

**Tuesday
13 June 2023**

**Volume 734
No. 172**



**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES
(HANSARD)**

Tuesday 13 June 2023

House of Commons

Tuesday 13 June 2023

The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

FOREIGN, COMMONWEALTH AND DEVELOPMENT OFFICE

The Secretary of State was asked—

NATO Unity

1. **Kevin Foster** (Torbay) (Con): What recent diplomatic steps he has taken to help strengthen NATO unity. [905336]

5. **Andrew Jones** (Harrogate and Knaresborough) (Con): What recent diplomatic steps he has taken to help strengthen NATO unity. [905341]

The Secretary of State for Foreign, Commonwealth and Development Affairs (James Cleverly): I regularly engage with our NATO allies. I did so most recently at the NATO Foreign Ministers meeting from 31 May to 1 June in Oslo, where the UK demonstrated our continued solidarity with Ukraine and we discussed preparations for the upcoming Vilnius summit for NATO leaders. We continue to hold NATO as the foundation stone of the Euro-Atlantic defence structure.

Kevin Foster: NATO's unity is its strength. It brings countries together to deter aggression and defend freedom—things that would be enhanced by welcoming Sweden into the alliance. When does the Foreign Secretary expect a unanimous decision in NATO to do just that?

James Cleverly: The UK has been a strong supporter of both Finland and Sweden's accession to NATO. I was very pleased that Finland joined us at the most recent Foreign Ministers meeting. The UK will continue to push for both Hungary and Türkiye to ratify the accession of Sweden to NATO.

Andrew Jones: I was very pleased to hear the Prime Minister confirm that Ukraine's rightful place is within NATO. Will my right hon. Friend outline what steps he has taken to build the path towards its membership?

James Cleverly: The commitment that was made at Bucharest many years ago still stands. In the intervening years, Ukraine has demonstrated through its experience on the battlefield an increased acceptance of NATO's standards and doctrine, which has been driven by the training that the UK and other NATO allies have provided. Inevitably, that will have shortened the time between now and the point it becomes a full member of NATO. Of course, it is impossible for us to speculate when that will be, but I hope that it will be soon.

Valerie Vaz (Walsall South) (Lab): Our ambassadors play a skilful role in NATO and I wish to place on the record my thanks to Fleur Thomas in Luxembourg, which hosted the NATO Parliamentary Assembly, for her excellent briefing. What assessment has the Foreign Secretary made of Sweden actually joining NATO, which will strengthen its unity, before the Vilnius summit?

James Cleverly: The UK's position has been clear on this: Sweden should join soon. Our desire, which is shared by all allies with the exception of a couple, is that Sweden should be a full member by the time of the Vilnius summit. We aspire to have a flag-raising ceremony and for Sweden to play a full part in the discussions at Vilnius. That will continue to be the aim towards which we work.

Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): When did the Foreign Secretary last engage with Hungary and Türkiye on the matter of Swedish accession, and when will he do so again? How easy is it to stress to them the importance of Sweden being in NATO? What is the blockage?

James Cleverly: My last conversation with Türkiye on this was at the NATO Foreign Ministers meeting in Oslo on 1 June. My most recent engagement with Hungary on this was at the OECD meeting in Paris at the tail end of last week.

Mr Speaker: I call the shadow Foreign Secretary.

Mr David Lammy (Tottenham) (Lab): As the NATO Secretary-General said last month, Ukraine's "rightful place" is in NATO. Over time, our support will help to make that possible. Does the Foreign Secretary agree that once, with our support, Ukraine has prevailed in its war against Russia's invasion, there can be no Minsk 3.0, and that Britain should play a leading role in securing Ukraine's path to join NATO?

James Cleverly: I am very glad that the right hon. Gentleman agrees with the Government's position on this, which is that Ukraine's rightful place is within NATO. We have worked towards that aim. Our support—the training, equipment and advice that we have provided—will have helped to speed up the pathway from now to the point when Ukraine becomes a full member of NATO.

Mr Speaker: I call the SNP spokesperson.

Alyn Smith (Stirling) (SNP): We would all agree that NATO is the cornerstone of defence policy, and, like many other colleagues, we support Sweden's membership. However, the EU defence capacity is evolving at lightspeed because of events in Ukraine and events within the EU. We are seeing with the peace instrument, the strategic compass and procurement policy, that the UK really does risk being left behind in many of the discussions outwith NATO. Is it not time for a comprehensive security treaty between the UK and the EU to regulate these discussions?

James Cleverly: We enjoy a strong series of bilateral relations with EU member states and a strong relationship with the EU at the corporate level. However, I repeat that NATO is the foundation stone for the Euro-Atlantic defence structure. I have had that conversation with

many Foreign Ministers from EU countries, and they agree. That is why we are committed to strengthening NATO and why at the Vilnius summit we aspire to have Sweden as a full member. However, we also need to progress the modernisation process for NATO to ensure that it continues to be fit for the future. That will be our aim. NATO is what keeps us safe in the Euro-Atlantic area.

Brazil: Environmental Activists

2. Mr Tanmanjeet Singh Dhesi (Slough) (Lab): What diplomatic steps he is taking to support the Brazilian Government on protecting environmental activists in that country. [905337]

The Parliamentary Under-Secretary of State for Foreign, Commonwealth and Development Affairs (David Rutley): My right hon. Friend the Foreign Secretary visited Brazil in May and I visited in March. We both met Brazilian authorities to discuss the risks faced by environmental activists in Brazil and how the UK can support their protection, including through the UK-Brazil partnership on green and inclusive growth, which was signed in May during the Foreign Secretary's visit.

Mr Dhesi: Last week marked the one-year anniversary of the brutal murders in Brazil of the environmental activists and journalists Dom Phillips and Bruno Pereira. It is vital that those responsible for their murders are brought to justice, but we in the UK must play our part to protect environmental and indigenous activists from violence. What steps is the Minister taking to protect activists, especially British nationals, who are engaged in environmental activism abroad? On Brazil, what assessment has the UK Government made of President Lula's attempts to halt deforestation of the Amazon rainforest?

David Rutley: I thank the hon. Member for his question. I offer my sincere condolences and the condolences of all on the Government Front Bench and, I am sure, of the whole House, to the families of Dom Phillips and Bruno Pereira, particularly considering the first anniversary that the hon. Member highlights. I know that the Foreign Secretary had meetings with the police and with Ministers to discuss the case, and I have had similar conversations. We want to make sure that those who committed that heinous crime are called to account and face justice. We continue to have active dialogue with the Brazilian Government to find ways that we can tackle environmental crime and deforestation.

Mr Speaker: I call the shadow Minister.

Fabian Hamilton (Leeds North East) (Lab): As we have heard, it is one year since the tragic murder of Dom Phillips and the Brazilian activist Bruno Pereira, who were murdered because of their environmental activism. I want to broaden the question slightly, because it seems to me that there is a role for those who take that kind of action to try to stop the destruction of the Amazon rainforest in particular. As long as it is peaceful and legal activism, not just in Brazil but across Latin America, what else is the Minister doing to protect British nationals and support human rights defenders across the region?

David Rutley: I recognise the hon. Member's comments; he has taken a keen interest in the case, along with others on both sides of the House. We are working closely with the Brazilian Government on these matters. We have invested £300 million in the Amazonian biome, a huge amount of which is focused on Brazil. That will provide all kinds of support for indigenous communities and help to tackle environmental crime. We want to work within that framework to help protect environmental activists as well.

Islamic Revolutionary Guard Corps

3. Bob Blackman (Harrow East) (Con): What recent assessment he has made of the implications for his policies of the Islamic Revolutionary Guard Corps' activities in (a) the middle east and (b) globally. [905338]

The Secretary of State for Foreign, Commonwealth and Development Affairs (James Cleverly): The Government regularly assess the impact of the IRGC's destabilising activities on the UK's interests and on British nationals. We work closely with our partners to deter those destabilising activities, including on the interdiction of Iranian weapons in the Gulf and of weapons proliferation in Russia. The UK sanctions the IRGC in its entirety.

Bob Blackman: My right hon. Friend will be aware that the regime is boasting that its hypersonic missiles can hit Tel Aviv in 400 seconds, that the joint comprehensive plan of action restrictions end in October and that there are suggestions that British universities have been involved in research that has led to drones that are attacking Ukrainian positions from Russia. Will he therefore commit to ensuring that there is no delisting of any organisations involved in any of those activities, undertake to research the position with UK universities and proscribe the IRGC in its entirety?

James Cleverly: I am aware of the reports about research that my hon. Friend mentions and we are, of course, looking into that. We continue to stand firm on our commitment that Iran cannot become a nuclear weapons state, and we will ensure that, as the sunset clauses in the JCPOA arrive, we take evolved measures to ensure that that is the case. He will know that we keep designations consistently under review.

Andrew Gwynne (Denton and Reddish) (Lab): The Foreign Secretary knows that there are concerns across the House of Commons about the involvement of Iranian state-based actors here in the United Kingdom and their threats towards Iranian activists here who have fled persecution in their homeland. He knows the strength of feeling about proscription as well. What assessment has the Department made of the rapprochement between Saudi Arabia and the Iranian regime, and has he spoken to anybody in Saudi Arabia about that?

James Cleverly: I have had conversations with both the Saudi ambassador to the Court of St James and the Saudi Foreign Minister on that issue. They are making attempts to permanently bring ceasefires in Yemen to a full peace settlement. If that is the case, we are very happy to support that action. We remain deeply engaged with regard to Iran's regional behaviour. On the threats to British nationals and people based here in the UK,

the Foreign, Commonwealth and Development Office maintains a very close and ongoing working relationship with the Home Office, as the hon. Gentleman would expect, so that we can co-ordinate both our defence and our international actions on that issue.

Deep-sea Mining Exploration Regulations

4. Kerry McCarthy (Bristol East) (Lab): What his policy is on the proposals for a precautionary pause on deep-sea mining exploration regulations at the International Seabed Authority Council and Assembly in Kingston, Jamaica. [905340]

The Minister of State, Foreign, Commonwealth and Development Office (Anne-Marie Trevelyan): UK policy is not to sponsor or support the issuing of any exploitation licences for deep-sea mining unless and until there is sufficient scientific evidence about the potential impact on deep-sea ecosystems, and strong, enforceable environmental regulations, standards and guidelines have been developed by the International Seabed Authority and are in place. That is both a precautionary and a conditional principle that we are following.

Kerry McCarthy: The Minister has just read out the written answer that was given fairly recently. As I understand it, that actually means that the Government have rejected calls for a precautionary pause, saying that it is better to be involved in negotiating environmental protections. I have to say that it is a brave politician—or perhaps a foolish one—who takes on Sir David Attenborough, who has said that it is

“beyond reason to consider the destruction of deep sea places”

before we understand them properly. Sir David also says that we should listen to scientists. More than 700 scientists from 44 countries have just supported a precautionary pause, so why won't the Government?

Anne-Marie Trevelyan: The hon. Lady is quite right: David Attenborough's championing of all things in the natural world gives us as policymakers around the world, and all those in the next generation who are passionate about ensuring that Governments get this right, the enthusiasm and the energy that are required. As I have said, at the moment the policy is not to sponsor or support the issuing of any exploitation licences, precisely because we want to ensure that, using the International Seabed Authority—the organisation that brings all state parties together—we are working together to come up with a policy that will protect and assure the deep seabed.

