defence in insisting that the matter needs to be sorted out, I quote none other than Lord Butler of Brockwell, who, as Robin Butler, was one of the most revered Cabinet Secretaries in recent political history. In the debate on the matter in the House of Lords, he said that "the consequence" of the way the Government have been behaving

"is that in recent times the Intelligence and Security Committee of Parliament has not been used for the purpose for which it was set up.

If the Government are not going to use the Intelligence and Security Committee properly, they should save money and abolish it. But, of course, they will not do that because Parliament set it up, Parliament thinks it is important that this House and the House of Commons should have some insight into intelligence operations, and it would be unacceptable for the Government to abolish it. But they must choose either to abolish it or to use it properly. If they are to use it properly, they must update the memorandum of understanding and, as the noble Lord, Lord West, said, use it for the purpose for which Parliament intended: to give oversight by people who are fully screened within the ring of secrecy to report to Parliament. I think this is a much more important amendment than the face of it suggests."—[*Official Report, House of Lords, 7 March 2023; Vol. 828, c. 745-46.*]

When someone of Lord Butler's stature makes those remarks, we can be justified in continuing to focus attention on this matter.

**Sir Jeremy Wright** (Kenilworth and Southam) (Con): Does my right hon. Friend agree that one curiosity of this debate is that earlier this afternoon the Minister referred with approval, as did the shadow Minister, to the ISC's work in attempting to seek a resolution of the problems we all found with clause 28? Does that not demonstrate that the ISC's remit matters because, if nothing else, the Government sometimes find it a useful institution to help to resolve this kind of problem?

**Sir Julian Lewis:** Absolutely. My right hon. and learned Friend is far too modest to say that his input, as a former senior Law Officer of this country, to the changes that were made was of extreme importance and assistance to the Government.

**Bob Stewart:** In short, we have to revise the MOU because at the moment we on the ISC cannot do our job properly and it is a job that everybody in this Chamber wants us to do.

**Sir Julian Lewis:** I am grateful for that strong support. It should not have been necessary for people in the upper House to bring forward a legal requirement to update the MOU. For the benefit of people not buried in the intricacies of these arrangements, let me say that the MOU means that at any one time an exchange of letters between me, as the Chairman of the ISC, and the

Prime Minister can modify the range of organisations that the ISC has the right to scrutinise. As we will be hearing in a few moments, that is because when that arrangement was initiated, it was recognised that from time to time changes in the structure of Departments mean that different parts involving classified intelligence-related activities would pop up here and there in different Ministries, so we would need an ability to adjust the MOU to approve our scrutinising the classified parts of those activities. That is precisely because ordinary—I know that my colleague on the Front Bench does not like my using that word—departmental Select Committees are not able effectively to scrutinise highly classified material in any systematic way. If they were, it would not have been necessary to set up the ISC in the first place.

**Owen Thompson** (Midlothian) (SNP): As a relatively new member of the ISC, I am finding it extremely perplexing to try to understand why the Government have such a resistance to updating the MOU. Does our Chair agree that it would be particularly useful if the Minister gave his commitment to backing the Committee's calls to update the MOU, using his good offices, and to trying to move that forward as quickly as possible? Like others, I can find little understanding of why the Government would be so resistant to doing that.

**Sir Julian Lewis:** I am very grateful for the hon. Gentleman's support and I take this opportunity to pay tribute to both him and his predecessor for making an extremely valuable and valued contribution to the Committee. We draw such authority as we have from the fact that party politics does not enter into our work. I think I heard the Security Minister say that he accepted that the MOU needs to be updated—

**Tom Tugendhat** *indicated assent.*

**Sir Julian Lewis:** I see that he is nodding. Should he wish to elaborate on that a little more, that would be even more welcome.

1.45 pm

I had better move on, because we are in a time-limited debate and I still have a little way to go. Let me set out the background by saying that the new clause proposed by Lords amendment 122 would update the ISC's remit to ensure that it has the power effectively to scrutinise intelligence and security activity that takes place across Government under the new national security regime, not just in the seven organisations already listed in our MOU. The MOU sits under the Justice and Security Act 2013, and it outlines our remit and the organisations that we oversee. That encompasses the expenditure, administration, policy and operations of the agencies and four other organisations that currently form part of the UK's intelligence community.

Given the national security focus of the Bill, the ISC already has the power to oversee much of the intelligence and security activity that will take place under the new regime through its oversight of those seven organisations. However, as we have made clear in our most recent annual reports, which were cited by the shadow Security Minister, intelligence and security activities are increasingly being undertaken by a wider collection of policy Departments, including those that generally do not carry out national security-related activity, such as the Department for Business, Energy and Industrial Strategy,

the Department for Digital, Culture, Media and Sport, and the Department for Transport. Those teams are not currently listed in our MOU, simply because at the time it was drafted, in 2013, they were not responsible for any intelligence and security work. Had they been, Parliament would have included them in the ISC's remit, as is clearly indicated by the commitments given to the House during the passage of the 2013 Act by the late and much-missed James Brokenshire, the then Security Minister.

All this means that the ISC's MOU needs urgent updating. In the meantime, effective parliamentary oversight of intelligence and security matters is being eroded. Lords amendment 122 is therefore essential, as it will help to reverse the increasingly large gap that has emerged in Parliament's ability effectively to oversee intelligence and security activity.

Effective oversight of intelligence and security matters can be undertaken only by the ISC. Select Committees do an excellent job scrutinising their Departments, and we have no wish to duplicate any of their work, but only we have the security infrastructure effectively to scrutinise those aspects where classified material, such as intelligence, underpins decisions on national security. The importance of this difference is obvious. For example, during the passage of this Bill, when the Government were unable to provide publicly the detailed rationale and case studies underpinning clause 31 to Parliament, due to its classified nature, the material was provided instead to those on the ISC, who were then able to scrutinise it on Parliament's behalf. That enabled us to understand the problem and make recommendations for change, leading to a much improved "defence", with the necessary safeguards, in place of the previous unsatisfactory "exemption."

I have almost concluded, so I will just make the following few additional remarks. This could not have been achieved without the ISC, because Select Committees cannot provide effective oversight of classified matters. This is no reflection on the ability of Select Committees, which provide robust oversight on all other matters. The Government provided a clear undertaking to Parliament during the passage of the Justice and Security Act 2013, when the then Security Minister told Parliament that it was

"the intention of the Government that the ISC should have oversight of...all of central Government's intelligence and security activities to be realised now"—

which was then—

"and in the future"—[*Official Report, Justice and Security Public Bill Committee*, 31 January 2013; c. 98.]

which is now.

It was clear that the MOU was designed to be a living document that could be updated to reflect any changes to the security and intelligence activities being undertaken by the Government. Yet the Government have repeatedly failed to meet this commitment, which indicates a worrying lack of appreciation of the importance of comprehensive oversight of intelligence and security matters. As the ISC set out in our annual report, the then National Security Adviser relayed the Government's position that they did not feel bound by statements made by the then Security Minister in 2013 during the passage of the Justice and Security Act.

To conclude, if the Government will not ensure that the ISC's memorandum of understanding is kept updated—and they have not been ensuring that—each piece of

new legislation devolving intelligence and security matters away from the bodies already overseen by the ISC must come with a commensurate expansion to that MOU. I know that this is not the Minister's fault. I speak to Minister after Minister—I am not saying anything about this particular one—but Ministers do not seem to understand why this keeps happening. I just wonder where exactly in the Government machine this necessary change that was always envisaged in the ISC system is being blocked.

**Madam Deputy Speaker (Dame Rosie Winterton):**

Before I call the SNP spokesperson, let me say that, obviously, this debate is time limited, and I am sure that hon. Members will want to leave some time for the Minister to conclude.

**Stuart C. McDonald** (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): Once again, it is a pleasure to have the opportunity to scrutinise what we recognise as an extremely important piece of legislation. Like both the Minister and the shadow Minister, I wish to start by paying tribute to all those who are involved in protecting us and our security.

The National Security Bill has had SNP support from the outset, but we have also highlighted significant problems with it: things that were not in the Bill that should have been; things that were in the Bill that needed fixing; and things that were in the Bill that had no place in there at all. I welcome that many of those concerns were also raised in the House of Lords, and recognise that the Government have responded positively to several of them.

We welcome the amendments that have added clarity to the scope of some of the offences in the Bill, particularly around the state of knowledge required before offences are committed. In general, we welcome the changes to the registration schemes, which will make them more targeted. We also welcome the broadening of the oversight provisions to ensure that the measures in part 1 of the Bill are properly scrutinised.

On omissions, we continue to think that the failure to reform the Official Secrets Act 1989 is a major opportunity missed, and we regret that there has been no addition of a public interest defence, which is something to which a number of Members have alluded. That is an issue that will have to be returned to urgently.

Some improvements have been made to the Ministry of Justice's clauses in the Bill relating to legal aid. However, we remain of the view that the legal aid provisions should have been taken out altogether. In relation to the award of damages in clause 83, improvements have been made, but, yet again, not enough. It is welcome that reductions in awards of damages now can happen only where there is a direct link between the alleged act of terrorism and the claim for damages. However, there is still concern about how this will operate when foreign Governments—Governments who have carried out torture based on UK intelligence—simply use the smear of an unproven terrorism allegation to justify or defend their actions.

**Martin Docherty-Hughes:** I wish to go back to the point that I made to the Chair of the ISC, who is a very good friend and who must be commended for everything that he does in relation to that Committee. Again, clauses 85 to 88 seem to allow any British Government to avoid paying damages if the intelligence services have

[*Martin Docherty-Hughes*]

participated in the torture of a UK national, such as my constituent Jagtar Singh Johal, by an ally, especially if they are found not guilty and let go.

**Stuart C. McDonald:** I am grateful to my hon. Friend for intervening. His constituent's case is one that I had in mind when drafting this part of my speech. We do not need to look too far to think of other possible examples. I hope the provisions that he is referring to do not have those implications, but more could have been done to make that absolutely clear. What would be useful today at least would be to have assurances from the Minister that mere assertions by foreign Governments will not be enough to allow that clause to apply. It must be for the courts to interrogate whether assertions that somebody was involved in torture are made out.

Let me turn to the amendments under discussion today. Lords amendment 22 would place additional duties on political parties in relation to risks of donations from foreign powers. In the interests of transparency, I should declare an interest: I have recently had the great honour of being appointed the national treasurer of the Scottish National party, so this amendment would add to my already rather full in-tray. Notwithstanding that, we must acknowledge the serious dangers posed by such donations to our democratic political systems and indeed to our security.

We have been warned by the Intelligence and Security Committee in its Russia report, by MI5 and by various other bodies about the dangers of foreign influence being sought through donation. Yes, we do have the Political Parties, Elections and Referendums Act 2000, but we cannot seriously think that we are remotely in a position to say that the risk has been dealt with. Far from it, the repeated and significant circumvention of those rules is precisely why we continue to receive the warnings that I have just referred to. We need to think about going beyond basic status checks on donors to investigating—where an assessment of risk requires it—the real source of donations. There is support for that type of approach from the Electoral Commission and the Committee on Standards in Public Life.

We welcome this amendment by Lord Carlile, a former independent reviewer of terrorism legislation, with support from the former head of MI5, Lord Evans, and others. As the Chair of the Intelligence and Security Committee has said, this is a modest rather than revolutionary proposal, but it is definitely a step in the right direction. Frankly, opposition to the amendment seems rather fishy indeed.

On Lords amendment 122 and the role of the Intelligence and Security Committee, my general approach is to give colleagues on the ISC all the support that they request. The job that they do is utterly crucial, and I have never had any reason to doubt how seriously and assiduously they go about their task. Their annual report highlighted the need for an updated memorandum of understanding, particularly given the outsourcing of intelligence and security activities to different policy Departments, but there is no sign of that update happening. The support of ISC colleagues for Lords amendment 122 therefore attracts significant deference and weight. Frankly, if nothing else, the Government need a metaphorical kick up the backside in their approach to the ISC—an

approach exemplified by the failure of any Prime Minister to meet the ISC since 2014. Therefore, we support Lords amendment 122.

Finally, we welcome the significant change in approach to the offences under part 2 of the Serious Crime Act 2015, and thank all involved in the drafting of the new clause. In particular, it is welcome that the provision now takes the form of a defence rather than an exemption or a carve-out. However, we do remain concerned that there is no specific exclusion in relation to serious harms, such as torture, cruel, inhuman and degrading treatment and sexual offences. If anything, we are even more concerned now than before. Obviously, the Government have spent a lot of time redrafting the Bill in the light of the concerns that have been raised, yet they have still decided to exclude such serious harms from the scope of the defence. It seems a very deliberate and conscious choice that they have made and the Fulford principles do not provide sufficient safeguards on their own.

We therefore support amendment (c) to Lords amendment 26, tabled by the right hon. Members for Orkney and Shetland (Mr Carmichael) and for Haltemprice and Howden (Mr Davis). At the least, it would be very useful to have the Minister say at the Dispatch Box that the Government do not see any circumstances in which such activities could be deemed necessary for the purposes of an intelligence function. On that note, we welcome amendment (c).

We do support the Bill, but we still think there is further to go to get it to where it needs to be.

**Sir Jeremy Wright:** I am grateful for the opportunity to speak in this debate, and also grateful to my right hon. Friend the Member for New Forest East (Sir Julian Lewis) for setting out so clearly the position of the Intelligence and Security Committee, of which I am also a member. He made many points with which I agree and which I do not need to repeat, but I do want to say something very briefly about Lords amendments 22 and 122 in slightly more detail. Both amendments have something in common, which is that they highlight a significant problem and put forward, perhaps, an imperfect solution to those problems. The Government's saying that they are imperfect solutions has validity, but it would have more validity if the Government were prepared to come forward with solutions to those problems that were less imperfect, which we could all then support.

2 pm

It is certainly true that amendment 122 reflects a significant problem. As my right hon. Friend said earlier, the situation is that the remit of the Intelligence and Security Committee has fallen substantially behind the reality of today's intelligence and security architecture. The bits of Government now making decisions with intelligence material are no longer limited to the bits of Government covered by the ISC's remit as set out in the Justice and Security Act 2013 and the memorandum of understanding set out under it.

That is not an esoteric technical issue. It is a problem not because it affects empire-building of particular parliamentary Committees, but rather because it affects the quality of parliamentary scrutiny that can be delivered. As my right hon. Friend the Member for New Forest East said, the ISC was set up as the only Committee that could look fully at sensitive intelligence material



and it only exists, or needs to exist, because other Committees, including Select Committees, cannot do so in the same way.

It may be worth looking at what that memorandum of understanding for the ISC says in paragraph 8:

“The ISC is the only committee of Parliament that has regular access to protectively marked information that is sensitive for national security reasons: this means that only the ISC is in a position to scrutinise effectively the work of the Agencies and of those parts of Departments whose work is directly concerned with intelligence and security matters.”

In the interest of fairness, I should also read out the footnote following that sentence, which says:

“This will not affect the wider scrutiny of departments such as the Home Office, FCO and MOD by other parliamentary committees. The ISC will aim to avoid any unnecessary duplication with the work of those Committees.”

That is a point that my right hon. Friend made earlier.

The burden of that text is obvious. There is a reason why the ISC exists—it does work that other Committees cannot do—but there is plenty for those other Committees to do that does not have an intelligence or security bent to it. As more and more units of the type that the Government have already set up once—amendment 122 envisages that that may be done further—deal with intelligence material but remain outside the remit of the ISC, the gap in scrutiny becomes ever greater.

That is not a fanciful concern. As I say, it has been done once already with the Investment Security Unit, which is an instructive example. Despite what some might think was the obvious overlay of intelligence and security material over commercial considerations—the whole point of the unit, it would probably be argued—the Government considered that none the less the Business, Energy and Industrial Strategy Committee could scrutinise it effectively. I do not seek to re-litigate that question, and I certainly make no reflection on the ability of the BEIS Committee or its Chairman to do a good job, as they clearly do and will continue to do. In the absence of an updated memorandum of understanding for the ISC, however, it is an example of the Government not being open to extending the work of the ISC where such new units come to be established.

The Government have said in relation to the ISU that the ISC can look at the input to the ISU’s decision making from the intelligence community, but that gives rise to a different problem: the ISC could come to a different conclusion from the BEIS Committee on the wisdom or appropriateness of the very same decision by the unit. That is clearly unsatisfactory and it is a problem that must be fixed.

The Government are perfectly entitled to say that they can fix that problem without the legislative change that amendment 122 proposes, and they are absolutely right to say that the memorandum of understanding for the ISC can be changed; anyone who wants to look it up can find it in section 2(5)(c) of the Justice and Security Act 2013. However, as has been said, that can be done only with the agreement of both the ISC and the Prime Minister, and there is no such agreement so far. The ISC cannot do it unilaterally.

The Minister made an argument, which I noticed he did not rely on from the Dispatch Box earlier, in a letter to all Members of this House on 27 April, referring to section 3 of the 2013 Act in that letter, which says that the ISC can make reports on “any aspect of its functions”.

He presumably did so to make the point that the ISC, if it wishes, can range widely. The problem is that that is a slightly circular argument.

Section 3 refers to the ISC’s capacity to make reports on any aspect of its functions, but its functions are set out in section 2 of the 2013 Act, which says that the ISC oversees the activities of three specified agencies and of others set out in the memorandum of understanding. If it is not in the memorandum of understanding, the ISC cannot oversee it. That underlines the need for the memorandum of understanding to be up to date.

We have a real problem of the ISC remit’s being out of date. If the Government argue that the solution that amendment 122 proposes to that problem is imperfect, I might be prepared to agree with them, but it will become increasingly difficult to resist imperfect solutions to this problem if the Government continue to resist and to refuse finding a more perfect one.

**Mr Alistair Carmichael** (Orkney and Shetland) (LD): I will speak to amendment (c) in my name and in those of the right hon. Member for Haltemprice and Howden (Mr Davis) and—though it came too late to be printed on the amendment paper—the hon. Member for Barnsley Central (Dan Jarvis). Amendment (c) would, as it states, disapply subsection (2) of proposed new section 50A of the Serious Crime Act 2007,

“in relation to an alleged offence that relates to conduct involving—

(a) torture or inhuman, cruel or degrading treatment or punishment, or

(b) the violation of a person’s sexual integrity.”

It is worth saying that the Bill that has come back from the other place is significantly improved on that which was sent to it. I posit the thought that, had the Bill started out as it stands today, an amendment such as mine would probably feature. It sits more logically with the structure of the Bill now, and it would avoid some of the unintended consequences. That is the disadvantage of starting a piece of legislation—a Bill of this nature should always have the maximum cross-party agreement and political consensus behind it—in a way that was, in the early days, quite divisive. The issues could perhaps have been better interrogated further upstream before the legislation came to the House.

The points that I wish to pray in aid of the amendment relate to the way in which clause 31, as it stands, would have effect. There are a number of points, which I will cover as briefly as possible because I do not want to filibuster the opportunity to put my own amendment to a vote; I have seen that done too many times in the past.

One concern, on which I would be interested to hear the Minister’s view, is that the International Criminal Court has warned that clause 31 as it stands would open the jurisdiction of the court to look at the actions of UK personnel. To the right hon. Member for Haltemprice and Howden, the ICC’s chief prosecutor wrote that cases could now be

“potentially admissible before the ICC”—

a fairly strong statement in these circumstances—citing the risk of creating gaps in the domestic prosecution mechanisms for war crimes and crimes against humanity under the Rome statute. The prosecutor said that the Bill would be clear if it clearly excluded serious human rights abuses from its remit. I do not know if it is the Government’s wish and intention that the International

[Mr Alistair Carmichael]

Criminal Court be given jurisdiction in that way, but should that ultimately turn out to be the case, neither the Minister nor his successors will be able to say that they were not warned.

Clause 31 could also give Ministers and officials a statutory defence for involvement in crimes such as targeted killing and torture. That could include sending information from the UK overseas to be used in a torture interrogation, assisting the offense of torture under section 134 of the Criminal Justice Act 1988. Under the clause, a statutory defence would be available if the action were deemed necessary for the proper exercise of a function of an intelligence service or for the proper exercise of a function of the armed forces. In the Lords, that point was interrogated at length in Committee. The Minister in the Lords said that he would revert to Lord Pannick, but he never did. Instead, the Government chose to proceed in the way that is presented to the House today.

Clause 31 almost appears designed to protect politicians and officials in the UK rather than British personnel operating overseas. The clause would provide a legal defence for encouraging or assisting crimes overseas, such as giving a tip-off that leads to someone's torture, as opposed to the direct commission of the crime itself. This is not fanciful; we know what was done by Jack Straw and senior officials of the day in relation to the Belhaj and Boudchar cases. Although we have never really seen a proper conclusion to those cases, such an operational defence would put that comprehensively beyond reach.

The clause could also discourage the Crown Prosecution Service, the Crown Office and Procurator Fiscal Service, and the Director of Public Prosecutions or the Lord Advocate from bringing cases. Where decisions are made about bringing prosecutions on individual cases, including those against Ministers and officials, the availability of a statutory defence for any conduct deemed "necessary" would likely discourage the prosecution authority from bringing a prosecution relating to criminal activities—or what would otherwise be criminal activities—that Ministers and officials assist or encourage others to do overseas.

In its simplest form, the Bill would still undermine an important and long-standing legal prohibition in this country on torture and related abuses. We have a long and distinguished history in this area. Conservative Members will be aware of the landmark changes made under the Government of the late Baroness Thatcher to create a specific criminal offence of torture. If the Government seek to undermine Baroness Thatcher's legacy, I am quite prepared, on this one limited occasion, to take up cudgels and defend it.

The Bill also raises the question of our country's moral authority. What right do we have to criticise other countries—for example, Saudi Arabia for the murder of journalist Jamal Khashoggi, or Vladimir Putin's Russia for its extraterritorial offences—if we authorise the conduct of our own Ministers, politicians and personnel in relation to such activities? This is about our moral authority. I would like to think that the Government will look kindly on the amendments, if not today, then perhaps when the Bill returns to the other place.

**John McDonnell** (Hayes and Harlington) (Lab): I offer my support to the right hon. Member for Orkney and Shetland (Mr Carmichael) for his amendment (c) and his speech.

I will speak as the secretary of the National Union of Journalists parliamentary group, which is the cross-party group that speaks on behalf of journalists in the House. The union formed a coalition with the Index on Censorship and openDemocracy. Our objectives were to clarify and narrow the definitions of offences in the Bill to protect journalists, to seek a statutory public interest defence in the Bill, and to have an element of independent review and commissioning to review the operation of the Bill when implemented. We have successfully narrowed—and the Minister said—and defined the offences more clearly to protect journalists, which is helpful. An element of independent scrutiny has been introduced, which is helpful. There is no general public interest defence in the Bill, but that may well be developed in case law over time.

2.15 pm

On that point, I impress upon the Minister that it is critical that the implementation of the legislation be monitored closely and that the Government stand ready to revise it if evidence mounts that there are any impositions placed on journalists that will impede them in their profession. I hope that a working relationship can be established between the NUJ and the Government as we go forward.

On Lords amendment 22 in particular, I have listened to various concerns that have been raised over the last decade, including by the shadow Minister, my hon. Friend the Member for Halifax (Holly Lynch), by the right hon. Member for New Forest East (Sir Julian Lewis), and by the SNP spokesperson, the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald). They listed the bodies that have expressed concerns and identified instances in which foreign money has permeated our political system and, unfortunately, individual parties, and the various expressions by numerous bodies about the need to strengthen our protections against that. I have worked on issues related to money laundering, and the lesson is that we need to go beyond just the registration of the status of the individual, company or organisation. The principles we have learned from the cross-party approach that we have taken on money laundering are to do with risk management. It goes beyond checking status and into creating greater responsibility to ensure that there is clarity about the source of funds.

To be frank, I expected the Government to give more weight to Lords amendment 22, particularly because it was sponsored by Lord Carlile, former independent reviewer of terrorism legislation, and by Lord Evans, former head of MI5. I am not sure that we could get more authoritative recommendations on an amendment than that, so I am concerned. As my hon. Friend the shadow Minister mentioned, the Secretary of State is charged with bringing forward the provisions to ensure the effective operation of the amendment, so they can take into the account the need for proportionality with regard to smaller parties.

Having listened to the debate, I cannot for the life of me understand why the Government are not backing Lords amendment 22. We might come to it again at a

later stage—although I am not sure whether any ping-pong will take place—but if we do not do it in this Bill, we will have to address the implementation of a risk management approach at some stage in the coming period.

**Sir Chris Bryant:** I start where my right hon. Friend the Member for Hayes and Harlington (John McDonnell) finished. I am completely perplexed about why the Minister is holding out against Lords amendment 22, not least because he told Insider last year that it was “perfectly legitimate” to criticise political parties for accepting donations “that are not clear”. He made it absolutely clear at the time that he supported the idea of legislation to require political parties to be clear about where their funding was coming from. To be fair to him, that was obviously not when he was a Government Minister, and he has now fallen among thieves. I preferred the old version of the Minister, and I hope that, in our discussions over the next few minutes, we can manage to persuade him to return to proper form.

The pedigree for Lords amendment 22 is phenomenally strong, as has been said. Not only have Lord Carlile and Lord Evans—the chair of the Committee on Standards in Public Life and a former head of MI5—called directly for such provisions, but as I understand from her comments, Baroness Manningham-Buller also supported Lords amendment 22, as did Lord West, all the members of the ISC, Spotlight on Corruption, the Committee on Standards in Public Life, and, of course, the Electoral Commission.

The Electoral Commission wrote directly to the Minister last year to say that it would surely be wrong not to change the law so that political parties can accept donations from companies that have made enough money in the UK to fund the amount of their donation. One would think that that stands to reason. One would also think that it stands to reason, as the commission also argued, that political parties should be required to check not just whether someone is a permissible donor in the sense of being on the electoral register, but whether they have enough money of their own to be able to fund the political party to the extent proposed. That is just due diligence, but there are phenomenal loopholes in the law.

The Minister is normally a very polite and generous man, but I understand that he has still not replied to the Electoral Commission on this matter, and the commission has complained about this. In this area, as he knows perfectly well from our work on the Foreign Affairs Committee, complacency serves us ill. One need only look at the sad trajectory of the tier 1 visa system—the golden visa. When the report was finally produced it showed that we had given visas to live in the UK and make their permanent residence here to people we ended up sanctioning because they were so closely related to the Putin regime. The 2020 Russia report from the ISC—it should have been the 2019 Russia report, but the then Prime Minister did not allow it to be published before the general election—made it very clear that Russia and perhaps other state actors had been intent on affecting elections and referendums in this country, and urged us not to be complacent.

There are authoritarian state actors who wish us ill. They rely on the openness of our political system, on our open system of governance in the City, on the fact that contracts can be enforced, and on our open judicial

system. They rely on all of that and, I would argue, on our complacency to be able to do their nefarious work in the UK. There is a flaw in the Political Parties, Elections and Referendums Act 2000: the concept of “permissible donor” is too tightly drawn. Surely any political party and any person trying to secure donations from a third party would want to ensure that the money they received was not tainted by human rights abuses in another country, by authoritarian acts from another country or, frankly, by malign influence by a third party state actor.

The position is made worse by the Elections Act 2022 adding to the registers 3.5 million overseas voters who pay, or who may pay, no tax in the UK, and who may have next to no relationship with the authorities in this country—it is necessarily very difficult to track that information down. What should a party do if it is offered a donation of, let us say, £50,000 by somebody who lives and works in Moscow today? The law says the party need not do anything, as long as the individual is on the electoral register. Surely, though, we do not think that that is right or appropriate. I want further checks to be in place. The provisions in the amendment are so minimal—absolutely the minimum that we have to do to make sure that political parties in this country do the basics.

I said there is a flaw—perhaps a fissure—in PPERA, but I am starting to worry that the Government want that loophole to exist. If they do not, I simply do not understand why the Minister is holding out on this point. I hope the Minister will change his mind on this minimal requirement and support Lords amendment 22. If we end up voting it down, I hope their lordships will throw it back to us. For more than a decade now, we have left the door wide open to political interference in our system in this country. It is time we slammed it shut.

**Tom Tugendhat:** First, I thank the hon. Member for Halifax (Holly Lynch) for the contribution she made and the spirit in which she has approached these debates. She is absolutely right to talk about Caoilfhionn Gallagher and Jimmy Lai and to highlight the many issues that she did. Such matters unite us; another is the fact that this Government, like every Member of this House, I am sure, remain absolutely committed to the UN convention against torture and other cruel, inhuman or degrading treatment or punishment. There is absolutely nothing in this Bill, or in any other Bill that this Government are bringing forward, that would in any way undermine our obligations or the seriousness with which we treat torture as it is practised, sadly too frequently, around the world. Although I hear what the right hon. Member for Orkney and Shetland (Mr Carmichael), my right hon. Friend the Member for Haltemprice and Howden (Mr Davis) and the hon. and gallant Member for Barnsley Central (Dan Jarvis) say, there is quite literally nothing in the Bill that would give rise to the need for amendment (c) to Lords amendment.

The point made by the right hon. Member for Orkney and Shetland about Lord Pannick, however, was entirely fair. A letter should have gone back to him. In fact, the point was made and the answer given in the form of amendments to clause 3 that address his concern about the carve-out for lawyers. Although I agree that I should have written, the reality is that I addressed the points Lord Pannick raised in the Bill itself.

[Tom Tugendhat]

The matter of foreign donations has been raised again. The reality is that we have to treat British citizens like British citizens. The idea that we can treat British citizens differently depending on how we feel about them seems to me to be rather a bad way of making law, but that does not mean that political parties have to treat British citizens exactly alike. Surely the rule here is: just because you can does not mean you should. There are many donations, and perhaps many individuals making them, that many of us would not wish to accept. The point about politics is that it is about decisions, judgment and choices, and while the law has to apply to everyone equally, we as politicians and as political parties are not so obliged. We have to make judgments and decisions, and we have to carry our reputations and the reputations of our organisations with us when we make those calls.

On the changes to the MOU that the ISC suggested, my right hon. Friend the Member for New Forest East (Sir Julian Lewis) had the opportunity to give me the power to make those changes, but I am not the Prime Minister, so I cannot do so. The Prime Minister will have to make that decision, but I will raise the matter again with his office, because my right hon. Friend's points were well made.

I have heard many comments about the Official Secrets Act 1989. The nature of this reform is complex and there are many and various arguments because this piece of legislation ties into so many others. I will not give my right hon. Friend the Member for Beckenham (Bob Stewart) a commitment to act in this Parliament—he will understand that more work is required. As for my ability to make commitments into the next Session, he tempts me too far.

I am glad to hear that the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald) has achieved the great honour of being treasurer of the Scottish National party. I hope it comes with a caravan and that he is enjoying the touring that that affords him.

My right hon. and learned Friend the Member for Kenilworth and Southam (Sir Jeremy Wright) raises many good points. The reality is that these challenges must be addressed as a whole and require further discussion, so I am very grateful for his time.

**Bob Stewart:** I accept the Minister's points on the Official Secrets Act 1989 and the fact that it is complicated, but do the Government recognise that, complicated though it is, it must be addressed?

**Tom Tugendhat:** My right hon. Friend tempts me in a direction I would love to go in, but in the minutes I have left, I shall not be lured. An awful lot of legislation would require work if we were to amend the Act, so a huge amount of drafting work would be required before I could express an opinion. I see other right hon. and hon. Members nodding in agreement.

The hon. Member for Rhondda (Sir Chris Bryant) made a fair point on the Electoral Commission. I shall follow up with the Department for Levelling Up, Housing and Communities, which is responsible for electoral law and which will be responding to the commission on that issue.

If I may, I will finish by simply saying that tomorrow is polling day, and while this Bill addresses many different aspects of our national security, the single best thing that all of us as citizens can do to defend our country and our future is to vote. As such, I urge everybody who has the opportunity to do so—in England and Wales, in our local government areas—to please get out and vote, and of course, to vote Conservative.

*Amendment (a) made to Lords amendment 26.*

*Amendment (c) proposed to Lords amendment 26.—(Mr Carmichael.)*

*Question put, That the amendment be made.*

*The House divided: Ayes 132, Noes 252.*

**Division No. 227]**

**[2.30 pm**

**AYES**

Abbott, rh Ms Diane ( <i>Proxy vote cast by Bell Ribeiro-Ady</i> )	Gwynne, Andrew
Ali, Tahir	Hanvey, Neale
Anderson, Fleur	Harman, rh Ms Harriet
Barker, Paula	Hayes, Helen
Beckett, rh Margaret	Hendry, Drew
Begum, Apsana	Hillier, Dame Meg
Benn, rh Hilary	Hobhouse, Wera
Bonnar, Steven	Hollern, Kate
Brennan, Kevin	Hosie, rh Stewart
Brock, Deidre	Huq, Dr Rupa
Brown, Alan	Hussain, Imran
Brown, Ms Lyn	Johnson, rh Dame Diana
Bryant, Sir Chris	Johnson, Kim
Buck, Ms Karen	Jones, Darren
Butler, Dawn	Jones, Gerald
Callaghan, Amy ( <i>Proxy vote cast by Brendan O'Hara</i> )	Keeley, Barbara
Cameron, Dr Lisa	Kinnock, Stephen
Carden, Dan	Lake, Ben
Carmichael, rh Mr Alistair	Lammy, rh Mr David
Champion, Sarah	Law, Chris
Charalambous, Bambos	Leadbeater, Kim
Cherry, Joanna	Lewell-Buck, Mrs Emma
Clark, Feryal ( <i>Proxy vote cast by Chris Elmore</i> )	Linden, David
Cooper, Daisy	Lloyd, Tony ( <i>Proxy vote cast by Chris Elmore</i> )
Cooper, rh Yvette	Long Bailey, Rebecca
Creasy, Stella	Lucas, Caroline
Cruddas, Jon	Lynch, Holly
Cryer, John	MacNeil, Angus Brendan
Dalton, Ashley	Mahmood, Mr Khalid
Davies, Geraint	Mc Nally, John
Davies-Jones, Alex	McCabe, Steve
Day, Martyn	McDonagh, Siobhain
Docherty-Hughes, Martin	McDonald, Stewart Malcolm
Doogan, Dave	McDonald, Stuart C.
Doughty, Stephen	McDonnell, rh John
Duffield, Rosie	McLaughlin, Anne ( <i>Proxy vote cast by Brendan O'Hara</i> )
Edwards, Jonathan	McMorris, Anna
Efford, Clive	Mishra, Navendu
Elmore, Chris	Monaghan, Carol
Evans, Chris	Morden, Jessica
Farron, Tim	Morgan, Helen
Fellows, Marion	Morgan, Stephen
Ferrier, Margaret	Morris, Grahame
Fletcher, Colleen	Murray, Ian
Foxcroft, Vicky	Newlands, Gavin
Foy, Mary Kelly	Nichols, Charlotte
Grant, Peter	Nicolson, John ( <i>Proxy vote cast by Brendan O'Hara</i> )
Green, Sarah	O'Hara, Brendan
Griffith, Dame Nia	Osamor, Kate
	Pennycook, Matthew

Qaisar, Ms Anum  
 Reed, Steve  
 Ribeiro-Addy, Bell  
 Rodda, Matt  
 Russell-Moyle, Lloyd  
 Sharma, Mr Virendra  
 Sheppard, Tommy  
 Siddiq, Tulip  
 Slaughter, Andy  
 Smyth, Karin  
 Stephens, Chris  
 Stone, Jamie  
 Sultana, Zarah  
 Tarry, Sam  
 Thewliss, Alison  
 Thomas, Gareth  
 Thomas-Symonds, rh Nick  
 Thompson, Owen

Thomson, Richard  
 Thornberry, rh Emily  
 Timms, rh Sir Stephen  
 Twigg, Derek  
 Vaz, rh Valerie  
 Wakeford, Christian  
 West, Catherine  
 Western, Andrew  
 Western, Matt  
 Whitehead, Dr Alan  
 Whitley, Mick  
 Williams, Hywel  
 Wilson, Munira  
 Wishart, Pete  
 Zeichner, Daniel

**Tellers for the Ayes:**  
**Mary Glindon and**  
**Sarah Olney**

### NOES

Adams, rh Nigel  
 Afolami, Bim  
 Afriyie, Adam  
 Aldous, Peter  
 Anderson, Lee  
 Anderson, Stuart  
 Andrew, rh Stuart  
 Ansell, Caroline  
 Argar, rh Edward  
 Atherton, Sarah  
 Atkins, Victoria  
 Bacon, Gareth  
 Bacon, Mr Richard  
 Bailey, Shaun  
 Baker, Duncan  
 Baldwin, Harriett  
 Baynes, Simon  
 Bell, Aaron  
 Benton, Scott  
 Beresford, Sir Paul  
 Bhatti, Saqib  
 Blackman, Bob  
 Blunt, Crispin  
 Bone, Mr Peter  
 Bottomley, Sir Peter  
 Bowie, Andrew  
 Bradley, rh Karen  
 Brady, Sir Graham  
 Brine, Steve  
 Bristow, Paul  
 Browne, Anthony  
 Bruce, Fiona  
 Buchan, Felicity  
 Burghart, Alex  
 Butler, Rob  
 Cairns, rh Alun  
 Carter, Andy  
 Cash, Sir William  
 Cates, Miriam  
 Caulfield, Maria  
 Chalk, rh Alex  
 Chope, Sir Christopher  
 Clark, rh Greg  
 Clarke, Theo (*Proxy vote cast by Stuart Anderson*)  
 Clarke-Smith, Brendan  
 Clarkson, Chris  
 Clifton-Brown, Sir Geoffrey  
 Coffey, rh Dr Thérèse  
 Colburn, Elliot  
 Collins, Damian