James Gray (North Wiltshire) (Con): One of the seas that may become most vulnerable to deep-sea mining is the Arctic ocean, as the ice retreats and it opens up. We are extremely concerned about what the consequences may be for the environment there, and that is why the Government agreed to a moratorium on fishing in the central Arctic ocean. If they can agree to a moratorium on fishing in the central Arctic ocean, why can they not agree to a temporary “no digging” agreement in respect of deep-sea mining?

Anne-Marie Trevelyan: My hon. Friend is, of course, a great champion for and expert on all things to do with the Arctic. If I may, I will ask the Minister, Lord Goldsmith,

to get back to my hon. Friend with more detail on that. As I say, the UK continues to take the very firm position that we will engage through the ISA Council to ensure that we get a global position that protects the seabed.

AI and Diplomacy

6. Dr Luke Evans (Bosworth) (Con): What recent assessment his Department has made of the potential impact of artificial intelligence on diplomacy. [905342]

8. Paul Holmes (Eastleigh) (Con): What recent assessment his Department has made of the potential impact of artificial intelligence on diplomacy. [905344]

17. Sir James Duddridge (Rochford and Southend East) (Con): What recent assessment his Department has made of the potential impact of artificial intelligence on diplomacy. [905354]

The Minister of State, Foreign, Commonwealth and Development Office (Anne-Marie Trevelyan): Artificial intelligence can bring huge economic and social benefits for the UK and our global partners. We are working with key partners to embrace the opportunities of AI, as well as seeking global co-operation on managing the risks. AI will present significant new opportunities to revolutionise how the Foreign, Commonwealth and Development Office operates, and how it delivers impactful diplomatic and development outcomes across the globe.

Dr Evans: Since I delivered my speech written by AI in the House in December, we have moved on to the fourth iteration of ChatGPT, which wrote it. Advancements are happening at such pace that we need to build a regulatory framework to prevent a similar situation to the one that we find ourselves in with the internet: 20 years on, we are trying to police it. What is my right hon. Friend doing to pull the world together around a globally agreed framework on AI?

Anne-Marie Trevelyan: I did not have the pleasure of hearing my hon. Friend's ChatGPT-written speech, but I shall definitely look it up and see just how good it was. On 7 June, the Prime Minister, who was in the USA with President Biden, announced plans for the UK to launch the first global AI safety summit, so that we can do exactly what my hon. Friend says: try to tackle the challenge of agreeing safety measures, in order to evaluate and monitor the most significant risks from AI. The FCDO will engage with key international partners to deliver the Prime Minister's ambition for the summit.

Paul Holmes: It was good to see the Prime Minister visit Washington last week to continue building our relationship with the United States, so that it is the strongest it can be. Will the Minister outline how we will work with the United States to ensure that the AI summit that was agreed to can be a success under UK leadership?

Anne-Marie Trevelyan: The Prime Minister and President Biden agreed that the UK and US would take a co-ordinated approach to the opportunities and challenges of the emerging tech that we see around us, such as AI. The UK welcomes early support from the US on the global summit on AI safety, which we will lead. We will work very closely with the US, and of course other international partners, to ensure that we deliver an important step forward on this issue.

Sir James Duddridge: AI represents a massive opportunity across a number of sectors, including in the diplomatic sphere, but we must recognise that there are risks. Specifically, what is the Foreign Office doing to counter the potential efforts in this space of Russia and China, which may use artificial intelligence to undermine British interests overseas?

Anne-Marie Trevelyan: Global co-operation will be vital to ensure that AI technologies and the rules governing their use are developed in the right way, and are aligned with our values of openness and freedom. The FCDO is working with departments across the UK's national security ecosystem, including the National Cyber Security Centre, to ensure that we contribute to and benefit from advances in AI, while making sure that we increase our resilience against, and reduce the risk from, any threats that we face. We hope to have as many leading nations as possible involved in the AI summit.

Peter Grant (Glenrothes) (SNP): The opportunities of AI are global, but so are the threats. It is obvious that significant co-ordination and co-operation in scientific research will be essential. In that context, could the Minister explain how cutting ourselves off from the world's biggest scientific research programme helps the United Kingdom?

Anne-Marie Trevelyan: The hon. Gentleman is right: we absolutely all see the huge potential of AI, but we must not be complacent about the risks. That is why the UK, in leading the AI summit and bringing together all parties from around the world, will ensure that we establish world-leading governance and regulation, so that we can take the opportunities while ensuring public safety and trust.

Mr Speaker: Talking of AI, I call Jim Shannon. *[Laughter.]*

Jim Shannon (Strangford) (DUP): Never! Humour aside, may I thank the Minister very much for her response? It has been quite positive. Given that artificial intelligence will have a significant impact on international relations, will she provide reassurance that all AI advances must and will be scrutinised to a greater extent, for the safety of the people in the United Kingdom of Great Britain and Northern Ireland?

Anne-Marie Trevelyan: Mr Speaker, I assume that your reference was to the hon. Member's great intelligence, because that is what artificial intelligence is demonstrating it can be. It is always a joy to support what he says and answer his questions, and he is exactly right: by working through those international relationships, with the UK driving things and holding that really important leadership role, we want to be able to bring countries together through bilateral engagement, using the many multinational fora out there to really ensure that we are tackling and understanding those threats. We need to provide an environment in which, as AI develops, we can maintain oversight while ensuring that we take advantage of opportunities that will bring economic prosperity. I look at the work that we are doing across the world, and I see how it can assist developing countries to safely leapfrog ahead with technologies in so many ways.

Mr Speaker: I call the shadow Minister.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): We have all seen how hybrid warfare has been used against this country and our allies in recent years, and of course AI systems could pose new cyber and information threats as well as providing economic and social opportunities. We have already called on the Government to close gaps in the AI White Paper by introducing proper oversight of models such as GPT-4, and I have raised with Ministers the specific issue of whether access is allowed in the FCDO. I was told that access was not permitted on FCDO corporate systems, but that further guidance was being developed. Has that guidance now been issued, and are FCDO staff currently able to access AI systems on personal devices, for example? What safety protocols are in place?

Anne-Marie Trevelyan: If I may, I will write to the hon. Gentleman, because I do not have the latest information on that issue.

Mr Speaker: I call the SNP spokesperson.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): As we have heard, artificial intelligence presents opportunities but also threats, many of which are impossible to quantify at this time. That is as true in AI diplomacy as in anything else, so at the world's first major AI conference, will the UK Government commit to developing and facilitating AI only with countries that respect human rights and will obey the rules of international law?

Anne-Marie Trevelyan: As we bring the world together at the AI summit in the autumn, we want to have discussions with all our international partners about what the rules of the road need to be. The UK Government are absolutely going to be leading on making sure that the facilitation of AI in every sphere of our lives takes place within a framework that provides safety and gives trust to both our citizens and the rest of the world.

Hunger: East Africa

7. **Fleur Anderson** (Putney) (Lab): What steps he is taking to help tackle hunger in east Africa. [905343]

16. **Dr Philippa Whitford** (Central Ayrshire) (SNP): What recent steps his Department has taken to respond to hunger in east Africa and the horn of Africa. [905353]

The Minister of State, Foreign, Commonwealth and Development Office (Mr Andrew Mitchell): On 24 May, the United Kingdom co-hosted an international pledging conference for the horn of Africa that helped mobilise nearly £2 billion to help nearly 32 million people across the region.

Fleur Anderson: The east African wet rains and the pledging conference have both come, but the food crisis is worsening. Just three weeks ago, the Government announced a further cut in aid to the region. Local organisations need more funding than most, so will the Minister set targets to increase funding to local organisations for adapting to climate change in the region and to diversify livelihoods to support vulnerable communities?

Mr Mitchell: The hon. Lady is right about the importance of localism and localisation. I should make it clear to her that Britain's pledge was £143 million—that will have an enormous effect. She should also bear in mind that we have a degree of flex when it comes to humanitarian budgets, and we have announced for next year that Britain—the British taxpayer—will be spending £1,000 million on humanitarian relief.

Dr Whitford: When the UK co-chaired the UN pledging conference, the Minister described the situation as “one of the most devastating humanitarian crises in the world”, yet he has cut funding compared with previous years and pledged less than 20% of the contribution that was given by the UK during the 2017 droughts. With over 70 million people now classed as at threat of starvation, is he not rather ashamed of the UK's meagre response?

Mr Mitchell: If I may say so, the hon. Lady's response to what I said is not fully comprehensive. We have allocated something like £400 million to east and central Africa, and although it is true that the bilateral spend is slightly below last year's level, as I said, we do have some flexibility. It is the starting point for our spending this year, and of course, we will keep all these matters very much in our minds.

Vicky Ford (Chelmsford) (Con): Climate change and conflict are causing untold misery across the horn of Africa and forcing millions of people to leave their homes. Does my right hon. Friend agree that we should be spending more of our overseas aid on stabilising lives in such places as east Africa and less on expensive asylum hotels here in the UK?

Mr Mitchell: My right hon. Friend is right, and she can rest assured that those points are made in discussions within Government. The point I would make is that as a result, the Treasury agreed to provide an extra £2,500 million of support to compensate for that spending. I think that was the right decision, and I strongly support it.

Maggie Throup (Erewash) (Con): In February, I visited Kenya with World Vision UK and saw first-hand the impact of climate change on drought and hunger. While the £143 million aid package, which the Minister mentioned and which was announced at the UN pledging conference in May, is welcome, what more can the UK Government do to support this crisis-stricken part of the world at this important time?

Mr Mitchell: My hon. Friend is absolutely right in what she says. That is why we have announced that we intend to publish a White Paper setting a road map towards achieving the sustainable development goals by 2030 and making greater progress on tackling those climate change problems. We hope to engage the interest, involvement and support of colleagues on both sides of the House in that White Paper endeavour.

Mr Speaker: I call the shadow Minister.

Preet Kaur Gill (Birmingham, Edgbaston) (Lab/Co-op): More than 29 million people across Ethiopia, Kenya, Somalia and South Sudan are now experiencing catastrophic hunger levels following a fifth failed rainy

season in a row. It is also the fourth year in a row that this Government have cut aid to those countries. Oxfam has estimated that one person is likely to die of hunger every 28 seconds between now and July. Can the Minister please explain how he is restoring Britain's leadership in international development while decimating our support to some of the very poorest people on earth?

Mr Mitchell: First, let me say that British leadership has been exercised at the two big conferences that took place in Saudi Arabia and Qatar. British expertise and technical know-how is ensuring greater resilience and adaptation spend to drive up the ability to survive these crises when they take place next. If I may say so, the hon. Member must not diminish the extraordinary support and leadership that Britain is giving across the horn of Africa. The figures we have announced are preliminary figures, as I have said. We will react to the crisis—that is one of the things we are able to do—and those figures take no account of the tremendous support that British taxpayers are giving through the multilateral system.

Africa: Sovereign Debt and Resilience to Climate Change

9. Jeff Smith (Manchester, Withington) (Lab): What recent assessment he has made of the potential impact of levels of sovereign debt in African countries on their resilience to climate change. [905345]

The Minister of State, Foreign, Commonwealth and Development Office (Mr Andrew Mitchell): The Government recognise the challenging debt situation facing many African countries. The UK is working with international partners to address rising debt vulnerabilities.

Jeff Smith: Every dollar spent by low-income countries on servicing unsustainable debt is a dollar not spent on providing basic services and tackling climate change. I know that the Minister wants to make a difference on this, but the status quo clearly is not working. Given that 90% of developing country debt contracts are governed by English law, why will the Government not agree even to consult on legislative opportunities to compel private creditors to take part in debt restructuring, to make them part of the solution, not the problem?

Mr Mitchell: As the hon. Gentleman knows, we are looking at that specific issue. We think there is a case for majority voting when it comes to debt settlements, and we are exploring all that. He is right to emphasise that 15% of low-income countries are already in distress and 45% are at high risk of entering debt distress. Next week, at the Macron summit in Paris, Britain will be driving forward the climate-resilient debt clauses, which our export credit agency, UK Export Finance, was the first to start to put into grants. That will make an enormous difference, and we are pressing for all creditors to offer such clauses in their loans.

Colombia: Establishing Peace

10. Kate Osborne (Jarrow) (Lab): What diplomatic steps he is taking to support the Colombian Government to establish peace in that country. [905346]

The Parliamentary Under-Secretary of State for Foreign, Commonwealth and Development Affairs (David Rutley): We share Colombia's delight for the rescue of the four children in the Amazon. We commend the efforts of all those who took part in the inspiring search and rescue.

During his visit to Colombia last month, my right hon. Friend the Foreign Secretary met President Petro and Foreign Minister Leyva and discussed our ongoing support for the implementation of the 2016 peace agreement in Colombia. Through our conflict, stability and security fund, which has now committed £80 million since 2015, we will continue to support the implementation of the peace agreement and improved stability and security in Colombia.

Kate Osborne: Colombia's Attorney General Barbosa was appointed under the previous Government, who oversaw numerous human rights scandals, including the killing of protesters by police. Barbosa is now harming President Petro's "total peace" policy by blocking the lifting of arrest warrants that would enable some leaders to come to the negotiating table. As UN Security Council penholder for the Colombian peace agreement, what technical and financial assistance can the Government provide to ensure that all of Colombia's institutions are supporting peace?

David Rutley: As I have said, we are working very closely together at the highest level. The Foreign Secretary has met President Petro and the Foreign Minister to push the cause for peace, and I was fortunate to attend the UN Security Council in January. We want to continue to tackle the challenges in Colombia, working with our Colombian counterparts, and we have put serious investment into that cause to back up our penholder relationship.

Jagtar Singh Johal

11. **Kirsten Oswald** (East Renfrewshire) (SNP): What recent steps his Department has taken to secure the release of Jagtar Singh Johal. [905347]

The Minister of State, Foreign, Commonwealth and Development Office (Anne-Marie Trevelyan): We remain committed to doing what we can to assist Mr Johal. We have raised concerns about his case with the Government of India on over 100 occasions, including his allegations of torture and his right to a fair trial. The case was raised most recently by Lord Ahmad of Wimbledon, who is the FCDO's Minister of State for south Asia, with Indian External Affairs Minister Jaishankar on 29 May.

Kirsten Oswald: Last week, Scotland's First Minister, Humza Yousaf, met Jagtar's brother Gurpreet and pledged to do everything he can to bring Jaggi home. The First Minister is raising his concerns with the UK and Indian Governments, and the Scottish Government stand ready and eager to work with the FCDO to bring about Jagtar's safe release. What engagement has the FCDO had with the Scottish Government on this, and will the Minister pledge to work with Scottish Government colleagues to bring Jagtar home to Scotland safely and soon?

Anne-Marie Trevelyan: I thank the hon. Lady for demonstrating the Scottish National party's support for the work the UK Government continue to do in our discussions with the family and when raising this with the Government of India, and we encourage the SNP to continue to have those conversations with us and to support the work we are doing.

Simon Fell (Barrow and Furness) (Con): Mr Johal is not the only person detained in India who needs the Government's attention at the moment. Since 2017, a group of human rights defenders known as the BK 16 have been imprisoned. Their only crime has seemingly been to defend the rights and values of some of the poorest and most marginalised people in the country. Father Stan Swamy, aged 84, died in custody with Parkinson's only a couple of years ago. May I ask what representations the Foreign Office is making on their behalf?

Anne-Marie Trevelyan: As I say, we engage broadly with India on the whole range of human rights matters both to help build capacity and to share expertise in these areas, and where we have concerns, we always raise them directly with the Government of India. Lord Ahmad last raised these human rights issues with the Indian Minister for External Affairs in New Delhi at the end of May.

Chagos Islands: Resettlement and Sovereignty

12. **Jeremy Corbyn** (Islington North) (Ind): What recent steps he has taken to reach a diplomatic agreement with Mauritius on resettlement and sovereignty of the Chagos islands. [R] [905348]

The Secretary of State for Foreign, Commonwealth and Development Affairs (James Cleverly): The UK and Mauritius have held four rounds of constructive negotiations on the exercise of sovereignty over the British Indian Ocean Territory and the Chagos archipelago. Negotiations are ongoing, so we cannot speculate on the possible outcomes or pre-empt their conclusions.

Jeremy Corbyn: I thank the Foreign Secretary for his answer. I would be grateful if he could assure the House that these negotiations are going on in the spirit of the International Court of Justice advisory opinion and the decision of the UN General Assembly in 2019 on the reunification of the Chagos islands with Mauritius. Can he give us some idea of when he expects these negotiations to come to fruition?

James Cleverly: I am not able to give a date or a projected date of when we will conclude these negotiations. We want to ensure that we conclude them successfully. Our shared objective is to ensure the continued effective operation of the joint UK-US defence facility on Diego Garcia, protecting the vital role it plays in both regional and global security.

Henry Smith (Crawley) (Con): There is absolutely a moral duty for us to allow resettlement of the Chagos island people on the British Indian Ocean Territory, but in those negotiations what discussions have been had with Mauritius with regard to who will be able to resettle the Chagos archipelago? Will it be only Chagos islanders, Mauritians, or even Chinese?

James Cleverly: While the negotiations are between the UK and Mauritius, we are very conscious of the Chagossian communities and will keep them in the forefront of our minds throughout this negotiating process. Our primary objective is to ensure the continued effective operation of our defence facility on Diego Garcia.

US Inflation Reduction Act

13. **Bill Esterson** (Sefton Central) (Lab): What assessment he has made of the impact of the US Inflation Reduction Act on the UK's relationship with the US. [905349]

The Parliamentary Under-Secretary of State for Foreign, Commonwealth and Development Affairs (David Rutley): The US and UK Governments do more together than any other two Governments in the world. We have a trading relationship worth £280 billion, and last week the Prime Minister was in Washington when he and President Biden signed the Atlantic declaration, a first-of-its-kind economic partnership.

Bill Esterson: The Inflation Reduction Act is attracting investment from the UK to the US, as industry groups across our economy are saying. Does the Minister agree that the refusal to publish an industrial strategy shows there will be no made in Britain plan in response to President Biden's made in America agenda while this Conservative Government remain in office?

David Rutley: Well, that is an interesting question, to which I say that we have a very clear economic strategy, and the Atlantic declaration is a very important element in strengthening our partnership with the US. The beginning of the negotiations on critical minerals will make sure UK companies are eligible for tax credits under the US Inflation Reduction Act; this is a hugely important and positive step forward.

Mr Speaker: I call the shadow Foreign Secretary.

Mr David Lammy (Tottenham) (Lab): Our allies in the United States, the European Union, Australia and Germany have all entered the global race to reach net zero and create the jobs of the future with massive public investment, but the Government's Secretary of State for Energy Security and Net Zero described the United States Inflation Reduction Act as "dangerous" and the Chancellor described it as "distortive" and "not the British way." Does the Foreign Secretary agree with his colleagues in Cabinet or our allies in the United States? It will be interesting to see whether the Foreign Secretary answers.

David Rutley: We are working incredibly closely with the United States. They are taking their steps forward; we do not want to get involved with the subsidy race, because the UK had a head start of over a decade on green investment. As the right hon. Gentleman knows, as we have been at similar meetings, we are working incredibly closely with the United States and it is a very strong relationship. In my recent visit to the US we highlighted that there is \$1 trillion invested in each of our economies; we are going to move forward from that very strong space.

War in Ukraine

14. **Stewart Malcolm McDonald** (Glasgow South) (SNP): What recent discussions he has had with his Ukrainian counterpart on the war in Ukraine. [905350]

The Secretary of State for Foreign, Commonwealth and Development Affairs (James Cleverly): I had the pleasure of meeting the Ukrainian Foreign Minister Dmytro Kuleba in Kyiv last week. I reassured him that the UK support for Ukraine and its territorial integrity is unwavering. The Ukrainian Government and people can count on our continued support both in their work on the battlefield and diplomatically, and, through the Ukraine recovery conference, our support in the rebuilding of their country once this war is over.

Stewart Malcolm McDonald: The Secretary of State will know from his many visits and discussions that Iranian drones continue to terrorise the Ukrainian people, not least in the capital city of Kyiv, so it was worrying last week to learn from the US National Security Council that Iran is helping Russia build a drone facility just outside Moscow that could be operational as early as next year. How is the Secretary of State working here in London but also with partners to suffocate that capability as quickly as possible?

James Cleverly: The hon. Gentleman makes a very important point. When we first received credible reports of Iranian support to Russia in its drone attacks on Ukraine we investigated them and subsequently sanctioned entities and individuals involved in that. We are aware of the report he mentioned, and that will of course form part of our thinking on what other action we should take. It is important to remember that the action we have taken thus far is not the limit of our work, and we will continue to choke off the financial supply both to Russia itself and those seeking to arm it in that brutal war against the Ukrainian people.

Sanctions: Russia and Belarus

15. **Mark Eastwood** (Dewsbury) (Con): What assessment he has made of the impact of sanctions on (a) Russia and (b) Belarus. [905352]

The Minister of State, Foreign, Commonwealth and Development Office (Anne-Marie Trevelyan): Sanctions have isolated Russia and Belarus from western financial markets and services, undermining their long-term growth, starving Russia's military of key western components and technology and restricting Russia's ability to fight a modern war. The Government remain committed to increasing pressure on Russia and Belarus and have recently introduced further sanctions targeting Putin and Lukashenko's regimes.

Mark Eastwood: Dewsbury-based Alunet, a supplier of aluminium doors and windows, is being crippled due to unfair competition and sanction circumvention by its Belarus-based former supplier. To help save a £20 million business in my constituency, may I request that my right hon. Friend urgently looks to impose increased tariffs on aluminium products from both Russia and Belarus?

Anne-Marie Trevelyan: The import of aluminium originating from Belarus and Russia attracts an additional duty already of 35 percentage points, which we brought in last year. The import of iron and steel products and of some articles of aluminium from Russia is prohibited. The import of iron and steel products from Belarus is also prohibited. Of course, we keep our sanctions under review, as the Foreign Secretary has said. Indeed, following feedback from my hon. Friend and others, on 20 April, we expanded the list of products covered by the import prohibitions on Russian iron and steel. I am happy to discuss with my hon. Friend and his business what more we can think about doing, working with our colleagues at the Department for Business and Trade.