Costa, Alberto  
 Coutinho, Claire  
 Crabb, rh Stephen  
 Crosbie, Virginia  
 Crouch, Tracey  
 Daly, James  
 Davies, Gareth  
 Davies, Dr James  
 Davies, Mims  
 Davison, Dehenna  
 Dinéage, Dame Caroline  
 Dines, Miss Sarah  
 Djanogly, Mr Jonathan  
 Docherty, Leo  
 Donelan, rh Michelle (*Proxy vote cast by Stuart Anderson*)  
 Double, Steve  
 Doyle-Price, Jackie  
 Drax, Richard  
 Drummond, Mrs Flick  
 Duddridge, Sir James  
 Duncan Smith, rh Sir Iain  
 Dunne, rh Philip  
 Edwards, Ruth  
 Ellis, rh Michael  
 Ellwood, rh Mr Tobias  
 Elphicke, Mrs Natalie  
 Eustice, rh George  
 Evans, Dr Luke  
 Evennett, rh Sir David  
 Fabricant, Michael  
 Farris, Laura  
 Fletcher, Katherine  
 Fletcher, Nick  
 Ford, rh Vicky  
 Foster, Kevin  
 Fox, rh Dr Liam  
 Francois, rh Mr Mark  
 Frazer, rh Lucy  
 Freeman, George  
 French, Mr Louie  
 Fuller, Richard  
 Garnier, Mark  
 Gibb, rh Nick  
 Gideon, Jo  
 Glen, rh John  
 Goodwill, rh Sir Robert  
 Gove, rh Michael  
 Graham, Richard  
 Grant, Mrs Helen

Grayling, rh Chris  
 Green, rh Damian  
 Griffith, Andrew  
 Grundy, James  
 Halfon, rh Robert  
 Hammond, Stephen  
 Harper, rh Mr Mark  
 Harrison, Trudy  
 Hart, rh Simon  
 Heappey, rh James  
 Henderson, Gordon  
 Henry, Darren  
 Higginbotham, Antony  
 Hinds, rh Damian  
 Hoare, Simon  
 Holden, Mr Richard  
 Hollinrake, Kevin  
 Hollobone, Mr Philip  
 Holmes, Paul  
 Howell, John  
 Howell, Paul  
 Huddleston, Nigel  
 Hudson, Dr Neil  
 Hughes, Eddie  
 Hunt, Jane  
 Jack, rh Mr Alister  
 Javid, rh Sajid  
 Jayawardena, rh Mr Ranil  
 Jenkin, Sir Bernard  
 Jenkinson, Mark  
 Johnson, Dr Caroline  
 Johnson, Gareth  
 Johnston, David  
 Jones, rh Mr David  
 Kawczynski, Daniel  
 Keegan, rh Gillian  
 Kniveton, Kate  
 Kruger, Danny  
 Latham, Mrs Pauline  
 Leadsom, rh Dame Andrea  
 Leigh, rh Sir Edward  
 Levy, Ian  
 Lewer, Andrew  
 Loder, Chris  
 Logan, Mark (*Proxy vote cast by Stuart Anderson*)  
 Longhi, Marco  
 Lopez, Julia (*Proxy vote cast by Stuart Anderson*)  
 Lopresti, Jack  
 Lord, Mr Jonathan  
 Loughton, Tim  
 Mackinlay, Craig  
 Mackrory, Cherilyn  
 Maclean, Rachel  
 Mak, Alan  
 Malthouse, rh Kit  
 Mangnall, Anthony  
 Mann, Scott  
 Marson, Julie  
 May, rh Mrs Theresa  
 Mayhew, Jerome  
 Maynard, Paul  
 Menzies, Mark  
 Merriman, Huw  
 Metcalfe, Stephen  
 Millar, Robin  
 Miller, rh Dame Maria  
 Milling, rh Amanda  
 Mills, Nigel  
 Mitchell, rh Mr Andrew  
 Mohindra, Mr Gagan

Morris, Anne Marie  
 Morris, David  
 Morris, James  
 Morrissey, Joy  
 Mortimer, Jill  
 Morton, rh Wendy  
 Mumby-Croft, Holly  
 Mundell, rh David  
 Murrison, rh Dr Andrew  
 Neill, Sir Robert  
 Nici, Lia  
 Nokes, rh Caroline  
 Norman, rh Jesse  
 O'Brien, Neil  
 Offord, Dr Matthew  
 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  
 Redwood, rh John  
 Richardson, Angela  
 Robertson, Mr Laurence  
 Robinson, Mary  
 Rowley, Lee  
 Russell, Dean  
 Rutley, David  
 Sambrook, Gary  
 Saxby, Selaine  
 Scully, Paul  
 Seely, Bob  
 Selous, Andrew  
 Shapps, rh Grant  
 Sharma, rh Sir Alok  
 Shelbrooke, rh Alec  
 Simmonds, David  
 Skidmore, rh Chris  
 Smith, rh Chloe  
 Smith, Greg  
 Solloway, Amanda  
 Spencer, rh Mark  
 Stafford, Alexander  
 Stephenson, rh Andrew  
 Stevenson, Jane  
 Stevenson, John  
 Stewart, rh Bob  
 Stewart, Iain  
 Streeter, Sir Gary  
 Stuart, rh Graham  
 Sunderland, James  
 Swayne, rh Sir Desmond  
 Syms, Sir Robert  
 Thomas, Derek  
 Tomlinson, Michael  
 Trott, Laura  
 Tugendhat, rh Tom  
 Vara, rh Shailesh  
 Villiers, rh Theresa  
 Walker, Sir Charles  
 Walker, Mr Robin  
 Warburton, David (*Proxy vote cast by Craig Mackinlay*)  
 Warman, Matt  
 Watling, Giles

Webb, Suzanne (*Proxy vote cast by Stuart Anderson*)  
 Wheeler, Mrs Heather  
 Whittingdale, rh Sir John  
 Wiggin, Sir Bill  
 Wild, James  
 Williams, Craig  
 Williamson, rh Sir Gavin

Wood, Mike  
 Wragg, Mr William  
 Young, Jacob  
 Zahawi, rh Nadhim

**Tellers for the Noes:**  
**Fay Jones and**  
**Robert Lorgan**

*Question accordingly negated.*

*Amendment (b) made to Lords amendment 26.*

*Lords amendment 26, as amended, agreed to.*

*Amendment (a) made to Lords amendment 153.*

*Lords amendment 153, as amended, agreed to.*

#### After Clause 14

##### FOREIGN INTERFERENCE IN ELECTIONS: DUTIES ON POLITICAL PARTIES

*Motion made, and Question put, That this House disagrees with Lords amendment 22.—(Tom Tugendhat.)*

*The House divided: Ayes 254, Noes 134.*

**Division No. 228]**

**[2.45 pm**

#### AYES

Adams, rh Nigel  
 Afolami, Bim  
 Afriyie, Adam  
 Aldous, Peter  
 Anderson, Lee  
 Anderson, Stuart  
 Andrew, rh Stuart  
 Ansell, Caroline  
 Argar, rh Edward  
 Atherton, Sarah  
 Atkins, Victoria  
 Bacon, Gareth  
 Bacon, Mr Richard  
 Bailey, Shaun  
 Baker, Duncan  
 Baldwin, Harriett  
 Barclay, rh Steve  
 Baynes, Simon  
 Bell, Aaron  
 Benton, Scott  
 Beresford, Sir Paul  
 Bhatti, Saqib  
 Blackman, Bob  
 Blunt, Crispin  
 Bone, Mr Peter  
 Bottomley, Sir Peter  
 Bowie, Andrew  
 Bradley, rh Karen  
 Brady, Sir Graham  
 Brine, Steve  
 Bristow, Paul  
 Browne, Anthony  
 Bruce, Fiona  
 Buchan, Felicity  
 Burghart, Alex  
 Butler, Rob  
 Cairns, rh Alun  
 Carter, Andy  
 Cash, Sir William  
 Cates, Miriam  
 Caulfield, Maria  
 Chalk, rh Alex  
 Chope, Sir Christopher  
 Clark, rh Greg

Clarke, Theo (*Proxy vote cast by Stuart Anderson*)  
 Clarke-Smith, Brendan  
 Clarkson, Chris  
 Clifton-Brown, Sir Geoffrey  
 Coffey, rh Dr Thérèse  
 Colburn, Elliot  
 Collins, Damian  
 Costa, Alberto  
 Coutinho, Claire  
 Crabb, rh Stephen  
 Crosbie, Virginia  
 Crouch, Tracey  
 Daly, James  
 Davies, Gareth  
 Davies, Dr James  
 Davies, Mims  
 Davison, Dehenna  
 Dinena, Dame Caroline  
 Dines, Miss Sarah  
 Djanogly, Mr Jonathan  
 Docherty, Leo  
 Donelan, rh Michelle (*Proxy vote cast by Stuart Anderson*)  
 Double, Steve  
 Doyle-Price, Jackie  
 Drax, Richard  
 Drummond, Mrs Flick  
 Duddridge, Sir James  
 Duguid, David  
 Duncan Smith, rh Sir Iain  
 Dunne, rh Philip  
 Edwards, Ruth  
 Ellis, rh Michael  
 Ellwood, rh Mr Tobias  
 Elphicke, Mrs Natalie  
 Eustice, rh George  
 Evans, Dr Luke  
 Evennett, rh Sir David  
 Fabricant, Michael  
 Farris, Laura  
 Fletcher, Katherine  
 Fletcher, Nick

Ford, rh Vicky  
 Foster, Kevin  
 Fox, rh Dr Liam  
 Francois, rh Mr Mark  
 Frazer, rh Lucy  
 Freeman, George  
 French, Mr Louie  
 Fuller, Richard  
 Garnier, Mark  
 Gibb, rh Nick  
 Gideon, Jo  
 Glen, rh John  
 Goodwill, rh Sir Robert  
 Gove, rh Michael  
 Graham, Richard  
 Grant, Mrs Helen  
 Grayling, rh Chris  
 Green, rh Damian  
 Griffith, Andrew  
 Grundy, James  
 Halfon, rh Robert  
 Hammond, Stephen  
 Harper, rh Mr Mark  
 Harrison, Trudy  
 Hart, rh Simon  
 Heapey, rh James  
 Henderson, Gordon  
 Henry, Darren  
 Higginbotham, Antony  
 Hinds, rh Damian  
 Hoare, Simon  
 Holden, Mr Richard  
 Hollinrake, Kevin  
 Hollobone, Mr Philip  
 Holmes, Paul  
 Howell, John  
 Howell, Paul  
 Huddleston, Nigel  
 Hudson, Dr Neil  
 Hughes, Eddie  
 Hunt, Jane  
 Jack, rh Mr Alister  
 Javid, rh Sajid  
 Jayawardena, rh Mr Ranil  
 Jenkin, Sir Bernard  
 Jenkinson, Mark  
 Johnson, Dr Caroline  
 Johnson, Gareth  
 Johnston, David  
 Jones, rh Mr David  
 Kawczynski, Daniel  
 Keegan, rh Gillian  
 Kniveton, Kate  
 Kruger, Danny  
 Latham, Mrs Pauline  
 Leadsom, rh Dame Andrea  
 Leigh, rh Sir Edward  
 Levy, Ian  
 Lewer, Andrew  
 Loder, Chris  
 Logan, Mark (*Proxy vote cast by Stuart Anderson*)  
 Longhi, Marco  
 Lopez, Julia (*Proxy vote cast by Stuart Anderson*)  
 Lopresti, Jack  
 Lord, Mr Jonathan  
 Loughton, Tim  
 Mackinlay, Craig  
 Mackrory, Cherylyn  
 Maclean, Rachel  
 Mak, Alan

Malthouse, rh Kit  
 Mangnall, Anthony  
 Mann, Scott  
 Marson, Julie  
 May, rh Mrs Theresa  
 Mayhew, Jerome  
 Maynard, Paul  
 McCartney, Karl  
 Menzies, Mark  
 Merriman, Huw  
 Metcalfe, Stephen  
 Millar, Robin  
 Miller, rh Dame Maria  
 Milling, rh Amanda  
 Mills, Nigel  
 Mitchell, rh Mr Andrew  
 Mohindra, Mr Gagan  
 Morris, Anne Marie  
 Morrissey, Joy  
 Mortimer, Jill  
 Morton, rh Wendy  
 Mumby-Croft, Holly  
 Mundell, rh David  
 Murrison, rh Dr Andrew  
 Neill, Sir Robert  
 Nici, Lia  
 Nokes, rh Caroline  
 Norman, rh Jesse  
 O'Brien, Neil  
 Offord, Dr Matthew  
 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  
 Redwood, rh John  
 Rees-Mogg, rh Mr Jacob  
 Richardson, Angela  
 Robertson, Mr Laurence  
 Robinson, Mary  
 Rowley, Lee  
 Russell, Dean  
 Rutley, David  
 Sambrook, Gary  
 Saxby, Selaine  
 Scully, Paul  
 Seely, Bob  
 Selous, Andrew  
 Shapps, rh Grant  
 Sharma, rh Sir Alok  
 Shelbrooke, rh Alec  
 Simmonds, David  
 Skidmore, rh Chris  
 Smith, rh Chloe  
 Smith, Greg  
 Solloway, Amanda  
 Spencer, rh Mark  
 Stafford, Alexander  
 Stephenson, rh Andrew  
 Stevenson, Jane  
 Stevenson, John  
 Stewart, rh Bob  
 Stewart, Iain  
 Streeter, Sir Gary  
 Stuart, rh Graham

Sunderland, James  
 Swayne, rh Sir Desmond  
 Syms, Sir Robert  
 Thomas, Derek  
 Tomlinson, Michael  
 Trevelyan, rh Anne-Marie  
 Trott, Laura  
 Tugendhat, rh Tom  
 Vara, rh Shailesh  
 Villiers, rh Theresa  
 Walker, Sir Charles  
 Walker, Mr Robin  
 Warburton, David (*Proxy vote cast by Craig Mackinlay*)  
 Warman, Matt  
 Watling, Giles

Webb, Suzanne (*Proxy vote cast by Stuart Anderson*)  
 Wheeler, Mrs Heather  
 Whittingdale, rh Sir John  
 Wiggin, Sir Bill  
 Wild, James  
 Williams, Craig  
 Williamson, rh Sir Gavin  
 Wood, Mike  
 Wragg, Mr William  
 Young, Jacob  
 Zahawi, rh Nadhim

**Tellers for the Ayes:**  
**Fay Jones and**  
**Robert Lorgan**

### NOES

Abbott, rh Ms Diane (*Proxy vote cast by Bell Ribeiro-Addy*)  
 Ali, Tahir  
 Anderson, Fleur  
 Barker, Paula  
 Beckett, rh Margaret  
 Begum, Apsana  
 Benn, rh Hilary  
 Bonnar, Steven  
 Brennan, Kevin  
 Brock, Deidre  
 Brown, Alan  
 Brown, Ms Lyn  
 Bryant, Sir Chris  
 Buck, Ms Karen  
 Butler, Dawn  
 Callaghan, Amy (*Proxy vote cast by Brendan O'Hara*)  
 Cameron, Dr Lisa  
 Carden, Dan  
 Carmichael, rh Mr Alistair  
 Champion, Sarah  
 Charalambous, Bambos  
 Cherry, Joanna  
 Clark, Feryal (*Proxy vote cast by Chris Elmore*)  
 Cooper, Daisy  
 Cooper, rh Yvette  
 Creasy, Stella  
 Cruddas, Jon  
 Cryer, John  
 Daby, Janet  
 Dalton, Ashley  
 Davies, Geraint  
 Davies-Jones, Alex  
 Day, Martyn  
 Docherty-Hughes, Martin  
 Doogan, Dave  
 Doughty, Stephen  
 Duffield, Rosie  
 Edwards, Jonathan  
 Efford, Clive  
 Elmore, Chris  
 Evans, Chris  
 Farron, Tim  
 Fellows, Marion  
 Ferrier, Margaret  
 Foxcroft, Vicky  
 Foy, Mary Kelly  
 Grant, Peter  
 Green, Sarah  
 Griffith, Dame Nia

Gwynne, Andrew  
 Harman, rh Ms Harriet  
 Hayes, Helen  
 Hendry, Drew  
 Hillier, Dame Meg  
 Hobhouse, Wera  
 Hodge, rh Dame Margaret  
 Hollern, Kate  
 Hosie, rh Stewart  
 Huq, Dr Rupa  
 Hussain, Imran  
 Johnson, rh Dame Diana  
 Johnson, Kim  
 Jones, Darren  
 Jones, Gerald  
 Keeley, Barbara  
 Kinnock, Stephen  
 Lake, Ben  
 Lammy, rh Mr David  
 Law, Chris  
 Leadbeater, Kim  
 Lewell-Buck, Mrs Emma  
 Lewis, rh Sir Julian  
 Linden, David  
 Lloyd, Tony (*Proxy vote cast by Brendan O'Hara*)  
 Long Bailey, Rebecca  
 Lucas, Caroline  
 Lynch, Holly  
 MacNeil, Angus Brendan  
 Mahmood, Mr Khalid  
 Mc Nally, John  
 McCabe, Steve  
 McDonagh, Siobhain  
 McDonald, Stewart Malcolm  
 McDonald, Stuart C.  
 McDonnell, rh John  
 McLaughlin, Anne (*Proxy vote cast by Brendan O'Hara*)  
 McMorris, Anna  
 Mishra, Navendu  
 Monaghan, Carol  
 Morden, Jessica  
 Morgan, Helen  
 Morgan, Stephen  
 Morris, Grahame  
 Murray, Ian  
 Newlands, Gavin  
 Nichols, Charlotte  
 Nicolson, John (*Proxy vote cast by Brendan O'Hara*)  
 O'Hara, Brendan  
 Olney, Sarah

Osamor, Kate  
 Pennycook, Matthew  
 Qaisar, Ms Anum  
 Reed, Steve  
 Ribeiro-Addy, Bell  
 Rodda, Matt  
 Russell-Moyle, Lloyd  
 Sharma, Mr Virendra  
 Sheppard, Tommy  
 Siddiq, Tulip  
 Slaughter, Andy  
 Smyth, Karin  
 Stephens, Chris  
 Stone, Jamie  
 Sultana, Zarah  
 Tarry, Sam  
 Thewliss, Alison  
 Thomas, Gareth  
 Thomas-Symonds, rh Nick

Thompson, Owen  
 Thomson, Richard  
 Thornberry, rh Emily  
 Timms, rh Sir Stephen  
 Twigg, Derek  
 Vaz, rh Valerie  
 Wakeford, Christian  
 West, Catherine  
 Western, Andrew  
 Western, Matt  
 Whitehead, Dr Alan  
 Whitley, Mick  
 Williams, Hywel  
 Wilson, Munira  
 Wishart, Pete  
 Zeichner, Daniel

**Tellers for the Noes:**  
**Mary Glindon and**  
**Colleen Fletcher**

*Question accordingly agreed to.*

*Lords amendment 22 disagreed to.*

2.56 pm

*More than two hours having elapsed since the commencement of proceedings on the Lords amendments, the proceedings were interrupted (Programme Order, this day).*

*The Deputy Speaker then put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83F).*

### After Clause 89

#### DUTY TO UPDATE THE INTELLIGENCE AND SECURITY COMMITTEE OF PARLIAMENT'S MEMORANDUM OF UNDERSTANDING

*Motion made, and Question put, That this House disagrees with Lords amendment 122.—(Tom Tugendhat.)*

*The House divided: Ayes 254, Noes 136.*

**Division No. 229]**

**[2.57 pm**

### AYES

Adams, rh Nigel  
 Afolami, Bim  
 Afriyie, Adam  
 Aldous, Peter  
 Anderson, Lee  
 Anderson, Stuart  
 Andrew, rh Stuart  
 Ansell, Caroline  
 Argar, rh Edward  
 Atherton, Sarah  
 Atkins, Victoria  
 Bacon, Gareth  
 Bacon, Mr Richard  
 Bailey, Shaun  
 Baker, Duncan  
 Baldwin, Harriett  
 Barclay, rh Steve  
 Baynes, Simon  
 Bell, Aaron  
 Benton, Scott  
 Beresford, Sir Paul  
 Bhatti, Saqib  
 Blackman, Bob  
 Bone, Mr Peter

Bottomley, Sir Peter  
 Bowie, Andrew  
 Bradley, rh Karen  
 Brady, Sir Graham  
 Brine, Steve  
 Bristow, Paul  
 Browne, Anthony  
 Bruce, Fiona  
 Buchan, Felicity  
 Burghart, Alex  
 Butler, Rob  
 Cairns, rh Alun  
 Carter, Andy  
 Cash, Sir William  
 Cates, Miriam  
 Caulfield, Maria  
 Chalk, rh Alex  
 Chope, Sir Christopher  
 Clark, rh Greg  
 Clarke, Theo (*Proxy vote cast by Stuart Anderson*)  
 Clarke-Smith, Brendan  
 Clarkson, Chris  
 Clifton-Brown, Sir Geoffrey

Coffey, rh Dr Thérèse  
 Colburn, Elliot  
 Collins, Damian  
 Costa, Alberto  
 Coutinho, Claire  
 Crabb, rh Stephen  
 Crosbie, Virginia  
 Crouch, Tracey  
 Daly, James  
 Davies, rh David T. C.  
 Davies, Gareth  
 Davies, Dr James  
 Davies, Mims  
 Davison, Dehenna  
 Dinéage, Dame Caroline  
 Dines, Miss Sarah  
 Djanogly, Mr Jonathan  
 Docherty, Leo  
 Donelan, rh Michelle (*Proxy vote cast by Stuart Anderson*)  
 Double, Steve  
 Doyle-Price, Jackie  
 Drax, Richard  
 Drummond, Mrs Flick  
 Duddridge, Sir James  
 Duguid, David  
 Duncan Smith, rh Sir Iain  
 Dunne, rh Philip  
 Edwards, Ruth  
 Ellis, rh Michael  
 Ellwood, rh Mr Tobias  
 Elphicke, Mrs Natalie  
 Eustice, rh George  
 Evans, Dr Luke  
 Evennett, rh Sir David  
 Fabricant, Michael  
 Farris, Laura  
 Fletcher, Katherine  
 Fletcher, Nick  
 Ford, rh Vicky  
 Foster, Kevin  
 Fox, rh Dr Liam  
 Francois, rh Mr Mark  
 Frazer, rh Lucy  
 Freeman, George  
 French, Mr Louie  
 Fuller, Richard  
 Garnier, Mark  
 Gibb, rh Nick  
 Gideon, Jo  
 Glen, rh John  
 Goodwill, rh Sir Robert  
 Gove, rh Michael  
 Graham, Richard  
 Grant, Mrs Helen  
 Grayling, rh Chris  
 Green, rh Damian  
 Griffith, Andrew  
 Grundy, James  
 Halfon, rh Robert  
 Hammond, Stephen  
 Harper, rh Mr Mark  
 Harrison, Trudy  
 Hart, rh Simon  
 Heappey, rh James  
 Henderson, Gordon  
 Henry, Darren  
 Higginbotham, Antony  
 Hinds, rh Damian  
 Hoare, Simon  
 Holden, Mr Richard  
 Hollinrake, Kevin  
 Hollobone, Mr Philip  
 Holmes, Paul  
 Howell, John  
 Howell, Paul  
 Huddleston, Nigel  
 Hudson, Dr Neil  
 Hughes, Eddie  
 Hunt, Jane  
 Jack, rh Mr Alister  
 Javid, rh Sajid  
 Jayawardena, rh Mr Ranil  
 Jenkin, Sir Bernard  
 Jenkinson, Mark  
 Johnson, Dr Caroline  
 Johnson, Gareth  
 Johnston, David  
 Jones, rh Mr David  
 Kawczynski, Daniel  
 Keegan, rh Gillian  
 Kniveton, Kate  
 Latham, Mrs Pauline  
 Leadsom, rh Dame Andrea  
 Leigh, rh Sir Edward  
 Levy, Ian  
 Lewer, Andrew  
 Loder, Chris  
 Logan, Mark (*Proxy vote cast by Stuart Anderson*)  
 Longhi, Marco  
 Lopez, Julia (*Proxy vote cast by Stuart Anderson*)  
 Lopresti, Jack  
 Lord, Mr Jonathan  
 Loughton, Tim  
 Mackinlay, Craig  
 Mackrory, Cherilyn  
 Maclean, Rachel  
 Mak, Alan  
 Malthouse, rh Kit  
 Mangnall, Anthony  
 Mann, Scott  
 Marson, Julie  
 May, rh Mrs Theresa  
 Mayhew, Jerome  
 Maynard, Paul  
 McCartney, Jason  
 McCartney, Karl  
 Menzies, Mark  
 Merriman, Huw  
 Metcalfe, Stephen  
 Millar, Robin  
 Miller, rh Dame Maria  
 Milling, rh Amanda  
 Mills, Nigel  
 Mitchell, rh Mr Andrew  
 Mohindra, Mr Gagan  
 Morris, Anne Marie  
 Morris, James  
 Morrissey, Joy  
 Mortimer, Jill  
 Morton, rh Wendy  
 Mumby-Croft, Holly  
 Mundell, rh David  
 Murrison, rh Dr Andrew  
 Neill, Sir Robert  
 Nici, Lia  
 Nokes, rh Caroline  
 Norman, rh Jesse  
 O'Brien, Neil  
 Offord, Dr Matthew  
 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  
 Redwood, rh John  
 Rees-Mogg, rh Mr Jacob  
 Richardson, Angela  
 Robertson, Mr Laurence  
 Robinson, Mary  
 Rowley, Lee  
 Russell, Dean  
 Rutley, David  
 Sambrook, Gary  
 Saxby, Selaine  
 Scully, Paul  
 Seely, Bob  
 Selous, Andrew  
 Shapps, rh Grant  
 Sharma, rh Sir Alok  
 Shelbrooke, rh Alec  
 Simmonds, David  
 Skidmore, rh Chris  
 Smith, rh Chloe  
 Smith, Greg  
 Solloway, Amanda  
 Spencer, rh Mark  
 Stafford, Alexander  
 Stephenson, rh Andrew  
 Stevenson, Jane

Stevenson, John  
 Stewart, rh Bob  
 Stewart, Iain  
 Streeter, Sir Gary  
 Stuart, rh Graham  
 Sunderland, James  
 Swayne, rh Sir Desmond  
 Syms, Sir Robert  
 Thomas, Derek  
 Tomlinson, Michael  
 Trevelyan, rh Anne-Marie  
 Trott, Laura  
 Tugendhat, rh Tom  
 Vara, rh Shailesh  
 Villiers, rh Theresa  
 Walker, Sir Charles  
 Walker, Mr Robin  
 Warburton, David (*Proxy vote cast by Craig Mackinlay*)  
 Warman, Matt  
 Watling, Giles  
 Webb, Suzanne (*Proxy vote cast by Stuart Anderson*)  
 Wheeler, Mrs Heather  
 Whittingdale, rh Sir John  
 Wigg, Sir Bill  
 Wild, James  
 Williams, Craig  
 Williamson, rh Sir Gavin  
 Wood, Mike  
 Wragg, Mr William  
 Young, Jacob  
 Zahawi, rh Nadhim

**Tellers for the Ayes:**

**Fay Jones and  
 Robert Lagan**

**NOES**

Abbott, rh Ms Diane (*Proxy vote cast by Bell Ribeiro-Ady*)  
 Ali, Tahir  
 Anderson, Fleur  
 Barker, Paula  
 Beckett, rh Margaret  
 Begum, Apsana  
 Benn, rh Hilary  
 Blunt, Crispin  
 Bonnar, Steven  
 Brennan, Kevin  
 Brock, Deidre  
 Brown, Alan  
 Brown, Ms Lyn  
 Bryant, Sir Chris  
 Butler, Dawn  
 Callaghan, Amy (*Proxy vote cast by Brendan O'Hara*)  
 Cameron, Dr Lisa  
 Carden, Dan  
 Champion, Sarah  
 Charalambous, Bambos  
 Cherry, Joanna  
 Clark, Feryal (*Proxy vote cast by Chris Elmore*)  
 Cooper, Daisy  
 Cooper, rh Yvette  
 Corbyn, rh Jeremy  
 Creasy, Stella  
 Cruddas, Jon  
 Cryer, John  
 Daby, Janet  
 Dalton, Ashley  
 Davies, Geraint  
 Davies-Jones, Alex  
 Day, Martyn  
 Docherty-Hughes, Martin  
 Doogan, Dave  
 Doughty, Stephen  
 Duffield, Rosie  
 Edwards, Jonathan  
 Efford, Clive  
 Elmore, Chris  
 Evans, Chris  
 Farron, Tim  
 Fellows, Marion  
 Ferrier, Margaret  
 Foxcroft, Vicky  
 Foy, Mary Kelly  
 Grant, Peter  
 Green, Sarah  
 Griffith, Dame Nia  
 Gwynne, Andrew  
 Hanvey, Neale  
 Harman, rh Ms Harriet  
 Hayes, Helen  
 Hendry, Drew  
 Hillier, Dame Meg  
 Hobhouse, Wera  
 Hodge, rh Dame Margaret  
 Hollern, Kate  
 Hosie, rh Stewart  
 Huq, Dr Rupa  
 Hussain, Imran  
 Johnson, rh Dame Diana



Johnson, Kim  
 Jones, Darren  
 Jones, Gerald  
 Keeley, Barbara  
 Kinnock, Stephen  
 Lake, Ben  
 Lammy, rh Mr David  
 Law, Chris  
 Leadbeater, Kim  
 Lewell-Buck, Mrs Emma  
 Lewis, rh Sir Julian  
 Linden, David  
 Lloyd, Tony (*Proxy vote cast by Chris Elmore*)  
 Long Bailey, Rebecca  
 Lucas, Caroline  
 Lynch, Holly  
 MacNeil, Angus Brendan  
 Mahmood, Mr Khalid  
 Mc Nally, John  
 McCabe, Steve  
 McDonagh, Siobhain  
 McDonald, Stewart Malcolm  
 McDonald, Stuart C.  
 McDonnell, rh John  
 McLaughlin, Anne (*Proxy vote cast by Brendan O'Hara*)  
 McMorrin, Anna  
 Mishra, Navendu  
 Monaghan, Carol  
 Morden, Jessica  
 Morgan, Helen  
 Morgan, Stephen  
 Morris, Grahame  
 Murray, Ian  
 Newlands, Gavin  
 Nichols, Charlotte  
 Nicolson, John (*Proxy vote cast by Brendan O'Hara*)  
 O'Hara, Brendan

Olney, Sarah  
 Osamor, Kate  
 Pennycook, Matthew  
 Qaisar, Ms Anum  
 Reed, Steve  
 Ribeiro-Addy, Bell  
 Rodda, Matt  
 Russell-Moyle, Lloyd  
 Sharma, Mr Virendra  
 Sheppard, Tommy  
 Siddiq, Tulip  
 Slaughter, Andy  
 Smyth, Karin  
 Stephens, Chris  
 Stone, Jamie  
 Sultana, Zarah  
 Tarry, Sam  
 Thewliss, Alison  
 Thomas, Gareth  
 Thomas-Symonds, rh Nick  
 Thompson, Owen  
 Thomson, Richard  
 Thornberry, rh Emily  
 Timms, rh Sir Stephen  
 Twigg, Derek  
 Vaz, rh Valerie  
 Wakeford, Christian  
 West, Catherine  
 Western, Andrew  
 Western, Matt  
 Whitley, Mick  
 Williams, Hywel  
 Wilson, Munira  
 Wishart, Pete  
 Zeichner, Daniel

**Tellers for the Noes:**  
**Mary Glendon and**  
**Colleen Fletcher**

*Question accordingly agreed to.*

*Lords amendment 122 disagreed to.*

*Lords amendments 1 to 21, 23 to 25, 27 to 121, 123 to 152 and 154 to 174 agreed to, with Commons financial privilege waived in respect of Lords amendments 33 and 34.*

*Motion made, and Question put forthwith (Standing Order No. 83H(2)), That a Committee be appointed to draw up Reasons to be assigned to the Lords for disagreeing to their amendments 22 and 122;*

That Tom Tugendhat, Scott Mann, James Sunderland, Chris Clarkson, Gerald Jones, Holly Lynch and Stuart C. McDonald be members of the Committee;

That Tom Tugendhat be the Chair of the Committee;

That three be the quorum of the Committee.

That the Committee do withdraw immediately.—  
*(Andrew Stephenson.)*

*Question agreed to.*

*Committee to withdraw immediately; reasons to be reported and communicated to the Lords.*

### **LIFELONG LEARNING (HIGHER EDUCATION FEE LIMITS) BILL (PROGRAMME) (NO. 2)**

*Ordered,*

That the Order of 27 February 2023 (Lifelong Learning (Higher Education Fee Limits) Bill: Programme) be varied as follows:

(1) Paragraphs (4) and (5) of the Order shall be omitted.

(2) Proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion two hours after the commencement of proceedings on the Motion for this Order.

(3) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion three hours after the commencement of proceedings on the Motion for this Order.—  
*(Andrew Stephenson.)*

## Lifelong Learning (Higher Education Fee Limits) Bill

*Consideration of Bill, not amended in Public Bill  
Committee*

### New Clause 1

#### REVIEW

“(1) The Secretary of State must conduct an annual review of the operation of the provisions of this Act.

(2) The first review must take into account the interaction of this Act with Level 4 lifelong loan entitlement provision in the 2025/26 academic year.

(3) The review must consider the impact of the provisions of this Act on—

- (a) learner uptake of modular study,
- (b) employer spending on lifelong learning, re-training and upskilling opportunities for their employees,
- (c) the provision of courses offered by higher education and further education providers,
- (d) the financial sustainability of the tertiary education sector,
- (e) the Student Loans Company, and
- (f) the Office for Students.

(4) The Secretary of State must lay the report on the findings of the first review before Parliament before the end of 2026.”—  
(*Matt Western.*)

*This new clause would require the Secretary of State to conduct and publish a review on the impact of the Act on various factors after the extension of the Lifelong Loan Entitlement to Level 4 courses in Academic Year 2025/26 but not before the extension of the Lifelong Loan Entitlement to Level 4, 5 and 6 in Academic Year 2027/28, and then annually.*

*Brought up, and read the First time.*

3.10 pm

**Matt Western** (Warwick and Leamington) (Lab): I beg to move, That the clause be read a Second time.

**Madam Deputy Speaker (Dame Eleanor Laing):** With this it will be convenient to discuss the following:

New clause 2—*Requirement to publish a revised impact assessment*—

“(1) Before laying the first regulations under this Act, the Secretary of State must prepare and publish a revised impact assessment.

(2) The impact assessment must take account of, in particular—

- (a) the Lifelong Loan Entitlement Consultation and the Government’s response,
- (b) any spending review decisions announced after the date on which the Act received Royal Assent, and
- (c) any announced changes to Government skills and education policy.”

*This new clause would require the Secretary of State to publish a revised impact assessment of the Bill with regard to recently announced and future changes related to the Lifelong Loan Entitlement policy.*

Amendment 2 to clause 1, page 2, line 10, at end insert—

“(1A) One credit means 10 notional learning hours.”

*This amendment puts the number of hours that constitute a credit on the face of the Bill.*

Amendment 1 to clause 2, page 6, leave out lines 17 to 20 and insert—

“(7A) Nothing in subsection (7) requires the Secretary of State to make regulations under subsection (6) to set fee limits for courses which have not been designated by or under regulations made by the Secretary of State in accordance with section 22 of the Teaching and Higher Education Act 1998.”

*This amendment safeguards against charging variable fees based on course or subject.*

Amendment 4, page 8, line 36, after “may” insert “until 30 September 2024”.

*This amendment is a probing amendment that would limit the use of saving and transitional measures to 30 September 2024.*

Amendment 3, page 8, line 38, at end insert—

“(6A) A statutory instrument containing (whether alone or with other provisions) regulations under this Act shall not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament.”

*This amendment would require that regulations made under this Act are subject to the affirmative procedure.*

Amendment 5, page 8, line 38, at end insert—

“(6A) Before laying the first regulations under the 2017 Act, the Secretary of State must make a written ministerial statement updating the House of Commons on the progress made in the Lifelong Loan Entitlement roll out and outlining how the regulations will support further policy development.”

*This amendment would require the Secretary of State to publish a written ministerial statement ahead of laying any regulations under this Act, updating the House on the progress of the Lifelong Loan Entitlement policy and how the regulations aim to support the policy.*

**Matt Western:** I rise to speak to new clauses 1 and 2 and amendments 3 to 5, which appear in my name and that of my hon. Friend the Member for Chesterfield (Mr Perkins), who is unfortunately unable to be here today. Our amendments at their core seek to do three important things and are designed to ensure that the Bill is successful: to introduce parliamentary oversight; to provide the sector with as much clarity as possible ahead of the implementation of the lifelong loan entitlement; and to allow for an assessment of the interaction between the Bill and the policy underpinning the lifelong loan entitlement. They seek to achieve those aims at various key points in the Minister’s decision-making process, covering the period prior to laying the regulations, the process of laying the regulations and the post-enactment effect of the regulations. With your permission, Madam Deputy Speaker, I will speak to our amendments with that logical structure in mind.