Sir Chris Bryant (Rhondda) (Lab): Last year, the Russian Government introduced a new law that requires all businesses, including foreign businesses that have any footprint in the Russian Federation, to assist in the war in Ukraine. That means that any British businesses that are still doing business in Russia are complicit in the war crimes that Russia is perpetrating against the Ukrainian people. Will the Minister make it absolutely clear that all British businesses should completely and utterly desist from business in Russia immediately?

Anne-Marie Trevelyan: One of the extraordinary things we saw only last year when the war broke out was the positive attitude of British businesses and their willingness to take financial pain immediately. They pulled themselves away, not only where we imposed sanctions and prohibitions but beyond that, from Russian markets and activity. We continue to work with businesses, but I take the hon. Gentleman's point and we will continue enforcement using the tools that we have. We work closely with our business sector, as does the Department for Business and Trade on trading questions, to ensure that that is understood. However, I have always found British businesses to be incredibly positive in stepping beyond what is asked of them in support of Ukraine.

Topical Questions

T1. [905360] **Mark Eastwood (Dewsbury) (Con):** If he will make a statement on his departmental responsibilities.

The Secretary of State for Foreign, Commonwealth and Development Affairs (James Cleverly): Since the last oral questions, we have concluded our successful evacuation operation in Sudan and of course continued to support Ukraine in its fight for freedom. Ministers from the Department have travelled extensively around the world, including my right hon. Friend the Development Minister, who overnight returned from the G20 in India. I visited Latin America and the Caribbean. I have recently returned from meetings at NATO and visited British servicemen and women stationed in Estonia. I have also recently chaired the Foreign Ministers' meeting of the OECD—the first time that the UK has done that in decades.

Mark Eastwood: Could my right hon. Friend please provide an update on the current political situation in Pakistan?

James Cleverly: Pakistan remains a close and important partner. We have a strong bilateral relationship. When we see political instability and sporadic escalations of violence, it is concerning. We continue to work both

directly at political level and through our high commission in the country to seek to de-escalate the tension to ensure that future elections are not marred by the violence that, unfortunately, we have seen recently.

Mr Speaker: I call the shadow Minister.

Catherine West (Hornsey and Wood Green) (Lab): On several occasions, Labour colleagues and I have raised our concerns about the safety of Hongkongers here in the UK. There is still a significant fear felt by the Hong Kong community and a sense that the Chinese Government can act with relative impunity here in the UK. Will the Foreign Secretary commit to the House today to work with colleagues across Government to look at this urgently, as he promised me last year?

James Cleverly: My right hon. Friend the Minister for Security conducted a review of the so-called Chinese police stations in the UK. My Department has engaged with the Chinese Government to ensure that those so-called police stations no longer operate. We released a statement on that last week. The security and safety of people here in the UK remains a Government top priority. We will continue to ensure freedom of speech across this country and the protection of individuals.

T3. [905362] **Adam Holloway (Gravesham) (Con):** Could the Minister give us an update on the Government's approach to the dire humanitarian situation in Afghanistan?

James Cleverly: We continue to work to prevent Afghanistan becoming a future source of terrorist threats here in the UK. We work with our international partners to limit the flow of illegal drugs and illegal migration. We continue to provide lifesaving humanitarian assistance and to work to ensure that our target—that 50% of the beneficiaries are women and girls—is reached. We are on track to reach that, despite the attempt by the Taliban to prevent women and girls from receiving the international support they deserve.

T2. [905361] **Ian Paisley (North Antrim) (DUP):** May I refer the Foreign Secretary to column 289 of the *Official Report* on 24 May, when I asked the Prime Minister to publish the list of the 1,700 veterinary medicines that will no longer be available in Northern Ireland? He told us all to “take heart” that the extension of the grace period would work that out. However, in correspondence, the Ulster Farmers' Union has said that the EU has told it that veterinary medicines are not up for discussion with the EU. What heart can we take from that?

The Parliamentary Under-Secretary of State for Foreign, Commonwealth and Development Affairs (Leo Docherty): I think this is an issue for the Department for Environment, Food and Rural Affairs, but I will look at the issue and write to the hon. Gentleman.

Mr Speaker: Let us now come to Sir Conor Burns—congratulations.

T6. [905365] **Sir Conor Burns (Bournemouth West) (Con):** Thank you, Mr Speaker. The casual homophobia that is still, sadly, too prevalent in our society here in the United Kingdom is put into stark contrast when one considers that 67 countries around the world still

criminalise private consensual sexual activities between same-sex couples. Thirty-two of them are Commonwealth countries and, of the 67 countries, 11 still have the death penalty for sexual acts between same-sex couples on their statute books. This has been brought into focus by the appalling and barbaric legislation brought forward recently in Uganda. May I congratulate my right hon. Friend on the Government's language on this issue and urge him to put this—

Mr Speaker: Order. I have to say this is topical questions and I have to get everybody else in. It is a very important question and I am sure the Minister has got it.

The Minister of State, Foreign, Commonwealth and Development Office (Mr Andrew Mitchell): Thank you, Mr Speaker. May I add my congratulations to my right hon. Friend on his honour? The UK is appalled by Uganda's Anti-Homosexuality Act, in particular the introduction of the death penalty for so-called aggressive homosexuality. We have expressed our strong opposition to the legislation, at all levels, with the Government of Uganda. The criminalisation of LGBT+ persons threatens minority rights, and risks persecution and discrimination of all people across Uganda.

T4. [905363] **Kerry McCarthy** (Bristol East) (Lab): Has the Foreign Secretary seen the report in the *i* newspaper today that a Ukrainian businessman suspected by the FBI of being a Russian FSB asset is living in London and used the Homes for Ukraine scheme to bring his family over to join him? Will there be an official response to that investigation?

James Cleverly: I have not had a chance to see the detail of the report the hon. Member refers to. I will ensure that my Department looks at that. Whether it is the Foreign, Commonwealth and Development Office or the Home Office, we will investigate that.

Theo Clarke (Stafford) (Con): I welcome that the UK has been a long-standing champion of the sustainable development goals, so may I ask my right hon. Friend the Foreign Secretary to commit to publishing another voluntary national review of our progress towards the SDGs, and will he attend the UN high level political forum on SDGs next month?

Mr Mitchell: On my hon. Friend's last point, I think at least two Ministers will be at that forum to represent our country. She asked about the domestic analysis of the SDGs. There was a voluntary national review in 2019, conducted by our former colleague Rory Stewart. He said that it was a work in progress and we are doing quite well. On the wider SDG point, I hope that the whole House will engage with the White Paper, which can help to inject British leadership to drive it forward.

T5. [905364] **Neale Hanvey** (Kirkcaldy and Cowdenbeath) (Alba): I recently met a Hongkonger living in Scotland, who told me at first hand about the oppressive surveillance that his community is under by the Chinese state police. He said that, no matter where they are in the world, they are subject to Chinese law. What

steps is the FCDO taking to work with the Home Office to provide reassurance to that community, so they can report instances of suppression and oppression directly to UK Government?

James Cleverly: As I said in response to a similar question, we work closely with the Home Office. The Security Minister has conducted a review on this issue, and I have made it very clear to the Chinese Government that any such activities are completely unacceptable in the UK. They have committed that they will not continue.

Theresa Villiers (Chipping Barnet) (Con): In its 2030 road map for Israel-UK bilateral relations, the Government committed to working closely with Israel on the threat from Iran. I urge the Secretary of State to do that. Will that include proscription of the Islamic Revolutionary Guard Corps?

James Cleverly: I have spoken regularly about the process by which proscriptions are made. We do not routinely speculate on future proscriptions. Our relationship with Israel is key. I met the Israeli Foreign Minister and signed a UK-Israeli bilateral road map on 21 March. We continue to hold their safety and security as a priority in our bilateral relationship.

Mr Speaker: I am disappointed. I am sure that next time, the hon. Member for Kilmarnock and Loudoun (Alan Brown) will put on a tie.

T7. [905366] **Alan Brown** (Kilmarnock and Loudoun) (SNP): I have a sore neck and shoulder, Mr Speaker, so I have difficulty tying one.

The Government rightly acknowledge that Israeli settlements on Palestinian land are illegal. When it comes to trade, instead of allowing settlers to benefit from selling goods and products from land that is not theirs, is it not time to make trade with settlers illegal as well?

James Cleverly: The UK's position on settlements is of long standing. We continue to call on the Israeli Government and the Palestinian Authority to work towards a sustainable two-state solution. We will always endeavour to make that a reality. That remains the foundation stone of the UK's foreign policy in the region.

Tim Loughton (East Worthing and Shoreham) (Con): It is now six months since the illegal blockade of the Lachin corridor—the vital lifeline between Nagorno-Karabakh and Armenia. Since then, the Azerbaijan President has made increasingly bellicose threats towards Armenian people. Can the Under-Secretary of State, who recently returned from Armenia, update us on what we are doing to bring pressure to end that humanitarian disaster?

Leo Docherty: We support the Euro-Atlantic efforts to bring the two sides together. We have urged our interlocutors in both Armenia and Azerbaijan to get back around the table. I look forward to updating my hon. Friend in person.

T8. [905368] **Lloyd Russell-Moyle** (Brighton, Kemptown) (Lab/Co-op): Following the elections in Türkiye, OSCE observers said that the lack of a level playing field gave

an unjustified advantage to Erdoğan. When I was in Turkey, I saw intimidation at the ballot boxes, ballot irregularities and heard of particular security forces targeting the Kurds. Turkey is a key ally. Its beautiful people deserve a functioning democracy. So what steps is the Foreign Secretary taking to raise these issues with our ally, and to ensure that Kurds do not have intimidation in Turkey, here or in Sweden, where they are being used as a bargaining chip for NATO membership?

James Cleverly: Our bilateral relationship with Türkiye is important. It is a NATO ally and is heavily involved in the facilitation of the Black sea grain initiative, which is helping to feed starving people around the world. I note the hon. Gentleman's points about the election, which we will look into, but ultimately it is in our bilateral and indeed regional interests to maintain a strong working relationship with Türkiye, and that will continue to be the case.

Wendy Morton (Aldridge-Brownhills) (Con): Education can make a real difference to the empowerment of women and girls, and a positive difference to communities—something highlighted in a recent impact report from Five Talents, which focuses on setting up savings groups to help communities. Does my right hon. Friend agree that those types of groups can play a vital role in strengthening the resilience of communities in a sustainable way?

Mr Mitchell: Yes.

T9. [905369] **Deidre Brock** (Edinburgh North and Leith) (SNP): Every year, 430 million tonnes of plastic are generated. Thankfully, many of the world's Governments have committed themselves to creating a global plastics treaty, which could cut production by a huge 80% by 2040. The timeline for that treaty is short. What are the UK Government doing to encourage the big plastic polluters to sign up and meaningfully enact its provisions?

Mr Mitchell: The hon. Lady raises an extremely important matter. She may rest assured that the Government are fully engaged, through multilateral channels, in driving that forward.

Greg Smith (Buckingham) (Con): In early June, the Islamic Revolutionary Guard Corps unveiled Iran's first hypersonic Mach-15 missile, which was widely celebrated in Tehran. What has my right hon. Friend done to challenge the dangerous and continued militarisation in Iran?

James Cleverly: We continue to work closely with our international colleagues, particularly the members of the E3, the United States of America and our partners in the region, to dissuade Iran from its increasingly militaristic presence. We continue to maintain our policy that it should never be a nuclear-weapons state, and we also keep a close eye on other weapons technology development.

Stephen Farry (North Down) (Alliance): The Windsor framework is a welcome settlement but may I seek an assurance from the Government that they will work

closely with the Northern Ireland business community over the detailed operational guidance, such as with the red and green lanes?

Leo Docherty: I am pleased to report that we have issued guidance. We will continue to work with businesses as the green lane rolls out between September this year and September next.

Jonathan Gullis (Stoke-on-Trent North) (Con): I am proud to represent many Pakistani-British dual nationals in Stoke-on-Trent North, Kidsgrove and Talke, who are rightly concerned about the human rights violations that are taking place, as well as the threats they fear they will face if they return to see family members in Pakistan. What is the Foreign Office doing to ensure those dual nationals will be protected and prevented from ever being detained?

James Cleverly: As I say, we have a strong bilateral relationship with Pakistan. We have access at the most senior levels within Government, and we make it absolutely clear that those British nationals are always at the forefront of our minds. Their protection and security is always a priority for the UK Government. That is universally the case, but that is also something that we make clear to our Pakistani friends.

Wayne David (Caerphilly) (Lab): We are all concerned about Russian attempts to destabilise the western Balkans, but does the Secretary of State agree that what is required now is maximum co-ordination and co-operation between ourselves, the United States and the European Union?

Leo Docherty: The hon. Gentleman is absolutely right. We are urging Kosovo and Serbia to de-escalate and return to dialogue, and I am sure the Foreign Secretary will make that point when he sees the Serbian Prime Minister later today.

Vicky Ford (Chelmsford) (Con): The blowing of the Nova Kakhovka dam is the biggest act of ecocide in generations. For the record, will my right hon. Friend the Foreign Secretary confirm again that the UK will leave no stone unturned in holding the Russian regime to account for the damage that has been caused by their war?

James Cleverly: My right hon. Friend is right about the huge environmental damage that has been caused by the breaking of the dam. Although I am sure Members are already conscious of this, it is worth reminding the House that incidents such as this and the damage to other civilian infrastructure across Ukraine is happening only because of Russia's war and its illegitimate invasion of Ukraine. The best thing that Russia can do to protect the environment and civilian infrastructure, and to end the loss of life, is to withdraw its troops immediately.

Hilary Benn (Leeds Central) (Lab): The UN high seas treaty is a landmark for conservation. Will the Foreign Secretary assure the House that the Government will look to adopt and ratify it as quickly as possible?

Mr Mitchell: Unless I am advised otherwise, the answer is an emphatic yes.

Henry Smith (Crawley) (Con): What assessment and representations have the Government made on the decision by the Arab League to readmit the Assad regime of Syria back into the organisation?

James Cleverly: I had conversations with my interlocutors, the members of the Arab League, prior to that decision. I expressed the UK's concerns about the speed with which that happened. We continue to liaise closely with them on the issue. The UK's position on Syria has not changed.

Dame Nia Griffith (Llanelli) (Lab): Consistency in applying sanctions across Government is crucial to maximise the impact on Russia, and the Secretary of State's leadership in this respect is vital. Is he aware that the Home Office is considering requisitioning a hotel whose multiple shareholders include those who have invested from an address in Russia? Will he raise this matter with Home Office Ministers, to ensure taxpayers' money will not be used to pay dividends to Russia?

James Cleverly: That question would probably be aimed more accurately at the Home Office, but I will of course raise it with colleagues across Government.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): Last week's revelation from Canada's national security adviser that the republic of India was among the most active sources of foreign interference in that country—along with China, Russia and Iran—is deeply concerning. Does the Minister know whether the Department has taken soundings from our treaty ally and fellow Five Eyes member regarding India's activities abroad, particularly its surveillance of not only Sikh activists but Members of this House in relation to the ongoing detention of my constituent Jagtar Singh Johal?

James Cleverly: As the hon. Gentleman knows, I have met his constituent's family, and we continue to raise this case with the Indian authorities. I regularly meet my Canadian counterpart, who has not raised directly with me the specific concerns raised by the hon. Gentleman.

Mike Amesbury (Weaver Vale) (Lab): Last year seven-year-old Ibrahim was abducted by his estranged father from a school in my constituency. His mother is naturally distraught. Will the Foreign Secretary, or another Minister, meet me to discuss this matter and help to move things forward? Ibrahim was taken to Saudi Arabia.

James Cleverly: I will ensure that the hon. Gentleman has access to either a Minister or the most appropriate officials in the consular department.

Patrick Grady (Glasgow North) (SNP): It is nearly seven years since the people of Glasgow North voted by 78% to remain in the European Union. Can the Foreign Secretary give just one example from that whole period of our United Kingdom's diplomatic or international reputation being enhanced as a result of Brexit?

James Cleverly: I am sure you will tell me off, Mr Speaker, because I have more than one such example and I know that time is short, but I will keep talking until you do tell me off. Our ability to move quickly in respect of vaccines—[*Interruption.*] SNP Members may not like it, but nevertheless our ability to move quickly at that time meant that we were one of the first countries in the world to come out of lockdown. Our ability—

Mr Speaker: Order. I think we have got the gist.

Ian Paisley: On a point of order, Mr Speaker.

Mr Speaker: Is it relevant to the questions session?

Ian Paisley: Yes, Mr Speaker. You will know that the issue of the Windsor framework falls within the remit of the Foreign, Commonwealth and Development Office. It is a joke to be told by an FCDO Minister that he will take this matter up with the Department for Environment, Food and Rural Affairs, because DEFRA has no role in negotiating veterinary medicines. How can I obtain an answer to the question that I posed today, Mr Speaker?

James Cleverly *rose*—

Mr Speaker: The Foreign Secretary is raring to go.

James Cleverly: As I think the hon. Gentleman knows, we will inevitably liaise closely with those in DEFRA on the practicalities of this, because they are the experts on the subject matter. However, ownership of the policy does lie with the Foreign, Commonwealth and Development Office. We will continue to negotiate with the European Union on all files where there are still outstanding issues, and I assure the hon. Gentleman that this will be one of the matters I will raise during my imminent conversations with Maroš Šefčovič.

Mortgage Market

12.38 pm

Mr Pat McFadden (Wolverhampton South East) (Lab) (*Urgent Question*): To ask the Chancellor of the Exchequer what assessment he has made of developments in the mortgage market in recent days.

The Economic Secretary to the Treasury (Andrew Griffith): The Government recognise the anxiety that people feel about mortgages, and are using the tools at their disposal to limit the rise in rates. We are not an outlier in this regard: as Opposition Members will know, central banks around the world are raising interest rates to combat high inflation driven by the pandemic and Putin's war.

Given that inflation is the No. 1 enemy, we are focused on delivering the Prime Minister's pledge to halve it this year. Nevertheless, I know that mortgage rates and the availability of mortgages are a concern right now. Mortgage arrears and repossessions remain below pre-pandemic levels, but if a borrower falls into financial difficulty, guidance from the Financial Conduct Authority requires firms to offer tailored support and to deal with customers fairly. The Government also offer loans to help eligible homeowners to cover the interest on their mortgages through the support for mortgage interest scheme from the Department for Work and Pensions, and make it clear that repossession must be a last resort for lenders through the pre-action protocol.

As long as economic challenges exist, we will continue to stand by families. To date, Government support to help households with rising bills in 2022-23 and 2023-24 totals £94 billion. That is equivalent to an average of £3,300 per household, as well as a record 9.7% increase in the national living wage, which I am sure that the Opposition support. While we are taking action to halve inflation and help families, the Opposition would make it all worse. The Institute for Fiscal Studies has been clear that Labour's £28 billion a year borrowing plan would risk even higher interest rates and higher inflation, and even the shadow Chancellor has admitted that its position is reckless. This is a Government on the side of the British people and that is why, as we shelter people from rising prices, our task remains getting inflation down and getting the economy growing and debt falling.

Mr McFadden: The UK's homeowners are under increasing financial stress, with two-year fixed rates at 5.86%—up by over 0.5% in just a month—products being withdrawn, and the Resolution Foundation saying that the average mortgage holder is facing an increase in payments of £2,300 this year. This is not just about homeowners; it is about renters too, because the landlords they rent from are also facing increased borrowing costs and that in turn is forcing up rents.

All this pressure was multiplied by the irresponsible decision of the Conservative Government last year to use the country for a giant economic experiment that put booster rockets under mortgage rates. While they enacted their teenage right-wing pamphlet fantasies, using the country like lab rats, homeowners and renters were left to pay the price. Since then, because inflation in the UK has been higher for longer than in many

similar economies, the expectation is that interest rates will be higher for longer too, and that is what is driving up mortgage rates and piling on the pressure.

While the Ministers responsible rack up speaking fees around the world, the British public are still paying the price for the economic irresponsibility and recklessness of the Conservative party. Will the Economic Secretary now apologise for the Conservative mini-Budget last September and the lasting effect it has had on homeowners and renters around the country? Will the Government take responsibility for the decisions that they made and the consequences that followed, or is it, as they always claim, someone else's fault? Now, instead of trying to help hard-pressed homeowners, the Conservatives are fighting like rats in a sack over an honours list and a disgraced Prime Minister. It is clear that they cannot focus on the problems of the country; the only way to do that is to change the Government and let them fight it out in opposition.

Andrew Griffith: We enjoy, as ever, the hon. Member's rhetoric, but he did not address what his plan would be. He also did not acknowledge that this has an international factor. Perhaps he or one of his colleagues would like to explain why we have seen similar interest rate increases in the USA, where the 30-year rate—the market is somewhat different there—has increased from 4% at the start of 2022 to more than 6% today.

Mr Speaker: In fairness, the right hon. Member for Wolverhampton South East (Mr McFadden) is right honourable. But there we are. I call the Chair of the Select Committee.

Harriett Baldwin (West Worcestershire) (Con): The Government have given the Bank of England the task of targeting inflation at 2%, and our Committee has regularly held the Bank of England Governor's feet to the fire over its performance on that inflation target. Mortgage rates have been increasing because inflation has been higher for longer than expected. In fact, the Governor said in his evidence to our Committee last November that from now on, our grumpy constituents who are having to pay higher mortgage rates should complain to him rather than to the Government. Will the Economic Secretary endorse the Treasury Committee's campaign to ask the banks why, instead of just raising mortgage rates on the day the Bank of England raises rates, they do not also increase the savings rates that are paid to our constituents?

Andrew Griffith: The independent Governor of the Bank of England is, of course, right. Today we have seen strong print on wage growth, in part due to the 9.7% increase in the national living wage, on which I hope Members will join me in congratulating the Government. My hon. Friend is, as ever, right to highlight the impact on savers. It is important to me and to this Government that savers get a fair deal, which is one of the reasons why National Savings and Investments continues to offer savers an attractive range of products in the market.

Mr Speaker: I call the SNP spokesperson.

Stewart Hosie (Dundee East) (SNP): Millions of households are now struggling as their fixed-rate mortgages end and they are moved to much higher variable rates.

We also know that only a third of the households that are expected to move from cheap fixed-rate deals have done so, so there is a great deal of pain to go, with 116,000 households a month coming off fixed-rate deals.