New clause 2 would require the Minister to publish a revised impact assessment before laying any regulations under the Act. Such an impact assessment must consider the Government’s response to the lifelong loan entitlement, any subsequent spending reviews, and the Government’s broader education and skills policy. I note that the Minister has committed himself and the Government at various times to such an impact assessment. In the impact assessment attached to the Bill, a post-enactment impact assessment is promised. In Committee, the Minister also promised that

“the Government will publish a full and detailed impact assessment, including the qualification of expected costs and the benefits of LLE in its entirety, when we lay the necessary secondary legislation to fully implement the LLE.”—[*Official Report, Lifelong Learning (Higher Education Fee Limits) Public Bill Committee*, 23 March 2023; c. 98.]

Therefore, the need for a revised impact assessment does not seem to be in dispute.

It is important, however, that the impact assessment is as thorough as possible. At the moment, we have impact assessments split across a variety of strands: attached to the Bill, the Government consultation response, and future announcements. There are some glaring gaps, noticeably on the impact on providers. The Bill's current impact assessment stresses that the

“overall impact is likely to be ambiguous because of various opposing effects.”

It is important that those effects are considered in the round in any future impact assessment.

Even if the Minister does not accept the new clause, I would welcome his commitment to producing a post-enactment impact assessment, pulling together the variety of loose strands across different announcements. I would also welcome his commitment to publishing a revised impact assessment before he lays any regulations under the Bill, and a commitment on when he intends to do that.

Amendment 5 is linked to the aim of new clause 2. It would require the Minister to publish a written ministerial statement before tabling any regulations under the Bill. The amendment would require any written statement to take into account the interaction between the regulation and the policy proposal. On Second Reading, I described the Bill as an “exoskeleton without a body”—that is to say, a framework without much policy substance. After detailed debate in Committee, I understand some of the reasons why the Bill is technical in design and therefore somewhat policy-light. What amendment 5 seeks to do, however, is to link the policy objectives of lifelong learning to the secondary legislation tabled under the Bill. It would close the gap between the Bill's skeletal framework and the policy announced by the Government.

Amendments 5 and 3, the second of which would subject all regulations made under the Bill to the affirmative procedure, are guided by one simple aim: parliamentary oversight. In Committee, the Minister confirmed that regulations determining the fee method, the number of credits attached to credit-differential activity, the number of learning hours attached to credit, the maximum number of credits and the uprating of the lifelong learning entitlement would all be subject to the affirmative process. I welcome that commitment and have no reason to doubt the sincerity of the Minister's promise. However, given that we have had, I think, three Ministers in the last 10 months, there is uncertainty about the commitment—or lack of it—to that on the part of others. Given that the Minister supports the central thrust of amendment 3 and is a keen supporter of parliamentary oversight and a pragmatist, I hope that he will be prepared to assert Parliament's right to scrutiny in the Bill.

Amendment 4 would limit the use of the saving and transitional provisions in the Bill to the end of September 2024. I tabled a similar amendment in Committee that would have limited their usage to the end of January 2024. The Minister confirmed that the Government

“are not intending to lay the broader suite of regulations to enable the LLE until after January 2024.”—[*Official Report, Lifelong Learning (Higher Education Fee Limits) Public Bill Committee*, 23 March 2023; c. 111.]

I understand the reasons behind the need for flexibility—after all, lifelong learning is a fundamental change in the structure of the student loans system—but the

Minister will no doubt be aware of the need for providers, students and the Student Loans Company to have adequate time to prepare.

On the Minister's own timeline, continuing to table saving and transitional provisions after September 2024 would leave less than one complete academic year before the expansion of LLE to level 4 courses in September 2025. What assurances can he give the sector that the vast majority—if not all—of the regulations will be laid by or before September 2024? Can he be a little more specific than any time after January 2024?

Finally, I turn to new clause 1, which would require the Secretary of State to conduct a review of the Bill's impact on a variety of factors after the launch of lifelong learning for level 4 in the 2025 academic year. It would need to be published before the expansion in the 2027-28 academic year to levels 4, 5 and 6. The Secretary of State would then have to conduct an annual review every subsequent year taking into account learner uptake, employer spending, the provision of courses on offer, the financial sustainability of the sector, the Student Loans Company and the Office for Students. I will touch on a few of those points to illustrate why such a review is so crucial.

On the Bill's impact on learner uptake, we know that there is a huge job to be done. As Sir David Bell, vice-chancellor of the University of Sunderland, reminded us in Committee, accelerated courses were once poised to be the next big thing but never really materialised. The same can honestly be said of T-levels. The Education Committee's report into post-16 education, which was published last week—the Minister will be more than familiar with it—revealed that 63% of young people had not even heard of T-levels. As Rachel Sandby-Thomas, the registrar at the University of Warwick, put it:

“The take-up has been disappointing”—[*Official Report, Lifelong Learning (Higher Education Fee Limits) Public Bill Committee*, 21 March 2023; c. 33, Q75.]

The National Careers Service—incidentally, this was introduced by my friend Gordon Marsden, the former Member of Parliament for Blackpool South—would be the most obvious choice for helping to deliver information, advice and guidance. I am reliably informed that the NCS is now poorly resourced and unable to meet the demand for face-to-face appointments, and has been described by the Local Government Association as in need of a “radical shake up”. How on earth, therefore, does the Minister expect adequate information, advice and guidance to be provided to prospective learners when the most obvious mechanism available to deliver it has been so stretched and under-resourced these past few years?

Of course, none of that is to say that LLE will not propel an enormous wave of adult learners and upskillers, but recent policy announcements suggest the need for an enormous communications campaign, a large investment of resources and a clear understanding of the barriers to uptake. A review, as proposed in new clause 1, would achieve that aim. Linked to that, the impact of the Bill on the courses on offer and the financial sustainability of the sector will be one of the main factors in determining whether the policy is a success.

Given the declining unit of resource, the urgent need for a review in post-16 education funding, as the Education Committee has called for, and the additional costs incurred by modular study, there is a risk, albeit small,

[Matt Western]

that the policy might stretch providers too far and too thinly. I note the Minister indicated that the wider LLE impact assessment, which is being updated as the policy develops, expects increased uptake of technical provision, modular study and part-time study to expand opportunities for providers to generate revenue. That is good news. However, circumstances change, populations grow and shrink, and universities are under greater pressure to deliver. The assessment therefore needs to be continual.

On a final point—one that was raised in Committee—the reform will inevitably help those currently in the workforce to reskill and retrain. Given that the apprenticeship levy has been so poorly used, with just 31% of levy-paying employers in a recent Chartered Institute of Personnel and Development poll claiming that it had encouraged them to spend on training, down from 46% five years ago, there is clearly a pressing need for reskilling and workplace training. However, there is obviously a balance to be struck between meeting the needs of employers and those needs being imposed on workers, and meeting the expectations of citizens to have access to further educational experiences for their own fulfilment. There is a real risk that employers will use the system to burden their employees and potential hires with debt to fulfil their own internal skills gaps. I know that the Minister would not want the system to be used purely for that purpose and new clause 1 would keep an ongoing eye on that practice. I would be interested to hear any further thoughts the Minister has had since Committee on what steps he might be inclined to take to prevent the misapplication of the LLE by employers.

I will draw my remarks to a close. I reiterate my support, and the Labour party's support, for the Bill and the policy it underpins. The amendments we have tabled reflect that support, while seeking to futureproof the policy to ensure it has a long-lasting impact over successive election cycles and decades. We want it to be successful. By far the most important of the amendments we have tabled today is on the need for review to guard against any unintended effects of the policy, engage parliamentary oversight and provide an avenue for all stakeholders to continue to feed into the policy outcome. It is for that reason that we will be pressing new clause 1 to a Division.

**The Minister for Skills, Apprenticeships and Higher Education (Robert Halfon):** Ahead of speaking to the amendments tabled by the hon. Member for Warwick and Leamington (Matt Western), I would like to thank Members from across the Chamber for their contributions and the spirit of the amendments tabled, as well as the spirit in which they invested in the Bill and its transformational programme.

I will start with new clause 1, which seeks to require the Secretary of State to publish an ongoing annual review on the impact of the Act from academic year 2025-26. I understand the new clause intends to require the Secretary of State to conduct and publish a review on the impact of the Act, in particular covering the phased introduction of modular provision from 2025. As hon. Members will be aware, the Government published an impact assessment for the Bill, which includes a consideration of the impact of modularisation, including on providers.

If I may, I will recount to Members how the Government intend to introduce the LLE. The LLE will provide individuals with loan entitlements to the equivalent of four years of post-18 education to use over their working lives, for example £37,000 in today's fees. The LLE will be available from 2025 for full courses at levels 4 to 6, such as degrees and higher technical qualifications. In addition, the LLE will begin a phased introduction of modular funding, starting in 2025, with modules of high-value technical courses at level 4 and 5. The Government are particularly keen to ensure a wide range of high quality level 4 and 5 modules are in scope from 2025-26. That will pave the way for expanding out new modular funding to broader level 4, 5 and 6 provision in 2027, where we can be confident of positive student outcomes.

There will be an opportunity to contribute to the approach of the expansion of modular funding. As set out in the Government's response, we intend to launch a technical consultation next year to specify how we will determine funding for wider modules. I agree with the sentiment behind new clause 1 on the importance of monitoring the function of the LLE in line with policy intention. However, introducing an ongoing review into primary legislation before the policy has been fully implemented or had sufficient time to bed in would not be appropriate. Additionally, the Government believe a yearly report without an end date could be an undue and disproportionate burden at this stage. For that reason, the Government believe it neither necessary nor appropriate to introduce an ongoing review requirement on the face of primary legislation and that is why we cannot support new clause 1.

New clause 2 introduces a requirement to publish a revised impact assessment. It would have the effect of requiring the Secretary of State, before the laying of secondary legislation, to publish a revised impact assessment, taking into account any development of policy on the LLE. I am in full agreement with the intent behind new clause 2, which is to ensure there is adequate and ongoing analysis of the impacts of policy to inform decision making and scrutiny of legislation. As Members are aware, the Government published an impact assessment for the Bill on its introduction, on 1 February. The Government subsequently published an updated impact assessment for the LLE as a whole, alongside the publication of the consultation response, on 7 March. The impact assessment published in March contained the following commitment, on page 18:

“In accordance with the Better Regulation Framework, more detailed assessments of impacts, including quantification of expected costs and benefits of the different aspects of LLE policy, will be published in due course at the point when the government lays the necessary secondary legislation to fully implement LLE.”

I therefore reiterate and give assurance that the Government intend to publish an updated impact assessment for the LLE ahead of the laying of regulations. It is not necessary to codify that on the face of primary legislation and that is why the Government cannot support new clause 2.

On amendment 4 and the transitional measures referred to by the Opposition spokesman, the amendment requires any regulations on transitional arrangements to be made in connection with the coming into force of the Bill to be laid before the end of September 2024. Due to the complexity of the regulations required, and consistent with our plans to introduce the LLE from 2025, the

Government intend to lay the broader suite of regulations to enable the LLE at the earliest in mid to late 2024. Those regulations are likely to include transitional and saving provisions needed in relation to the new powers in clauses 1 and 2. As hon. Members will be aware, the laying of regulations is subject to available parliamentary time. It would not be helpful at this point to prescribe a specific period. However, the Government agree that regulations need to be laid in a timely manner.

3.30 pm

The LLE is a long-lasting, systemic reform set to affect generations of future students. It is imperative that the utmost care is taken of both the nation's finances and our future generations' education, as well as students who will be in the current system, when the LLE comes on stream, giving them the time and consideration they deserve. For those reasons, the Government cannot support the amendment.

Amendment 3, which stands in the names of the hon. Members for Warwick and Leamington and for Chesterfield (Mr Perkins), would require any regulations made under the Act to be subject to the affirmative resolution procedure. As I said, I appreciate the essential scrutiny that Opposition Members have given to the Bill, and I agree that the process is crucial. For that reason, the majority of regulations under the Bill will be subject to the affirmative procedure—clause 2(6) achieves that.

The Bill brings in new delegated powers under new paragraphs 1, 1B, 1C and 1F of schedule two to the Higher Education and Research Act 2017, which allow the Secretary of State to introduce the new method for determining fee limits, attaching credits, setting a maximum default number of credits and making adjustments for transfer cases under the credit-based method. All those powers are subject to the affirmative procedure and, as such, will require debate.

The only delegated powers that will be subject to the negative resolution procedure relate to the minor amendments that the Bill makes to existing powers under section 10 of the Higher Education and Research Act on prescribing qualifying courses for fee limit purposes, which Parliament has already agreed should be subject to the negative resolution procedure. The amendment would also require that the affirmative procedure applies to provisions that are not normally subject to it, which do not require mandatory normal parliamentary debates, such as commencement or transitional and saving regulations.

**Munira Wilson** (Twickenham) (LD): I welcome the Minister's assurances, both in Committee and now, that regulations will specify the number of hours that make up a credit. However, does he agree that putting the definition of a credit in the Bill, as proposed in my amendment 2, would give higher education providers confidence that credit values would not be devalued either by this Government or any future Governments?

**Robert Halfon**: I understand the intention behind the hon. Lady's amendments. Putting the learning hours into secondary legislation rather than primary means that providers that use a different number of learning hours per credit will simply have their courses treated as non-credit-bearing, rather than being considered in breach of fee limits as a whole. The Office for Students would

have the ability to take action against the provider from a quality and standards standpoint if it deems necessary, but the provider would not face additional consequences for breaching the fee limit rules.

We do not intend to change the number of learning hours in a credit unless the standards in the sector change. Learning hours are and should continue to be based on sector-led standards. Regulations on learning hours will have to follow the affirmative resolution procedure, so Parliament will always get the chance to have a say. The approach protects the existing use of credits as a standard that is owned and maintained by the sector, and ensures that the autonomy of the sector continues to be upheld but also allows a flexible approach in case standards change.

For the reasons that I have set out, and given that we are subjecting so many of our regulations to the affirmative procedure, as laid out in the delegated powers memorandum, which the hon. Member for Warwick and Leamington will have seen, there is no need for amendment 3 in primary legislation. I hope that he will be satisfied with that and will withdraw it.

Amendment 5, which stands in the names of the hon. Members for Warwick and Leamington and for Chesterfield, would require the Government to publish a written ministerial statement ahead of laying the first set of regulations under the Act, updating the House on the progress of the lifelong loan entitlement policy and how the regulations aim to support it. The Government will endeavour to publish a written ministerial statement ahead of laying regulations under this Act on both the development of regulations and the progress that the short course trial has made. However, it is not necessary to enshrine that commitment in primary legislation.

I would like to bring to the attention of the hon. Member for Warwick and Leamington that the Government's intention is to lay the first regulation under the Act in mid to late 2024. It is possible that regulations under the Bill will be the first made. In addition, as is standard practice, explanatory memoranda will be laid alongside all regulations, which will explain the scope and purpose of the regulations. The Government will also publish those on the [legislation.gov.uk](https://www.legislation.gov.uk) website, explaining what the regulations do and why.

As I mentioned earlier, the majority of regulations under the Act—certainly, all those that go to determine the actual fee limits—will be subject to the affirmative procedure and all Members of the House will have an opportunity to debate the regulations in Committee. Members appointed to the Committee will be able to vote, once they have been referred to the Delegated Legislation Committee. As such, the amendment is not necessary and the Government cannot support it, so I hope that Members feel able to withdraw it.

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

*The House divided*: Ayes 89, Noes 253.

**Division No. 230]**

**[3.33 pm**

**AYES**

Abbott, rh Ms Diane (*Proxy vote cast by Bell Ribeiro-Ady*)  
Ali, Rushanara  
Ali, Tahir  
Anderson, Fleur

Barker, Paula  
Beckett, rh Margaret  
Begum, Apsana  
Benn, rh Hilary  
Brennan, Kevin  
Brown, Ms Lyn

Bryant, Sir Chris  
 Buck, Ms Karen  
 Butler, Dawn  
 Carden, Dan  
 Carmichael, rh Mr Alistair  
 Champion, Sarah  
 Charalambous, Bambos  
 Clark, Feryal (*Proxy vote cast by Chris Elmore*)  
 Cooper, Daisy  
 Corbyn, rh Jeremy  
 Creasy, Stella  
 Cruddas, Jon  
 Cryer, John  
 Daby, Janet  
 Dalton, Ashley  
 Davies, Geraint  
 Davies-Jones, Alex  
 Doughty, Stephen  
 Duffield, Rosie  
 Efford, Clive  
 Elmore, Chris  
 Evans, Chris  
 Foxcroft, Vicky  
 Foy, Mary Kelly  
 Green, Sarah  
 Griffith, Dame Nia  
 Gwynne, Andrew  
 Harman, rh Ms Harriet  
 Hayes, Helen  
 Hillier, Dame Meg  
 Hobhouse, Wera  
 Hodge, rh Dame Margaret  
 Hollern, Kate  
 Huq, Dr Rupa  
 Hussain, Imran  
 Johnson, Kim  
 Jones, Darren  
 Kinnock, Stephen  
 Leadbeater, Kim  
 Lewell-Buck, Mrs Emma

Lloyd, Tony (*Proxy vote cast by Chris Elmore*)  
 Long Bailey, Rebecca  
 Lucas, Caroline  
 Mahmood, Mr Khalid  
 McCabe, Steve  
 McDonnell, rh John  
 Mishra, Navendu  
 Morden, Jessica  
 Morgan, Helen  
 Morgan, Stephen  
 Morris, Grahame  
 Murray, Ian  
 Nichols, Charlotte  
 Osamor, Kate  
 Pennycook, Matthew  
 Reed, Steve  
 Ribeiro-Addy, Bell  
 Rodda, Matt  
 Russell-Moyle, Lloyd  
 Sharma, Mr Virendra  
 Siddiq, Tulip  
 Slaughter, Andy  
 Smyth, Karin  
 Sultana, Zarah  
 Tarry, Sam  
 Thomas, Gareth  
 Thomas-Symonds, rh Nick  
 Thornberry, rh Emily  
 Timms, rh Sir Stephen  
 Twigg, Derek  
 Vaz, rh Valerie  
 Wakeford, Christian  
 West, Catherine  
 Western, Andrew  
 Western, Matt  
 Whitley, Mick  
 Wilson, Munira  
 Zeichner, Daniel

**Tellers for the Ayes:**  
 Mary Glindon and  
 Colleen Fletcher

**NOES**

Adams, rh Nigel  
 Afolami, Bim  
 Afriyie, Adam  
 Aldous, Peter  
 Anderson, Lee  
 Anderson, Stuart  
 Andrew, rh Stuart  
 Ansell, Caroline  
 Argar, rh Edward  
 Atherton, Sarah  
 Atkins, Victoria  
 Bacon, Gareth  
 Bacon, Mr Richard  
 Bailey, Shaun  
 Baker, Duncan  
 Baldwin, Harriett  
 Barclay, rh Steve  
 Baynes, Simon  
 Bell, Aaron  
 Benton, Scott  
 Beresford, Sir Paul  
 Bhatti, Saqib  
 Blackman, Bob  
 Blunt, Crispin  
 Bone, Mr Peter  
 Bottomley, Sir Peter  
 Bowie, Andrew

Bradley, rh Karen  
 Brady, Sir Graham  
 Brine, Steve  
 Bristow, Paul  
 Browne, Anthony  
 Bruce, Fiona  
 Buchan, Felicity  
 Buckland, rh Sir Robert  
 Burghart, Alex  
 Butler, Rob  
 Cairns, rh Alun  
 Carter, Andy  
 Cash, Sir William  
 Cates, Miriam  
 Caulfield, Maria  
 Chalk, rh Alex  
 Chope, Sir Christopher  
 Clark, rh Greg  
 Clarke, Theo (*Proxy vote cast by Stuart Anderson*)  
 Clarke-Smith, Brendan  
 Clarkson, Chris  
 Clifton-Brown, Sir Geoffrey  
 Coffey, rh Dr Thérèse  
 Colburn, Elliot  
 Collins, Damian  
 Costa, Alberto

Coutinho, Claire  
 Crabb, rh Stephen  
 Crosbie, Virginia  
 Crouch, Tracey  
 Daly, James  
 Davies, rh David T. C.  
 Davies, Gareth  
 Davies, Dr James  
 Davies, Mims  
 Davison, Dehenna  
 Dinenage, Dame Caroline  
 Dines, Miss Sarah  
 Djanogly, Mr Jonathan  
 Docherty, Leo  
 Donelan, rh Michelle (*Proxy vote cast by Stuart Anderson*)  
 Double, Steve  
 Doyle-Price, Jackie  
 Drax, Richard  
 Drummond, Mrs Flick  
 Duddridge, Sir James  
 Duguid, David  
 Duncan Smith, rh Sir Iain  
 Dunne, rh Philip  
 Edwards, Ruth  
 Ellis, rh Michael  
 Ellwood, rh Mr Tobias  
 Elphicke, Mrs Nialie  
 Evans, Dr Luke  
 Evennett, rh Sir David  
 Fabricant, Michael  
 Farris, Laura  
 Fletcher, Katherine  
 Fletcher, Nick  
 Foster, Kevin  
 Fox, rh Dr Liam  
 Freeman, George  
 French, Mr Louie  
 Fuller, Richard  
 Garnier, Mark  
 Gibb, rh Nick  
 Gideon, Jo  
 Glen, rh John  
 Goodwill, rh Sir Robert  
 Gove, rh Michael  
 Graham, Richard  
 Grant, Mrs Helen  
 Grayling, rh Chris  
 Green, rh Damian  
 Grundy, James  
 Halfon, rh Robert  
 Hammond, Stephen  
 Harper, rh Mr Mark  
 Harrison, Trudy  
 Hart, rh Simon  
 Heapey, rh James  
 Henderson, Gordon  
 Henry, Darren  
 Higginbotham, Antony  
 Hinds, rh Damian  
 Hoare, Simon  
 Holden, Mr Richard  
 Hollinrake, Kevin  
 Hollobone, Mr Philip  
 Holmes, Paul  
 Howell, John  
 Howell, Paul  
 Huddleston, Nigel  
 Hudson, Dr Neil  
 Hughes, Eddie  
 Hunt, Jane

Jack, rh Mr Alister  
 Javid, rh Sajid  
 Jayawardena, rh Mr Ranil  
 Jenkin, Sir Bernard  
 Jenkinson, Mark  
 Johnson, Dr Caroline  
 Johnson, Gareth  
 Johnston, David  
 Jones, rh Mr David  
 Kawczynski, Daniel  
 Kniveton, Kate  
 Kruger, Danny  
 Latham, Mrs Pauline  
 Leadsom, rh Dame Andrea  
 Leigh, rh Sir Edward  
 Levy, Ian  
 Lewer, Andrew  
 Lewis, rh Sir Julian  
 Loder, Chris  
 Logan, Mark (*Proxy vote cast by Stuart Anderson*)  
 Longhi, Marco  
 Lopez, Julia (*Proxy vote cast by Stuart Anderson*)  
 Lopresti, Jack  
 Lord, Mr Jonathan  
 Loughton, Tim  
 Mackinlay, Craig  
 Mackrory, Cheryllyn  
 Maclean, Rachel  
 Mak, Alan  
 Malthouse, rh Kit  
 Mangnall, Anthony  
 Mann, Scott  
 Marson, Julie  
 May, rh Mrs Theresa  
 Mayhew, Jerome  
 Maynard, Paul  
 McCartney, Jason  
 McCartney, Karl  
 Menzies, Mark  
 Merriman, Huw  
 Metcalfe, Stephen  
 Millar, Robin  
 Miller, rh Dame Maria  
 Milling, rh Amanda  
 Mills, Nigel  
 Mitchell, rh Mr Andrew  
 Mohindra, Mr Gagan  
 Morris, Anne Marie  
 Morris, David  
 Morris, James  
 Morrissey, Joy  
 Mortimer, Jill  
 Morton, rh Wendy  
 Mumby-Croft, Holly  
 Mundell, rh David  
 Murrison, rh Dr Andrew  
 Neill, Sir Robert  
 Nici, Lia  
 Nokes, rh Caroline  
 Norman, rh Jesse  
 O'Brien, Neil  
 Offord, Dr Matthew  
 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  
Redwood, rh John  
Rees-Mogg, rh Mr Jacob  
Richardson, Angela  
Robertson, Mr Laurence  
Robinson, Mary  
Rowley, Lee  
Russell, Dean  
Rutley, David  
Sambrook, Gary  
Saxby, Selaine  
Scully, Paul  
Seely, Bob  
Selous, Andrew  
Shapps, rh Grant  
Sharma, rh Sir Alok  
Shelbrooke, rh Alec  
Simmonds, David  
Skidmore, rh Chris  
Smith, Greg  
Solloway, Amanda  
Spencer, rh Mark  
Stafford, Alexander  
Stephenson, rh Andrew  
Stevenson, Jane  
Stevenson, John  
Stewart, rh Bob  
Stewart, Iain  
Streeter, Sir Gary

Stuart, rh Graham  
Sunderland, James  
Swayne, rh Sir Desmond  
Thomas, Derek  
Tomlinson, Michael  
Trevelyan, rh Anne-Marie  
Trott, Laura  
Tugendhat, rh Tom  
Vara, rh Shailesh  
Villiers, rh Theresa  
Walker, Sir Charles  
Walker, Mr Robin  
Warburton, David (*Proxy vote  
cast by Craig Mackinlay*)  
Warman, Matt  
Watling, Giles  
Webb, Suzanne (*Proxy vote  
cast by Stuart Anderson*)  
Wheeler, Mrs Heather  
Whittingdale, rh Sir John  
Wiggin, Sir Bill  
Wild, James  
Williams, Craig  
Williamson, rh Sir Gavin  
Wood, Mike  
Wragg, Mr William  
Wright, rh Sir Jeremy  
Young, Jacob  
Zahawi, rh Nadhim

**Tellers for the Noes:**  
Fay Jones and  
Robert Largan

*Question accordingly negatived.*

*Third Reading*

3.48 pm

**Robert Halfon:** I beg to move, That the Bill be now read the Third time.

Let me start by thanking all hon. and right hon. Members for their contributions, not just today but on Second Reading and on Report. I really welcome the way in which my counterpart the Opposition spokesman, the hon. Member for Warwick and Leamington (Matt Western), has approached the debate, because we are all united in our desire to support people to access higher and further education and to learn, upskill and retrain over the course of their working lives.

I want to extend my thanks to all those who have participated in the passage of the Bill so far. My thanks go to my hon. Friends the Members for Keighley (Robbie Moore), for Beaconsfield (Joy Morrissey) and for Stourbridge (Suzanne Webb) for their support throughout the passage of the Bill, as well as to the hon. Members for Warwick and Leamington and for Chesterfield (Mr Perkins), who have engaged constructively at every stage of the Bill. I am grateful to them both for their work in challenging us to ensure that the Bill is fit for purpose.

The hon. Member for Warwick and Leamington spoke on Report about T-levels, and I am proud that the number of T-level students has gone up to 10,000. We have 16 T-level subjects in delivery, with a total of 18 from September. We are spending up to £500 million on T-levels, which have a 92% pass rate, with many students progressing to university, employment and apprenticeships, and we have invested £240 million to help providers prepare to deliver high-quality industry placements.<sup>1</sup>

The apprenticeship levy is important, as we have had more than 5 million apprenticeship starts since 2010. The number of apprentices increased by 8.6% in 2021/22, and the money not used by levy payers, as he knows, funds training so that smaller businesses can have more apprentices. We have just removed the 10 apprentice cap for smaller businesses. We are doing a lot of good work on apprenticeships.

On Second Reading, a range of Members voiced their support for both this legislation and the lifelong loan entitlement, and it is important for me to thank the extraordinary Clerks and officials in Parliament and the Department for Education for their diligent work in supporting the Bill's passage through this place. None of this would have been possible without their work, and I think Members on both sides of the House express our appreciation.

It is an honour to champion this transformational Bill in this place, and I look forward to the LLE improving our skills system and supporting people into fulfilling and lasting careers. With this Bill, we are transforming lifelong learning in this country. People will now be on a train journey with an end stop at which they get their qualification, but they will be able to start and stop at various points in their life through flexible and modular learning. This Bill will be transformational, and I commend it to the House.

3.51 pm

**Matt Western:** I extend my thanks to all those involved in the passage of this Bill on Second Reading, in Committee and this afternoon. I join the Minister in thanking Conservative Members as much as those on the Labour Benches. I particularly thank my hon. Friend the Member for Chesterfield (Mr Perkins), the shadow further education Minister, whose name appeared on the amendments we debated on Report. I also thank my hon. Friends the Members for Brighton, Kemptown (Lloyd Russell-Moyle), for Sheffield, Brightside and Hillsborough (Gill Furniss), for North Tyneside (Mary Glindon), for Barnsley Central (Dan Jarvis) and for Middlesbrough (Andy McDonald) for their work, constructive comments and contributions in Committee. Their thoughts provided the basis for subsequent amendments.

I also place on record my thanks to the Clerks, and particularly to Bethan Harding for all her work drafting the various amendments that allowed us to probe the Government's rationale and that shaped the debate the ensuing debate.

Finally, I thank the Minister and his office for how they have guided the Bill through its Commons stages, offering numerous opportunities for Opposition engagement, following up with Members on specific points raised in Committee and generally respecting the right of Parliament to scrutinise the Bill. The seriousness and efficiency with which the Minister has approached the Bill encourages a certain trust both in him and in the purpose behind the Bill, both of which are essential if it is to form part of the cross-party commitment to lifelong learning.

This Bill is an important first legislative step on the road towards the full roll-out of lifelong learning provision in the UK, but the objective of lifelong learning has swirled around this place for far longer than I have been in this House. My friend and predecessor Mr Gordon Marsden, the former Member of Parliament for Blackpool

[*Matt Western*]

South, was an assiduous campaigner for lifelong learning in this role, and I am pleased to see that work is now channelled through his Right2Learn campaign. It may be only a few short years since he stood in my shadow ministerial shoes, but the need for these reforms has never been so urgent. They simply cannot come quickly enough. The Minister will no doubt be aware of the severity of the problem from his time chairing the Education Committee.

With Government spending on adult education falling by 47% between 2009 and 2019 under the coalition and Conservative Governments, and with only one in three adults participating in some kind of learning, meeting the challenges thrown up by decarbonisation, growing a sustainable economy and the fourth industrial revolution will require a complete reversal of the last 13 years of decline, propelled by a much more expansive understanding of lifelong learning. So what concerns me is the uncertain direction of travel. The Minister published the consultation response before the Committee stage, and I thank him for that, but this Bill leaves an awful lot to be decided in due course by him.

The purpose of Third Reading is to give the Commons a final chance to debate the contents of a Bill; it is an opportunity to discuss what is actually in the Bill, rather than, as on Second Reading, what might have been included. The awkward predicament we are in here is that so much of this Bill is yet to be determined by the Minister, in regulations. Consequently, the Bill is somewhat divorced from the policy it seeks to implement. This is not a party political point; it is a call for certainty and predictability, and an expectation that transformational reforms in the tertiary education sector are clear, open to debate and transparent. I understand that most of the current student finance system is governed through regulations, but the point is, surely, that what we are trying to do with lifelong learning is break away from the current system. Does it not follow, therefore, that the limits of the old system—namely, government by regulation—should not necessarily impose a limit on the new system?

That was why we tabled our amendments on Report. They were all about ensuring parliamentary oversight, sector engagement and continuous monitoring of the impact of legislation on proposed policy. It is somewhat disappointing, therefore, there has been no movement from the Government on those issues, despite assurances. I strongly suspect, however, that the Minister will take a conscientious, diligent and measured approach to implementing lifelong learning. I urge him to engage frequently with the sector, with me, with employers and with non-governmental bodies, such as the Student Loans Company and the Office for Students, although the latter is perhaps increasingly less non-governmental and more governmental in practice. That being said, as the Bill progresses to the Lords, I look forward to listening to their considerations on the scope of delegated powers under this Bill, the feasibility of these reforms and the timescale suggested by the Minister.

3.57 pm

**Peter Aldous** (Waveney) (Con): As my right hon. Friend the Minister has said, this Bill has the potential to be truly transformational. It can play a key role in enabling people to realise their full potential, help cure

the current British disease of low productivity and be a vital component part in work to deliver meaningful levelling up. However, it is only one piece of the jigsaw. Without other reforms and initiatives, there is a risk that it will not deliver and its objectives will not be met.

Times are changing rapidly and we must deliver meaningful lifelong learning. We have an ageing population, and the days of a job for life are long gone. Climate change means that a raft of new emerging jobs require upskilling and retraining. The fourth industrial revolution is well and truly under way. We are, in effect, in a global race and if we do not step up to the plate, the UK will be left far behind. If the Bill is to succeed, we must recognise the vital importance of adult education, which has been neglected for too long, with participation rates today half what they were in 2004. Investment by employers in workforce skills must increase. We must ensure that the least advantaged have every opportunity to participate. There must be better co-ordination across the whole education and training system. Further education, higher education and apprenticeships are currently treated as distinct and separate systems, imprisoned in their own silos. There also needs to be better alignment of welfare, economic and skills policies and strategies right across Government.

Questions remain about the Bill and its implementation, which I urge the Government to address as it continues its passage through Parliament. If the Bill is to succeed in its objectives, we must quickly develop a new culture of lifelong learning. The role of employers must be developed and clarity must be provided on how the lifelong loan entitlement will work alongside the apprenticeship levy. There is a risk that the policy will result in the take-up of loans for short courses by employees that would otherwise be funded by their employers. There is a danger that the lifelong loan entitlement becomes something that well-educated people use to add a year after their degree rather than people who have not yet got a level 3 qualification. The pathways from lower levels need strengthening with better funding and maintenance support at level 3 and below.

As I mentioned at the outset, the Bill is important and it has enormous potential, but it is only one piece of the jigsaw. Other reforms and new strategies are required if we are to deliver meaningful lifelong learning. That must take its place as part of a coherent post-16 education and skills strategy that properly aligns with wider Government policies.

We must improve careers advice so as to ensure that those who need lifelong learning the most are able to access it. Further consultation is needed on the regulation and quality of modular learning. It is important that regulatory burdens and risks do not stifle innovation and limit the delivery of short courses and modules. It is important that we create a maintenance support system that enables everyone to live properly while studying or training. This will be crucial for mature learners who often have family commitments and caring responsibilities.

Finally, the whole education and skills system must be sustainably funded. FE has been poorly funded for far too long. If we are to have a truly collaborative, streamlined and more flexible system for learners to study throughout their lives at different places, on a modular basis, this underfunding must be addressed.



In conclusion, the Government are to be commended for recognising the importance of lifelong learning in the modern world. The Bill's ambitions and aspirations are the right ones, but they will not be delivered in a vacuum. They must be part of a wider, coherent and co-ordinated strategy. As I have outlined, there are issues that should be addressed as the Bill now moves to the other place. There are also wider implications that must be considered right across Government, and I hope that they will figure prominently in the forthcoming Barber review and the autumn statement.

*Question put and agreed to.*

*Bill accordingly read the Third time and passed.*

## Business without Debate

### DELEGATED LEGISLATION

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

#### ARMORIAL BEARINGS, ENSIGNS AND FLAGS

That the draft Flags (Northern Ireland) (Amendment) Regulations 2023, which were laid before this House on 29 March, be approved.—(*Joy Morrissey.*)

*Question agreed to.*

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

#### ENVIRONMENTAL PROTECTION

That the draft Environmental Permitting (England and Wales) (Amendment) (England) Regulations 2023, which were laid before this House on 23 March, be approved.—(*Joy Morrissey.*)

*Question agreed to.*

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

#### FINANCIAL SERVICES AND MARKETS

That the draft Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023, which was laid before this House on 23 March, be approved.—(*Joy Morrissey.*)

*Question agreed to.*

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

That the draft Financial Services and Markets Act 2000 (Commodity Derivatives and Emission Allowances) Order 2023, which was laid before this House on 29 March, be approved.—(*Joy Morrissey.*)

*Question agreed to.*

## PETITION

### Female Judges and Prosecutors in Afghanistan

4.3 pm

**Joanna Cherry** (Edinburgh South West) (SNP): As a member of the all-party parliamentary group for Afghan women and girls, I rise to present a petition to the House of Commons from the residents of the United Kingdom. The presentation of this petition mirrors an online petition signed by more than 56,000 people. This petition has been signed by the Dean of the Faculty of Advocates, Roddy Dunlop KC, and reflects the solidarity of people in the legal profession across the jurisdictions of Scotland and the rest of the United Kingdom with the plight of our colleagues in Afghanistan.

The petition states:

The petition of residents of the United Kingdom,

Declares that female judges and prosecutors in Afghanistan, who have stood for the rule of law and a more inclusive and equal Afghanistan, are now deeply concerned for their own safety; further that they live with daily death threats and in constant fear of violent reprisals; and further that female judges and prosecutors, their children and their families are at continued risk of violent attacks.

The petitioners therefore request that the House of Commons urge the Government to immediately help evacuate and resettle female judges and prosecutors, and their families from Afghanistan by providing emergency visas urgently.

And the petitioners remain, etc.

[P002832]

**Mr Deputy Speaker (Mr Nigel Evans):** We have just one piece of business to go before we rise for the coronation recess, and I want to wish everybody a most enjoyable extended celebration, both within the United Kingdom and in all the other territories where His Majesty is monarch. On behalf of the House of Commons, I just want to say, "God bless the King and Queen, and may they be long to reign over us."

## Litter

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

4.6 pm

**Theresa Villiers** (Chipping Barnet) (Con): I have secured this debate today because I really hate litter. It disfigures our parks, pavements and streets; it damages our beautiful countryside and harms our environment; it is a disaster for our oceans and waterways; and it costs hundreds of millions of pounds to clear up. It seems to get everywhere—it has even, on occasion, been present in this very Chamber. As I revealed to a shocked audience in a Westminster Hall debate in 2018, I found a discarded Crunchie wrapper just feet away from where I stand now, so it is a universal problem that needs tackling.