Some in the City are suggesting that what we are seeing is a complete reset of the mortgage market, which would imply that there should be a complete reset of the Government's approach. Given that changes to mortgage rates are driven by changes to the base rate, and that the base rate is the central bank's primary tool to meet the 2% inflation target handed to it by the Government, what discussions have the Government had with the Governor of the central bank about the effectiveness, or the appropriateness, of an inflation target being the primary target that the central bank works towards?

Andrew Griffith: At his spring statement, the Chancellor was very clear about the Bank of England's continued remit, beyond which it remains operationally independent. It has been a long-standing feature of this House that Treasury Ministers do not tell the Bank of England how to run monetary policy. Three of the Prime Minister's five priorities are getting the economy growing, reducing debt and halving inflation.

Mr Speaker: I congratulate the now Sir Simon Clarke.

Sir Simon Clarke (Middlesbrough South and East Cleveland) (Con): That is very kind, Mr Speaker.

I pay tribute to the right hon. Member for Dundee East (Stewart Hosie) for the previous question, which was extremely interesting and perceptive. Of course, it should escape nobody's attention that, today, gilt yields are higher than they were when my right hon. Friend the Member for South West Norfolk (Elizabeth Truss) was forced from office in the autumn. I agree entirely with the Minister that it is important to avoid the inflaming of inflation that the Opposition would do, but does he also agree that ultra-low interest rates cannot be seen as the sole benchmark of economic success and that we ought to aspire to higher trend growth as much as low interest rates?

Andrew Griffith: I add my congratulations to my right hon. Friend, who is right that a stable fiscal environment and the lowest possible interest rates are two ingredients and prerequisites for success, but so, too, is a supply-side economy that works to support growth and having the most competitive fiscal environment, which is one reason why the Chancellor has asked the Chief Secretary to the Treasury to look at public sector productivity, with a view to achieving that.

Dame Angela Eagle (Wallasey) (Lab): To hear the Minister talk about a stable economic environment after the disaster of the mini-Budget and the catastrophe it caused in the bond markets takes some cheek. I commend his cheek, because it is unbelievably cheeky.

Does the Minister acknowledge that households have shelled out over £1 billion in extra mortgage payments since the Government's disastrous mini-Budget? Does he also realise it is estimated that, in the next two years, £9 billion will have to be shelled out by those with mortgages because of his party's economic mismanagement? Is he proud of that record?

Andrew Griffith: It may cause the hon. Lady some distress, but I am enormously proud of the £94 billion the Government have provided to support households in these difficult times. I am proud, too, of the Government's response to the covid pandemic and to Ukraine—would it ill behave any Opposition seeking office to mention those things a little more when talking about the economy? Above all else, I am enormously proud that when any Conservative Government leave office they do not leave notes behind saying, "Dear Chief Secretary, I am afraid to tell you that there is no money left."

Sir Desmond Swayne (New Forest West) (Con): Inevitably, the level of Government borrowing itself is a determinant of interest rates, isn't it?

Andrew Griffith: My right hon. Friend—I congratulate him as well—is right to say that one factor is the level of Government borrowing. This Government have had to borrow unprecedented amounts due to the covid pandemic and the war in Ukraine, and to provide households with that support of about £3,300 over this year and last. That is one reason why one of our key priorities is to reduce the level of debt.

Rushanara Ali (Bethnal Green and Bow) (Lab): The Minister likes to point out, as he has done again, that this is about international factors and covid—there are lots of other reasons given. However, the Government fail to mention the mini-Budget fiasco caused by the previous Chancellor and the former Prime Minister, with its direct consequence of mortgage increases, with millions of people suffering. Why does the Economic Secretary not come clean on this, as the former Prime Minister and former Chancellor, who presided over that chaos, have done? It is not time that he stopped whitewashing and faced the reality of what he and his Government are responsible for, which is causing misery to people's lives?

Andrew Griffith: The hon. Lady needs to look at the facts and the numbers. Despite moving in alignment with other international markets—and interest rates have increased over time—interest rates even today for mortgage holders are lower than those reached in October last year. So we are dealing with a macroeconomic international trend, which we are seeing across all western economies. We are moving in alignment with them, but this Government will always prioritise support for households, which is one reason why we have come forward with such significant economic packages in the past two years.

James Sunderland (Bracknell) (Con): I would love to be able to pass on some good news to my constituents about their households bills. We are seeing wholesale energy costs fall but they are not being translated to the consumer. So how long after inflation falls will we see interest rates come down?

Andrew Griffith: My hon. Friend is a diligent champion for his constituents in Bracknell and I am sure it will not be too long before he has good news to talk about on prices that consumers face. We have seen the cost of fuel coming down and as we achieve the Prime Minister's objective of halving inflation this year, so some of the cost of living pressures that his constituents face will abate. In the meantime, he should know that this

[Andrew Griffith]

Government are on the side of households and we have been willing to support them to the tune of about £3,300 every year. I wish his constituents all the best.

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): Interest rates are up and mortgage deals are being pulled left, right and centre, yet the Minister has had to be dragged here to answer this urgent question. Will the Government please refocus on this mortgage crisis, rather than on the latest round of Conservative infighting, and give the public the reassurance they desperately need?

Andrew Griffith: I can give the hon. Lady the reassurance that the wellbeing of the nation's mortgage holders, savers, pensioners and investors is the whole of my focus, as it is of all of my colleagues on the Treasury Bench. As Members on both side of the House will know, it is a feature of the UK mortgage market that from time to time mortgage deals are withdrawn from the market and repriced. As of now, there are more than 5,000 mortgage offers from different suppliers, at different tenures, in the market. It remains my focus to ensure that those who seek to buy a first home or to remortgage their home have the most competitive offers available.

Miriam Cates (Penistone and Stocksbridge) (Con): One of the biggest challenges facing our country is the inability of young people to afford to buy a home because of inflated house prices. Although recent interest rate rises have compounded the problem, is not the real problem that interest rates were far too low for far too long, turning savers away from saving and into property investment instead, and thus pushing up the price of property as an asset? Does my hon. Friend agree that this is not an easy problem to solve, but that one possible answer would be for local authorities to build homes that can be bought at a reduced rate, not by investors, but by local young people?

Andrew Griffith: I thank my hon. Friend who does a wonderful job of advocacy for her constituents, including those who seek to buy their first home. This Government, through a variety of measures to support householders in general, have helped more than 800,000 people, of all types, to purchase a property since 2010. That represents a city of approximately the size of Liverpool, such is the scale of the endeavours. It is of course important that we get the nation building, and part of that is about providing the economic stability whereby people are willing to make investments for the longer term.

Sarah Olney (Richmond Park) (LD): The Government's economic mismanagement has caused low growth, soaring food bills and record mortgage costs. Millions of hard-working people are being penalised for getting a foot on the housing ladder, in places such as Mid Bedfordshire, the area with the third highest share of mortgage holders in the country. The Minister mentioned the support from the mortgage interest scheme. [Interruption.] In this time of hard-pressed families, will his Government commit to converting that from a loan to a grant?

Andrew Griffith: I did not hear fully what the Member for Richmond Park aligned with Mid Bedfordshire was saying, but I am sure that residents in Mid Bedfordshire have welcomed the stability that we have brought to the economy and the fact that we have supported householders through the past two difficult years, making tough decisions and supporting households to the tune of about £3,300. They will also have welcomed the fact that we have the sort of responsible stewardship of the economy that means that we are not a Government who have historically left power with unemployment higher than when we arrived, leaving notes saying, "There is no money left."

Mr Louie French (Old Bexley and Sidcup) (Con): My hon. Friend is correct to highlight that we are facing international challenges and that monetary policy is the responsibility of the independent Bank of England. However, does he agree that Labour's £90 billion-worth of unfunded spending commitments would make inflation and the cost of borrowing even worse?

Andrew Griffith: I thank my hon. Friend the Member for wonderful Old Bexley and Sidcup (Mr French) for that. I recall that last October Opposition Members were never shy of citing the Institute for Fiscal Studies, but they do so much less today, because the IFS has said that Labour's £28 billion borrowing plan would cause both interest rates and inflation to rise. I do not see how that would help the nation's mortgage holders.

Nick Smith (Blaenau Gwent) (Lab): The value of mortgage arrears has risen by a troubling 10% in the past quarter, so what is the Minister's assessment of the likely level of arrears in the next quarter?

Andrew Griffith: I talked about the focus on the level of mortgage arrears, which are at an historic level. My Treasury colleagues and I are tracking them extremely closely. We have talked to all the lenders and the Chancellor has brought them all in to ensure that they have responsible policies in place so that repossessions are a last resort.

Nick Fletcher (Don Valley) (Con): Does the Minister agree that although the Opposition like to blame the Government for this situation, the real problem lies with covid and the Bank of England? The Bank kept on putting money into the economy when the world had stopped producing everything, which meant that there was more money and fewer goods, and so inflation was obviously going to rise. Does he also agree that even though we are in this situation where the Bank is trying to do what it is doing and the Government are doing everything they can, continually putting up interest rates puts people in a really difficult position? Does he believe that we should see what the interest rate increases have done so far in the economy before the Bank of England keeps putting them up month on month?

Andrew Griffith: My hon. Friend speaks wisely and regularly on behalf of his constituents. I will not follow him quite so far as to comment on what the Bank of England should do next.

Just in response to the previous question, Mr Speaker, the level of arrears in residential mortgages, as reported by the FCA, was 0.8% compared with 3.3% back in 2009.

Ben Lake (Ceredigion) (PC): The Resolution Foundation has estimated that around 1.6 million households will see their fixed-rate deals come to a conclusion before the first quarter of 2024 and, therefore, will obviously feel the impact of increased rates. What is the Treasury's assessment of the impact that this hit to households' disposable incomes will have on the wider economy?

Andrew Griffith: We all want interest rates to fall as rapidly as possible. The Bank of England needs to conduct its monetary policy against the target that the Chancellor has set. The Government need to do everything we can to try to reduce the level of debt by controlling our spending, even when that creates difficult decisions for us to make. We will do that so that the day when interest rates fall comes more quickly. In the meantime, this Government are trying to shield households from the pressures of the cost of living, which is why we have deployed that £94 billion this year and last.

Andrew Jones (Harrogate and Knaresborough) (Con): Does my hon. Friend see any consistency in the Opposition's analysis that suggests that the primary cause for interest rate rises is unfunded borrowing, while making significant unfunded borrowing pledges themselves? Will he continue his focus on fiscal discipline and ensure that Government support is targeted at those who need it most in this period of astonishing international instability?

Andrew Griffith: My hon. Friend is absolutely right: the last thing that the economy needs at the moment is any party coming forward with more unfunded spending cuts. It is why the Institute for Fiscal Studies has raised concerns about an increase in interest rates and inflation if Labour were to come to power and spend an additional £28 billion, which I believe even the shadow Chancellor herself has confessed would be reckless.

Janet Daby (Lewisham East) (Lab): When would the Minister say the Tory party gave up being the party of home ownership? Was it when it crashed the economy last autumn, or was it when it scrapped house building targets?