On a more serious note, one of the most disturbing impacts of litter is on wildlife. The Royal Society for the Prevention of Cruelty to Animals receives hundreds of calls every year reporting the harm done to animals and birds by carelessly discarded items—suffocated by plastic bags, entangled in plastic can holders, trapped in cans or injured by sharp edges—and who could fail to be distressed and moved by the pictures we have seen on our TV screens of marine life choked on plastic or drowned by discarded fishing gear?

Government figures from 2018 indicated that every year more than 150 million tonnes of plastic waste enter the world's oceans and 1 million birds die from eating it or becoming tangled up in it. There are other figures indicating that the problem may be even worse. The situation is intolerable and we must take action.

Litter problems intensified during lockdown, when dumping food and drink packaging in parks seemed to reach epidemic proportions. I found it depressing to see Oak Hill Park in my constituency strewn day after day with Costa Coffee cups. During lockdown walks, I also noticed that the rubbish at the roadside of the A1 where it passes close to my constituency was appalling—feet deep in some places. I am sure all Members of this House are aware of the grave harm caused by fly-tipping, the most extreme form of littering. It has been a particular problem in St Albans Road in High Barnet but, regrettably, it occurs on many streets and in many open spaces in my constituency. This blight on our communities must be tackled, and I know Ministers are determined to do so.

Change is on the way. In 2017 the Government published England's first ever national litter strategy, setting out how they planned to deliver the aim of substantially reducing littering within a generation. The Environment Act 2021, which I was privileged to present to this House, paves the way for important action on the matters we are considering in this debate.

First, it will allow digital tracking of waste, providing important new ways to hold to account those responsible for disposing of our rubbish. Secondly, it contains new powers to tackle fly-tipping. In my time as Secretary of State, I was privileged to help set up in 2020 a joint unit bringing together law enforcement agencies, environmental regulators, His Majesty's Revenue and Customs and the National Crime Agency in the war against fly-tipping and waste crime. Thirdly, the Act will pave the way for extended producer responsibility. EPR is a scheme to ensure that the companies that produce plastic packaging

meet the full cost of disposing of it. The goal is to incentivise a reduction in the volume of packaging used and ensure that more of it is recycled. EPR will also create a new income stream to help local councils deal with the cost of disposing of rubbish and tackling litter.

The Department for Environment, Food and Rural Affairs estimates that packaging producers will need to pay around £1.2 billion a year in EPR charges, which will go to councils. I want the Minister to assure the House that that important scheme is on schedule and that it will mean more council staff out clearing up our streets, funded by the companies whose omnipresent packaging makes up such a large proportion of irresponsibly discarded rubbish—especially food outlets. The Government said that they wanted the scheme to start in October. Will that happen? If not, when will it be implemented? A commitment to EPR was made back in 2018. Let us get it done.

I make the same simple point about the deposit return scheme for drinks containers. That is another crucial part of the Environment Act, and it should significantly reduce the number of bottles and cans that are thoughtlessly discarded. I acknowledge that there are complexities here. The mess that the SNP has made of its DRS in Scotland shows that we need to take care and get the scheme right on a technical level. In particular, it is important that we resolve the VAT issue that has arisen, and I hope that the Minister will confirm how the Finance (No. 2) Bill proposes to do that. A deposit return scheme would be popular. It is a manifesto commitment, and many other countries have been operating such schemes for years. DRS projects have been very successful around the world in incentivising a responsible approach to disposing of drinks containers. Let us get this done; let us make DRS happen.

**Bob Stewart** (Beckenham) (Con): I thank my right hon. Friend—my very good friend—for allowing me to intervene. I seem to recall that when I was a child, which was quite a long time ago now—*[Interruption.]* You are nodding sagely, Mr Deputy Speaker. One of the things that we used to get extra pocket money for was picking up bottles and taking them back to the store. I seemed to get quite a good income stream from that. It would be very nice if that sort of scheme were reintroduced. Does she agree?

**Theresa Villiers:** I do indeed agree. For many years, that kind of scheme was a feature of life in Britain, and I know that many would like to see its return. That is one reason why I have raised it in the debate.

There are other ways in which Government policy could step up the campaign against litter. More could be done to enforce the law in that area. Clearly, financial penalties should be issued only in appropriate and proportionate circumstances, but they are an important tool in the box for achieving the goal of litter reduction. There have been welcome steps forward on enforcement. Fines have been increased and rules clarified to make it more straightforward for councils to issue them. The Government have also changed the law so that if there is evidence of litter being thrown from a car, the registered keeper of the vehicle can be liable for a fine. It is no longer necessary to prove that they were driving the car at the time.

However, there is a strong case for greater use of cameras in enforcement. There are about 11,000 automatic number plate recognition cameras around the country to monitor vehicles and track stolen cars and movements by criminals. Why can we not use them to catch a few litterbugs as well? Prompted by my constituent Phil Little, I raised that in a parliamentary question two years ago. The Minister at the time responded that ANPR cameras are not suitable for use in that way. I find that hard to understand. When the use of cameras can be the basis of fines for so many traffic offences, why not for chucking rubbish of a car window?

I welcome the news that the Department for Transport will soon trial the use of CCTV to capture evidence of people littering or fly-tipping in lay-bys. It is good to know that National Highways is at last looking at whether automatic number plate recognition can be used to catch litter offenders. I also welcome last year's announcement by the Department for Environment, Food and Rural Affairs of £450,000 for CCTV, ANPR and rapid deployment cameras at hotspots to reduce unlawful dumping of rubbish and to provide evidence to identify the offenders responsible for it. I genuinely welcome the fact that my plea for the use of litter-cams two years ago seems to have been heard, but I emphasise that we need to see tangible progress on the trials and pilot schemes, especially on our road network.

Roadside litter can cause serious accidents, and collecting it can be hazardous. As dedicated campaigners such as John Read of Clean Up Britain point out, there are some truly appalling litter hotspots on our strategic road network. Cameras are part of Mr Read's 10-point plan to tackle the problem, including greater use of dashcam footage. I too believe that cameras could be a powerful new weapon in the war against litter. Let us start using them.

I come now to action against commonly littered items. I am proud to have been the Secretary of State who extended the plastic bag charging scheme, which has seen their use drop by over 97% in major supermarkets and so must have reduced the number of bags littered, but let us go a step further and ban disposable barbecues as well. They are a fire hazard and can cause injury. It is truly appalling that people simply leave them behind after a day out, and tragic that they are left on some of our most beautiful beaches and our greatest beauty spots. Even a farm in my constituency has had to contend with this problem.

Can we have more concerted action on chewing gum? I welcome the establishment of a chewing gum taskforce, bringing together producers to invest £10 million over five years in cleaning up gum staining and encouraging responsible disposal. The reality is that chucking this stuff away is a truly vile and antisocial thing to do. It does significant damage, including getting matted in the fur or feathers of animals and birds. Can we learn from other countries in taking a really tough approach to the scourge of littered chewing gum?

What will Ministers do to ensure that tobacco companies take responsibility for the fact that cigarettes are by far the most frequently littered item in the country? Even as the number of smokers continues to fall, any litter-picker will tell us that if we look at the ground in more or less any public place on this island, we are likely to spot a cigarette butt somewhere close by.

Another key means of cleaning up Britain and keeping it free of rubbish is behaviour change. Over the years, many of my constituents have told me how important it is to push out effective communications to convince people of the simple message that they must take their little home with them and put it in a bin. I know that Keep Britain Tidy runs some very effective DEFRA-funded campaigns, such as its "Keep it, Bin it" campaign, but can we do more? What about a new litter awareness course, as advocated by Policy Exchange in its "Litterbugs 2.0" paper? The national speed awareness course is widely recognised to play an effective role in changing people's attitude to speeding by educating them about its consequences. We should consider adopting the model in this context, too.

Will the Minister tell us what progress has been made on plans to use so-called geofencing at roadside litter hotspots, to drive anti-litter messages to the devices of people physically in those locations? Behaviour change messages aimed at commercial drivers, including overseas lorry drivers, are also important. The rubbish that collects around some truck stops shows that driver education is needed. It is also vital to ensure that loads are secured properly, so that rubbish does not blow off and become litter. A constituent of mine, Julian Dench, who came to see me recently to discuss these issues asked that more research be done into who is responsible for littering and why they do it. I ask Ministers what research is being carried out, particularly on how to persuade children and young people not to drop litter.

One only has to walk past some of the schools in my constituency to know that the problem of litter is, I am afraid, sometimes linked to children and young people, although I am sure that the majority would not indulge in this conduct. I therefore welcome the eco-schools programme funded by the Government, which includes litter as well as wider issues around sustainability, waste and recycling. We all know that in recent years, there has been a huge wave of concern about the environment among the younger generation. We must find a way to capitalise on that and explain that one of the most tangible and instant ways in which children and young people can safeguard our environment is to take their litter home and put it in the recycling bin. That is a message that I try to take to all the schools I visit, especially when I receive questions and points from students about plastics pollution in our oceans, as I almost invariably do.

That brings me to the topic of marine litter. As was shown so clearly by the BBC's "Blue Planet" and, more recently, "Wild Isles" series, we have a plastics crisis in our oceans. We must stop the appalling outflow of plastic and other rubbish into the sea—we cannot let it continue. I know that the Government are putting a huge amount of effort into that goal, and the EPR and DRS schemes I mentioned earlier in my speech should provide further help once they are operational, but much of this problem comes from other countries, so only truly global action will fix it.

I pay tribute to the work that Ministers have done on the international stage on this issue. The UK can truly be said to be a global leader in ocean protection, with 38% of UK waters in marine protected areas. The Government also played a crucial role in establishing the Commonwealth Clean Ocean Alliance to lead international efforts to tackle plastics pollution, and

[Theresa Villiers]

helped secure commitments on protection of the marine environment at last year's COP15 conference on biodiversity in Montreal. Together with our overseas territories and dependencies, we in this country are responsible for one of the largest marine estates on the planet, and working with those territories we have introduced protection zones covering over 4 million sq km. That is quite an old figure; the current one may be greater. I believe it is reasonable to say that no other country in the world is doing more to stop litter polluting the marine environment.

In conclusion, I pay tribute to the street cleansing staff in Barnet and other areas who are working for councils across the country on the frontline of the battle against litter. So, too, is the army of volunteers who turn out to pick litter in their community. I have had the privilege of joining many such groups over the years, including—to mention just a few—Green Beings High Barnet, the Barnet Society, the Dollis Brookers, the Pymmes BrookERS, and most recently the Barnet residents association. The Great British spring clean and the Great British beach clean see those kinds of groups head out all over the country to tidy up their communities, many of them supported by the high streets community clean-up fund. I thank all those volunteer groups, and I thank Keep Britain Tidy, which does so much to make those litter picks happen.

As I have said many times in this Chamber, all of us who are privileged to serve here should strive to protect the natural environment—few tasks should be more important to any Member of this House—and combating the scourge of litter is an important part of doing that. It can also play a crucial role in levelling up our country and restoring pride in our towns and cities. Litter is an eyesore that blights our communities and damages our global reputation, so let us do everything we can to prevent it, so that we can safeguard this beautiful country that all of us are lucky enough to call home.

**Mr Deputy Speaker (Mr Nigel Evans):** I myself have gone out and picked up litter throughout the Ribble Valley, and I thank the volunteers who I saw a couple of weeks ago who went out picking litter throughout my constituency. I want to say that there is a simple solution: do not drop litter. It is not rocket science.

4.24 pm

**The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Trudy Harrison):** I could not agree more with your wise words, Mr Deputy Speaker, and I join you in thanking the volunteers in your constituency, as well as those in Chipping Barnet and right across the country. It feels appropriate to mark that sense of volunteerism that we excel at in this country. I know that the Big Help Out is a fundamental part of this coronation weekend, and I will certainly be involved in judging the best dressed house in my village of Bootle, perhaps making a number of enemies and fewer friends. The planting, painting and renovating and the picking up of litter that we do right across this country are testament to our fantastic community spirit, and it was a joy to hear about that today. It is perhaps inspired by the well-spent youth of my right hon. Friend the Member for Beckenham (Bob Stewart) and his part in street cleansing, which was lovely to hear about.

I pay tribute to my right hon. Friend the Member for Chipping Barnet (Theresa Villiers) not just for securing the debate, but for the work she has done as a Back Bencher and perhaps even more importantly when she led the great Department for Environment, Food and Rural Affairs, where she served as Secretary of State. It was a pleasure to chat to officials today to learn of their experience of working with her. They reminded me that she brought the Environment Bill, now the Environment Act 2021, to this House. I had the great pleasure of being able to publish the environmental improvement plan on 31 January. It is a spin-off—a kind of five-year review of the Environment Act 2021. I thank her for all her hard work.

The Minister responsible for this area, the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Taunton Deane (Rebecca Pow), is unfortunately unable to attend the debate, so I have the pleasure of responding. If I am unable to answer any of the more technical points in her portfolio, I will endeavour to ensure that I or she writes with further details.

Let me state unequivocally that this Government are absolutely committed to tackling the scourge of litter. My right hon. Friend the Member for Chipping Barnet referenced the importance that schools place on that, and the eco-schools programme is a fine example. Certainly when I visit primary schools and ask them what they think is the most important thing to help nature's recovery, they say, "Stop litter." They have seen the David Attenborough documentaries. "Wild Isles" is a fantastic example, and they absolutely appreciate what plastic pollution does to nature, both on land and in the sea.

Let me go through some of the actions we are taking on multiple fronts, as we said we would in our litter strategy. They include supporting local councils, which are often best placed to tackle local issues such as littering. For example, we have developed and shared best practice on the provision of litter bins and supported that with £1 million in grant funding, which has helped more than 40 councils purchase new litter bins. Councils are responsible for taking enforcement action, and in recent years we have bolstered their powers by introducing penalties for the keeper of the vehicle, as my right hon. Friend said. It is now possible that the keeper of the vehicle from which litter is thrown will suffer a penalty. In doing so, we have made it clear that councils are free to take action based on camera footage, including that supplied by members of the public, as long as councils are satisfied that the evidence meets the relevant standards, so I think that we have been listening.

**Theresa Villiers:** I know that the Government take this issue seriously. Can the Minister confirm that ANPR cameras can be used to capture an image that can be the basis of a fine for littering?

**Trudy Harrison:** I would like to write to my right hon. Friend with the absolutely correct information, but perhaps I can reassure her by the commitment of £1.2 million that we have provided to more than 30 councils to help them purchase equipment to tackle fly-tipping. Nearly all the projects are utilising CCTV in some way, including one focused on identifying offenders using AI technology in combination with ANPR cameras, which I know—

because my right hon. Friend is absolutely insistent—is a very sensible idea. We are also starting to see some positive results from these grants. In Durham, for example, the county council has seen a reduction in fly-tipping of over 60% in the areas where CCTV was installed on existing lighting columns. Case studies will be made available in due course so that others can learn about the interventions that were most successful.

The Government's new antisocial behaviour action plan sets out how we will go further by supporting councils to take even tougher action against those who seek to degrade our public spaces. This includes significantly raising the upper limit on fixed penalty notices to £1,000 for fly-tipping and £500 for littering and graffiti. Alongside these increases, there are new measures to help councils and others to carry out more enforcement activity. This includes funding to support police and crime commissioners, working with councils and others, to target enforcement in the areas where antisocial behaviour is most prevalent. Initially, the Government will support 10 trailblazer areas, scaling up to hotspot enforcement action across all police forces in England and Wales in 2024. Under the action plan, a new approach called immediate justice will be introduced to make perpetrators repair the damage they have done. They will be forced to pick up the litter, clear wastelands or clean up graffiti within as little as 48 hours of being caught. This will start in 10 places before being expanded across England and Wales in 2024.

Furthermore, DEFRA is working in partnership with Keep Britain Tidy. I pay tribute to it, because the Keep Britain Tidy campaign is incredibly well known and very successful across the country. I also pay tribute to the chewing gum producers for establishing the chewing gum taskforce. In 2022, the taskforce provided funding of £1.2 million to help more than 40 councils clean gum off pavements and invest in long-term behavioural change to prevent gum from being dropped in the first place. The first year of grants saw some fantastic results, with behavioural change projects reducing gum litter by over 35% on average. The taskforce is running a similar scheme in 2023 and, in total, gum producers will be investing up to £10 million over five years in the taskforce.

I know my right hon. Friend wants to see roadside litter tackled robustly. It is absolutely infuriating to see bags of fast food packaging, sometimes bagged up into a carrier bag, tossed out of a vehicle, and I find them on country walks. I just wonder what goes through people's minds when they behave like that in our countryside. I absolutely share my right hon. Friend's despair at those kinds of acts, which are blighting our countryside. So I am very pleased to be working with National Highways, which is working with Keep Britain Tidy, to fully understand who litters and why littering occurs from vehicles. Using the insight from the research, National Highways will be carrying out targeted behavioural change interventions. It is also collecting evidence of littering across the network and working with litter authorities to encourage prosecution.

While local councils have the responsibility for keeping our public spaces clear of litter, the role of volunteer litter picking groups should not be underestimated. As I have said, and I think Members across this House will have great examples in their constituencies, they are certainly held in very high esteem by this Government. We have also supported volunteers in other ways. In 2019,

the Government provided £9.75 million for our high streets community clean-up fund. Councils were able to use that one-off funding to support volunteers, for example by supplying litter pickers. I am pleased that Barnet Council, which sits in my right hon. Friend's Chipping Barnet constituency, was one recipient of that fund.

**Theresa Villiers:** I have used the bags myself.

**Trudy Harrison:** My right hon. Friend uses the bags herself, and I am delighted that she is a cheery recipient of that fund. More recently, the Environment Agency published a regulatory position statement, which allows local tips to accept litter from voluntary litter pickers, and enables volunteers to collect litter without needing a waste carriers licence. We will continue to use our influence to support and endorse national clean-up initiatives such as Keep Britain Tidy's Great British Spring Clean, and encourage as many as are willing to participate in such events in the future. Our commitments extend to reforming how packaging waste is managed, which should help to prevent litter at source.

My right hon. Friend asked for an update on our extended producer responsibility for packaging scheme. That will move the cost of managing packaging disposed of in street bins away from local taxpayers and councils, and on to the producers of that packaging, hopefully reducing it. In January, we set out policy decisions and next steps for introducing a deposit return scheme for drink containers. The implementation of that scheme is expected substantially to reduce the littering of in-scope drink containers by up to 90% in year three of the scheme. We remain committed to our delivery timetable, and will continue to manage any associated risks in a way that supports the goals of the extended producer responsibility for packaging and deposit return schemes.

This is about encouraging people to do the right thing. In 2018, the Department for Environment, Food and Rural Affairs launched the "Keep it, Bin it" anti-litter campaign with Keep Britain Tidy. The campaign encourages people, including young people, to dispose of their litter responsibly. We use social media to raise awareness of the impact of litter, and to encourage individuals to put their rubbish in the bin or take it home. Projects funded as part of our fly-tipping grant scheme for councils include the integration of CCTV and a digital fly-tipping awareness course for those caught fly-tipping in Durham. Once again, we have been listening to my right hon. Friend, and many of her suggestions, and the actions she undertook while in the Department, have proven positive and effective.

Since the introduction of our carrier bag charge, the number of single-use plastic bags sold by the main retailers reduced by over 97% between 2014 and 2022. That has translated to less litter. According to the Marine Conservation Society, there has been a 55% drop in plastic bags found on UK beaches since the charge was introduced, so it has been highly effective.

**Bob Stewart:** I thank my good friend the Minister for allowing me to intervene. One thing we have not mentioned is invisible litter such as microplastics in the ocean. Marine life consume microplastics, which, through consumption, we then consume. Microplastics kill marine life, and they may well also kill human beings. The issue is growing and growing.

**Trudy Harrison:** We have also taken action on microbeads, plastic straws, ear buds and plastic stirrers. We will soon ban the supply of single-use plastic plates, bowls, trays, cutlery, balloon sticks, and certain polystyrene food and beverage containers from October 2023. We will also ban nitrous oxide, known as laughing gas, to put an end to intimidating groups littering local parks with empty cannisters.

My right hon. Friend the Member for Chipping Barnet raised the issue of disposable barbecues, which when used appropriately present little or no risk of harm to people, nature and the environment. They are enjoyed responsibly by many people across the nation, both at home and outdoors, and it is right that we do not unduly prevent that responsible enjoyment. However, when disposable barbecues are used irresponsibly, they can present a danger. That is why we commissioned research to understand the impact of their misuse to inform future policy in the area. Local authorities can already restrict and prevent misuse where appropriate using their existing powers. We have also explored options for tackling the littering of cigarette butts, including making the industry financially responsible for the costs of dealing with littered butts, and we are currently considering the next steps.

We are also aware of the growing use of disposable vaping products. Producers of electricals, including vapes, are currently obligated to finance the collection and treatment of those products when they become waste. We will continue to strengthen the existing obligations and consult on policies aimed at driving up levels of separate collection of electrical and electronic waste, including vaping devices, later this year.

I hope that I have demonstrated how deeply determined the Government and my Department are to tackle litter and our commitment to creating a clean and tidy public place for all to enjoy. Let me end by joining you, Mr Deputy Speaker, in your words wishing everybody here, near and far a fabulous coronation weekend. I thank my right hon. Friend for an excellent and timely debate about how we really do keep Britain tidy.

*Question put and agreed to.*

4.41 pm

*House adjourned.*

# Westminster Hall

*Wednesday 3 May 2023*

[MR PHILIP HOLLOBONE *in the Chair*]

## Child Poverty in the North

9.30 am

**Mrs Emma Lewell-Buck** (South Shields) (Lab): I beg to move,

That this House has considered child poverty in the north of England.

It is a pleasure to serve under your chairmanship, Mr Hollobone, and I give particular thanks to the hon. Member for Cheadle (Mary Robinson), with whom I co-chair the child of the north all-party parliamentary group. I know that she cares deeply about our children in the north and works daily to try to make a difference. I also thank all the academics who worked on our report on child poverty and the cost of living crisis, alongside the Northern Health Science Alliance and N8 Research Partnership. The report led to today's debate.

I want to say a special thank you to those parents and children who were brave enough to share their pain with us. Despite the challenges they face, they took time to use their experiences to try to make a difference, and their daily struggle should be at the forefront of our minds during today's debate. It should be their struggles that we are determined to change. However, after 13 years of Conservative government, more than 4 million children are living in poverty, and the children of the north are suffering disproportionately.

Poverty is sadly not a new experience for many children in the north, but the scale and the severity of their deprivation are unprecedented, and poverty is the lead driver of inequalities between children in the north and children in the rest of England. The gulf between children in the north and their peers is not only growing, but growing rapidly. The north-east has the highest rate of child poverty in the UK, with 38% of our children living in poverty. In my constituency of South Shields, the figure rises to more than 42%—a 12 point increase in child poverty over the past six years. It is becoming very clear that levelling up, just like the northern powerhouse before it, is a vacuous, empty phrase that was never intended to, and never will, do anything to improve the life chances of children in my area.

The impacts of poverty are well documented. Numerous studies have shown the links between nutrition and cognitive development. Hungry and disadvantaged children suffer developmental impairment, language delays and motor skills delays, as well as psychological and emotional impacts that can range from withdrawn and depressive behaviours to irritable and aggressive behaviours.

Pre-pandemic, we even saw rising numbers of hospital admissions of children owing to malnutrition and a resurgence of Victorian diseases such as scurvy and rickets. If it were not for the nearly 2,000 food banks in the UK—they are the ones we know of—and kind neighbours, faith groups and charities, many more children would have simply gone without.

When I was a child protection social worker, the children going without on such a scale were those suffering from severe neglect, but now we have a generation of children for whom hunger and grinding poverty have become the norm. As the cost of living crisis worsens, vulnerable children and families, especially in the north, are being pushed to the edge. Our report found that during the pandemic 34% were living in poverty compared with 28% in the rest of England, and that prior to the cost of living crisis about 1 million households in the north were fuel poor—that is, up to 15% in the north compared with 12% elsewhere.

In addition, we found that families in the north were more likely to be living in poor-quality, damp homes. Before living costs started to rise, nearly 100,000 homes in the north had some form of damp, and 1.1 million homes in the north had failed the decent homes criteria.

Our report was launched in January with a warning about what would happen without the Government introducing urgent measures:

“Rising living costs will lead to immediate and lifelong harms for children: worsening physical and mental health”, as well as poorer education outcomes and lower productivity.

I despair at how many times we have been here. It was not that long ago that the United Nations special rapporteur on extreme poverty and human rights visited the UK and found that Conservative Governments had inflicted “great misery” with

“punitive, mean-spirited, and often callous”

austerity policies driven by a political desire to undertake “social re-engineering”, rather than by economic necessity. Just last year, his successor warned that further austerity could violate the UK's international human rights obligations and increase hunger and malnutrition.

The free school meal support that the Government have put in place has been hard fought for by charities, faith groups, Opposition MPs and celebrities. The holiday activities and food programme was fought for from 2017, but it was not until 2021 that the Government decided to roll it out. My fully costed School Breakfast Bill would have seen nearly 2 million children start the day with full stomachs. Instead, the Government introduced a scheme that provides support to only 2,500 out of the 8,700 they identified as eligible. It took the tragic death of two-year-old Awaab Ishak from exposure to serious mould for the Government to commit to forcing landlords to fix damp and mouldy homes.

Struggling children have never been and never will be a priority for this Government. If the political will were there, they would listen to the myriad voices—including experts, charities, organisations, faith groups, MPs, including some on their own side, and Henry Dimbleby, their former food tsar—pleading with them to at least expand free school meal eligibility to all families receiving universal credit or equivalent benefits. That would mean that a further 1.3 million children living in poverty would at least get a free school meal and would be eligible for the holiday food programmes.

Poverty can be all-encompassing. Our expert witnesses told us stories of children coming to school hungry, exhausted and without shoes. They miss health appointments because travel is unaffordable. Such hardship not only impacts their health and development but stifles social mobility. Throughout the pandemic, children

[Mrs Emma Lewell-Buck]

in the north missed more schooling than their peers across England, which will result in an estimated £24 billion in lost wages over their lifetimes. Children in the north are more likely to die before the age of one. Shockingly, one of our witnesses told us that expectant mothers have been forced to have abortions because they cannot afford another mouth to feed and another child to clothe.

Every single one of us on the APPG, including my hon. Friend the Member for Blaydon (Liz Twist), is committed to change. Our recommendations were that the Government should raise social security in line with inflation at the earliest opportunity, scrap the two-child benefit limit, pause universal credit sanctions for families with children, increase child benefits, extend free school meal eligibility, and take action to improve the energy efficiency of rented homes. That would be a good start in stemming child poverty levels, but those policies alone will not be enough. People should always have enough to live on, either through decent pay or, for those unable to work, a proper welfare safety net. But they do not, because work is no longer a route out of poverty. Sixty-seven per cent. of children and young people growing up in poverty in the north-east are from working families, and social security support continues to be inadequate.

I know the Minister is likely to tell us that the Government are spending billions on welfare, that they have uprated benefits, that they have increased the national living wage, that they are maintaining the energy price guarantee for a few more months, and that they are giving families cost of living payments, but I gently remind her that inflation reached 11% in October last year—a 41-year high—and benefits did not rise with inflation until last month. The cost of a weekly food shop is rising at its fastest annual rate since 1977, hitting 19%, and gas bills are 130% higher than they were in summer 2021.

The reality is that the Government's support is all in the form of one-offs. Their policies are piecemeal—they are sticking plasters—and do little to address the root causes of child poverty. It should be to the Government's utter shame that, in a country with as much wealth as ours, children are suffering in this way. History shows us that poverty is not inevitable; it is a result of choices made by Governments. Under the last Labour Government, policies such as the minimum wage, increased benefits for families with children, increased support for childcare and Sure Start lifted 1 million children out of poverty. The next Labour Government would pull families out of fuel poverty by insulating 19 million homes, stop children going to school hungry by establishing breakfast clubs in every primary school and introduce a genuine living wage to ensure that families are being paid enough to live on.

I know my party takes child poverty seriously and the Front-Bench spokesperson will be listening carefully to the points I raise here today. I am hopeful that, ahead of the next general election, we will adopt policies to expand free school meals, increase child benefits and fix problems with the Healthy Start scheme to ensure that every child, no matter where they grow up, has the best possible chance in life. Once someone has experienced poverty, it never leaves them, and enduring scars remain.

The feelings of hopelessness and despair may fade over time but they never go away. They are a constant reminder of the injustice of deprivation in a country as wealthy as ours and that no one, especially children, should ever be left hungry, cold or without.

I simply ask the Minister: what is she going to do to remedy the dire situation that consecutive Tory Governments have left our children in the north in? Can she answer this powerful question from Sophie Balmer, our youth ambassador from the End Child Poverty coalition:

“Remember, these graphs are people. I'm a number on these statistics. Why does it feel like I don't matter...my sisters don't matter”?

9.41 am

**Mary Robinson** (Cheadle) (Con): It is a pleasure to serve under your chairmanship, Mr Hollobone. It is also a pleasure to follow the hon. Member for South Shields (Mrs Lewell-Buck), with whom I am pleased to co-chair the APPG for the child of the north. I congratulate her on securing this important debate. I also wish to join my co-chair in thanking all the members, expert witnesses and researchers for their work in producing the child of the north report.

Child poverty in the north is a problem that simply cannot be ignored. The report published by the APPG published earlier this year, “Child Poverty and the Cost of Living Crisis”, calls attention to the hardships and difficulties that are disproportionately felt by children in the north of England. Those existing hardships have been exacerbated by the increase in fuel, energy and food prices experienced across the country as a result of Putin's invasion of Ukraine. However, as highlighted by the report:

“local authorities in the North East, the North West and Yorkshire and the Humber are regarded as the ‘most vulnerable’ to the cost of living crisis across the whole of England”.

There are a number of reasons that poorer households are more susceptible to the cost of living crisis, including the reality that they must spend more of their total budget on things such as food, gas and electricity and therefore feel the impact of inflation more. Recent analysis has indicated that inflation is actually about 2.3% higher in northern towns and cities than in wealthier southern counterparts such as London and Cambridge. In the north, there are proportionally more people living in poverty or unable to cope with sudden price increases.

In response to the cost of living, the Government have taken action, providing financial support for households and a cap on domestic gas and electricity rates, which was extended into this spring. Further support has been rolled out for pensioners and people in receipt of benefits, and those benefits have been increased in line with inflation. However, important though it is, that support is designed to help with a short-term problem and we know that regional inequalities are a chronic, long-term problem. The Government acknowledge that, which is why they rolled out their levelling-up policy, describing the situation as follows:

“While talent is spread equally across our country, opportunity is not. Levelling up is a mission to challenge, and change, that unfairness. Levelling up means giving everyone the opportunity



to flourish. It means people everywhere living longer and more fulfilling lives, and benefitting from sustained rises in living standards and well-being.”

There is much discussion about what levelling up means. To my mind, when we speak of levelling up, we are not talking in a narrow way about left-behind communities. Rather, we are talking about addressing generational social and economic disparities that have resulted in regions—particularly the north—being left behind. In my view, the key to levelling up is ensuring that children are given the same opportunities in every part of the country and that our future generations are provided with the best start possible.

We want to bring new industry, tech and high-skilled jobs to our region to create employment and support research and higher education. However, the skills for the jobs of the future must be learned by the children of today, so we need to ensure that children in the north have all the tools for a successful future, and addressing educational disparity is key to levelling up in the long term. Education is an acknowledged route out of poverty, and a healthy child can walk that path more easily.

Poverty has a broad impact on a child’s education. Beyond the effects that hunger and food insecurity have on their ability to focus and learn, the APPG also heard how children are left unable to access learning resources such as books and stationery, as well as the internet and technology, which became necessary during the pandemic, making the existing disparities worse. They often have to miss out on extracurricular activities and school trips and then experience further exclusion and stigmatisation as a result of poverty.

The APPG has made a number of recommendations to Government, which include changes to benefits and social security reform, expansion of free school meals, energy support for households and using existing data for auto-enrolment on the Healthy Start scheme and free school meals. It is clear that we must close the education attainment gap and set up future generations for success.

I am pleased that a good number of MPs are here today supporting this debate when there are probably other things going on at the moment. I am also pleased that other groups of colleagues are pursuing this with Government. The Northern Research Group of MPs, of which I am a member, collaborated with the Centre for Progressive Policy in 2021 to produce a research paper that outlined a number of policy suggestions to deliver levelling up. We are not short of potential solutions to our regional disparities, and I am pleased that the child of the north APPG has produced so many strong recommendations. I know that the Government have the will to bring about change, and I urge the Minister to consider the measures to improve health and support families that are recommended in the APPG’s report.

Education, health, work and prosperity can link together in a spiral of either ascent or decline. For too long, the north lived with decline. I welcome the Government’s commitment to a levelling-up agenda, but we must reset the dial and ensure that families with children can live in warm homes, with the money and security of income to meet their basic needs, and can access the education that will lead them to good jobs and a better future. I urge the Government to consider the child of the north APPG’s report.

9.48 am

**Liz Twist** (Blaydon) (Lab): It is a pleasure to serve under your chairmanship, Mr Hollobone. I thank my hon. Friend the Member for South Shields (Mrs Lewell-Buck) for securing this important debate. I also thank her co-chair of the APPG, the hon. Member for Cheadle (Mary Robinson), for her contribution to the debate and for the work of the APPG. It is incredibly important that we look at this issue.

Just over a year ago, I held a similar debate on the relationship between regional inequalities and child poverty, following the publication of the “Child of the North” report, which clearly illustrated all the factors involved in child poverty and the whole range of issues that build in disadvantage for children right across the north, such as education and health, which the hon. Member for Cheadle mentioned. I am pleased that work has continued following that debate, through the child of the north all-party parliamentary group, to make sure that we do not just have a one-off debate but actually continue to identify, and follow up on, the issues identified in the report.

The report was called “Child of the North”, but I want to concentrate on the region I know best, which is the north-east. Sadly, my region has the highest rates of poverty anywhere in England. That is not a claim I am pleased to make. It is shocking that children in my region are suffering poverty and deprivation and are being held back by that as they develop through the years. That is not something I am proud of, and it is something I would dearly like to change. Almost two in five children in the north-east are living in poverty. In my constituency, the number of children growing up in poverty increased by 13% between 2015 and 2021. That is absolutely shocking.

The numbers alone are difficult to think about, but it is even harder to think about what they represent—the struggling families and the children being held back. At an APPG evidence session, the North East Child Poverty Commission presented truly harrowing accounts from the people and families it works with, which brought home the true impact of this scandal on people’s lives. One account came from parents in my local authority of Gateshead who were using watered-down evaporated milk in their baby’s bottles because of the soaring price of baby formula and putting off weaning because of fears about the cost of solid food. That is absolutely shocking. It does not need saying—I hope—that that is simply unacceptable in the world’s fifth or sixth richest country. The report produced by the APPG following its evidence sessions—“Child Poverty and the Cost of Living Crisis”—illustrated clearly, as the hon. Member for Cheadle said, how the problem is compounded by the increases in the cost of living and the challenges people face. There has been a real deterioration there.

I am proud of our local community in Blaydon, and indeed of the many communities across Blaydon, for stepping in where the Government have fallen short. That includes the Gateshead food bank depots at Blaydon and Birtley, and we had the report from the Trussell Trust last week showing the huge increase in the use of food banks. There is also the Blaydon Community Larder, which helps people with food, the Gateshead West pre-loved uniform scheme and Feeding Families, which works across the north-east—I could mention many more organisations.

[Liz Twist]

These organisations do all they can to support people with the basic necessities they need to keep their children safe, happy and fed, but they are struggling more and more to meet the growing demand for their help. According to the Trussell Trust, in the last 12 months the number of emergency food parcels distributed in the north-east rose by more than 50% compared with the previous year. That is the highest year-on-year increase anywhere in the UK. Sadly, Feeding Families, which has a huge depot in my constituency, has had to move premises, because over the last year its usage has increased by 100% as well. That is not an isolated example, and I know that people across the country and the north are also affected.

Families all over the UK and the north are struggling, and I do not want to play poverty Top Trumps—it is not a game I am interested in—but the trends in the north-east are particularly staggering. Last year, *The Guardian* reported on the 11 local authorities that had seen the highest percentage point increases in child poverty since 2015. All of them, sadly, were in the north-east. Alongside our neighbours across the Tyne, my local authority of Gateshead topped the list. That is not a list that I want us to be top of; I do not want us to be anywhere in that list, frankly, and I want action to put that right. This is a place-based crisis warranting a place-based explanation.

What is particularly striking about the rise in child poverty in the north-east is how it has affected families with working parents. We hear time and again from the Government how the best way to tackle child poverty is to get parents into work. But the number of children in in-work poverty in the north-east rose by 91% between 2015 and 2021, compared with a 27% rise across the rest of the UK, and that is before the cost of living really started to bite. It is clear that what we are seeing is the impact of a longer-term structural issue.

At 14.8% the north-east has the second highest rate of employee jobs paid below the Living Wage Foundation's real living wage. Two in five of all children in key worker households in our region live below the poverty line—the highest proportion anywhere in the country. Do the Government really want to tell the children of those key workers—children who saw their parents celebrated for all the work they did during the pandemic—that their parents should get yet another job?