Andrew Griffith: The hon. Lady is, I am afraid, completely incorrect. The Conservative party is absolutely on the side of home ownership. It is why we have always supported the right to buy, in the face of opposition not just from the Labour party but from Labour-controlled local councils. It is also why we continue to have a wide range of schemes in the market to help first-time buyers.

Liz Kendall (Leicester West) (Lab): Santander is the latest major bank to temporarily pull its mortgage deals for new borrowers, just days after HSBC did the same. The Minister shrugs his shoulders as if to say that there is nothing to see here, but is it not the truth that this degree of turbulence is not normal, that inflation is significantly worse here than in Europe and the United States, and that ordinary people across the country will look at his denials today and wonder what planet he is living on?

Andrew Griffith: I honestly think that contribution from the hon. Member is unworthy. I would not go so far as to ask her to withdraw it, but if she looks at my comments she will see that I absolutely understand the

anxiety that people have about their mortgages. It is a very significant part of people's household finances. That is why we are using all the tools at our disposal: both providing public spending to protect and shield households at this difficult time, and making the tough decisions to get the economy growing again and to keep debt under control, which is the action that will result in interest rates falling sooner.

Rachel Hopkins (Luton South) (Lab): People from Luton have moved into Mid Bedfordshire to get on to the housing ladder or to raise their families. *[Interruption.]* It is true. Due to this Conservative Government's economic failure, they are now facing soaring mortgage repayments, and we are even seeing banks withdrawing mortgage deals for new borrowers. How can voters trust the Government and the Conservatives to address the mortgage crisis when they are the ones who caused it?

Andrew Griffith: I am deeply intrigued by the concept that the hon. Lady's constituents have hitherto been moving to the neighbouring Conservative-held seat of Mid Bedfordshire. Perhaps they recognise the better economic potential—the better opportunity to bring down rates as a result of our making the tough choices. Perhaps they welcome the sheer amount of support that we have provided for homebuyers. I wish her constituents well and hope that those who have moved to Mid Bedfordshire enjoy their next Conservative Member of Parliament.

Clive Efford (Eltham) (Lab): The Minister claims that the current economic climate is down to the world economic situation, but in the next breath he claims that if, at some unspecified date in the future, things get better, that would be down to the Government. Over the recent period, mortgage borrowers have contributed an extra £1 billion in interest rates. Over the next couple of years, they are predicted to contribute £9 billion. The previous Prime Minister has apologised for her contribution to that, so why will he not do the same?

Andrew Griffith: In fairness, it is absolutely the case that these are largely international factors. The job of the Government is to control the variables within their control. The primary thing that they can do is not to come forward with greater unfunded spending promises as that would put more pressure on the public purse and would lead to interest rates and inflation being higher for longer. That is what is within our controllable domain and that is what we are focused on. I am not worried about where the credit accrues or otherwise; what I am worried about is trying to reduce interest rates for ordinary people at the earliest opportunity.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): The Minister talks about Government support and bandies about some big numbers, but does he understand that the effect of that for people is like taking a watering can to the economic bin fire that his Government set alight? Does the Minister have the humility to apologise right now to my constituents who are struggling? The mortgage rate rises might be the straw that breaks their backs—some are already broken—following as they do on the Government's endeavours in terms of the mini-Budget and Brexit, which have fuelled this economic crisis.

Andrew Griffith: I thank the hon. Member for his question. It must have been quite hard to get through all those points without once mentioning the fact that this has an international dimension. There is a war on European soil in Ukraine, and we have just come through an unprecedented global pandemic. He simply tries to reduce this to whatever is his party's particular topic of the day. That is not worthy of him when we are trying to have a proper economic debate.

Tonia Antoniazzi (Gower) (Lab): The Minister claims to be shielding families. He evidently is not going to say sorry. When everybody in this House is supporting their constituents, we need to know what assessment the Department has made of the number of people actually affected by recent increases in mortgage rates.

Andrew Griffith: I thank the hon. Lady for her question. Like others, the FCA has talked about the number of people in any one year whose mortgages are repriced. We do not know what the price of those will be. It seems that around 1 million to 1.5 million people are affected, so a significant number, as my hon. Friend the Member for Bracknell (James Sunderland) mentioned. There are also many savers in society. Rather than looking at what is happening, what we are doing to help is making those difficult decisions. We are not unleashing unfunded, uncosted spending plans on the public purse and we are trying to get through this to help people get to a world where inflation is falling, the cost of living pressures on them are reducing and we can get the economy growing again, which will provide good employment opportunities for her constituents.

Claire Hanna (Belfast South) (SDLP): I wrote to the Minister earlier this week about the continuing problem of mortgage prisoners, following a comment from the Treasury that it is open to proportionate solutions for those frozen in that position after their mortgage lenders were sold from 2008. Recent reports state that the Government made a profit of £2.4 billion from selling on those mortgages. Will the Minister work with me, and with advocates for the tens of thousands of people trapped in those precarious financial circumstances, to find those proportionate solutions?

Andrew Griffith: The hon. Lady raises the plight of those who have been unable to access even the mortgages at elevated levels that we have been talking about here. I understand the problem; it is something I have given significant time to with my officials and I have read the recent work conducted by the London School of Economics. I hope that, in that spirit, she will also recognise that it is a complex issue and that within that overall collective there are many different individual fact patterns. While I am open to finding solutions, I hope she will recognise that it is not easy and there is no one-size-fits-all answer.

Catherine West (Hornsey and Wood Green) (Lab): The Minister says there are 1,100,000 people affected by the mortgage market chaos inspired by the Truss-Kwarteng abracadabra magic last autumn. How many renters are affected? There is a renting crisis in my constituency and people simply cannot afford an overnight 20% increase in their rent.

Andrew Griffith: I do not have any figures for rental, but the rental market is something we look at closely and we will keep an eye on what happens to those buy-to-let renters. My right hon. Friend the Secretary of State for Levelling Up, Housing and Communities has brought a significant set of reforms before this House to help renters. I come back to the point that, however popular or unpopular it may be with the Opposition, the best way to manage this situation is to be prudent with the nation's finances, to get the debt burden falling and to give the markets confidence so that interest rates fall as quickly as possible. I ask all colleagues to work with us on that. The last thing we should be doing is putting out the Opposition's £28 billion a year of unfunded promises, which will spook the markets and lead to the sorts of rates that none of us wishes to see.

Mr Tanmanjeet Singh Dhesi (Slough) (Lab): Shockingly, new data this morning reveals that the value of mortgage arrears has risen by 10% on the quarter—the highest and fastest increase in more than a decade. Many of my constituents are struggling to pay their mortgages. Unfortunately, they are paying the price for the Conservative Government's economic failures, because a typical household's mortgage payments are now three times greater than they were just two years ago. What conversations and what meetings have the Minister and the Chancellor had with lenders, and what action will they take to provide forbearance for my constituents?

Andrew Griffith: I should be grateful if the hon. Gentleman would write to me with those statistics. The statistics I quoted earlier are that the level of mortgage arrears reported by the Financial Conduct Authority for the period up to the end of 2022 was 0.81%. That is a record low in recent memory, significantly lower than before the pandemic and much lower than it was in 2009. I am very happy to engage with him about the level of mortgage arrears. I engage with mortgage lenders all the time, as does the Chancellor, and we want them to have the right degree of forbearance for families who are struggling.

Marsha De Cordova (Battersea) (Lab): This Tory mortgage crisis is affecting my constituents. In London, mortgage costs are set to increase by more than £1.8 billion, people face the financial strain of high interest rates and incomes are not keeping up with those costs. When will the Minister finally get real, understand the impact of the crisis that his Government created and apologise to our constituents? What reassurances can he give to my constituents who will be facing remortgage costs?

Andrew Griffith: I can give a number of assurances to the hon. Lady's constituents. I imagine that Battersea is a very cosmopolitan place, so as people travel around the world they will understand that western economies across the world are facing exactly the same impact on the cost of living and on interest rates. She talked about £1.8 billion as a very large number; indeed it is, and we share the concern of those with mortgages. However, I put it to her that £94 billion is also a very big number, and that is the amount of household support that we are providing during this cost of living crisis.

Jonathan Edwards (Carmarthen East and Dinefwr) (Ind): Earlier this year we saw the collapse of Silicon Valley Bank and Credit Suisse. What assessment has the Treasury undertaken of the general resilience of UK financial institutions, especially in a context where rising mortgage costs might lead to a rapid increase in household repossessions?

Andrew Griffith: My Treasury colleagues and I liaise closely with the Bank of England and the Prudential Regulation Authority, whose job it is to assure us of the soundness and resilience of banks. The Governor has talked about how the UK financial system is safe, secure and soundly capitalised, and that remains my belief.

Rachael Maskell (York Central) (Lab/Co-op): York is a low-wage economy, yet we have extortionate house prices. Last year, housing costs went up by 23.1% in York—the highest rise in the country. My constituents are already mortgaged to the hilt and cannot afford more. What protections will the Minister put in place if mortgage rates rise further, as they are predicted to do? My constituents simply cannot afford their mortgages and they cannot afford this Government.

Andrew Griffith: If York is a low-wage economy, the hon. Lady's constituents will be benefiting enormously from the unprecedented 9.7% increase in the national living wage. The measures we are putting—*[Interruption.]* Perhaps she does not like the 9.7% increase in the national living wage that this Government came forward with. We are putting measures in place with lenders, including forbearance, and working with the Department for Work and Pensions on mortgage interest support and to ensure that families have access to the support they need.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): The typical household's mortgage payments have risen threefold in the last two years, yet in the north-east the typical wage packet is lower than when the Conservatives came to power 13 years ago. The Minister refuses to take any responsibility for the economic misery his Government are inflicting, despite having flagrantly and blatantly crashed the economy less than a year ago. Will he tell my constituents why they should carry on paying the price of Conservatism?

Andrew Griffith: Once again, we have a contribution from the hon. Lady that completely ignores the fact of the global pandemic, the £400 billion of support we have provided and, although I believe she is highly literate in these matters, the fact that interest rates are rising across the western world.

Patricia Gibson (North Ayrshire and Arran) (SNP): In the first three months of this year, repossessions increased by 27% on the same period last year, and the latest estimates show that 2.5 million customers will need to renegotiate their mortgages over the next two years, with their payments increasing by £9 billion. Is the Minister really telling us that he is satisfied and that he has no reservations about the way that his Government have mismanaged the economy, with the consequent economic turbulence and soaring interest rates that are literally pricing people out of their homes?

Andrew Griffith: This Government are focused—and this is what our constituents want to hear—on halving inflation, growing the economy and reducing the debt burden. From today forwards, that is the action we can take that will see interest rates falling sooner, reduce inflation and get us back to a position of economic growth. I am sure the hon. Lady wants that for her constituents as much as I do.

Mr Toby Perkins (Chesterfield) (Lab): The Conservative party once prided itself on being the party of homeowners. The fact that we long ago ran out of Conservatives asking questions makes it clear that Tory MPs realise they have nothing to say to those people. Does the Minister realise that my constituents who are desperately worried about the cost of their mortgages will not have heard a single word from him to suggest that things are going to get better as a result of this Government's actions?

Andrew Griffith: I can absolutely reassure the hon. Gentleman that the Government are focused on his constituents, even if his colleagues find it useful to ask the same question again and again. We are focused on not making the sort of unfunded spending commitments—such as the £28 billion that the right hon. Member for Leeds West (Rachel Reeves) herself described as “reckless”—that would really cause difficulties for mortgage holders in Chesterfield and across the United Kingdom.