With large numbers of our local population relying on low and insecure pay, it should not come as a surprise that many families in our region rely on the universal credit system. Universal credit keeps many of our families going, but it is too often too flimsy a raft and a punitive one. According to figures from the North East Child Poverty Commission, 58% of children in families in Blaydon who receive universal credit collectively lose out on £111,000 per month in deductions from universal credit. That is an average of £73 per household that could have been used to purchase essentials that families scrape together every last penny to buy. Just last month we marked the sixth anniversary of the two-child limit, which has been recognised as one of the leading drivers of rising poverty for families with children. That limit affects 860 children in my constituency alone. It is clear that the system requires an urgent review.

Our social security system was meant to provide for people from cradle to grave, but it seems the Government cannot fulfil even the first part of that obligation. There must be action to ensure that the impact of the current crisis falls on those with the broadest shoulders and not on families who are already struggling to make ends meet. In the world's fifth richest nation, that should be well within our capabilities.

I want to turn to some of the recommendations in the APPG's report and the asks that have been touched on by my colleagues. I will keep it simple because the report has been published and can be seen—we are happy to share it with the Minister if she does not have it already. We need to ensure that families have enough money to live on and security of income; that children have enough healthy food to eat; that they have those healthy breakfasts that my hon. Friend the Member for South Shields talked about; and that they have access to the school meals they are entitled to—they should not lose out on free school meals when they are already entitled to them. Children also need to be brought up in warm, heated homes for the best start in life, and we need to use data to identify the families who need additional support and help. Finally, we need a joined-up approach across Government to look at the intersections between poverty, poor health, poor educational outcomes and poorer life expectancy. All of the data needs to be brought together to ensure that policies address all those issues. Our children deserve the best start in life, the chance to thrive and the best opportunities.

Before finishing, I would like to thank the North East Child Poverty Commission, with which I have worked over a number of years, for its work to ensure that we do not forget these issues and these children. I would also like to thank the co-chairs of the APPG, the NESA and others who wrote the original "Child of the North" report. I hope that we can improve the chances of people in the worst situations and give every child the chance to develop, grow and thrive.

10 am

**Ms Karen Buck** (Westminster North) (Lab): It is a pleasure to reply to this debate under your chairmanship, Mr Hollobone. I congratulate my hon. Friend the Member for South Shields (Mrs Lewell-Buck) on introducing it in a rigorous and well-argued speech in which she drew out the commission's work. I welcome the important contribution of the hon. Member for Cheadle (Mary Robinson) to the debate, and we also heard a strong speech from my hon. Friend the Member for Blaydon (Liz Twist). Welcome as it is to have this important debate today, it would have been marvellous if we had been able to hold it on a day when other representatives from the north could have been here to give the topic the full range of contributions it deserves.

The speeches we heard drew heavily on the work of the child of the north all-party parliamentary group and the North East Child Poverty Commission—I was heavily involved in the earlier London Child Poverty Commission, so I know how much work goes into such inquiries. What is important about them is that they draw on the lived experience of people in poverty, the range of factors that drive poverty, including ill health and disability—sadly, correlated with poverty—and the growing significance of in-work poverty, as my hon.

Friend the Member for Blaydon drew out. That is something that we have always had, but it has, sadly, developed into a strong driver of poverty these days.

All the speeches we have heard this morning have made it clear that there are long-term consequences and harms if a child grows up in poverty. When we talk of poverty, we should always reflect on the moral dimension. It is morally critical for us to recognise and commit to dealing with child poverty. We should also reflect on the sheer inefficiency and waste that comes from trapping families and children in poverty. Growing up in poverty will have an impact on health status, leading people into poorer physical and mental health. It is also so closely correlated with educational underachievement that our schools must make extra efforts to support, educate and help children in poverty. In addition, my hon. Friend the Member for South Shields drew out the fact that, tragically, there are consequences for some of our poorest children and families in terms of interventions by children's services. There is simply a strong economic as well as a moral case for ensuring that we deal with and invest in child poverty.

The Government have made a lot of their levelling-up agenda over the past few years, but if we do not do more to tackle the stark disparities in income poverty between regions, it will continue to be a slogan rather than something that makes a difference on the ground. We can see what remains to be done simply from the Department for Work and Pensions' own statistics. In the three years leading up to the pandemic, 37% of children in the north-east were living in poverty after housing costs; in the north-west and Yorkshire and the Humber, about a third of children were in poverty. That is the last three-year period for which we have full income data, as the pandemic prevented the production of regional figures for 2020-21, so later figures need to be treated with a degree of caution, but there is little reason to believe that things have got better. Indeed, there are strong reasons for believing that they have, in fact, got worse.

Child poverty is a major problem in every region and every country of the UK. Even in the south-east, nearly one in four children are living in poverty after housing costs. But the north-east has seen a major worsening of its position: child poverty increased by a remarkable 11 percentage points in the five years leading up to the pandemic. The Institute for Fiscal Studies states:

“On a wide variety of measures, regional disparities in the UK are greater than in most comparable countries.”

Tackling those economic disparities requires concerted, long-term action across the full range of Government functions, at central and local levels—from economic development to skills, housing, employment services and infrastructure. It certainly requires more than a pot of levelling-up funding that delivers the equivalent of £80 per capita to the north-east and north-west and just £60 to Yorkshire and the Humber. What the Conservative Mayor of the West Midlands describes as Whitehall's “broken begging bowl culture” cannot be the basis for addressing entrenched economic inequalities between areas.

The issue of regional child poverty also brings out the centrality of social security policy, because bad social security policy choices will exacerbate underlying economic inequalities between regions. The Government are simply not addressing that problem; indeed, for the

last 13 years they have pursued policies that lead to a sharpening of regional disparities, and no amount of levelling-up rhetoric can disguise the fact that those policies remain in place and continue to have their inevitable effect.

**Mrs Lewell-Buck:** If the Government are committed to the levelling-up rhetoric, why is child poverty not mentioned once in the levelling-up White Paper or the Levelling-up and Regeneration Bill? Is my hon. Friend concerned about that, as I am?

**Ms Buck:** My hon. Friend is absolutely right. Frankly, it is bizarre that child poverty is not seen as a critical issue in its own right in the levelling-up agenda.

At the root of the problem is the fact that the Government have long ceased to bother with one of the most basic tasks of any social security system, which is matching resources to needs. Not bothering with that task is, of course, the explicit aim of the two-child limit, whereby the DWP is forbidden by statute from taking third and subsequent children into account in setting universal credit and tax credit entitlements, but it is also the effect of a host of other policies that override entitlements based on assessed needs. Those policies include the failure to uprate benefits by inflation and, from 2016 to 2020, the failure to uprate them at all. The four-year benefit freeze has permanently reduced the value of benefits, including in-work benefits. Ministers seem to have difficulty getting their heads around that point; they seem to think that, because benefits were uprated with inflation this year, everything is now all right. They seem not to be aware of the permanent damage that has been done.

Failing to set the local housing allowance in line with real-world rents is another issue. The local housing allowance remains frozen at 2019 levels. Across the north, two thirds of universal credit households receiving rent support in the private sector have rents above the local housing allowance maximum for their area. The shortfall between rent and the local housing allowance has to be made up out of whatever other income households have. At a national level, the average shortfall is £100 a month. Have a Government ever come up with a more elementary design flaw than building debt into universal credit by making people wait five weeks for their first payment? The examples can be multiplied.

In all cases, we see the Government breaking the link between benefit entitlements and needs as a matter of deliberate policy. Families can wind up falling foul of more than one of those policies simultaneously, which can lead to cumulative impacts—needing to make up the rent out of the rest of the UC payment, which has already been reduced to pay back an advance and which takes no account, for example, of their third child. This has been going on for years. Is it any wonder, then, that we see evidence of destitution throughout the country, or that regions that have historically done worse have faced a disproportionate impact? Consider that 49% of children in the north-east are in families receiving universal credit or an equivalent legacy benefit, compared to 24% in the south-east. Of course these policies impact some regions more than others. One of the more shocking results of the latest poverty statistics from the Department

[Ms Buck]

for Work and Pensions is that one in 10 children in the north-east are in families that used a food bank in the last 12 months—nearly twice the national figure.

Tackling economic disparities between areas requires a functioning social security system that takes account of all relevant needs and costs. As long as we do not have that, the rhetoric of levelling up will remain just that—rhetoric.

10.9 am

**The Parliamentary Under-Secretary of State for Work and Pensions (Mims Davies):** It is a pleasure to serve under your chairmanship, Mr Hollobone. I thank the hon. Member for South Shields (Mrs Lewell-Buck) for securing this debate. I absolutely agree with the early sentiments and spirit of unity in her speech and speeches from across this Chamber. It is right that we come together to do the best for our youngsters, and it is vital that they are at the heart of our actions and outcomes. The way the debate has been held is critical to getting under the skin of what is happening in communities in the north and, in fact, any community where people are struggling. I thank everyone who has contributed and who helps support the most vulnerable daily. I also thank the all-party group for its work and all those who gave evidence and insight to the APPG report, which I will refer to shortly.

I will pick up on several issues later in the debate, but I want to assure the House about the quality of homes issue, which is something that consistently comes up. Since I took on this brief, having been asked to return to DWP to cover social mobility, the issue is something I am focused on and am working on with the Department for Levelling Up, Housing and Communities and across Government. This is very much something in my line of sight, and I thank hon. Members for raising those issues.

I reassure the House that we are strongly committed to a welfare system that supports those who are most in need. I understand the concerns around the phrase “levelling up”. It is not an empty phrase, and I will make some further remarks on that shortly. In 2023-24, we will spend around £276 billion through the welfare system in Great Britain, including £124 billion on people of working age and their children. As we have heard, our commitment is reflected in the 10.1% increase in benefit rates and state pensions for 2023-24, and we have increased the benefit cap by that same amount so that more people across the whole country can benefit from these new rates.

The decisive action we have seen because of the impact of the cost of living is there in how we made good on our commitment to protecting the most vulnerable. Overall, in 2022-23 and 2023-24, we are providing total support worth £94 billion to help people with rising bills. On average, that is £3,300 per household. Last year, we made cost of living payments of up to £650 to over 8 million low-income households, and I am proud to have been the Minister bringing through the recent Bill on that. This year, a similar number of eligible households will receive additional payments of up to £900. I am pleased to confirm today that 99% of households that were initially eligible for the first cost of living

payment via DWP will have been paid £301 by the Government by the end of today, which basically means we will see 6.4 million households on an eligible DWP means-tested benefit getting that first cost of living payment.

That gives me the opportunity to remind anybody listening to speak to Citizens Advice and to use our Help to Claim service, the Help for Households website and the benefit calculator on gov.uk. I am mindful, however, that not everyone is able to do that, and it is absolutely right that they should turn to Citizens Advice or other help in the community, and I will go on to some of that shortly.

We have worked with Ofcom and the Department for Science, Innovation and Technology to ensure that we have a growing number of social tariffs for access to homework, applying for jobs and getting more training and support for those people on universal credit or means-tested benefits. We are working hard to promote that in our jobcentres and through partnerships, and we are working strongly with Ofcom.

**Mrs Lewell-Buck:** It is good to hear that the cost of living payments are going to be in people’s bank accounts, but does the Minister not agree that they are another sticking-plaster measure? If benefits and the welfare system were providing what they should, then we would not need to provide these payments because people would have enough to live on.

**Mims Davies:** I understand the hon. Lady’s point. I thank her for her passion and interest in this area, and for what she is doing for her constituents. There is no direct, objective way of clarifying what is an adequate level of benefit. Every person has a different level of requirements depending on their circumstances. Income-related benefits are not made up of separate amounts specific to beneficiaries’ expenditure, or food costs or whatever. The Government firmly believe that beneficiaries should be free to spend their benefits how they see fit in the light of their individual circumstances and needs.

The Government’s approach to welfare is to fully recognise the value and importance of work, which has been mentioned in this debate. Making it work for everybody is vital. We are determined not only to help people progress and be supported in work, but to protect and support the most vulnerable in society. Universal credit is adjusted monthly depending on a beneficiary’s circumstances. It is absolutely right that the people who need additional support, whether that is through the household support fund, hardship payments or an adjustment due to a change in circumstances, are able to come forward. I spent much of my childhood on benefits due to the impact of ill health and disablement, and we had to navigate through the same system. I personally understand it.

Whether people are on benefits for a short or a long time, it is important that they are supported, and know how to navigate the system to get the right support for their family. That is why I am always keen to reiterate the Help to Claim service, the Help for Households website and the work we have done on the household support fund. I thank our partners in particular for their work on delivering the household support fund for people, whether they receive benefits or not. We have heard today that because of the war in Ukraine and the

changing impact of the pandemic, more people than ever have found things particularly tough. With the household support fund, I have made it clear that people on benefits, and those who are just above the threshold or just managing, or perhaps in a change of circumstances, will be looked for, found and reached out to so that that discretionary support can be given to those who need it most. Devolved Administrations will receive consequential funding to use at their discretion.

It is right that in our approach to tackling poverty, we are able to bring in different interventions and different changes. People can call it a sticking plaster, but for me it is a different intervention and a step change to support some of the people I have mentioned, who perhaps would not normally need to be supported by the benefits system. It is a firm belief that the best way to help families to improve their financial situation is through not only work but skills. My hon. Friend the Member for Cheadle (Mary Robinson) mentioned sectors and areas where people perhaps do not see a way into better-paid jobs and opportunities. It is vital that we engage and talk with them, and use Jobcentre Plus and local networks to help people see that there are opportunities just down the road from them. Their skill base, level of education or confidence—the word we hear continually at DWP—should not lock them out from the opportunities that are there. That is why those 1.1 million vacancies across the UK are our firm focus to help people to take further steps not just into work but to progress in work, and to be better off.

I will turn to some of the points that have been made today to hopefully underline that focus. On jobs interventions, there have been jobs fairs at the JCP in Birkenhead, and there are 16 employers with 400 roles available. In Sheffield, the NHS has very pleasingly streamlined the application process for universal credit claimants, ensuring that we actually attract the people who are down the road into the roles we need filling. In Doncaster, our local team has worked on jobs fairs particularly for those with health conditions and disabilities. In fact, there was recently a north-east jobs fair at the Stadium of Light with 50 employers and 1,800 people invited. It is absolutely vital that we use all different interventions to help people to be better off, including those additional interventions from Government as well as helping people to progress and be better off in work.

**Liz Twist:** I wonder if the Minister could comment on the figures I quoted on the number of people in the north-east who are actually working—many of them in different jobs—but still do not have enough to cope. What do the Government propose to resolve that issue? It is not just about work; it is about having good work.

**Mims Davies:** I completely agree with the hon. Lady. I believe just over £3.6 million has gone into the household support fund in Blaydon, and there have been nearly 11,000 cost of living payments in the hon. Lady's constituency. We are making those interventions exactly as she describes, to support those people who may be working but whose circumstances have changed. We are in difficult times—let us not deny that—due to a combination of historical, generational problems, as hon. Members have pointed out today, but also off the back of the pandemic and a war on our continent. It is therefore absolutely right that Government are able to

step forward. I am happy to write to the hon. Lady about the direct interventions we have made in her constituency to help those youngsters. That is what is at the heart of this matter: not statistics, but people like Sophie, who was mentioned earlier. These youngsters need to know and feel that the Government, and anybody from any political party or any intervention, are on their side and are helping to make things better. I hope that answers the hon. Lady's question.

**Liz Twist:** I thank the Minister for letting me intervene again. I understand the amount of money that is put in through the household support fund. My question is: if we work on the basis that work should pay and getting into work is the best intervention to give children—as the Minister rightly says, children are individuals, not statistics—the best chance, what are we going to do outside the current cost of living crisis? This issue existed before the cost of living crisis and it will continue. It is, as I said, a structural issue.

**Mims Davies:** I think we are actually talking the same language here. It is about progression in work and being better off, as my hon. Friend the Member for Cheadle mentioned. How does someone go for those better-paid jobs, and how do they progress? Of course, it is also about ensuring that sectors are paying the right rates—good work, as the hon. Member for Blaydon (Liz Twist) mentioned. It is about ensuring that people are well remunerated and well supported in those roles, which is exactly why we have our in-work progression focus. We did a large report on that. It has been mentioned today that transport could be an issue for some people, and their educational base has been mentioned as well. It is about whether people are able to get to that next rung, where they are actually better off. That is what our in-work progression champions are doing in JCPs. Someone can be working all the hours God sends, but are they better off? That is something that answers that question. That is what we are determined to do.

Turning to the report, it is important to highlight what we are doing beyond the household support fund. We are investing £30 million to provide free breakfasts for children in up to 2,500 schools in disadvantaged areas; we have extended this programme through to July 2024. As we know, children continue to learn well if they receive a healthy breakfast. That is really important. Eligibility for free schools has changed several times as we have heard today, with more groups included and 1.9 million disadvantaged pupils being supported through the benefits-related criteria, while a further 1.25 million infant pupils are receiving free school meals through the universal infant free school meals policy.

I absolutely agree that the balance around doing well in education is vital, as we heard from my hon. Friend the Member for Cheadle. We are absolutely focused on these interventions, whether that is the breakfast clubs or the pupil premium, alongside the Department for Education. The schemes are there to help the most vulnerable children. There is also support for children under four and pregnant women through the Healthy Start scheme. We have heard about the holiday activities and food programme, or the HAF programme, which is an investment of £200 million a year. All those interventions are absolutely right. Both from the report and from comments, it has been clear throughout the debate that

[Mims Davies]

all our interventions need to change to make a generational shift for our communities. That includes those on in-work progression, our childcare offer and whatever is introduced from each part of the community or from Government.

The levelling-up agenda was mentioned. To unleash the full potential of every local economy, we must spread opportunity to every corner of the country to reverse decades of economic underperformance. As we heard, individuals can be locked out of their local economy if their education, confidence and network hampers them. We need strong local interventions, such as the jobs fairs that I mentioned.

The DWP has local teams that specialise in working in partnership with local authorities. They create the links with communities that are necessary to understand each local area's needs and to tailor provision and support with the local labour market. Through those links, they regularly engage with local authorities and local leaders, some of whom have been mentioned, to ensure that all our interventions, including our restart programme for the long-term unemployed, work for them.

I will turn to food prices because I am mindful that they are particularly challenging. I am keenly looking at the issue and working on it with the Minister for Food, Farming and Fisheries, my right hon. Friend the Member for Sherwood (Mark Spencer). Rising food prices affect those on the lowest incomes. A combination of factors, including agrifood import prices, domestic agricultural prices, labour costs and manufacturing costs, have had a significant impact. That is why we focused on delivering the biggest support that we could in the spring Budget, including through our focus on childcare.

I am mindful that I have been speaking for some time. I am happy to respond in writing to hon. Members, and I will share those responses with the House. In conclusion, I will be very clear: this Government are fully committed to providing opportunities for parents. We have not heard a lot about parents, but theirs is a really difficult position to be in. They do absolutely everything and strive all they can, but must constantly ask themselves how they can make ends meet so that their children do better. We are determined. In my role as Minister for Social Mobility, I am determined to ensure that people will be able to prevail in every area of the UK. They will be sustained and supported. At the

same time, we will ensure that the most vulnerable have the targeted support that they need in these very challenging times.

I thank all those at the coalface, supporting every child in need in every community. We all work diligently to reduce the number of children in need, so that we can see an end to this challenge across our communities—wherever those young people live.

10.28 am

**Mrs Lewell-Buck:** I thank all hon. Members for taking part in this debate and the members of the child of the north APPG. As the hon. Member for Cheadle (Mary Robinson) alluded to, some were unable to take part. I thank my hon. Friend the Member for Westminster North (Ms Buck) for her support from the Front Bench. I also thank the Minister for her comments and for her consistency. She has done what many Ministers have done before her in debates on these issues: she has defended indefensible aspects of this Government's record and has blamed covid and Putin's illegal invasion of Ukraine for the problems we face when we all know the Government crashed the economy last year. We all know we were uniquely exposed to the hike in energy prices because of a lack of investment in renewables and a failure to rein in the energy companies properly. We are the only country in the G7 that has not recovered from the pandemic because we came from such a low economic base.

To be fair, I did not expect the Minister to commit to getting rid of the five-week minimum wait for universal credit, suspending the two-child limit, and increasing free school meals and the Healthy Start scheme, but I assure everyone here—I am sure they know this already—that I will continue to push and argue for them. My disappointment is not really for me; it is for the children and families in the north who, yet again, in the absence of any promises of consistent and sustained support, will have to rely on their remarkable resilience and the charitable sector in our strong, close-knit communities right across the north. For them, the general election cannot come soon enough.

*Question put and agreed to.*

*Resolved,*

That this House has considered child poverty in the north of England.

10.30 am

*Sitting suspended.*

## **Environmental Land Management Scheme: Funding for Upland Areas**

11 am

**Tim Farron** (Westmorland and Lonsdale) (LD): I beg to move,

That this House has considered environmental land management scheme funding for upland areas.

It is a great pleasure to serve under your chairmanship, Mr Hollobone, and great to see the Minister in his place to respond to what I am going to say.

Our uplands are precious beyond measure. They are on the frontline in the fight to restore nature and to tackle climate change. They provide us with water for drinking and with the opportunity to protect population centres from devastating flooding. They underpin our tourism economy and are home to our most stunning historic landscapes. They provide food and they enable the flourishing of communities that are as much a part of our heritage as the landscapes that they care for.

I support the transition to the environmental land management scheme. The principle of public money for public goods makes sense and is, in theory, a great improvement on the area-based payments of the common agricultural policy. I also welcome a move to a more sustainable payments scheme that supports environmental benefits alongside ensuring food security. In practice, however, the Government are sadly putting our uplands in peril, and they are doing so needlessly.

Farmers across the country are being put at risk by a failure to listen, but in the uplands that failure is worst of all and threatens to be catastrophic. In this debate, I aim to speak for upland communities in Westmorland, but also for communities elsewhere. While preparing for the debate, I visited many farms and listened to dozens of farmers, and my hope is that the Minister will acknowledge the Government's failings and commit himself to putting them right.

The transition from the old farm payments scheme leaves upland farmers especially exposed as they typically rely on the basic payment for more than 50% of their income. As the basic payment scheme is phased out—every farm will have lost at least 35% of its BPS this year—upland farms will need alternative sources of funding to fill the gap. Those sources of alternative funding are, however, not forthcoming, and the consequences will be devastating.

It is my honour to represent more than 1,000 farms in Westmorland and Lonsdale, but the last time I checked fewer than 30 had registered for the new sustainable farming incentive. Those farms have lost a huge chunk of their BPS, and most of them so far have nothing to replace it. That is the Government's fault. Department for Environment, Food and Rural Affairs rules dictate that farmers who are not already in the countryside stewardship or higher level stewardship schemes cannot maximise SFI benefits because the schemes do not fit together seamlessly. This means there is a guarantee that almost all upland farms will not be able to replace their lost income and that their financial viability will decline steeply.

If farmers are in a stewardship scheme and also received the basic payment, they can expect to get no more from their stewardship scheme. Meanwhile, they lose their basic payment. Therefore, in the transition,

farmers can only lose income. That is the case for many farmers, including lowland farmers, but especially those who farm in the uplands. Why can we not permit those in stewardship schemes to provide additional environmental value by applying for an SFI that fits with stewardship?

The new schemes seem to have been written deliberately to disadvantage upland areas, in particular because Ministers chose to stick with income foregone plus costs as the principle underlying payments for SFI and stewardship schemes. That caps, or limits, income for delivering for nature, climate and water at the amount a farmer could have earned from beef and sheep in the uplands, which is an awful lot less than the farmer could earn elsewhere. The lowland rate is £151 per hectare, but the upland rate is only £98 per hectare.

The former Secretary of State, the right hon. Member for Camborne and Redruth (George Eustice), is on the record saying that DEFRA must depart from

“the outdated income foregone methodology”

for payment rates. I wonder why DEFRA has chosen to ignore its former Secretary of State. Why, instead, do the Government not pay farmers a fair rate for the immense value of the environmental work they do, rather than giving them the equivalent of the poorly paid work they have given up? If we valued nature and valued farmers, that is what we would do. Why is there not equality of opportunity? Why are we not allowing all farmers who want to deliver for nature to do so? Why are upland farmers effectively being locked out?

The failure to pay upland farmers a fair rate is a major reason why most have been put off even applying. Another reason is the Government's choice to reveal the SFI options in a drip, drip, drip fashion over time. Many farmers I have spoken to in the past few weeks, including two in the Eden valley, tell me that they have not applied for two reasons: first, the payment rates are pathetic and it is just not worth their while applying; and secondly, they are waiting to see whether something better comes along from future options that the Government may or may not reveal. All the while, those farmers and others are seeing their incomes eroded by the phasing out of BPS and have no alternative sources of funding to replace it.

In particular, we desperately need more detail on the new moorland option. I am glad there is one, but can the Minister tell us when it will start, what it will be worth and when farmers will have the full details of what it will entail? Take-up of the option is slow, yet as the chair of the Uplands Alliance, Professor Julia Aglionby of the University of Cumbria, points out, DEFRA has refused to fund a digital app that would have enabled effective and efficient moorland surveys. Relatively small decisions such as that make a big negative difference, and reveal the Government's apparent disinterest in the plight of our uplands. It will be a disincentive for our farmers to deliver more for nature and the climate.

The lack of clarity and the limited nature of the options available are particularly damaging for tenant farmers. How are they to make long-term decisions about their businesses when the Government are dribbling out incomplete information now and again and leaving them effectively in limbo? Meanwhile, as Baroness Rock revealed in her very welcome review of tenant farming, many tenants are being forced out so that their landlords can access ELM schemes for themselves.

[Tim Farron]

I sincerely hope that it was not the Government's intention to advantage wealthy absentee landlords at the expense of hard-working farmers, but whatever their motives, that is nevertheless happening. DEFRA has repeatedly said that the transition aims to stop big payments going to large landowners, yet we see asset-rich landowners embarking on 21st-century clearances, and scooping up big payments in the process. We are already seeing new money pouring into the uplands and being invested in land for its hope value—for carbon credits or offsetting. It is transparent greenwashing in exchange for wads of taxpayers' money, while farming families are turfed out and cleared from the land for which they have cared for generations.

Many upland farms have the potential to get into the countryside stewardship higher tier, yet reports from throughout the country show that few of those who might qualify even begin the application journey, mostly because Natural England has had its staffing so badly cut that there is no one to help those farms or groups of farms to get through the process. Just the other week, farmers near Ullswater put it to me that the Government are missing out on a vast amount of nature restoration, water quality improvement, and carbon reduction and sequestration, all because of penny pinching in relation to Natural England and farms being locked out of the schemes that were supposedly designed for them.

Many farms have benefited from the Government's shift towards more grant funding, and that is a good thing, but even then there is a failure to understand how farms really operate. Capital grants work on the basis of reclaiming outlay that farms have already made, but upland farmers' cash flow is disappearing with BPS. The grants are often welcome, but they ignore the reality that farms need regular, reliable revenue funding for the good work that they do, not one-off chunks that they have already had to spend up front. The very fact that DEFRA is paying BPS in instalments—which is also welcome, by the way—is a clear admission that it realises that cash flow is vital and that the loss of BPS without replacement will cause huge damage to businesses in the uplands and elsewhere.

This litany of mistakes, incompetence, unfairness, penny pinching and broken promises is putting our vital uplands in a treacherous position. It is surely obvious that the Government will not spend the promised £2.4 billion on farm support. With so few farms entering the new schemes, while every farm is losing BPS, it is surely impossible for the Government to have kept that promise.

In the uplands, where BPS makes up such a large proportion of farm incomes, the betrayal is felt even more sharply. Will Cockbain, who farms near Keswick and is the chair of the Swaledale Sheep Breeders Association, tells me that he has written to the Prime Minister four times setting out very clearly that the BPS cuts for upland farms, even if they are in countryside stewardship schemes, means a loss in farm incomes of more than 50% in direct support. He pointed out that tinkering with countryside stewardship does not come close to compensating for the loss of BPS. Will the Minister clarify whether his Department has done an economic assessment of the impact of the transition from CAP to ELMS on upland farms? If such an

assessment has been done, will he please commit today to publishing it? If one has not been done, why not? Will the Minister now commit to doing one?

The forecasts of the farm business income survey show that, in the most recent financial year, upland farms will have seen a 51% drop compared with average farm incomes over the previous three years. The average income for an upland farm is now £16,300. Farm business incomes for upland farms for 2028-29—the end of this process—are not predicted to improve beyond £16,500, even with the full introduction of ELMS. That equates to an average hourly rate for farmers of £4.20, which is much less than half the minimum wage. This catastrophic fall in incomes is a direct result of Government policy and choices, or at least of the incompetent application of those policies.

The consequences are stark. We will see farms fail. People whose families have farmed in our uplands for generations will find themselves in the crushing position of being the one who lost the family farm. We do not think enough about the mental health impact on farmers and their families of the uncertainty caused by this botching of the transition. What does it mean for our upland communities when families that have formed the backbone of village life for centuries get uprooted because the farm has failed because of the Government's failures? What does it mean in children lost from our schools, jobs lost, lost demand in the economy and the loss of homes and human dignity?

We do not think enough about the damage to our environment caused as farms cease to farm and farmers decide that they cannot afford to farm with care for the environment. Without farmers, we will lose the essential partners we need to put environmental policies into action. Even the best environmental plans in the world are useless pieces of paper in a drawer without the expert hands of farmers to put them into practice.

Many upland farmers will go broke and many more will go backwards. Having spent time on farms in the lakes, dales and elsewhere in the last few weeks, I am struck by how many have looked at their falling incomes and the fact that the new ELM schemes are either impossible for them to enter or too unattractive or restrictive, and made the reluctant choice that the only thing they can do to make ends meet is to farm more intensively and get more livestock, and in doing so undo the good environmental work that they and their families have done for decades. It breaks their hearts, but it seems to them to be the only alternative to losing the farm. How stupid and irresponsible to design a scheme meant to protect and enhance our environment, but to deliver it so badly that it does the exact opposite.

Might I suggest that the Government could make one of two choices? First, they could pause the phase-out of BPS to give farmers breathing space to get into the new ELM schemes—and, indeed, to give the Government the breathing space to fix their mistakes and put them right. Or they could choose to turbocharge the introduction of ELMS and demonstrate a commitment to supporting upland farmers to address the nature and climate crises. Throughout covid, we learned that with political will Departments can, at great pace, introduce new schemes to address crises. I suggest that this is a crisis on multiple levels.

There are only 6,500 upland farms. It cannot be beyond the wit of DEFRA to bring in an effective scheme for early next year, 2024, that enables upland



businesses to thrive, delivering for nature and climate and underpinning a tourism economy that in Cumbria alone is worth £3.5 billion every year. Surely now is the time to admit that if we want to ensure that we do not devastate our environment and our capacity for food production, £2.4 billion is a wholly inadequate sum of money. If we care about biodiversity, reducing greenhouse emissions, the production of good-quality British food, protecting water quality and maintaining our landscapes, we must surely add at least another £1 billion to the pot. Central to the Government's failure is that they are trying to do a range of incredibly important things on the cheap.

It is our farmers in Longsleddale, Kentmere and other upland valleys who protect thousands of homes in Kendal, Staveley and Burneside from flooding. It is our upland farmers in the lakes who maintain water quality for the whole of the north-west of England. It is our upland farmers who produce food, and maintain, shape and protect our historic landscape—so much so that UNESCO awarded world heritage site status to the Lake district largely on the basis of how the national park is farmed. We remember that Liverpool recently lost its world heritage site status. That is a warning that if we fail to protect this awesome natural environment in the lakes, we could lose that status, too, causing damage to a tourism economy that employs 60,000 people across Cumbria.

Our upland farmers are at the forefront of the fight against climate change, as they restore peatland and woodland, including imaginatively managed woodland pasture. They are crucial to nature recovery and biodiversity: 53% of England's sites of special scientific interest are in the uplands. All that is at risk because the Government are not listening to farmers, are failing to understand the impact of their actions, and lack the humility to accept where they have made grave mistakes.

We will not stand by while this Government, by accident or design, cause avoidable harm to our uplands and the people who are their faithful stewards. I am proud to represent and fight for such a breathtakingly beautiful and important part of our country. But I am prouder still to represent the people—the families at the heart of those communities—who take care of that landscape. I hope that I have done them justice today, and that the Minister will acknowledge the peril facing our uplands and act before it is too late.

**Mr Philip Hollobone (in the Chair):** The debate can last until 11.30 am.

11.17 am

**The Minister for Food, Farming and Fisheries (Mark Spencer):** Thank you for that guidance, Mr Hollobone. It is a pleasure to serve under your chairmanship. I pay tribute to the hon. Member for Westmorland and Lonsdale (Tim Farron) for calling this important debate.

Farming is the lifeblood of our communities. I know at first hand the invaluable work that farmers do. They keep food on our tables, nurture our natural environment, improve our biodiversity, and protect the environment for future generations. It is only right that we take time to consider how best we can support our farmers—our custodians of the countryside—to run sustainable,

productive and profitable businesses, and to ensure that there is an offer for all types of farms with our environmental land management schemes.

We recently announced detailed plans for the nation's farming sector. Our environmental land management schemes have something to offer for every type of farmer, and we plan to introduce further offers and are updating others so that they can be more focused on producing the great food that we consume, and the environmental gains and climate outcomes that we want to deliver.

Upland farmers can take advantage of 130 actions through a variety of schemes. That is more than 60% of the total actions available to all farmers. The level of coverage is similar for farmers grazing livestock on the lowlands, arable farmers, and those growing horticultural and multiannual crops. Those actions are designed to work alongside farming practices, and to protect and enhance our most environmentally important sites.

In order to ensure that upland farmers can take advantage of what our schemes have to offer, we are making it easier for farmers to apply for paid actions. This year we have improved the application process, increased the rates and broadened the scope of countryside stewardship. That includes allowing agreement holders of higher level stewardship to take up countryside stewardship revenue agreements alongside their HLS. That will benefit farmers who already have an HLS agreement but want to increase their income from schemes by doing more on their land. We have introduced a new, fully improved online service for countryside stewardship mid-tier applications. That service is closer to the application process used for the sustainable farming incentive, which we know farmers find straightforward to use.

In the uplands, a number of farms are on common land, and we have designed the sustainable farming incentive so that it works for those farmers. Eligible single entities can apply for an agreement on common land, and they will receive an additional payment to help with the cost of administering that agreement.

There is more to our offer than countryside stewardship and the SFI. Upland farms can also apply to the landscape recovery scheme, which funds large-scale projects to produce environmental and climate benefits through bespoke, long-term agreements. The uplands were well represented overall in round 1; a majority of landscape recovery projects involved groups of land managers and farmers, including tenants, working together to deliver a range of environmental benefits across farmland and rural landscapes. Applications for round 2 open this year, and projects in upland areas are likely to contribute to the focal areas for that round.

For farmers in areas of outstanding natural beauty or national parks, our farming in protected landscapes programme provides funding for one-off projects. We have funded more than 2,400 fantastic projects, and earlier this year we decided to extend the programme for a further year; it will now run until March 2025. Farmers who have livestock can also get funding for a vet, or a team chosen by a vet, to visit their farm and carry out health and welfare reviews for eligible livestock. That is part of the SFI offer.

Additionally, we are offering grants to support animal health and welfare. The first round is open, and grants will go towards the cost of a list of items designed to

[*Mark Spencer*]

improve the health and welfare of livestock. We are also funding free business advice for farmers through the resilience fund. More than 10,000 farmers have taken up the offer so far. I encourage all upland farmers to take advantage of that free service and find out what might work for them and their businesses.

The hon. Member for Westmorland and Lonsdale said that he welcomed ELMS and that he wanted to see the schemes go forward. I therefore find it strange that his party chose to vote against our new environmental schemes only a few weeks ago. His party voted to retain the old EU common agricultural policy, which to my mind was a vote against food security.

**Tim Farron:** I am happy to clarify.

**Mark Spencer:** Let me just finish the point. In my head, that was a vote against food security, given that the old area-based payments were specifically de-linked from food production in 2005 and have inhibited productivity improvements. I am happy for the hon. Gentleman to clarify why he chose to stick with the old common agricultural policy.

**Tim Farron:** At the moment, the BPS is set to be reduced by 35% this year. As I set out in my speech, one of the options, which would get farmers out of the mess that the Government have put them in, is for the Government not to make that cut this year, given that they clearly have not spent all that money on the environmental schemes, as they promised. That would be a way of keeping farmers farming, which is the best thing for food production and the environment. That money could have kept many people focused on environmental delivery, rather than either moving out of business altogether or choosing to intensify their farming. Both those things are happening on the Minister's watch.

**Mark Spencer:** So the motion put forward by the Liberal Democrats was misworded, because its effect would have been to take us right back to the beginning of the process. It would have scrapped countryside stewardship and the ELM schemes. It was basically a vote against river restoration, because it would have ended all the funding to our environmental schemes. That includes 32,000 countryside stewardship schemes already in existence and signed up to by farmers, which would have disappeared if the motion had passed. It feels like a gimmick. We are in the business of delivery—of trying to help farmers move forward and improve our environmental output and biodiversity. The hon. Gentleman wants to play games, and I think that is really disappointing.

Let us look at what we have actually done. We have set out all the details of our farming schemes, which are designed to make farms profitable, resilient and sustainable

food producers while protecting nature and enhancing the environment; we have announced an additional £10 million of support through the water management grant to fund on-farm reservoirs and better irrigation equipment; we made 45,000 visas available for seasonal workers in 2023 to increase productivity in horticulture; we launched the £12.5 million fund for robotics and automation to help with innovation in agriculture; we announced plans to regulate pig contracts to ensure fairness in the pig supply chain; we doubled the money for slurry infrastructure for farmers to £34 million through the slurry infrastructure grant; we have registered New Forest pannage ham under the geographical indication scheme; we have increased payment rates for farmers under countryside stewardship and the sustainable farming incentive; and we passed the Genetic Technology (Precision Breeding) Act 2023, unlocking key technologies to improve UK agriculture.

That is a fantastic record of support for our farmers, but it is not the end of the process. We are very keen to engage with our farming communities and our farmers to support them. We will continue to listen to those farmers, engage with them and understand the challenges that they face. We will constantly review the process, and we will work with farmers to ensure that they continue to be profitable as well as to improve our environment and biodiversity.

**Tim Farron:** I asked a number of questions and I would be grateful if the Minister would answer them all, although he may not have to time do so verbally. One question I am really keen that he answers is whether his Department conducted an economic impact assessment on the transition from CAP to ELMS for upland farmers. Did that assessment take place?

**Mark Spencer:** We have consistently and constantly engaged with farmers through the development of the SFI. There have been a number of farmers on working groups, working directly with DEFRA to design the schemes to ensure that they work for farmers in a practical way. That is an ongoing process. Instead of saying, "At this moment in time, this is our assessment of this brilliant project," we consistently and constantly engage with farmers in the real world to understand the challenges they face, to improve the schemes, to listen to their views and to support them.

We have had an interesting debate. We stand ready to help and support farmers on the uplands, the lowlands and the arable fields of the east of England wherever we can to continue to produce great food and look after our environment.

*Question put and agreed to.*

11.28 am

*Sitting suspended.*

## Funding for Major Infrastructure Projects

[MR VIRENDRA SHARMA *in the Chair*]

2.30 pm

**Wera Hobhouse** (Bath) (LD): I beg to move,

That this House has considered funding for major infrastructure projects.

It is a pleasure to serve with you in the Chair, Mr Sharma. Any Government should have a long-term strategic vision for the country beyond short-term election cycles. Infrastructure planning must be at the heart of any serious Government. However, such a long-term coherent infrastructure strategy is lacking and the Government are failing to capitalise on the long-term benefits of upgrading our infrastructure. We need an infrastructure strategy now to face the challenges of the future.

2.31 pm

*Sitting suspended for Divisions in the House.*

3.4 pm

*On resuming—*

**Wera Hobhouse:** Thank you, Mr Sharma—again, it is a pleasure to see you in the Chair. I think I had just got beyond my first sentence, so I will repeat what I finished with. Currently, a long-term, coherent infrastructure strategy is lacking, and the Government are failing to capitalise on the long-term benefits of upgrading our infrastructure. We need an infrastructure strategy now to face the challenges of the future, get to net zero, transform our energy and transport systems and solve our housing crisis. We need vision, not permanent crisis management.

Public investment levels in the UK are too low and too volatile. We have averaged 2.5% of GDP per year this century—well below the 3.7% average for industrialised countries. The UK's frequent large changes in investment spending plans mean that it has the most volatile annual growth rate among all OECD advanced economies bar one, which makes it harder to deliver investments. The Government are failing to spend around £1 in every £6 they want to spend. The Chancellor of the Exchequer has said that infrastructure investment is one of the Government's main growth priorities, but the National Infrastructure Commission has argued that they are not delivering fast enough.

Infrastructure enables trade, powers businesses and connects us all. It creates opportunities for struggling communities and protects us from an increasingly unpredictable natural environment. Weak investment in infrastructure makes all this harder. We need strong infrastructure commitments and the certainty that projects will go ahead on time and continue to be funded appropriately.

Government dither and delay over infrastructure investment is making us all poorer. Take transport: the Government have said that their decision to delay building the Birmingham to Crewe leg of High Speed 2 and the planned link into central London was made to balance the books.

**Sarah Green** (Chesham and Amersham) (LD): I share my hon. Friend's concerns that even the Government's attempts to keep construction of HS2 in budget will, in practice, only add to the already spiralling costs. Surely this shows that spending on HS2 is completely out of control. Whatever our views on this particular project—I personally think it is no longer value for money and should be scrapped—does she agree that it demonstrates a clear need for the Government to more closely monitor the progress of such projects, particularly where the taxpayer is pouring in billions of pounds?

**Wera Hobhouse:** My hon. Friend's intervention goes straight to the issue. What were the initial contracts the Government signed with contractors? We have to scrutinise the plans for delivery to make them viable for taxpayers. To pick up my hon. Friend's point, the National Audit Office has said that the decision to delay will lead to additional costs and potentially a more expensive project overall. The Transport Secretary himself even admitted that the delay would not save money—I would be interested to hear how much it will cost the taxpayer. I agree with my hon. Friend that, whatever our views are on HS2, it is important to know what the overall delay will cost the taxpayer.

The Institution of Civil Engineers says that delaying HS2 could make the building process

“more difficult as construction firms shift their focus to other countries.”

Whether or not we agree with HS2, this incessant delay and further uncertainty benefits no one.

Another example of this Government's short-sightedness is the M4 to Dorset coast strategic road network, which is due to undergo major upgrades. This is a matter of great importance to my Bath constituents. The present strategic route is a mixture of the A36 and A46 and goes right through the centre of Bath—a world heritage site. My local Liberal Democrat council has rightly argued that the route should not go through Bath. I recently met with the Under-Secretary of State for Transport, the hon. Member for North West Durham (Mr Holden), and National Highways to hear more about how the M4 to Dorset coast study is progressing.

National Highways said that the route through Bath has high accident rates, is heavily congested and has more cars passing through than it was designed for; it also said that the A350 route via Chippenham delivers greater benefits and has fewer challenges. However, it is still considering using the Bath route. I understand that money does not grow on trees, but why are the Government not giving enough attention to the long-term benefits to people, which include health? The A36-A46 route through Bath is not fit for purpose. The Government know this, but they are paralysed when it comes to promoting and delivering alternative routes.

The Government also fail to deliver for rail electrification. We need to electrify our railway to get to net zero. The Railway Industry Association notes that an electric railway is the cheapest to operate, saving £2 million to £3 million per vehicle. Electric trains are also up to 300% more reliable than diesel trains, and are three times more efficient than diesel or hydrogen trains. Electrifying our railway is a no-brainer. However, the Government cannot see past the short-term cost. Network

[*Wera Hobhouse*]

Rail has said that 278 miles of track must be electrified every year to reach net zero. Last year, the Government added only 1.4 miles of newly electrified track.

**Stephen Hammond** (Wimbledon) (Con): The hon. Member is making an interesting speech, and I agree with some of what she has said, but let us be clear: the reason so little track was built was because Network Rail failed to deliver it. That is not the Government's fault; that is an implementation fault. Network Rail has actually underspent its investment budget in the last two control periods. It is not a question of money not arriving or the Government not doing their job; Network Rail is supposed to deliver the project but has failed to do so.

**Wera Hobhouse:** I thank the hon. Member for his intervention; I have already answered half the points he raises. The problem is that the Government need a scrutiny process to ensure that those contracts are delivered on time and on budget. There seems to be something wrong with the Government's system to keep track of them, because in the end, big infrastructure projects are national projects, and the Government should have some interest in how they are delivered.

Bath has a big air pollution problem. The council has tried to address the issue by introducing a clean air zone, amid considerable opposition, but the electrification of the line through Bath has been on hold for years, and dirty diesel trains are still going through the city. How can I persuade my constituents that it is reasonable to stop them from driving their diesel cars through Bath when the public transport alternative is still operating on polluting diesel fuel? Air pollution kills. Not getting on with electrification is a complete dereliction of duty, not just to our net zero plans but to public health—and that costs a lot of money if we get it wrong.

Just over a year ago, the Treasury blocked a £30 billion plan to electrify Britain's railways over the next 30 years. The Government said that Great British Railways would produce a 30-year plan to electrify the railways. However, that organisation is not expected to be fully up and running until 2024 at the earliest—more dither and delay. We have not even seen the Government's plans for a transport Bill. I am interested to hear from the Minister whether the Treasury is kicking electrification into the long grass.

Sustainability should be woven into all aspects of transport infrastructure policy, not just for climate but for health reasons, as I have mentioned. The Government recently announced that overall funding for active travel in the current parliamentary term is being reduced by £800 million. That includes a cut of dedicated capital funding by two thirds over the next two years. It is a backwards move and will counteract the tremendous progress we have seen in recent years.

I am a keen cyclist, and I try to do most of my journeys within Bath on my bike. I am fully aware of the benefits of supporting active travel, which far outweigh the costs. People walking, wheeling and cycling in 2021 saved 2.5 million tonnes of greenhouse gas, prevented 138,000 serious long-term health conditions and avoided more than 29,000 early deaths. Active travel contributed £36.5 billion to the economy in 2021, and with continued

investment, that would only increase. I urge the Government to reverse the cut to active travel infrastructure, and help more people to actively walk, wheel or cycle to the places they need to go to. Will the Government support the Liberal Democrat's plan for a £20 billion community clean air fund that will create new walking and cycle routes, as well as expanding bus routes and creating new council-led clear air zones for congested towns and cities?

The Government might claim that all those decisions were made to protect the public finances, but that is ironic, given their record of wasting money. Network Rail has spent more than £25 million on the new station at Reading Green Park. Its response to my written question had me wondering whether the decimal point was in the wrong place. The National Infrastructure Commission and the Climate Change Committee wrote a joint letter to the Government last year urging them to produce better plans to improve the resilience of infrastructure to climate change. Record temperatures last summer forced the cancellation of hundreds of train services, and flights were stopped at London Luton airport after heat melted the runway.

The Secretary of State for Energy Security and Net Zero, in his former role as Transport Secretary, warned that it will take decades to make the UK transport system resilient to extreme heat, but we do not have decades to wait. If we do not prioritise climate adaptation now, we will pay for it later. A full national-scale economic review of resilience and adaptation, led by the Treasury, is needed to quantify the value of climate adaptation, and therefore to incentivise investment in resilience. Investment in renewables is vital to combat climate change and preserve our energy security. If the Government had supported renewables harder, faster and earlier, my constituents would not be paying the price for Putin's war now.

China is currently the biggest investor in renewable energy. It accounts for just under half of global energy transition investment. Cumulative growth in Chinese wind power between 2021 and 2022 was more than three times greater than in the US and more than seven times greater than in Europe. If we fail to prioritise renewable investment now, we risk moving our energy dependence from one autocratic power to another. If we want to be a global competitor, we must get our act together now.

The US Inflation Reduction Act and the EU's Net Zero Industry Act will be transformative and will incentivise huge investment in new renewable technologies and crucial net zero infrastructure, but our Government are not following them. There was no new funding on Energy Security Day, and the Chancellor has refused to go toe to toe with the Inflation Reduction Act. The UK's investment in the energy transition fell by 10% from 2021 to 2022. In contrast, similar investment rose by nearly a quarter in the US and by 17% in countries such as Germany. When will we see a real response from the Government? Global competition over talent and resources is fierce, but the Government seem content to be left behind.

The UK has huge competitive advantages in renewables such as tidal, yet the Government have failed to give the industry the funding it needs to prosper. We still do not have enough detail about how net zero investment is being defined. I hope the Minister will provide some

clarification today. If other countries provide greater certainty for green investment, we will see investors and engineers leave.

When he was Chancellor, the Prime Minister used Britishvolt as a success story. He said that the factory would produce enough batteries for more than 300,000 electric vehicles a year. The former Prime Minister, the right hon. Member for Uxbridge and South Ruislip (Boris Johnson), told the House that support for Britishvolt would be delivered, and that the Government remained 100% behind the project, yet within a month it had collapsed. It is clear that mistakes were made at the company, but is there really nothing that the Government could have done to prevent the loss of a strategic battery producer? It is emblematic of an erratic Government without a plan—a Government who change their mind with the wind. Why on earth would people invest in the UK when they cannot have any confidence in what the Government will do from one month to the next?

The Treasury should consider giving a statutory underpinning to the publication of a national infrastructure strategy every five years, as opposed to once every Parliament. That would provide greater long-term clarity to investors, supply chains and other stakeholders about the Government's plans. It would provide developers with a clear, long-term timeframe to plan ahead with confidence when delivering projects. The Institution for Civil Engineers argues that that means that projects can be delivered quicker and at a lower cost. Will the Minister meet it to discuss the detail of how that change would work in practice?

After the 2019 election, the Government set out their intention to raise public investment to a level not sustained since the 1970s, but now that pledge is in tatters. The Resolution Foundation has said that an increase in public investment set at around 3% of GDP would not only improve our infrastructure but would boost economic growth by about 0.8% over five years. Its research found that that boost would still allow us to keep our debt-to-GDP ratio on a downward path. According to the same research, the UK's public investment levels could have been a transformational £500 billion higher if they had kept up with the OECD average over the past two decades. I am interested to hear whether the Government think that we should be working to close the gap with OECD counterparts.

The quality of our national infrastructure will determine the quality of our lives. It impacts how we communicate, travel and power our homes. Infrastructure in the UK is now not fit for purpose. This Government have become so focused on the here and now that they are unable to consider the future. They are so used to short-term firefighting that they are unable to take the long-term decisions that would stop fires happening in the first place. They have failed to safeguard our public finances to ensure that we can afford the vital investments that our communities are crying out for.

We need an urgent overhaul of our infrastructure strategy and more focus on the long term. Only then can we fix our crumbling and outdated infrastructure and build a vibrant, sustainable country that is fit for the 21st century.

3.20 pm

**Mr Alistair Carmichael** (Orkney and Shetland) (LD): It is a pleasure to serve with you in the Chair, Mr Sharma. I congratulate my hon. Friend the Member for Bath

(Wera Hobhouse) on securing today's very timely debate. It strikes at many of the issues that we face in politics at the moment—issues that must be dealt with over something longer than the current electoral cycle. One of the failings of politics and the frustrations with Government that we have all experienced over the years is that we are all focused on the next four or five-yearly electoral event. For some infrastructure projects—we have touched on HS2, and I will speak about some that are closer to home for me than that will ever be—we need a more strategic approach.

When it is at its best, the Treasury is very good at doing the strategic, but often it becomes a bit hidebound by its own rules, and it lacks a little of the creativity that we require. For those of us in the northern isles, the most important infrastructure that we have is our transport infrastructure, in particular our ferries. We have the ferries that go between Orkney and Shetland and Scotland—or mainland Scotland, as some people like to call it—and the ferries that go between the different isles that make up Orkney and Shetland. What brings me to the Chamber today is the community discussion of those internal ferry services in recent years.

Earlier in the sitting, I was pleased to welcome the announcement of funding of £26 million for a replacement Fair Isle ferry—a significant amount of money, but that money is critical to preserving one of the smallest and most economically fragile communities to be found anywhere in these islands. The geography of Shetland is such that, apart from Fair Isle, Foula and others, the islands are pretty close together on a map. To our mind, it makes perfect sense for those islands to be joined not by ferry services, which are subject to weather delays, breakdowns and all the rest of it, but by a series of short tunnels—fixed links. In recent years, the debate on the islands has very much headed in that direction. We look with some envy at what our Nordic cousins in the Faroe Islands have done by linking their islands together and at the west of Norway, where parts of the mainland are linked by tunnel, as indeed are some of the smaller islands.

As a consequence of those discussions, which have been happening in the community for some time, my colleague Beatrice Wishart MSP and I set up a series of town hall meetings in the summer of last year. Obviously there are no towns, so they were not in town halls; they were in community halls and church halls in Fetlar, Unst, Yell, Whalsay, Out Skerries and Bressay. In an age in which we are always told that people are uninterested in politics and will not turn out for a public meeting, about 250 people from these small communities came out over the course of a week to offer their views on what fixed links could do for their communities.

A tiny number of people demurred, but the overwhelming consensus was that in our communities the construction of fixed links could be absolutely transformative for the design and delivery of public services. Keeping GPs based in an island community of a few hundred people is a big ask, for example. Then there is the creation and ongoing maintenance of schools in those communities, which are constantly shifting.

I was born and brought up in Islay; I grew up there in the '60s, '70s and early '80s. In those days, one GP served our end of the island. If he went fishing for the day and someone had an accident, they had to wait until he came back from his fishing trip. In the 21st century,

[Mr Alistair Carmichael]

thankfully, that is not how the NHS works. We need a wider range of clinical practitioners, and people expect different standards from those practitioners. Maintaining public services of that sort in such communities becomes ever more difficult and challenging for us.

At every meeting we heard the same story. Overwhelmingly, the view was that young people wanted to stay in the outer isles in Shetland, but were forced to leave by the nature of the opportunities for employment, health and education for their family and were desperate to return. If these people stayed in our island communities, they would contribute to their economic growth. They would be able to found, run and grow businesses or maintain businesses that had been run by their family for generations, keeping children in the schools and keeping money going through local contractors into post offices, shops and all the rest of it.

For the bigger economic development projects, getting products from the outer isles to the market will always require at least one ferry service, but there is no reason it should need two. I think of businesses such as Cooke Aquaculture, which has a processing station in Mid Yell: it has to construct an entire staff rota on the availability of ferry services to get its product from Mid Yell down to Lerwick before it catches the ongoing ferry. That is how the infrastructure provided has a very direct impact on one of the most important food-producing businesses in my constituency.

**Wera Hobhouse:** I do not know too much about ferry services, but I think the point that my right hon. Friend is making is that we cannot just look at one product in isolation. The cost benefits are wider, in the round.

**Mr Carmichael:** Absolutely. I am horrified that, having been a colleague of mine, my hon. Friend says she does not know much about ferry services—she has clearly not been listening! However, the point she makes is a good one.

This is where Treasury rules and funding come into play. If we are looking at ferries, for example, we look for a pay-down over a 20-year or possibly 30-year period. A tunnel will be several times that, but Treasury rules constantly push people towards a like-for-like replacement. They seem to lack the flexibility and creativity necessary to provide the services that will maintain the economic and social viability of such communities in the longer term.

There is also a continuing role for EU—sorry, for Treasury—funding.

**Peter Grant (Glenrothes) (SNP):** You were right the first time.

**Mr Carmichael:** Yes, I am always right the first time.

There is a continuing role for the Treasury in relation to funding, because a significant proportion of the ferries that we are now looking to replace were purchased and commissioned in the first place with a proportion of EU funding. That funding now sits with the Treasury, so although transport as a whole is devolved, there is still an obvious and strong role for the Treasury.

Following on from the Tunnel Vision roadshows that we ran in the summer of last year, as we suggested, communities set up tunnel action groups to decide how they could make the case. The case for a big infrastructure project like that, for a small community, is always that it should basically be designed by the community itself. I am happy to tell the House that the Unst and Yell tunnel action groups, working together, have already obtained pledges in the region of £100,000 towards the £200,000 that they think might be necessary to get the first stage of a feasibility study.

The project will have not just local strategic importance, but national significance. Unst will probably be the earliest and most effective—possibly the only—spaceport in the United Kingdom that is capable of doing vertical as opposed to horizontal launches. The people behind the Saxa Vord spaceport in Unst tell me every week that that will be critical to their ability to exploit to the maximum the potential of the project in which they are investing.

There is also the question of the carbon cost. In the medium to long term, tunnels will always be much more carbon-efficient than ferries, with respect both to running costs and to ongoing replacements.

The Treasury has a pot of money that is currently set aside as a consequence of the wish of the last Prime Minister but one, the right hon. Member for Uxbridge and South Ruislip (Boris Johnson), to build a bridge from south-west Scotland to Northern Ireland. I can promise the Minister that there are none of the problems with unexploded ordnance that befell that particular project. The money still sits there in a ringfenced pot, so if the Minister wants to stand up and give me a commitment to fund tunnels for Shetland, I will be delighted to take it.

What we are looking for at the moment is a bit of willingness from the Treasury to engage with our community and allow us the opportunity to make the contribution to the rest of the United Kingdom that we have always made and that we know we can continue to make. Might the Minister agree to meet me and a delegation from the Shetland communities and the Shetland Islands Council to hear their intentions and hear what they want to do to make this happen? A small amount of Treasury money at this stage, to establish the case with scientific and technical rigour in a way that as a community we may be unable to do for ourselves, could be transformative in future.

**Several hon. Members rose—**

**Mr Virendra Sharma (in the Chair):** Order. Before I call Stephen Hammond, I remind hon. Members who want to be called that they need to bob.

3.32 pm

**Stephen Hammond (Wimbledon) (Con):** It is a pleasure to see you in the Chair, Mr Sharma. I had not intended to make a speech this afternoon; I came to hear the hon. Member for Bath (Wera Hobhouse) and to intervene on her. Given the vast number of people here, however, I thought I might make a small contribution.

It is a pleasure to follow the hon. Lady. I agree with some of her speech; her closing point that quality of infrastructure determines quality of life is key and has

been a fundamental tenet of what Governments of both colours have believed for a long time. I think her analysis of some of the problems was also pretty accurate, although she will not be surprised to hear that I do not agree with all of her solutions.

On the financing of infrastructure, the hon. Lady is right that the accountability bodies have not been as good at holding the institutions that are supposed to deliver the infrastructure to account. She is also right that for a long period the United Kingdom did not have a strategic vision. That is why seven or eight years ago the two bodies—the National Infrastructure Commission and the Infrastructure and Projects Authority—were set up. I think it is difficult to argue that the Government do not have a vision or that the National Infrastructure Commission has not provided the Government with one. The hon. Lady and I met Sir John Armitt at an afternoon meeting only recently; I think she was there when he talked about the launch of his new national infrastructure green solutions project.

There are two issues. First, the Infrastructure and Projects Authority was supposed to bring into Government the expertise that would allow the Government to be given scrutiny over projects. A major infrastructure project has at least four phases before it even starts implementation. A key part of that is the initial working with designers—the ability to design a project and to understand whether that project will fulfil the requirements that one might want.

Secondly, there is the whole issue of contracting and procuring the project, ensuring its longevity and providing certainty that it will deliver on the price. This must be a source of frustration for Transport Ministers, if not for Treasury Ministers. In setting the control period for the railways—I have to confess that in my short period as a Transport Minister this applied to the highways as well—the attempt was to provide some certainty about investment and therefore give certainty to the pipeline. If there is a pipeline of projects that developers and suppliers such as the Railway Industry Association see, the contract price will almost inevitably decline because there will be a certainty of project work.

One thing that this debate should therefore focus on is that if we want to get financing right—*[Interruption.]* You are probably waiting to hear how we are to get financing right, Mr Sharma, but that may have to wait until after the Division.

3.36 pm

*Sitting suspended for a Division in the House.*

3.46 pm

*On resuming—*

**Stephen Hammond:** I think I was just about to set out the key to getting the financing right. First, we must understand the long-term nature of the projects—a point to which the right hon. Member for Orkney and Shetland (Mr Carmichael) rightly referred. Secondly, if infrastructure is designed, contracted and procured in a way that is accountable but also looks at supply issues, a better contract is likely to be achieved. It seems clear to me that developing a long-term approach to infrastructure is the only way, at local, regional and national levels, because that will inevitably ensure good quality of life, and quality of economic performance.

In this country, major financing problems are often not about the money committed to a project at the beginning, but project creep. That results from an inability to go through those first three phases. I think in particular of the Great Western electrification upgrade, which the former Chancellor, George Osborne, signed off at £888 million. A huge number of unrealistic expectations were built into that quote. For instance, the infrastructure provider, Network Rail, suggested that it would be able to pile between 17 and 30 piles an hour. In fact, in the end, it was only achieving three, and unsurprisingly the whole cost of the project went up.

Equally, there were other institutional problems. An analysis of why there has been cost creep on several routes in this country is under way. One element is about understanding over-specification, as well as the right specification. There is a contractual professional liability issue, which, if solved, would help do away with some of the problems of cost creep. I could go into the technicalities of why we do not need to take out the complete specification for the possible movement of half an inch of earth over a 20-year period, which is costing a certain bridge project £20 million. That is really happening, because the contractor does not want to take out the liability. If the Government were to underwrite that liability, it would force that financing down. If we got technical matters right in the design, build and financing phases, it would affect a number of the issues that the hon. Member for Bath mentioned to do with the cost of projects increasing and pressure on the overall budget.

On the need for long-term certainty, I mentioned in my short intervention on the hon. Member for Bath that one reason that Network Rail gives for not being able to spend its budget is that it is not certain what projects it should be delivering. That is nonsense. Network Rail is the infrastructure deliverer for rail; it should be very clear about the projects, and it has timelines for them. We are talking about the financing of projects. The Minister would be well advised to talk to his colleagues in the Department for Transport about what we can do to make the successor body to Network Rail more responsive and more accountable for some of its cost.

The hon. Member for Bath quite rightly talked about decarbonisation and electrification. Rail accounts for about 10% of transport air pollution in this country. It seems to me, therefore, that getting the financing in place for the investment in decarbonisation projects and long-term electrification is key. She is right about the amount of electrification the country needs. A number of projects have been looked at, but that is simply not deliverable on a 10-year timescale. It may be deliverable on a 25-year timescale, so we need to plan for that.

We need to ensure that transport infrastructure makes interim investment in hybrids. There are plenty of dual-fuel opportunities for rail. There are battery alternatives for rail, which would reduce emissions immediately. If we focused on that, it would help drive down costs, because we would then consider not only interim rolling stock, but new electrified rolling stock.

My final point is this. We talk about financing infrastructure as if the only source of financing were the Government. There are plenty of ways of involving the private sector, and having it work alongside Government. I do not think anyone in this room would disagree that using private finance to help deliver the public good is sensible.

**Wera Hobhouse:** I completely agree, but there is also the issue of the long term. I go to meetings and listen. Private investors in green infrastructure or insulation projects, for example, ask time and again for longer-term planning, because that is the only way they can deliver. Does the hon. Gentleman not agree?

**Stephen Hammond:** Private investors ask for two things: certainty that the project they are involved in will be delivered; and the certainty of an operating licence for a period, so that they can get back their investment. Therein lies the second accountability problem. In the operational phase, one should ensure the operator's accountability. Design, build and finance operational models are well known throughout the world, and have delivered major infrastructure projects across the world—and, at times, in this country.

We must not close our eyes to the fact that the UK is still an attractive place to invest for many people. It has legal and regulatory certainty, which other countries do not have. It has certainty of Government. The Government should look again at the opportunities for an electrification infrastructure bond. What are the opportunities for working with major institutions, such as Siemens, that produce the battery infrastructure that could be accelerated into the rail industry? There are many opportunities for the Government and the country to look beyond the Government's providing all the finance.

The key issues coming out of this debate are these. There is not a lack of vision, but a lack of implementation. We need to ensure that the bodies are put in place, be it Highways England, Network Rail, Great British Railways or BT Openreach. We have talked today only about transport and hard, physical infrastructure, but the investment in digital infrastructure and human infrastructure is almost as important for quality of life, which is a debate in itself. Getting the design and implementation phases right will undoubtedly make the financing of major infrastructure projects easier.

3.54 pm

**Peter Grant** (Glenrothes) (SNP): I am pleased to begin summing up the debate, and it is good to see you in the Chair, Mr Sharma. I commend the hon. Member for Bath (Wera Hobhouse) on her very well informed introduction to the debate. I heard her say that she did not win the ballot for this debate, but was asked to hold it later. That may be a lesson for us all: losing one vote does not prevent you from having another go later.

The hon. Member for Wimbledon (Stephen Hammond) gave a very interesting examination of the technical and organisational factors needed to get a project right, and to make sure that future projects go well. One thing that has struck me in this place is that when a big project goes wrong, nothing gets learned. If the Department of Health and Social Care has a project, the Department for Transport does not learn anything from the mistakes, so it makes exactly the same mistakes. We could fill a library with the things that we could learn from problems with Ministry of Defence contracting, for example. There does not seem to be any process for making sure that lessons learned are remembered and transferred across the whole organisation.

The right hon. Member for Orkney and Shetland (Mr Carmichael) gave a very interesting speech. I know a bit about Orkney and Shetland. I have not been to

Shetland yet, but I have been to Orkney and hope to go back. He reminded us that we often think that a lot of the public are not interested in politics, but when they understand the impact that an issue will have on their life, they are interested. If the public are not interested, it is maybe more of a comment on politicians, who manage to turn the public off. It is certainly not the public's problem if the way we do politics causes people to turn off.

I like the right hon. Member's comments about the GP service on Islay, because several years ago two of my best friends spent two summers on the neighbouring island of Jura, providing cover for the only GP on the island; he was not allowed off the island unless he got cover. The right hon. Member reminded us that for a number of very remote communities in these islands, and sometimes for communities that are not all that remote, the realities of life can be very different from how they appear in this place, and possibly from the way they appear to Ministers or civil servants ensconced in their fancy buildings in Whitehall and around Westminster.

The right hon. Member mentioned the inflexibility of Treasury rules. I do not understand how we can possibly run a 25 to 30-year contract on an annual and cash-limited budget; it just cannot be done. It produces incentives to do stupid things. We have seen that with HS2. He also mentioned the very strong part that the EU played in the previous round of procuring ferries for the islands in his constituency. Yes, the Scottish Government have attracted, and probably deserve, criticism for their record on some of the ferry procurement that we have done in the past. Nobody gets it right all the time. Interestingly, the right hon. Member's comment seems to show that the people who we were told were remote, unelected bureaucrats in Brussels could sometimes get closer to delivering what people in our communities wanted than the decision makers down here. Perhaps that is because the EU knew that it was sometimes remote, so it did not think that it knew what was best. Most of the funding programmes that it ran had to be managed by the Scottish Government, mostly in partnership with local authorities or other local organisations. Although not everybody agreed with every project that was approved, people could at least point to strong evidence that the project was born in the community and funded from elsewhere, rather than having been invented to fit a set of criteria that were often not relevant to the community in which the project was delivered.

**Mr Carmichael:** I bridle slightly at the hon. Gentleman's use of "remote". I am always being told that I live in a remote community, which means that I have to define the place I call home in relation to somewhere else. Surely the point is not about the distance between Brussels and the place where the projects were delivered; it is about understanding that the European Union enabled communities to do something for themselves. That is a very different model from the one in Edinburgh and London these days. Viewed from Shetland, both those places are pretty remote.

**Peter Grant:** I take the right hon. Member's point. Let me clarify that I do not measure remoteness by how far people are from this place or anywhere else. It is arguable that parts of the right hon. Member's constituency are more remote from each other than they need to be, because the infrastructure is not there, so a journey of a



few miles can be a lot more difficult than it needs to be. The important point is that far too much infrastructure spending in Scotland is not done according to the priorities of the Scottish Government, local authorities, or the Scottish people. The fairy-tale vision of the former Prime Minister, the right hon. Member for Uxbridge and South Ruislip (Boris Johnson), of a bridge to Ireland is a good example of that. I have not heard anybody in my constituency or elsewhere in Scotland say that that was a priority.

Too many funded schemes in Scotland are the priority of somebody in London who holds no mandate whatsoever in my constituency or anywhere else in Scotland. The criteria are set by somebody in London, sometimes having invited comments from the devolved nations or local authorities; most of the time, they ignore any comments that come in. The allocation of money does not have any rational basis, or follow any measure of need or priority. For example, the UK Government promised that the shared prosperity fund would fully replace the EU structural funding that Scotland lost after we were dragged out of the European Union against our will. Over three years, we expected to get about £549 million in structural funding; through the shared prosperity fund, we are getting £212 million. We are losing £337 million, more than half of what we would have had.

Other Government investment schemes, such as levelling up, were supposed to be based on a prioritisation of need, but somehow that prioritisation of need meant that the Prime Minister's constituency got more than the whole of Glasgow. Of course, Glasgow got nothing. The Prime Minister's constituency got exactly the same as mine, which is one of the most seriously deprived areas in the United Kingdom. The towns fund was the same. On the face of it, that fund was based on some kind of objective assessment of need, but everybody knows that it was more about who the sitting MP was, or which party hoped they might win the seat at the next election. The way that the criteria are set is not in the interests of the communities that the fund is supposed to serve. The funding allocation is not about need or what is right; it is about what suits the party of Government.

Almost 20 years ago, my very good friend and then fellow member of the council, Michael Woods, discovered that the then Labour administration in Fife Council had a secret plot to close the award-winning sports centre, the Fife sports institute in Glenrothes, and Kirkcaldy swimming pool. Thanks to Michael's determination, that plan was abandoned. In 2007, Michael and I were both re-elected to the council, formed a joint administration with the Liberal Democrats, and immediately put in place plans to not demolish those two institutions, but replace them, and make them brand new. Six years after we were elected, we delivered a new sports centre in Glenrothes. Sadly, Michael did not live to see it happen, but the Michael Woods sports and leisure centre remembers that it would not be there had it not been for Michael. That is what can happen if we have the political leadership that knows what needs to be done, understands what communities need, and is prepared to deliver it. We had to devise a new delivery model to make the sports centre happen. I note the comment from the hon. Member for Wimbledon. If that delivery model had not worked, it would not have been the fault of the delivery model; it would have been our fault. It was our responsibility to set out a delivery mechanism that would work.

If we want to look at something on a bigger scale, in 2007, when the SNP was elected to the Scottish Government for the first time, it inherited a Forth Road bridge that was in danger of becoming unsafe and being closed. Some 10 years after, the SNP having inherited no plans whatsoever, the new Queensferry crossing was opened to the public. It was a £1.3 billion investment, let it be noted. The SNP did that without putting the albatross around their neck of a private finance initiative, and the crossing is toll-free, as are all the bridges, motorways and roads in Scotland.

Compare that with HS2. In 2009, the Government set their delivery company a budget of between £31 billion and £36 billion. By 2013, almost exactly 10 years ago, the National Audit Office was already warning about problems. We are now looking at a cost of somewhere between £72 billion and £98 billion. The cost of a single railway station at Euston has increased by £2.2 billion, and construction on that station has stopped for two years. How can one Government—or one series of Governments—get one project so catastrophically wrong so often, with no one being held to account?

Lack of accountability is a significant problem. We could ask what has happened to the 40 new hospitals; maybe some of them will happen, but there certainly will not be 40 of them. We seem to be living in a time when “a long-term investment strategy” means “to get us through the next election”. We are clearly living in a time when “priority areas of need” are marginal seats, and 40 new hospitals means, if we are lucky, half of that number—most of them will never be built. Partly due to covid and partly due to the self-inflicted damage of Brexit, construction project costs are rising, often faster than the official rate of inflation. Contractors and subcontractors are finding it harder and harder to recruit the skilled workers they need, because in that industry a lot of the skills are international. The market is global, and Britain is making itself a less attractive place for overseas workers to come to and work. That is not just because of Brexit, but because of how it has been seen to be implemented by the Government.

We need a complete change in the way that the Government allocate and manage the funding for their major infrastructure projects. The hon. Member for Bath was a fellow member of the Public Accounts Committee for a while; I have not seen any evidence, in the reports that come to the Committee, that lessons have been learned. I would love to be able to say that during my time on the Committee—or even in Parliament—I have seen evidence that this Government are becoming better at managing large-scale projects. I cannot say that; if anything, I would say that they are becoming worse.

We have a Government and a governing party that are becoming more inward looking, more concentrated on looking after their own interests, less willing to face up to the decisions that need to be taken, and, frankly, less caring about the impact on communities all over these islands of their failure to deliver the kind of infrastructure that a modern western democracy should be allowed to take for granted.

4.6 pm

**Tulip Siddiq** (Hampstead and Kilburn) (Lab): It is a pleasure to serve under your chairmanship, Mr Sharma. I congratulate the hon. Member for Bath (Wera Hobhouse) on securing this important debate. Some Members may

[*Tulip Siddiq*]

be surprised to see me; I am covering for a colleague in the shadow Treasury team, but I always welcome the opportunity to hold the Government to account on their record on public and private funding for major infrastructure projects. There are three main areas that I will focus on: the Government's underinvestment in energy, the Government's record on transport and the dysfunctional planning system that means that infrastructure, especially housing, simply does not get built.

First, on energy, the UK is losing the global competition for green jobs. We are now investing five times less in green industries than Germany, and roughly half of what France and the USA invest. The Institute of Directors has warned that:

“the UK will find itself left behind in the accelerating race to lead the green economy.”

Only now, eight months after the passage of the Inflation Reduction Act, has the Chancellor finally confirmed that the UK will have to wait more than a year to respond. The Opposition think that is simply not good enough.

Ordinary families have paid the price for the Government's dithering and delay. In 2015, the Government slashed solar subsidies, causing a huge crash in the market. That missing capacity has left household energy bills another £2.5 billion higher this winter in the midst of the worst cost of living crisis on record. We must remember that in 2013, the coalition cut energy efficiency programmes, which saw home insulation rates crash by 92%. If we had insulated 2 million homes every year since then, people's bills would today be £1,000 a year lower.

On the offshore wind markets, as Scottish Power CEO Keith Anderson has said:

“The wind farms that are coming online today were approved when Gordon Brown was in power.”

Unfortunately, yards across the UK are closing and we are delivering three times fewer offshore wind jobs than Denmark, despite our being over 10 times their size. The Government said in December 2022 that they would introduce planning reform for onshore wind by April of this year. That deadline has been missed and no action has been taken. I hope that the Minister will confirm whether the Government will end the ban on onshore wind, and, if so, when that will happen.

Let me turn to transport. A recent survey of global investors has seen the UK slip down the rail infrastructure rankings; we now sit between India and Kazakhstan at 30th in the global league table. That is a national scandal—how on earth did we get here? We know that transport projects need certainty, but time and again Ministers have mismanaged key projects. On the key trans-Pennine route, for example, we wasted hundreds of millions of pounds of taxpayers' money before cancelling the project and starting again. That has meant that on one of the major rail routes in the country, which transports millions of passengers a year, upgrades are almost a decade late. That has hurt the taxpayer and has profound consequences for the UK, costing the northern economy £16 billion.

Finally, I come to our planning system. Planning applications for homes fell to a record low last year, while the number of local housing plans submitted in the last few years have plummeted. What are the Government doing about that? Planning changes snuck out by the

Government three days before Christmas have already resulted in 55 local authorities withdrawing housebuilding plans. Experts are now saying that housebuilding is set to fall to the lowest level since the second world war.

Wherever we look, it is the same story—housebuilding is at a record low, inward investment in transport is in decline, and Britain is falling behind on green energy. But we do not need to continue down this path of managed decline, because Labour has a plan to get the economy growing and to drive the investment and infrastructure that we so desperately need. The Labour party is committed to overturning the senseless ban on onshore wind and to the radical reform of planning rules, to drive growth and build affordable homes.

Fixing our transport system is a prerequisite for growth in this country, and that is why we are working hand in hand with business leaders and pledging that a future Labour Government will deliver Northern Powerhouse Rail, including that vital new train line through Bradford. Meanwhile, our green prosperity plan will grow the UK economy by investing in the green industries that can power our economic future, cut the cost of living for British families, and make Britain a clean energy superpower.

The Minister has listened carefully to all the concerns voiced in the debate. I hope that he responds to them, including those that I have just outlined.

4.12 pm

**The Exchequer Secretary to the Treasury (Gareth Davies):**

It is a great pleasure to see you in the Chair, Mr Sharma, particularly as this is my first outing as a Minister in Westminster Hall. What a great start!

There has been a really informed, detailed and, if I may say so, courteous display of speeches. The central core of every one of them was a deep care for our national infrastructure and a recognition of how important it is to all our constituencies. I congratulate the hon. Member for Bath (Wera Hobhouse) on securing the debate—at the last minute, I hear, although you would not know it—and thank hon. Members for all the other contributions. I will try to cover off some of the points raised in the time available.

Good infrastructure acts as a knot that ties our communities and our Union together. It is a vital part of how we protect our environment and helps us to unlock economic potential. The Government, right up to the Prime Minister and Chancellor, are absolutely committed to delivering the long-term economic benefits derived from capital investment and infrastructure schemes. We want to build infrastructure that is modern, efficient and accessible to everybody across our four nations.

During this Parliament there has been a step change in how we fund national infrastructure, underpinned by our national infrastructure strategy, which was referenced by my hon. Friend the Member for Wimbledon (Stephen Hammond). To achieve the aims of the strategy we are increasing funding; we have a strategy and we are matching it with funding. That was announced in the spending review of 2021. A multi-year settlement provided £100 billion of investment in economic infrastructure for this spending review period. That includes over £35 billion for rail investment—including, yes, HS2, which I will come to in a moment—and other rail enhancements to boost connectivity across our country. In the longer term, our integrated rail plan, published in November '21,

committed £96 billion for rail construction and upgrades, representing the biggest ever single investment into our rail network. It will deliver a modern network that will benefit small towns and big cities, boost productivity and bring our communities closer together.

The hon. Member for Bath referred to HS2, so let me address that head on. It is a key part of our rail strategy—a long-term investment that will improve connectivity across the country and provide a low-carbon alternative to cars and planes for many decades to come. It is already supporting tens of thousands of jobs. The Government remain absolutely committed to delivering HS2 from Euston to Manchester, and continue to push on with the sections in peak construction so that the first high-speed services—running from Old Oak Common in west London to Birmingham Curzon Street—can be delivered between 2029 and 2033.

**Wera Hobhouse:** I share the Minister's wish for HS2, but it is just that because there are so many delays, we are losing the public. Is it not important that the Government really come clean and say, "We will deliver this, and it will be great for this, that and the other reason," rather than putting doubt into people's minds that it might not be delivered, might be only half-delivered, or whatever it is? Let us go out there and really sell this as a great improvement to our rail infrastructure. Does the Minister not agree?

**Gareth Davies:** I thank the hon. Lady, although I think we are selling it. She is absolutely right: it will boost productivity. It is creating jobs, as I have said, and it will boost connectivity. It is important that we all do go out and sell that. However, we have to be real: we have to balance the need for high-speed rail with sustainable public finances and respond to events as they happen around the globe. That is the reality of what we are doing with the recently announced rephasing. This is true for construction projects all over the country and, if I may say, in many parts of the world; we face significant inflation as a result of Putin's war in Ukraine and supply shortages coming out of covid. We are reacting to that as hon. Members would expect any reasonable and responsible Government to do.

The hon. Member for Bath referenced the National Audit Office report—I can tell her that we are looking at that report very carefully and will respond in due course. However, the point I am trying to make is that on HS2 is that it is vital and we are committed to it, but we have had to make difficult decisions and choices in order to balance the need for both robust transport infrastructure and robust public finances, which we will always do for the British people.

More broadly, as has been mentioned by many speakers, we are improving rail connectivity and restoring our transport services across the country, but in particular to reverse the 1960 Beeching cuts. It is important that we expand the rail network as well as improving the existing rails.

In the interest of time, I will pick up some of the direct points raised by hon. Members. The hon. Member for Bath should be aware that I am briefed on the M4, which she mentioned—even though I am only a week in, I know about the M4 connection to Dorset. The hon. Lady will know that the DFT commissioned a study by National Highways on that route, and its outcomes

are being carefully considered by the Government and wider stakeholders. It is a live discussion and we look to come back on that very soon.

The hon. Member for Bath and my hon. Friend the Member for Wimbledon also made some excellent points on rail electrification. The hon. Lady should be aware of the transport decarbonisation plan, which will deliver a net zero railway by 2050. She referenced some specific statistics, and I will respond with a couple of my own: since 2010, we have electrified 1,224 miles of track, of which 1,000 miles have been installed in the past five years alone—compared, by the way, with just 70 miles electrified in England and Wales between 1997 and 2010. I think we are doing a pretty good job, although there is more to do. I do not think anybody would deny that.

The right hon. Member for Orkney and Shetland (Mr Carmichael) made a very insightful and interesting speech about the challenges his constituents face. I will look into the issue he raised about Treasury responsibility for the pot and come back to him.

My hon. Friend the Member for Wimbledon said eloquently that these things do not all rest on Government finances; the Government cannot pick up the tab for all our infrastructure projects. The benefits of our national infrastructure strategy will be secured through Government and private funding, so we will win the prize by mobilising private capital investment. Almost half of the UK's future infrastructure pipeline is forecast to be privately financed, and the Infrastructure and Projects Authority recently estimated that the total infrastructure investment for the next decade across the public and private sectors will be nearly £650 billion.

As my hon. Friend mentioned, we are building on a strong base. The UK is a great centre for private investment. We have a strong system of regulation, a strong legal framework that is replicated all around the world, and a leading financial and services sector that helps to mobilise private capital. He talked about the bond market, and as he knows we are one of the leading issuers of green gilts. We are doing a lot to help mobilise private capital, but critical to our financing will be the mechanisms and institutions that we have available to mobilise private capital. That is why, when I was a Back-Bench MP, I was delighted to join him in the debate on the UK Infrastructure Bank, which will play a massive role in funding the projects that people around the country rely on. It has been set one mission: to partner with the private sector and local government authorities to increase infrastructure investment in pursuit of two objectives. The first is to tackle climate change, and the second is to support regional and local economic growth through connectedness, opportunities for jobs and higher levels of productivity. As it stands, £22 billion of financial capability has been provided to the bank, and we expect it to crowd in private capital investment and support more than £40 billion of infrastructure investment. To date, it has already announced 15 deals worth more than £1.4 billion, covering clean energy, digital infrastructure and green transport. That will be transformational.

A lot of Members mentioned net zero, which is absolutely critical. What every party has in common is our commitment to the health of the planet. We are world leaders in fighting climate change and galvanising action on the global stage, as we saw at COP26, and we are right to do that at home with our net zero pledge.

[Gareth Davies]

The UK already has a world-leading track record of delivering decarbonisation. We have reduced emissions faster than any G7 country since 1990. By the way, we have grown our economy by 75% over the same period.

The Government are committed to a total of £30 billion of domestic infrastructure for the green industrial strategy. Since March 2021, an additional £6 billion for energy efficiency was committed at the autumn statement, and £20 billion for carbon capture, utilisation and storage was announced at the spring Budget. We have in place a clear strategy to deliver on our net zero obligations, deliver energy security and drive economic growth.

To Members who question our ambition and ask whether it is achievable, I say look at what we have already done. Some 71% of all UK households have access to gigabit-capable broadband—an uplift of 8% since November 2021—and we are on track to reach a target of 85% coverage by 2025 and at least 99% by 2030. Some 92% of the UK has access to 4G mobile coverage, and we are on track to meet the Shared Rural Network target of 95%, which has a big impact on Scotland. We also had the opening of the Elizabeth line between Paddington and Abbey Wood. Those are all high-quality infrastructure priorities and projects, and other crucial projects will be announced for economic growth, boosting productivity and competitiveness.

We will go on. We will continue with our strategy, our funding and our prioritisation of national infrastructure. We will transform our railways, including HS2 to Manchester, East West Rail and the Northern Powerhouse Rail core network. We will secure the UK's energy security through delivering new nuclear power, including Sizewell C, and the roll-out of cheap, clean renewables, including wind and solar.

Infrastructure offers us one of the most exciting and efficient direct ways of improving living standards, boosting our economy and supporting our communities, and I appreciate the opportunity to outline that today.

4.25 pm

**Wera Hobhouse:** The debate has been interesting and I thank all colleagues for being here and sharing their considered thoughts. I think we all agree that long-term infrastructure projects are vital for our four nations. They are complex to deliver and see through; they require a well-resourced Treasury and a vision that survives from one Government to the next; and last but not least—we have not really talked about this—they require an engaged public who share that vision and are prepared to see it through with the Government of the day. If that is true of anything, it is true of getting to net zero. We agree on a lot of things, but I think we disagree about the pace of change, which for me is not fast enough. The Government will of course say, “Yes, we are getting there,” but that is the nature of these debates, and I am glad that we had such a considered debate today.

*Question put and agreed to.*

*Resolved,*

That this House has considered funding for major infrastructure projects.

## Extended Producer Responsibility for Packaging

4.27 pm

**Mr Virendra Sharma (in the Chair):** I will call Dame Nia Griffith to move the motion and then the Minister to respond. There will not be an opportunity for the Member in charge to wind up, as is the convention for 30-minute debates.

**Dame Nia Griffith (Llanelli) (Lab):** I beg to move,

That this House has considered extended producer responsibility for packaging.

It is a pleasure to serve under your chairmanship, Mr Sharma. I share with many, including the Minister, I am sure, a huge concern about the amount of plastic and packaging waste that is never collected or recycled and that ends up in landfill, in our seas or in incinerators, thus polluting our land, sea and air. We are all aware of the hierarchy of waste—reduce, reuse, recycle—and the challenges that it poses. It is vital that we tackle waste and increase recycling, including through legislation and the extended producer responsibility guidance, but the scheme must be well designed so that it incentivises appropriate behaviours. I have every sympathy with the Minister: that is not an easy task.

I can understand, too, if there is some criticism of, or perhaps cynicism about, the concerns voiced by industry, because of course industry is bound to be concerned by any new tax imposed on it. However, there is general support in industry for the “producer pays” principle. Industry wants a system that is fair, and I share its serious concerns about some of the unintended consequences of the scheme. The Food and Drink Federation says the industry has significant concerns that the proposed system will fail to achieve improvements in recycling rates, and is calling on the Department to be more ambitious in its proposals by adopting international best practice from the most successful schemes around the world.

Before addressing more general points, let me share my concerns about how the current proposals will affect Wiltshire Farm Foods, which provides ready-made meals in plastic trays that are covered with a thin polythene film. It delivers those meals to householders who can then put them in their freezers and heat them up when they need them. Customers receive regular deliveries from Wiltshire Farm Foods to their doorsteps. The company saw that as an opportunity for its delivery staff to collect the used trays when they arrive with a fresh delivery. For good measure, it also reuses the cardboard boxes that the trays are carried in.

Wiltshire Farm Foods' customer base is made up predominantly of a generation who are used to washing and putting out the milk bottles on the doorstep. Their conscientious washing and storing of the used trays enables the company to make the collections. The company does not use a cardboard sleeve, although one is commonly found on similar products. The necessary information is put on the plastic film, which is the only thing left for the customer to dispose of. Wiltshire Farm Foods leaves behind 97% less packaging by weight than other ready meal brands because the customers return the trays.

In late 2021, the company went one step further. It made a significant investment in a world-leading packaging recycling initiative in its factory in Durham. Through

its award-winning “boomerang” project, it now takes the used plastic CPET—crystalline polyethylene terephthalate—meal trays and genuinely recycles them by making them into new trays. The composition of the new trays is up to 85% recycled tray material. That should be recognised as a significant achievement because it is much more challenging to recycle plastics than metal and glass, which can be recycled through the use of well-established technologies.

In establishing the facility in Durham, Wiltshire Farm Foods has also onshored the process. It both keeps jobs here and reduces plastic miles. It is genuine closed-loop recycling and an exemplar approach to the recycling and reuse of packaging. It puts the company ahead of the legislation. Can we find a way to refine the proposed legislation to recognise that? We must give credit where credit is due.

**Robin Millar (Aberconwy) (Con):** My constituent, Laura Fielding, is a community councillor in Llanfairfechan, and is behind the excellent plastic-free Llanfairfechan scheme. She highlighted my duty, as a consumer, in respect of wrapping and packaging after the point of consumption. Does the hon. Member agree that the same applies to manufacturers and producers? Their responsibility for packaging lies beyond the point of sale, and even beyond the point of use, and extends to its disposal and the consideration of what that means for the packaging afterwards.

**Dame Nia Griffith:** Absolutely. As I understand it, that is the aim of the extended producer responsibility legislation: it will ensure that producers have to take a real interest in that process. However, it must be done in partnership with the industry and in a way that the industry feels part of. The scheme must have buy-in, because it can work only with industry co-operation. We must ensure that it operates fairly and that those who invest extra money to improve their processes get some benefit from doing so.

Last month, in response to a written parliamentary question about whether the charges to be introduced by the extended producer responsibility for packaging will apply only to packaging that enters the consumer waste system, the Minister replied:

“Charges for the management of this waste will apply to all primary and shipment packaging except where producers can evidence that their packaging has been emptied and discarded by a business.”

In response to a different question from the hon. Member for Bath (Wera Hobhouse) regarding how the revised scheme would apply to closed-loop recycling schemes, the Minister replied:

“Packaging that is already commonly collected from households will not be eligible for this offset as this would reduce the efficiency of household collections”.

That is a major problem for a company like Wiltshire Farm Foods. We are effectively equating what it does with plastic trays with plastic waste that enters the waste system.

I am concerned about that statement because, unfortunately, what we know about recyclable waste items that should be collected by local authorities and recycled is not at all encouraging. First, there are all the packaging items that do not go into household recycling boxes or bags but are strewn about the place as litter or put into a non-recyclable street bin. That is hardly a

surprise, given that the Environmental Audit Committee report on plastic bottles found that only about half of local authorities provide differentiated street litter bins in order to separate recyclables from black-bag rubbish. Secondly, a householder might wrongly put that packaging into their black-bag rubbish, or in the correct household recycling bag but with unwashed items that drip food content into the bag, so that the whole bag of recyclables is condemned by the local authority and put in with the black-bag rubbish.

Even if recyclable packaging items get into the recycling bag or box correctly, what happens then? We have myriad different regimes run by different local authorities, with varying end destinations for their recyclables. Some 47% of recyclables are sent abroad. What data do we have about the products that they are made into? Too little, it would seem. Too often, we have seen pictures of packaging on foreign shores that can be traced back to the UK, smouldering on the hillside in open landfill or clogging up waterways, as documented by the BBC, Greenpeace and Interpol, and highlighted by the National Audit Office, which reported, putting it mildly, that there is

“a particular risk that some of the material exported overseas is not fully recycled.”

What do we know about the rest? We know that glass is 100% recyclable and can be remelted endlessly without ever reducing its quality, so we would hope the glass collected is fully recycled and made into new items. Plastic packaging, however, is another matter. How much of what local authorities collect as recyclable is actually made into new products? What data does the Department for Environment, Food and Rural Affairs have, not just on what is collected and handed on by local authorities, but on what actually happens to it, the efficiencies of the processes that it undergoes, the end products that are produced, and the value for money and for energy use that are achieved through the schemes?

Official estimates show the UK’s plastic packaging waste recycling rate at 47% in 2020 and 44% in 2021. Those estimates have been questioned by various organisations, including the National Audit Office, which expressed concerns about undetected fraud, as well as the concern that I mentioned about what goes abroad. Anyway, the amount would appear to be less than 50%.

We now face a situation in which a company such as Wiltshire Farm Foods has invested in a closed-loop system, collecting plastic trays and using the whole plastic tray to manufacture new ones, yet it will be taxed as if its trays just went into the waste system where, as we have seen, potentially only 50% of the trays would be recycled. The Minister has repeated that in a letter to the company—the problem that the trays will be equated with household waste and cannot be considered as any form of exception or betterment, because technically they could have gone into householders’ recycling waste bags or boxes.

The packaging may be commonly collected from households but, as I have explained, its final destination will vary according to the regimes in place in individual local authorities, and it has a less than 50% chance of being recycled, whereas 100% of the trays collected by Wiltshire Farm Foods will be taken back to Durham and manufactured into new trays. The problem is that firms get no credit for trying to maximise the collection and recycling of their packaging. That is a massive

[*Dame Nia Griffith*]

disincentive to make any such investment, whereas they could help to improve our plastic packaging recycling rates, as well as the efficiency and quality of that recycling; otherwise, there is no reason for them to do so.

I do not pretend for one moment that to devise an extended producer responsibility scheme is easy. Such schemes will be dependent on co-operation from industry if they are to work effectively, and it is vital that there is proper consultation and a response to the concerns raised. I understand there is a plan for a blanket introduction of the scheme and then to deal with exceptions or modulated issues, as they are described, afterwards in 2025. Of course, that will penalise the firms that have already started.

Many in the food and drink industry support trying to improve the levels of recycling and understand the importance of the recyclability of packaging and the urge to reduce the use of plastic packaging altogether. In view of the concerns raised by the industry, will the Minister consider pausing the introduction of the EPR scheme and use the time to work productively with manufacturers on their concerns and, in particular, to derive and refine a fair payments regime? Will the EPR rates vary according to the costs of managing different materials, depending on how easily they can be recycled and the final market price they can attract? Will the Minister consider having reduced EPR rates for firms that have invested or are investing in innovative recycling methods? As I have mentioned, the scheme begins in 2024, but the modulated fees whereby the more recyclable a material is, the less the producer pays will not be introduced until 2025. Will the Minister consider introducing the modulated fees at the same time as the main scheme?

How much analysis has the Department done of schemes in operation in other countries? Belgium, Germany and the Canadian province of Ontario are often cited as interesting examples. Does the Minister plan to look further at schemes elsewhere? A number of countries have much greater industry involvement in the running of their schemes, whereas in the proposed UK scheme almost all the necessary tasks to run the scheme will be carried out by the Government. Will the Minister consider greater private sector and industry-body involvement in the schemes? Will she explain how EPR funds will be ringfenced to ensure they are used to improve our recycling infrastructure? Will she take into account the impact of all packaging reforms on producers, and weigh up whether they will have the desired impact without creating an undue burden on them?

On that note, I shall draw my remarks to a close. I thank Wiltshire Farm Foods for showing me its trays and how it recycles them—I was not quite as keen on the minus 20° freezer room that it showed me. I implore the Minister to take that example very seriously, because it has ramifications across the industry for incentivising—or disincentivising—firms so that they do the right thing.

4.43 pm

**The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rebecca Pow):** It is a pleasure to have you in the Chair, Mr Sharma; I know this subject is of great interest to you, as is litter,

which the House just had an Adjournment debate on. It all comes into the sphere we are dealing with. I thank the hon. Member for Llanelli (Dame Nia Griffith) for bringing this debate on extended producer responsibility to Westminster Hall. I am pleased to have the opportunity to outline our schemes in more detail. She asked a great raft of questions, so if I do not cover all the answers, we will write to her on some of the outstanding issues, although I know some of issues have been dealt with in answers to parliamentary questions.

The hon. Lady and I share some agreement about the need for the schemes we are introducing and the fact that they are complex. The schemes will definitely take us in the right direction on reducing our waste. We agree on the shared goal, which is to implement a successful UK-wide scheme that serves to improve recycling and the availability of recycled materials for reuse, to drive down pollution, and to ensure that the cost of packaging waste no longer relies so heavily on the public purse. After four years of extensive engagement across the packaging sectors, the policy framework to introduce an extended producer responsibility scheme for packaging across the United Kingdom was outlined in the Government response published in March 2022. Work is continuing to make progress in preparation for its implementation.

Although affected businesses have consistently expressed their support for high-level extended producer responsibility objectives and outcomes, some concerns have been raised about costs, implementation and timelines. I am well aware of that, as other colleagues in this Chamber have raised some of these matters with me. I reassure the hon. Member for Llanelli and others that my Department remains committed to continued intense engagement with affected businesses to ensure that we deliver our UK extended producer responsibility scheme in a way that delivers on the shared goals to transform a linear economic model of “take, make, use, throw away” to a circular economy. Our aim is for legislation to be in place in time to start the EPR in 2024-25, as the hon. Lady mentioned.

Before I go further, I will outline how we got to this point and the rationale for the delivery of the EPR programme. In December 2018, the Government published the resources and waste strategy, which set out how we will preserve our stock of material resources by minimising waste, promoting resource efficiency and moving towards the circular economy. Three significant commitments in the strategy form the collection and packaging reforms programme. Those are the extended producer responsibility scheme for packaging—the EPR—which we are discussing; the deposit return scheme for drinks containers, known as the DRS; and the consistency in recycling collection scheme, known simply as consistency. That is the consistency of collection at the doorstep by local authorities.

The idea is that they dovetail together. They will help us to deliver our goals on protecting the climate, driving green growth and driving down unnecessary waste—all goals set out by this Government and the devolved Administrations in their policy documents. As a result of our reforms, particularly in relation to the EPR, we expect the figure for recycling rigid plastics—excluding drinks bottles in the DRS—to reach 48% by 2025, broadly comparable with what Wiltshire Farm Foods are doing at the moment. By 2030, we expect that to rise significantly to about 62%. That is the direction in which we aim to drive all packaging producers.

The overall objective of the EPR scheme is to encourage businesses to consider how much packaging they use, and to design and use packaging that is much easier to recycle, and to encourage the use of reusables, refillables and so forth. We have committed to setting ambitious new packaging waste recycling targets for producers. The EPR measures will be key to achieving the targets. We propose minimum recycling target rates from 2024-30 for each of the six packaging materials: plastic, wood, aluminium, steel, paper and card, and glass. We will introduce targets for fibre-based composite packaging in 2026.

EPR will allow businesses to make their own arrangements to collect and recycle their packaging, where local authorities are not required to collect those packaging items for recycling. EPR will incentivise producers to recycle packaging that is reused multiple times, such as milk bottles, and to offset the packaging that they recycle against their obligated disposal costs. However, EPR will not allow for offsetting of packaging where it is collected by more than 75% of local authorities, except where it is part of a reuse system. That is primarily because we will take steps, through our consistency measures, to place requirements on local authorities to collect, for recycling, at least the common set of materials that I outlined.

If we incentivise producers to collect their own packaging, which we are also requiring local authorities to collect, that will reduce the efficiency of kerbside collections overall and therefore increase costs for producers. It will undermine that system, which will be a cornerstone of the whole triage.

**Dame Nia Griffith:** What plans does the Minister have to sort out where the recyclable rubbish ends up? One of the big concerns is that not every local authority takes it to a place where it is 100% reused.

**Rebecca Pow:** That is a really important part of the circle and of our engagement. It is a question of ensuring that we have industry capable of taking all that material. We are working together in a pipeline, because clearly the system will not work unless that is all joined up.

To go back to my previous point, if producers all start to do their own thing and the kerbside collection is undermined, that will increase costs for the producers that are going through that system, because it will mean that the costs are spread over a lower tonnage of packaging waste collected. If we look across industry as a whole, we see that that would not be in the interests of the development of our circular economy ethos. We will publish the Government response to the consistency in collections consultation shortly. That will give more clarity to the whole issue very soon.

Through payment of disposal costs, businesses will pay for the collection and management of their packaging from households. We want to increase kerbside recycling through consistency and the EPR measures, and to do so in a way that optimises efficient and high-performing services. When the payments are calculated, that will be based on the efficient services of local authorities. We do not want that to be based on a less efficient authority, so we will follow the best models and expect local authorities to do that. We have complete agreement on that with business. I think that that particular point was raised.

**Mark Pawsey (Rugby) (Con):** I draw attention to my entry in the Register of Members' Financial Interests. What did my hon. Friend the Minister make of the suggestion from the hon. Member for Llanelli (Dame Nia Griffith) that there should be more private sector involvement in the operation of our EPR system?

**Rebecca Pow:** I thank my hon. Friend, who has made valuable contributions to this discussion and debate. I cannot stress enough that we are working closely with industry and want to continue to do so. I have had a lot of conversations about this particular issue, and it is really important that we involve business as much as we can. I cannot say more now, but that has definitely been noted, because after all, businesses are the ones with the experience and the knowledge. We need them to get on board with us.

We want to incentivise reusable and refillable packaging. The hon. Member for Llanelli outlined in some detail the example of Wiltshire Farm Foods, which made really significant strides before all these schemes came on board, thinking outside the box and doing its own recycling, and so forth. There must be even more potential, one would have thought, for it to look at reusing its packaging and encouraging reuse takeaway-style. I would be happy to meet that company. It would be interesting to explore further what we might learn from it or how it could take on the model that I am suggesting to make it work. A next phase of policy development that we are looking at is to encourage the use of reusable packaging, because that is a really important part of this.

We appreciate that these reforms affect business operations. We have been listening to the feedback and have already amended the proposals, following the consultation. We will continue to work closely on the design of the scheme and the delivery. We have run some eight-week workshops, like speed dating, and lots of useful material has come out of that. We will be doing much more.

EPR is a longer-term endeavour in the continuous improvement and reform of our collection and packaging services and we are looking at other schemes around the world. I went with a whole team from DEFRA and others to Belgium to look at their system, as they are world leaders in this and have been running their scheme for a very long time. Ours is different because we are introducing it later, when lots of businesses have had their own thoughts and ideas. We cannot just completely copy what they are doing in Belgium, because we are a slightly different example, but we certainly learned some very good lessons from going there. We will continue to engage with business and industry.

**Robin Millar:** Will the Minister give way?

**Rebecca Pow:** I will very quickly before I wind up.

**Robin Millar:** The Minister has twice mentioned that she has been over to the continent to see exemplars and learn from those who are further down this path than us, which I think is a terrific step. Has she given consideration to her point about the reuse of recycled materials? I hear concerns that the availability of that material is becoming a key issue. Larger players are consuming or using up large amounts, making it less available for smaller manufacturers.

**Rebecca Pow:** My hon. Friend makes a very good point, which we are discussing with industry. It is critical that we have enough material to put back into the system and that our measures on exporting and so forth all play into that space, in terms of how much goes abroad, whether that is being constructively used, and cracking down on illegally exporting waste and keeping it in this country. All those points are part of the whole circular economy issue.

We will continue to focus on delivering our EPR scheme, and the overall ethos is to protect the environment, improve management of packaging waste and transition us towards implementing the scheme.

*Question put and agreed to.*

## **Branded Medicines Voluntary Scheme and the Life Sciences Vision**

4.58 pm

**Mr Virendra Sharma (in the Chair):** Before we start, I remind hon. Members that the debate can last until 6.13 pm. There will be five minutes for the SNP to wind up, five minutes for the official Opposition and 10 minutes for the Minister.

**Anne Marie Morris (Newton Abbot) (Con):** I beg to move,

That this House has considered the voluntary scheme for branded medicines and the Life Sciences Vision.

It is an honour to serve under your chairmanship, Mr Sharma. The “Life Sciences Vision”, which was agreed and published in 2021, was a very ambitious document of which the Government should be rightly proud. It looks at further investment and development in neurodegenerative disease, kick-starting diagnostics, treatments and novel vaccines, more investment in cardiovascular disease and obesity, morbidity or mortality from respiratory disease, the biology of ageing and mental health conditions. That is an ambitious and worthwhile list. However, its delivery can only be a joint endeavour; it has to be a partnership between Government and industry. Both parts need to do what they can to drive this forward.

If industry is to play its part, it needs from Government good research facilities, first-class universities and academics who are attracted to this country. It needs efficient and effective systems for clinical trials, phases 1 to 3. I am aware that the Government are currently looking at how that might be improved and that James O’Shaughnessy is spearheading a report that will hopefully be out shortly. I sincerely hope that its findings will be implemented.

Industry also needs a regulatory regime that is fit for purpose across both the Medicines and Healthcare products Regulatory Agency, which evaluates whether a medicine is fit for purpose and safe, and the National Institute for Health and Care Excellence, which looks at whether a medicine is value for money. Industry also needs to ensure that whatever medicines finally come through the regulatory system are used—that there is an uptake among patients and that they are prescribed. There is clearly a moral imperative for that, but there is also clearly a financial one.

From the Government’s perspective, if they are to invest in ensuring that we are most attractive and efficient place to launch a medicine, they need to ensure that UK patients have quick access to both old and new innovative medicines. They need to ensure that industry is there, ready and waiting, with the new initiatives and ideas absolutely raring to go. That said, the Government need to manage the overall cost of the medicines budget, and they need a commitment from industry to invest. Fundamentally, it is a contract—an agreement—and both benefit if the deal is right.

One of the mechanisms that sets out the terms of that arrangement in practice is the voluntary scheme for branded medicines pricing and access. Most of us refer to it in shorthand as VPAS, as I shall for the purposes of this debate. So what is VPAS? Effectively, in this agreement the Government set out what they will do for the industry. In the last iteration of VPAS, commitments were made about reforms to NICE, some of which have



been met and some of which have not. At the same time, industry agrees that it will cap the growth of Government medicine spending. The consequence is that all over-prescribing beyond the agreed and expected rate of growth is at the risk of the pharmaceutical industry. It is a very complicated formula.

The current scheme was devised in 2019. It replaced the PPRS—the pharmaceutical price regulation scheme—and was originally conceived such that the medicines budget could grow by 1.7%. That figure is now 2%. Any prescribing over that figure would effectively be paid for by the pharmaceutical companies by way of a reimbursement to Government of a percentage of their turnover, but it is a very complex and uncertain calculation.

One of the reasons for that is that the figure is anchored at a 2013 growth point, and it is not re-based each year. The consequence is that there is great uncertainty for any investing company about what the rebate will be year on year, which makes it difficult to budget. The compounding effect of the lack of re-basing is that the effective rebate is currently 26%, and left unaltered it would go to 30% for the next iteration, which is currently being negotiated to start in 2024.

We need to get that pricing in context. Effectively, when pharmaceutical companies go to NHS England and the regulators, there is a process of price-gouging. The first gouge, effectively, is by NICE. It looks at the market price and discounts it by an average of 55% to 65% under the patient access scheme. After that, NHS England may require a further cut to meet the affordability criterion of £20 million. The VPAS slice is after that, and, as a consequence, many pharmaceutical companies are saying, “Frankly, the pips are being squeezed too hard, and we simply cannot afford to invest in the research and launch our medicines here.” The current rate is uncompetitive internationally, and unless we change our approach to rebasing and to the growth cap, I fear we will lose much-needed investment here.

Pharmaceutical companies have a choice, and they can research and launch anywhere in the world. We are now a single-country regulator, rather than part of a European system, and that makes us, from the start, much less attractive. Industry is already voting with its feet. Indeed, in this morning’s Science, Innovation and Technology questions, a number of questions were about disinvestment decisions by pharmaceutical giants in this country. It is clear that many are simply no longer investing in research here or in UK regulatory approvals. That is a loss not just to the economy but to patients, because every drug prescribed to patients has to go through that regulatory approval process. Indeed, the Association of the British Pharmaceutical Industry has done some analysis and believes, based on the evidence, that our global share of research and development declined from 4.9% in 2012 to 3.3% in 2020. It advises that the number of initiated industry clinical trials fell by 41% between 2017 and 2021. Across leading European countries, the UK saw the largest decline in new medicine launches between 2010 and 2021.

However, it does not have to be like that. The ABPI and PricewaterhouseCoopers confirmed in a report that the life sciences sector is one of the most valuable for the UK: it creates £36.9 billion in gross value added, 584,000 jobs and 18% of all the UK’s R&D. They say that if the life sciences strategy was implemented in full, there would be £68 billion of additional GDP over

30 years from R&D investment, 85,000 additional jobs and a 40% decrease in disease burden. So VPAS could and should be part of a solution, not a problem.

The approach needs fundamentally to change; it cannot continue to be a question of who blinks first on what the pricing figure and the size of the reimbursement will be. This has to be looked at holistically in the context of what is in the best interests of UK plc and our health outcomes. The approach needs to be a collaborative one in which risk is shared. The solution proposed by the ABPI is a cut in the rebate to 6.88% and the creation of a two-pot system under which one pot continues to go to the Treasury while the other—a separate 1.5% premium, if you like—goes specifically towards clinical research, genomics and so on.

The challenge with the second pot is, first, that it is quite small in terms of making significant changes; secondly, that it is a bidding pot, so there will be winners and losers; and thirdly, that although the ambition is to use it to level up, that will create all sorts of problems in relation to the Barnett formula. So although the system is well intentioned, I am not sure it would actually work in practice. It has had much support from patient groups and others, and I understand why, because delivering a fairer relationship is the direction of travel.

However, we have to bear in mind the political and economic reality of where we are, and we must not lose the prize of providing a much stronger link to, and a driver of, the life sciences vision, which seems largely to have been orphaned. That agreement needs some tangible benefits and obligations. There need to be key performance indicators for both sides—industry and Government—and there need to be deliverables for both sides.

The all-party parliamentary group on access to medicines and medical devices, which I chair, set out an alternative proposal to try to find a more collaborative approach. I believe in the free market and that, ideally, there should be no cap; sheer market growth through investment would result in our growing the economy and the Government tax take funding new medicines and producing money for the NHS. However, I am clear that I have to be grounded in reality, and if we are to find a way forward, there needs to be a risk-sharing solution, because no cap is the inverse of where we are now—it puts all the risk on Government rather than on industry.

How can we find this risk-sharing solution? First, we can increase the cap. It is currently at 2%; 4% would allow quite a lot of headroom. We could ensure that, each year, the system is rebased, so that we do not end up with a complex way of compounding what the rebate figure will be year on year.

One of industry’s real concerns is that a big chunk of money goes straight into Treasury coffers, and there is no evidence of how it is recycled to benefit pharma or health. In its paper, the APPG suggests that we ringfence a large part of that rebate, though probably not all. Part of it would probably still have to go back to the Treasury, but a significant enough amount would enable those seven life science missions to be driven forward, and industry, academia and clinicians could look at what we can do to drive this vision forward with a sensible amount of money.

The current scheme could also be simplified by excluding some of the six categories of medicines included in the VPAS scheme. Biosimilars and branded generics, where

[Anne Marie Morris]

the branding is mandated by the regulator rather than choice, could sensibly be excluded. I appreciate that that increases the cost, but given that those products represent such a large chunk of medicines used in the NHS, that must be a no-brainer. Some of those are older products that are of great benefit to the NHS.

There has also been concern that the negotiation needs to be across all Government Departments, whether the Department of Health and Social Care, NHS England, the Treasury, the Department for Business and Trade or the new Department for Science, Innovation and Technology. Similarly, although the Association of the British Pharmaceutical Industry represents all the sectors, some very specific interests groups, such as the Ethical Medicines Industry Group and the British Generic Manufacturers Association, believe they need the opportunity to put their case forward. What is the downside of listening? Surely, think-tanks, academia and those groups all have something to say. If we want the right answer, that is the right way forward. We need a two-way commitment and two-way investment.

What could the Government do to help themselves manage their medicine budget cost? First, they could streamline regulatory activity. Currently, we have the Medicines and Healthcare products Regulatory Agency and the National Institute for Health and Care Excellence. That is a sequential system, which means we have to go through different sets of appraisal to satisfy both regulators. Much of the data and many of the questions, while not the same, are similar. Other jurisdictions are looking at running the two processes in parallel. Why do we not steal a march on others and integrate them? We could do that and have a state-of-the-art regulatory body. To do that, we would need to take out the budget impact test and put it back into NHS England, where it started. That strikes me as the right place for it to sit.

How could we monetise that regulator? First, as the Government already recognised in the last Budget, we should look at mutual recognition of approvals in the USA, Japan and the EU. That will not be easy, and I suspect it will be possible only in some limited areas of medicine. None the less, that is the way to go. Many developing countries would be delighted to have a quality regulator such as the MHRA and NICE. Why can we not charge to be their regulator?

The real call from industry, however, is to make uptake real. Although the theory is that any drug approved by NICE will automatically be taken up in the integrated care system budgeting system, the reality is that that is not the case, because there is no enforcement mechanism. That is very important for financial and moral reasons, and uptake is an issue that the Government could sensibly agree to look at. It is about implementing many of the new suggestions coming forward and, hopefully, the clinical trials and recommendations from James O'Shaughnessy. Because we would have a large pot for life sciences, we could create a long-term working partnership through the VPAS to deliver the life sciences vision.

If this is going to work, the industry needs to identify, in principle, investments that it would make in the UK. I know that such discussions take place, but what can the industry bring to the table to generate growth in the economy, increase skilled jobs and attract research academics and practising physicians? How can it identify

ways in which it can support the Government in other parts of the life sciences vision delivery pipeline? Ultimately, much of this is going to be based on trust and good will. Sadly, that is not there at the moment, so the most important thing is to get it back.

For the VPAS 2024 to work, we need something that is fair to the industry and the Government and that will deliver what we absolutely need: the most innovative medicines for individuals living in this country, which they want and deserve. It can be done, and I am absolutely confident the Minister and his team will do their level best to try to achieve that. I am conscious that he is limited in what he can say, because of ongoing consultations, but I would welcome some reassurance that he agrees we should move to something that is more of a partnership—where there is true commitment and collaboration, and where there is a true link between the VPAS payment by industry and its use for life sciences development—so that we can actually see the life sciences vision live.

5.17 pm

**Daniel Zeichner** (Cambridge) (Lab): It is a pleasure to serve with you in the Chair, Mr Sharma. I congratulate the hon. Member for Newton Abbot (Anne Marie Morris) not only on securing the debate, but on setting out in such detail and so effectively the complicated range of issues we face. I agree with much of her analysis of the problem, and although I am not sure I agree with all her proposed solutions, it is important that they are brought forward and discussed.

I represent an area of the country where life sciences, particularly research and innovation, are absolutely central to our economic prosperity. Thousands and thousands of jobs, and major investments, are at stake. Partly as a consequence of that, I have chaired the all-party parliamentary group for life sciences for a number of years, and I am grateful to a number of key players in the sector, including Steve Bates of the Bioindustry Association and Leslie Galloway of the Ethical Medicines Industry Group, for their advice in advance of the debate.

Over many months in my part of the world, I have been hearing from a range of people in the sector about their growing concern about the effect that the rebate level is having on a whole range of organisations and the threat that it poses to future investment and jobs. Indeed, the chief executive officer of the BIA has said that the clawback rate has

“gone down like a lead balloon in key global pharma boardrooms”, and some have consequently withdrawn from the scheme.

I appreciate that this is a negotiation, but in my time talking to people in my part of the world, I have not heard this many concerns raised. Obviously, one always treats some of them with caution, but there are enough to make me think that this is a serious threat. We all agree that we want the NHS to have rapid access to, and the most consistent supply of, the most modern medicines it needs at affordable prices, and in achieving that, we can secure those vital jobs and investment. Frankly, in a complex world where medicines pricing is far from transparent and huge sums are now needed to develop new medicines, that is much easier said than done, not least because, as our knowledge and computational power and our understanding of genetics increase, making much more possible—particularly in terms of personalised treatments—the challenge of costs will only grow.

It is absolutely essential that any Government strike the right balance between securing taxpayer value and investing appropriately in our domestic life sciences industry. At the moment, many in the industry fear that this Government are cutting off their nose to spite their face. Yes, a hard bargain has been driven by the NHS—good—but there is a danger that it comes back to bite, especially at a time when we face shortages of supply. Put crudely, suppliers do not have to supply here if they are not getting the right deal.

As some see it, NHS England secures extra value by imposing commercial deals that take the prices of medicines below what NICE would consider cost-effective, even based on affordability thresholds that have not changed since they were introduced when NICE was established back in 1999. The risk is that the unintended consequence of the good deal that Governments have got drives industry away from the UK at a time when we need the life sciences sector to invest more.

This is not only about VPAS; there are other factors too. The bitter truth is that, despite the Government rightly identifying the life sciences sector as key for our future prosperity, the UK's share of global R&D spend has decreased from 4.9% to 3.9% since 2012, and clinical trial numbers have fallen 41% since 2017. That has been a consistent message from industry over the last two years, and it has been raised consistently with Ministers.

Shockingly, the UK now has the highest rate of decline in new drug launches compared with Spain, Italy, Germany and France. If the UK ceases to be a first-launch market, patients will not have access to the latest drugs or clinical trials, we will lose the ability to compare future treatments against modern care standards and we will lose vital workforce skills that, once they are gone, will be difficult to replace. It is not just the newer patented drugs that are under threat, but generics and biosimilars too. An unintended consequence of the success of the VPAS scheme is the risk of reducing the availability of biosimilars and generics, as companies prioritise stock to higher-margin markets. A good price but no supply is not the outcome anyone is looking for.

What is to be done? I urge the Government not to dig in their heels and to at least have a sensible dialogue. I echo many of the points made by the hon. Member for Newton Abbot. Let the Government admit that there are problems: yes, our unified NHS is a remarkable resource for research, but the fragmented and complicated decision-making processes undermine that potential. It is a well-known problem. It is no good claiming that there are new regulatory opportunities post Brexit if regulators are then starved of the resources to make those opportunities real. We should recognise that the decline in clinical trials is not just an unfortunate by-product of an NHS in crisis; it is a real problem in itself, and it needs to be addressed.

The distance between how the discount levy is spent and those who make prescribing decisions just does not work. It does not incentivise behaviour, so it does not affect uptake, as the hon. Member for Newton Abbot said. Currently, there is no link between resources returned to Government and the wider life sciences vision. Addressing those points would make a difference, and I genuinely look forward to hearing the Minister's response.

None of this is easy—it is complicated—but it is really important. Failure to deal with these problems is bad for my constituents, bad for the UK economy and bad for patients. The Government need to get out of denial mode and address the problem urgently.

5.24 pm

**Martyn Day** (Linlithgow and East Falkirk) (SNP): It is a pleasure to serve under your chairmanship, Mr Sharma. I am grateful to the hon. Member for Newton Abbot (Anne Marie Morris) for securing today's debate on the voluntary scheme for branded medicines and the life sciences vision.

The UK Government's current voluntary scheme for pharmaceutical companies has come under criticism for its unsustainable payment rates, which are well above both historical and international norms. As we have heard, companies are required to pay a revenue tax of 26.5% to the UK Government, in addition to all other taxes, which is significantly higher than that in other countries. That has led to two large US-based drug companies, AbbVie and Eli Lilly, exiting the VPAS, citing the punitive system of revenue clawbacks. Other companies, such as Bayer and Bristol-Myers Squibb, have also threatened to reduce their UK footprint in response to the increasing clawbacks.

The pharmaceutical trade body has called for the UK Government to scrap their plans to raise the repayment rates for drug makers, so as to avoid possible setbacks for the sector. The high payment rates are seen as a global outlier and are undermining the UK's ability to attract investment and become a global leader post Brexit. I sincerely hope that the UK Government are successful in their efforts to address these concerns. Sir Hugh Taylor has been appointed as chief adviser for VPAS negotiations. He will oversee the negotiations for the Government and the NHS on a successor to the 2019 VPAS, which will expire at the end of 2023.

Medicines are crucial for healthcare and are the second largest expense for NHS Scotland. They prevent, control, palliate or cure many diseases. The Scottish Government are committed to improving patient access to safe and effective new medicines. The regulation of medicine pricing is the responsibility of the UK Government, but the Scottish Government are involved in the UK-wide voluntary VPAS agreement between the four UK nations and the pharmaceutical industry that caps NHS spending on branded medicines. Companies exceeding the VPAS revenue cap pay rebates to the Scottish Government and the three other UK Administrations. The cap grows by 2% annually and the sales above it are paid back to the Department of Health and Social Care via the levy. As we know, the scheme has been active since 2019 and will end later this year.

Scotland uses the VPAS receipts to fund the new medicines fund, which supports health boards with the cost of introducing new medicines, including orphan, ultra-orphan and end-of-life medicines. The fund covers medicines approved by the Scottish Medicines Consortium, and affordability should not prevent access to new medicines. Since 2014, £456.5 million has been made available to health boards. However, it is unclear if the new medicines fund will be sustained beyond December, as VPAS funding is not certain. Going forward, certainty is essential both for the NHS and for our life sciences sector.

[Martyn Day]

Scotland's life sciences community has distinctive capabilities, a strong business base and excellent research institutions that continue to create high-value jobs. We aim to make Scotland the preferred location for the life sciences community. Scotland's life sciences sector provides economic benefits and improves healthcare. With over 700 businesses and institutions, it employs 41,700 people. It is identified as a growth sector and is part of Scotland's national strategy for economic transformation. Scotland is known for drug discovery and advanced manufacturing, contributing to international exports and research and development investment. In 2018, £164 million was invested in pharmaceutical research and development. It is estimated that that will generate £1.5 billion in economic benefits over the next three decades. That puts its importance in scale.

In conclusion, there can be no doubt as to how important the sector is to Scotland's economy, both now and in the future, nor is there any doubt as to the significance of the funding that VPAS provides to our NHS. Certainty of funding beyond the current scheme is now needed. We need to get the balance right, however, both to sustain the life sciences sector and to support our NHS.

5.28 pm

**Karin Smyth** (Bristol South) (Lab): It is a pleasure to serve under your chairmanship, Mr Sharma. I understand that Parliament is technically in recess, but here we are working hard to the last on this very important debate. I am grateful to the hon. Member for Newton Abbot (Anne Marie Morris) for securing it. I agree with my hon. Friend the Member for Cambridge (Daniel Zeichner) that she used her expert knowledge to provide a detailed outline of the issues.

As the hon. Lady said, the scheme has a number of objectives, including improving patient access to medicines, getting the best value and most effective medicines introduced more quickly, and supporting innovation in a successful life sciences industry here in the UK. It is a complex area, balancing what often seem to be competing priorities around keeping costs low and getting a fair return for the industry. Ultimately, we need to remember that this debate is about people: our constituents, ourselves and families. People expect to be treated with the best medication available and for the NHS to provide good value to the taxpayer.

Last week the Minister outlined that

“we are seeking a mutually beneficial voluntary scheme that supports patient outcomes, a strong life sciences industry and a financially sustainable NHS.”—[*Official Report*, 25 April 2023; Vol. 731, c. 584.]

I hope he will today update us on where that work has got to, and on whether the Government are any closer to a solution. That would be most welcome, as other Members have outlined.

I will take the objectives that the Minister outlined one by one. Supporting patient outcomes is vital; we all want the best for our constituents. There are a number of heartbreaking cases where people have not been able to get the drugs they need. Many colleagues have raised those cases in this place and have become experts on behalf of their constituents. It is a devastating issue for many people. I think that people do understand

that this is complex and difficult, particularly for rare diseases. Although we recognise the need for commercial confidentiality, people need greater empowerment. The taxpayers who fund our system need to understand the transparency and accountability associated with those agreements.

The second issue that the Minister outlined is the life science industry, which is crucial to our economy. It is disappointing, as the hon. Member for Newton Abbot outlined, that there is a decrease in our share of global investment in R&D. It is worrying that companies are leaving the UK to seek other markets. We are all hugely grateful to the sector that got us through the pandemic. We all learned a lot more about the sector in that period, but it was able to do that because of previous, sustained, long-term investment. That is where we need to get back to.

We have consistently led in the field of life sciences research and development, an industry that employs more than 260,000 people across more than 6,000 businesses and generates a huge annual turnover. We need it to thrive. However, the Government are not serious about science. Due to their lack of investment and strategy, we are not converting our rich science base into the high-skill, high-wage, high-productivity economy that we all want to see. There is not a detailed plan to get us to where we need to be.

The Labour party is committed to harnessing the potential of the sector. Investment and reform of research and funding is key to improving outcomes. At the centre of our science policy is a target to raise total investment in R&D to 3% of GDP by 2030. Targeting that investment will help us to develop the treatments and innovations we need for the future. It will be part of our wider industrial strategy to build the high-wage, high-growth and more productive economy that we want to see.

The third point the Minister made was about a financially sustainable NHS. The current backlogs of care and the workforce shortages that have put the NHS under increasing operational and financial pressure are immense. Those pressures will only be exacerbated by maintaining an environment that fails to encourage much-needed innovation. Again, there are clear lessons to be learned from the pandemic, but in a stretched system that had over 4 million people waiting for treatment before the pandemic, research and clinical trials can become less of a focus. They are people-intense—I have been part of them in a previous role—and require focus. Support for the wider health sector is crucial in helping that move along.

Investment in health and futureproofing our system is good not only for patients, the public and the life science sector but the wider economy. The cost of ill health is substantial, and we have much evidence of the link between the health of the nation and societal wellbeing.

In conclusion, we are seeing growing concern about the current scheme. Over the past year, the supply of branded generics in particular has been dented by steep increases—linked to high price inflation—in VPAS payments. It is impacting on shortages—we look forward to hearing the Minister's comments on that—and the supply of medications. Issues in the scheme are made evident when major companies leave it. It would be helpful to hear from the Minister what action he has taken to support the life sciences industry in this country, and to give clarity and support, which we would all like to see,

to those undertaking research into potentially life-saving drugs. We want support to be given to the key industries, particularly in places such as Cambridge, as outlined by my hon. Friend the Member for Cambridge, but also in all our constituencies across the country. It is vital that the Government get that plan in place.

5.34 pm

**The Minister for Health and Secondary Care (Will Quince):** It is a pleasure to serve under your chairmanship, Mr Sharma. I thank my hon. Friend the Member for Newton Abbot (Anne Marie Morris) for securing this important and timely debate—I will come on to why it is so timely in a moment. I thank Members from across the House who have contributed to what has been a highly informed discussion, especially as the House is now technically in recess, as the hon. Member for Bristol South (Karin Smyth) has said.

Members will know that the current VPAS scheme is the latest in a long line of such agreements, which date back to 1957. For many years, those agreements have been at the heart of a collaborative relationship between the Government and industry. As my hon. Friend the Member for Newton Abbot says, the partnership helps to manage the affordability of medicines while, vitally, supporting our life sciences sector to deliver for UK patients and provide them with access to the most innovative and cutting-edge medicines both now and in the future.

VPAS has proven to be a powerful tool in both improving patient outcomes and supporting economic growth. Hon. Members will be aware that a key goal of VPAS, as my hon. Friend pointed out, is to ensure the sustainability of NHS finances by limiting total growth in spending on medicines. Since its inception in 2019, VPAS has driven significant improvements in patient access to cost-effective medicines. It has also ensured predictable spending growth, which is key for the NHS during a period of economic uncertainty.

I can absolutely assure hon. Members that the Government remain firmly committed to the scheme and to continuing to work with the pharmaceutical industry to create a strong, innovation-friendly environment for the development of medicines here in the United Kingdom. We set that out in our life sciences vision, as my hon. Friend said. As she also pointed out, there is only so much I can say, because it is commercially sensitive and negotiations start tomorrow, which is why this debate is so timely.

As both my hon. Friend and the hon. Member for Bristol South said, and as I have set out previously, the idea is to create a four-way win—a win for UK plc, and I will come on to why that is important; a win for our NHS, and the hon. Lady eloquently set out why that is so important; a win for patients, so that we are getting the most cutting-edge and innovative medicines to patients here in the United Kingdom first; and, importantly, a win for industry because of its importance to UK plc. As my hon. Friend the Member for Newton Abbot pointed out, life sciences falls under multiple Government Departments, which makes it complex and not the easiest thing to navigate around Government.

As my hon. Friend rightly says, life sciences falls under the Departments for Business and Trade and for Science, Innovation and Technology, is covered by us at

the Department of Health and Social Care and therefore also by NHS England, and is also covered by the Treasury—ultimately, everything comes back to the Treasury. But then we have the Office for Life Sciences, which sits partially in DSIT and partially in DHSC and co-ordinates life sciences across Government.

I understand what my hon. Friend says about the important link between medicine pricing and life sciences investment in the UK, but we are in danger of simplifying a very complex situation. If it were simply down to medicine pricing, that would be a far easier argument to make to Treasury. The reality is that it is not; when we look at the investment environment in the UK, we see that it comes down to a number of things.

Yes, medicine pricing is part of that investment environment, but it also comes down to regulation, as my hon. Friend said, with MHRA and NICE, and to adoption and take-up in the NHS. Each individual trust and GP practice is autonomous. GPs, surgeons and clinicians prescribe the drugs they wish to prescribe—that is not something we centrally mandate—which means that adoption and roll-out across the NHS are not always as easy or as simple as some of the pharmaceutical companies would like it to be, solely within the gift of the Department, Ministers and clinicians at NHS England.

Clinical trials, as the hon. Member for Bristol South rightly said, are hugely important, and I will come on to talk about that later. The hon. Member for Cambridge (Daniel Zeichner) set out eloquently the importance of academia and the role it plays in inward investment into UK plc by pharmaceutical companies because of the golden triangle between London, Cambridge and Oxford—and beyond. That work is spread far more widely around the United Kingdom, but those three places are hubs, and rightly so, and I have enjoyed many a visit to see the incredible work being done there.

There are other issues, such as access to finance, R&D tax credits and, vitally, the NHS as an innovation partner, which is often forgotten. We talk about Oxford, Cambridge and some of the big university and teaching hospitals in London. Actually, the key is every district general hospital—and, in fact, I would love this to be the case for every GP practice up and down the country—being part of clinical research, and encouraging its patients to take part, because we know the impact that that would have.

I recognise the link, but it is wider than that; it is about the environment here in the UK. That is important because when I speak to UK CEOs of pharma companies—the hon. Member for Cambridge set this out—they raise not only VPAS but lots of other issues. My role, and that of my counterparts in other Government Departments—in fact, of all those involved in life sciences—is to ensure that we are giving them the tools in the arsenal to go to their global boards and make the case, as I know they want to, for investment in the United Kingdom. As the hon. Gentleman set out, there is global competition, and to some extent we are falling behind. We need to address that.

Why do life sciences matter? Why is this so important? There are three reasons. First, it is important for UK plc, as has been set out already. It is an enormous investment and part of the UK economy. Of course, it could be so much bigger. That is why it is so important that we continue to encourage life sciences investment in the UK. The second reason is its importance to

[Will Quince]

patients, as the hon. Member for Bristol South set out. This is about ensuring that patients across our NHS get access to the most innovative and cutting-edge medicines that exist globally, and that we are getting UK patients access to them as quickly as, or quicker than, anywhere else.

The third reason, which the hon. Lady also touched on, is that the NHS is under considerable pressure. Some of the challenges that it faces will be addressed by more funding, and some by workforce. Those things will be very important here and now, and in the medium term. However, if we want to address the challenges that the NHS faces in the long term, that depends on genomics and gene cell therapy, and on investment in innovation and transformation around pharma, med tech, systems and AI. Ensuring that the UK is an attractive market for investment is really important to the future of the NHS, and we have world-leading academic and scientific expertise, as the hon. Member for Cambridge set out. We have a competitive tax regime, and a health system that is committed to acting as a good innovation partner. Can we do better? Yes, of course, but it is a good innovation partner. We have to unlock the transformative power of real-world data—something that the NHS is unparalleled in being able to provide.

Despite the relatively gloomy picture that my hon. Friend the Member for Newton Abbot set out, there are huge signs of hope. Take the recent investment and deals that are coming to the UK from Moderna or BioNTech. These are huge investments in UK plc and UK life sciences, which we should be very proud of. Of course, we want to see far more. We also have some exciting opportunities, as my hon. Friend set out, through the O’Shaughnessy review and our desire to massively turbocharge clinical trials in the UK. As my hon. Friend and the hon. Member for Cambridge pointed out, we are losing market share to other countries across Europe. If we look, however, at foreign direct investment, in 2021 it was £1.9 billion from 49 projects, coming in only behind the United States in terms of value—a significant increase. Furthermore, the UK life science industry raised £7 billion in equity finance. It was placed third behind only the USA and China.

I can make the case for UK life sciences—it is a strong one—but we have to do better. We have to always continue to drive forward. I understand the influence of boardroom sentiment, which the hon. Member for Cambridge set out, and that price regulation schemes such as VPAS have to be a consideration in the decision to locate investment. That is exactly why we are committed to agreeing a deal.

**Daniel Zeichner:** The Minister is giving a very thorough reply. I wonder whether he will acknowledge—I have not heard him concede this point—that the 26.7% factor is a real problem that needs to be addressed.

**Will Quince:** I thank the hon. Gentleman; I am going to come to that exact point. I want to respond to as many of the issues as possible, and—rarely for a Westminster Hall debate—we actually have a little time.

We are committed to agreeing a deal that supports a strong UK life sciences sector and drives economic growth through investment, but I recognise what my

hon. Friend the Member for Newton Abbot says: we have to do far more in many other areas—clinical trials, regulation, the life sciences missions and the investment therein. There is also the ongoing work around uptake.

The hon. Member for Cambridge talked specifically about the higher VPAS percentage rates, so let me move on to those directly. Of course I understand the industry concerns about higher payment rates, but it is important to stress that those were projected when the scheme was agreed—they were agreed with industry and negotiated by the ABPI on behalf of industry. They reflect the scheme working as intended: to limit to 2% the annual growth in the sale of branded medicines within the NHS.

We are firmly committed to VPAS and to continued working with the pharmaceutical industry to create an environment that facilitates innovation and maintains the UK’s world-leading position in the life sciences sector. I remain hugely grateful to industry for its continued participation in VPAS, which has offered much-needed financial security to our NHS during a period of significant economic uncertainty.

**Daniel Zeichner** *rose*—

**Will Quince:** Let me conclude the point, as I may well answer the hon. Gentleman. He has pushed me on the negotiation that we are about to start—on our mandate and where we would aim to get to. The scheme ends at the end of this year and the negotiations for the successor scheme start tomorrow. As I have mentioned, what I can say today is limited by commercial sensitivity. The negotiations will be overseen by Sir Hugh Taylor, which is hugely welcome—he brings a wealth of experience and expertise that will be of immense benefit and, I genuinely believe, will ensure that we continue to get the best outcomes for patients, the UK life sciences sector and the taxpayer.

But in response to the hon. Gentleman’s question, I should say that we are very much open to ideas about how a successor voluntary scheme should operate from 2024 onwards. I look forward to working with industry, as I know Sir Hugh does, to agree a mutually beneficial scheme that supports the sustainability of the NHS spend on branded medicines, which is critical, and also improves patient outcomes and facilitates a stronger UK life sciences industry.

**Daniel Zeichner:** This is my final intervention, I promise—I am grateful. I think I heard the Minister say that the scheme was working as intended. There is not much transparency in this process, for reasons that are perhaps understandable, but my understanding was that the current situation was not really anticipated when the scheme was drawn up and that a range of things in between have led to it. Will he clarify that point?

**Will Quince:** I am happy to. I will answer by making two points. The first is that the situation was entirely predicted. Forecasts and projections were given; whether industry believed them to be possible is another matter, but my understanding—the scheme was negotiated several years ago, prior to my time as a Minister in the Department—is that it was projected that we could have got to this point through growth. Growth has been significant, which is why it is important that we negotiate a new scheme that takes on board industry’s concerns. More broadly, we have talked a bit about medicine pricing and it is important to stress international comparisons.

**Anne Marie Morris:** I apologise for interrupting the Minister's flow. He is right that there was a forecast, but my understanding is that it was wrong and that there was an under-growth in all those years bar one. The consequence was that it was not possible for industry to have the predictability that he outlines. Forecasting will clearly always be a challenge, but, as I understand it, in this case it did not give industry what it needed.

**Will Quince:** I hear what my hon. Friend says, but we are talking about what is now history. I do not think anybody is realistically advocating any kind of change to the existing VPAS scheme—in effect, we would be saying that there would be a retrospective rebate to big pharma, despite what was agreed and negotiated. I do not think anyone here is proposing that today. What we are proposing is something that we get right—something that is totally transparent and open for the future in the new VPAS scheme. I know that getting this absolutely right will be at the forefront of the minds of the ABPI and industry as we approach new negotiations.

I want to briefly touch on international comparisons. While direct comparisons of rebate rates can be misleading—as has rightly been pointed out, they are not necessarily as clear internationally and there are differences in the structure of systems between countries—we none the less continue to monitor and consider UK spending on medicines in an international context. It is important to point out that the UK is around the median for spending on medicines per capita among comparable countries in Europe. We tend to spend the same as or more than Denmark, Sweden, Portugal, Spain and the Netherlands, and less than Germany, France and Italy. It is important to provide context.

I come back to the initial point: as important as medicines pricing is, it is part of a wider bricking-up of a UK environment on which global boards will make a decision as to whether the UK is a good place to invest. Yes, we take this matter very seriously. However, as important as VPAS is, I am equally concerned by and keen to address some of the other issues that industry is rightly pointing out. Understandably, given that we are just about to start negotiations and its importance to industry, the issue of the day is VPAS. However, I know how interested industry also is in getting our regulation right, in our speed in setting up clinical trials and our ability to get patients on to clinical trials, and the uptake of new and innovative medicines and medtech into our NHS. Those are huge issues for industry too, and they are areas I am focusing on.

I am conscious of the need to give my hon. Friend the Member for Newton Abbot time to wind up, so I will conclude by once again reassuring her and Members from across the House that the Government are committed

to a mutually beneficial voluntary scheme that supports patient outcomes, a strong, thriving life sciences industry here in the UK and—vitality—a financially sustainable NHS. We can all agree that this scheme is vital to keeping the branded medicine bill affordable for our NHS and ensuring that the UK life sciences industry can earn the money it needs to fund research and development into the new and improved medicines of the future. We cannot overestimate the impact that the scheme has had for thousands of patients by ensuring that they have rapid access to new life-saving and life-extending treatments. We remain firmly committed to VPAS and to working with the industry to deliver a new branded medicines agreement. I will ensure that we put patients' needs at the forefront of these discussions and at every step of the process.

5.52 pm

**Anne Marie Morris:** As has been rightly said, we are encroaching on recess time, so I am grateful to all contributors for still being here. This has been an important debate, and one thing is clear: there is more agreement than disagreement on what we want to achieve. We all want growth in the UK economy and to see medicine prices set in such a way that they are affordable; however, we also want to ensure that the system is a partnership and that we do not disincentivise the very investment that makes all this possible.

I am heartened by what the Minister has said. I understand, of course, that this is not a simple, binary negotiation about medicine prices as against the life sciences vision. Indeed, in my proposals, all the things the Minister set out as issues for industry are things that should and could be part of the VPAS debate. The reason is that it is the only debate where Government and industry agree between them what they are going to do—there is no other opportunity. I urge the Minister to make the most of it by ensuring that all the things he says, and I agree, that industry wants—quite apart from the specifics of what the medicine pricing mechanism will be—are debated in the round. I am sure that Sir Hugh Taylor will do a first-class job supervising that, and I am delighted to hear that we have somebody independent. I will close on that note, and thank you, Mr Sharma, for your indulgence in allowing us to sit into recess.

*Question put and agreed to.*

*Resolved,*

That this House has considered the voluntary scheme for branded medicines and the Life Sciences Vision.

5.54 pm

*Sitting adjourned.*





# Written Statements

Wednesday 3 May 2023

## DEFENCE

### Service Complaints Ombudsman: Annual Report 2022

**The Minister for Defence People, Veterans and Service Families (Dr Andrew Murrison):** I am pleased to lay before Parliament today the Service Complaints Ombudsman's annual report for 2022 on the fairness, effectiveness and efficiency of the service complaints system.

This report is published by Mariette Hughes and covers the operation of the service complaints system and the work of her office in her second year as Service Complaints Ombudsman for the armed forces.

The findings of the report and the recommendations made will now be considered fully by the Ministry of Defence, and a formal response to the ombudsman will follow once that work is complete.

[HCWS759]

## HEALTH AND SOCIAL CARE

### Agenda for Change: Pay Deal

**The Secretary of State for Health and Social Care (Steve Barclay):** I am pleased to be able to inform the House that today I am formally confirming that the Government will move to implement the offer made to "Agenda for Change" staff, following the request from the Staff Council on 2 May.

Following consultations with their members, the majority of the AfC unions voted to both accept and implement the offer, which was supported by employers.

As a result, over 1 million eligible NHS staff on the "Agenda for Change" contract will receive two non-consolidated payments for 2022-23. This is on top of an at least £1,400 consolidated pay award that they have already received, which was in line with the recommendations of the independent pay review body.

Eligible AfC staff will receive an award worth 2% of an individual's salary for 2022-23. In addition, these staff will receive a one-off bonus that recognises the sustained pressure facing the NHS following the covid-19 pandemic and the extraordinary effort these members of staff have been making to hit backlog recovery targets. This NHS backlog bonus is an investment worth an additional 4% of the "Agenda for Change" pay bill, and will mean staff will receive an additional payment of between £1,250 and £1,600. With both of these payments, a nurse at the top of band 5, for example, will receive over £2,000 in total.

For 2023-24, the Government will implement a 5% consolidated increase in pay, backdated to April 2023. In addition, the lowest paid staff will see their pay matched to the top of band 2, which is over £1 more per hour than the national living wage.

As a result, a newly qualified nurse will see their salary go up by more than £2,750 over two years from 2021-22 to 2023-24. On top of this, they will also receive over £1,890 in one-off payments for the 2022-23 financial year.

An experienced paramedic at the entry point of band 6 will see their salary go up by more than £3,000 over two years, from 2021-22 to 2023-24. On top of this, they will also receive over £2,000 in one-off payments for the 2022-23 financial year.

The Government will therefore no longer be seeking recommendations on the 2023-24 pay award from the NHS Pay Review Body (NHSPRB). However, the Government continue to value the work of the NHSPRB and would welcome its observations on the pay deal in England. The Government have written to the NHSPRB to confirm this.

On top of the pay package, the Government have also committed to important measures, including but not limited to:

- a review into the timing and appointment process of the NHSPRB to ensure that the pay-setting process and the NHSPRB operates effectively;

- identifying ways to tackle and reduce violence against staff; amendments to terms and conditions to support existing NHS staff develop their careers through apprenticeships;

- improving support for newly qualified healthcare registrants; and

- Staff Council consideration of the application of a cap to redundancy payments of £100,000 and over.

This package, alongside the comprehensive NHS long-term workforce plan, which NHS England will publish shortly, will help ensure that the NHS can recruit and retain the staff it needs to meet the growing and changing health and wellbeing needs of patients.

[HCWS760]

## HOME DEPARTMENT

### Government's Fraud Strategy

**The Secretary of State for the Home Department (Suella Braverman):** Fraud is the most common crime in England and Wales, accounting for more than 40% of all crime. It is a despicable crime which causes deep distress and harm to victims. One in 15 adults were affected last year—and Action Fraud estimates that more than £4 billion has been lost to scammers across the UK since March.

It is also clear that fraud intersects with other areas of national security, including serious and organised crime, and terrorism.

It is time for a step-change in our response to fraud. Today, the Government are publishing a strategy that sets out our plans to tackle fraudsters head on and cut fraud by 10% by the end of 2024, protecting the British people's hard-earned cash from criminals and putting more fraudsters behind bars.

The Government have already made a £400 million investment, starting last year, to the police and other agencies to combat economic crime. This includes £100 million for fraud.

Both the UK Government and the devolved Administrations are committed to combating fraud. We will continue to ensure that collective issues are addressed collaboratively, and we will build upon the close operational co-operation of policing and the NCA across England, Wales, Scotland, and Northern Ireland.

The strategy to tackle fraud has three elements. First, Government and law enforcement will pursue more fraudsters and bring them to justice. Secondly, Government and industry will work together to stop fraud attempts. And thirdly, the British people will be more empowered to recognise, avoid, and report fraud when they encounter it, and better supported when they do fall victim to it.

The strategy contains over 50 ambitious actions. Key actions include:

Measures to stop criminals abusing the telephone network, including a ban on SIM farms, exploring regulation of mass texting service and restrictions on number “spoofing”.

A ban on cold calls on financial products.

Protecting more people online by driving industry action, including through the world leading Online Safety Bill, commitments from tech firms to make it easier to report scams, and publishing information on the levels of fraud on different platforms.

Establishment of a National Fraud Squad with 400 new investigators.

Replacement of Action Fraud, to make it easier for victims to report fraud and for law enforcement to use and share data.

The appointment of Anthony Browne MP as Anti-Fraud Champion.

A new UKIC cell to drive intelligence-led lead disruptions.

Ensuring more people get their money back by changing the law to require banks and financial institutions to pay back victims of fraud.

#### *Stopping criminals from abusing the telecommunications networks*

The Government will not tolerate the barrage of scam texts and bogus phone calls that are causing misery to so many.

Many fraudsters “spoof” or change their number to impersonate legitimate businesses, like our banks, and hide their identity. Regulators will clamp down on these criminals “spoofing” UK numbers, making it harder for them to deceive victims.

Many scam text campaigns can be traced to SIM farms, devices that can send thousands of scam texts in seconds. While most frequently used for fraudulent texts, we know that they are widely used by criminal gangs. Today, the Government have published a consultation on banning SIM farms and asking what other technologies or devices should be made illegal.

There will also be a review of mass texting services. While there are many legitimate uses of these services—like restaurant bookings, appointment reminders and delivery updates—there is some evidence to suggest that these services are being abused by criminals.

#### *A ban on cold calling on investment products*

Government will consult on how best to ban cold calls on financial products so that fraudsters cannot dupe people into buying fake investments or other illegitimate financial products. This will extend an existing

ban on cold calling, for instance on pensions, so the public will know that cold calls about any financial products are illegitimate.

#### *Action from the tech sector*

Government and industry will root out fraud on social media platforms. Through the Online Safety Bill, user-to-user platforms will be required, by law, to put in place systems to prevent fraudulent content appearing on their platforms. This includes scam adverts and fake celebrity endorsements, with heavy fines for those who fail to protect their users. It should be as simple as possible to report fraud on all platforms—ensuring action is taken and suspect content removed. Government have asked tech firms to adopt a simple and consistent way to report with the click of a button. Government have also asked all large tech companies to check that firms advertising financial investments on their platforms are registered with the Financial Conduct Authority. Government, working with regulators, will also publish data on which websites and social media platforms are the safest to use and which ones host the most fraudulent content.

#### *A new National Fraud Squad*

A new National Fraud Squad is being created with 400 new investigators, taking a proactive, intelligence-led approach and focusing on high-end fraud and organised crime. The Fraud Squad will be jointly led by the National Crime Agency and City of London Police. The Home Secretary has already made fighting fraud a priority for all forces by including fraud in the National Strategic Policing Requirement and specifying the capabilities each force should have in place to tackle fraud. The Strategic Policing Requirement was published in March this year.

#### *Replacing Action Fraud*

Government are investing £30 million over three years to turn Action Fraud into a state-of-the-art reporting centre, including a simple to use reporting website and upgraded call centre with reduced waiting times. There will also be a portal so that victims can receive timely updates on the progress of their case.

#### *A new Anti-Fraud Champion*

Anthony Browne MP has been appointed by the Home Secretary as the Prime Minister’s Anti-Fraud Champion, to help drive Government work with UK and global businesses that will ensure that all sectors and industries are playing their part in eliminating fraud.

#### *Intelligence led response and disruptive activity*

The UK Intelligence Community is also being deployed to identify and disrupt more fraudsters. This will be supported by a multi-agency fraud cell which will produce high-quality intelligence packages so that collective resource can be dedicated to where they will have most impact.

#### *More victims of fraud will be reimbursed*

Government are also changing the law through the Financial Services and Markets Bill so that more victims of fraud will get their money back. Victims of unauthorised fraud—like bank card theft—are entitled by law to get their money back from their banks within 48 hours. Victims of authorised fraud—where victims are tricked

into handing over their money—are not offered the same protections. We will change this by giving the regulator the power to mandate that payment service providers reimburse, so that victims of authorised fraud receive the same protections. Many banks already do this, but the new duty on banks will ensure a more consistent framework for reimbursement to victims.

Both the fraud strategy (CP 839) and consultation on SIM farms (CP 843) have been laid before the House and are also available on [www.gov.uk](http://www.gov.uk).

[HCWS758]



# Petition

*Wednesday 3 May 2023*

## OBSERVATIONS

### TRANSPORT

#### Syresham Truck Stop

*The petition of residents of Syresham and surrounding villages (Crowfield, Pimlico, Biddlesden, Helmdon, Wappenham, Whitfield, Silverstone and Whittlebury)*

Declares that the petitioners object to the construction of a Truck Stop with a fuelling station on land next to the A43 slip road for Syresham on the rural B4525; further declares that its construction would be detrimental to the community; further that it would cause dangerous traffic issues due to its close proximity to A43 slip road, alongside permanent ecological and environmental harm, including noise, air and light pollution; notes that this will create a worrying precedent for more industrial development on greenfield land in open countryside

that is contrary to West Northamptonshire Council's Local Plan; further notes that while residents understand the pressures endured by HGV drivers, they suggest that there are far more appropriate locations in the vicinity.

The petitioners therefore urge the House of Commons to work with the local residents to ensure this planning application permission be refused.

And the petitioners remain, etc.—[Presented by Dame Andrea Leadsom, *Official Report*, 26 April 2023; Vol. 731, c. 891.]

[P002827]

*Observations from the Parliamentary Under-Secretary of State for Transport (Mr Richard Holden):*

The Secretary of State adopts a quasi-judicial role in the planning system and, as such, it would not be appropriate for the Department or its Ministers to comment on the merits of any individual case. It is for the local planning authority to determine the current application, in accordance with the local plan, unless material considerations indicate otherwise, which would include policies in the national planning policy framework, relevant written ministerial statements and relevant representations made at consultation.



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Wednesday 3 May 2023

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**not later than  
Wednesday 10 May 2023**

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