Neil Coyle (Bermondsey and Old Southwark) (Lab): Given the jump in mortgage arrears, and to help everyone who is struggling to pay the Tory surcharge on their mortgages since the disastrous mini-Budget, is the Minister considering increasing access to mortgage interest relief?

Andrew Griffith: There are no plans to change that. Those are matters for fiscal events and for the Chancellor.

Fleur Anderson (Putney) (Lab): The Tory mortgage crisis is affecting my constituents in Putney, including a group of young sharers I met this week whose landlord has had his mortgage increased and has passed the costs down to them. They have to leave their home and the area because they can no longer afford to live in south-west London. The Minister has blamed global factors again and again, but the cost of borrowing is higher here in the UK than in other developed economies. Does he agree that this is a Tory mortgage penalty—a Truss tax—and that the Government are to blame for the 13 disastrous years of housing policy that have brought us here?

Andrew Griffith: I do not agree with the hon. Lady, however fine her rhetoric may be. The reality is that, if we want the nation's householders to pay less for their mortgages, we need responsible Conservative management of the economy. When it comes to her Putney constituency, the best thing that she can do, if she is on the side of those who wish to own their own home, is urge the Labour Mayor to build more homes.

Hon. Members: He is!

Madam Deputy Speaker (Dame Eleanor Laing): Order. *[Interruption.]* No; do not argue with me.

Liz Kendall: I am responding to—

Madam Deputy Speaker: No, you are not. That question is finished. There is a danger that the House might not be able to hear the question from the hon. Member for Strangford (Jim Shannon).

Jim Shannon (Strangford) (DUP): There is no danger of that when you are in the Chair, Madam Deputy Speaker.

I thank the Minister for his answers to some very difficult questions. It has been said that 1.5 million households, including some of my Strangford constituents, are set to come off fixed mortgage deals this year and face a sharp rise in their monthly repayments—up to 1.56 percentage points from Tuesday. Has the Minister made an assessment of the impact on those who are considering buying their first house in the next year or so, and will he assure the House that discussions are taking place with local banks on what we can do to support people through the process of buying their first homes amid shocking price increases?

Andrew Griffith: Let me be clear: the Government understand—I understand—the anxiety of those who have a mortgage, those who have invested in their home and those who wish to do so. That is why we will do everything we can—be it providing financial support to the tune of £94 billion, or making good decisions about our stewardship of the economy and not coming up with unfunded spending commitments—to ensure that we get back, as quickly as possible, to a world of falling interest rates and falling inflation, and support those who wish to buy a home above their head.

Spiking

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

1.24 pm

Richard Graham (Gloucester) (Con): I beg to move,

That leave be given to bring in a Bill to make provision about the law in relation to administering or attempting to administer drugs, alcohol or any other substance to a person without their consent, whether or not with the intent to cause harm; and for connected purposes.

The clue to the purpose of the ten-minute rule motion is the word “spiking”, which is known and understood by everyone in this Chamber and the vast majority of people in our country. Spiking has been debated before in this House, most recently on 11 January in a Westminster Hall debate in my name. Many Members here today spoke in that debate. Spiking was also the subject of a Home Affairs Committee report published in April 2022.

Almost 5,000 cases of spiking have been reported to police forces across the country. The fact that the police are not obliged formally to collate data on spiking suggests that this is the visible tip of a largely hidden iceberg. That is why spiking was the subject of my earlier ten-minute rule Bill 18 months ago, why the Select Committee focused on the issue, and why it welcomed Ministers at that time looking closely at creating a separate offence of spiking. The Select Committee recommended—rightly, in my view—the creation of a specific offence that would improve reporting of spiking and the gathering of more information about it.

We all recognise that the current legislation on spiking centres on the Offences against the Person Act 1861 and the Sexual Offences Act 2003. One covers the use of noxious substances, the other sexual gratification. However, both Acts are silent on the word “spiking”, which does not exist formally. Indeed, search engines describe it as an informal term meaning to

“add alcohol or a drug to contaminate (drink or food) surreptitiously”.

That is part of it, but it is not all of it.

Some lawyers may argue that existing law covers all aspects of what we term “spiking”—including even spiking by injection, spiking for fun, and spiking without chemical addition—and that we do not need a new informal term in law, a definition of it, or any bringing together of existing laws in modern language and in one place to inform the nightlife sector, the public, colleges and universities, the police and the public at large. I regret to say that the implied message from the Home Office is, “It is all fine as it is.” Yet it is not fine, which is why I am here, like *Oliver Twist*, seeking more—or rather, seeking action, which is what colleagues from all parties want to see.

When the police do not have to collect the data but have still recorded 5,000 reported cases; when police and crime commissioners want, and the Select Committee recommends, a definition of and a crime described as “spiking”; and when Government Ministers and MPs themselves have been victims of spiking, I believe that it is time for the Government to react and act.

Let me repeat what colleagues have said on previous occasions. One said:

“I know from my inbox that people of all ages and areas will be very pleased that this is being highlighted as it’s awful, can be embarrassing and is often very grim”.

Another wrote that

“speaking to police they find that most cases are young women with an unexpected response to drinks...I really worry about the fear that our young live under, and wonder whether this is another type of control of women.”

The Chair of the Home Affairs Committee, the right hon. Member for Kingston upon Hull North (Dame Diana Johnson), highlighted the problem when she said:

“There is not a specific criminal offence. If a drink is spiked or if an injection takes place, it is rolled into a different criminal offence.”

Those things have all helped to build my understanding of this nightmare experience, which was first drawn to my attention by the experience of my constituent, Maisy Farmer. It is no longer possible for an MP to claim credibly that reports of spiking are unproven. However, it is true that it is not easy for a victim to prove spiking by having a hospital examination of her—or sometimes his—body prioritised to identify the drug, or to provide the identity of a spiker from a crowded nightclub.

That raises two key questions: how should the law change, and what would a change of law achieve? No MP has the responses of Government Departments in advance, so whether it is best to amend existing law or to create a new, defined crime of spiking that covers all contexts is surely for the Government—the Home Office and Ministry of Justice together—to decide.

As to what such a change might achieve, there is a clear opportunity to send a simple message in the language of our times to all those who might think spiking is clever or funny about the criminality of spiking, or attempting to spike, those going out to public or private places.

It is surely a legitimate aim of legislation to consolidate and clarify, using modern language; to nudge behaviour; and to oblige the police to do more than Operation Lester—a temporary project—and to record what is happening accurately over time. Legislation would allow us all in this place to focus on making our constituents’ lives, and nights out, safer, and give our businesses full support in driving down spiking crimes.

The overriding reason for pursuing doggedly the issue of spiking is that we have not done enough and

should do more. As the former safeguarding Minister, my hon. Friend the Member for Redditch (Rachel Maclean), said in January:

“We need a holistic response to this crime...We need...legislative change...making sure that police forces can gather data and mount prosecutions using forensic capabilities”—[*Official Report*, 11 January 2023; Vol. 725, c. 270WH.]

She and many colleagues highlighted, as does the National Police Chiefs’ Council, the lack of a clear criminal offence of spiking.

If the Home Office and Ministry of Justice need further encouragement, I urge them to consider the matter as a violence against woman and girls issue, as it so often is. Policing lead Maggie Blyth said: “If you are spiked, you must come forward. If you have taken illegal drugs, still come forward and report it.” That would be much easier if spiking were a crime. So many of my colleagues and constituents, as well as university groups, student unions, and Dawn Dines of Stamp Out Spiking, have made those points time and again. As the Security Minister said in the previous debate,

“no one wants a gap in the law. No one wants to see crimes going unpunished and no one wants to see victims unable to achieve the level of protection that is absolutely essential.”—[*Official Report*, 11 January 2023; Vol. 725, c. 282WH.]

That is true and fine, but we need to act, for the thousands of people who have been spiked and those who might still be. The House is here to reflect the concerns of our constituents. We should recognise that spiking exists and should be defined. The law should make all the criminal aspects of spiking clear, in one place. It is quite simply time to stop spiking now.

Question put and agreed to.

Ordered,

That Richard Graham, Vicky Ford, Sally-Ann Hart, Caroline Nokes, Dame Diana Johnson, Valerie Vaz, Joanna Cherry, Wendy Chamberlain, Jim Shannon and David Mundell present the Bill.

Richard Graham accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 24 November, and to be printed (Bill 323).

Procurement Bill [Lords]

Consideration of Bill, as amended in the Public Bill Committee

New Clause 15

RECORD-KEEPING

(1) A contracting authority must keep such records as the authority considers sufficient to explain a material decision made for the purpose of awarding or entering into a public contract.

(2) For the purposes of subsection (1), a decision is “material” if, under this Act, a contracting authority is required—

- (a) to publish or provide a notice, document or other information in relation to the decision, or
- (b) to make the decision.

(3) A contracting authority must keep records of any communication between the authority and a supplier that is made—

- (a) in relation to the award or entry into of a public contract, and
- (b) before the contract is entered into.

(4) A record under this section must be kept until—

- (a) the day on which the contracting authority gives notice of a decision not to award the contract (see section 55), or
- (b) the end of the period of three years beginning with the day on which the contract is entered into or, if the contract is awarded but not entered into, awarded.

(5) This section does not apply in relation to defence and security contracts.

(6) This section does not affect any other obligation under any enactment or rule of law by virtue of which a contracting authority must retain documents or keep records, including for a longer period.”—(*Alex Burghart.*)

This new clause, to be inserted after clause 97, would require contracting authorities to keep records to explain decisions made for the purpose of awarding or entering into a public contract and records of communications with suppliers made before the contract is entered into, in each case subject to time limits.

Brought up, and read the First time.

1.33 pm

The Parliamentary Secretary, Cabinet Office (Alex Burghart): 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 1—*Removal from the procurement supply chain of physical surveillance equipment produced by companies subject to the National Intelligence Law of the People’s Republic of China—*

“(1) Within six months of the passage of this Act, the Secretary of State must publish a timeline for the removal from the Government’s procurement supply chain of physical surveillance equipment produced by companies subject to the National Intelligence Law of the People’s Republic of China.

(2) The Secretary of State must lay the timeline before Parliament.”

New clause 9—*Application of this Act to procurement by NHS England—*

“(1) Omit sections 79 and 80 of the Health and Care Act 2022.

(2) For the avoidance of doubt, the provisions of this Act apply to procurement by NHS England.”

This new clause includes the NHS under this Act and procurement by NHS England under the Health and Care Act 2022.

New clause 10—*Tax transparency—*

“(1) This section applies to any covered procurement for a public contract with an estimated value of £5 million or over.

(2) When assessing tenders under section 19 or awarding a contract under section 41 or 43, a contracting authority must require the submission of a tax report where a supplier is a multi-national supplier.

(3) Where a multi-national supplier fails to submit a tax report, a contracting authority must exclude the supplier from participating in, or progressing as part of, the competitive tendering procedure.

(4) Subject to subsection (5), a contracting authority that enters into a contract with a multi-national supplier must publish a copy of the tax report—

- (a) if the contract is a light touch contract, before the end of the period of 120 days beginning with the day on which the contract is entered into;
- (b) otherwise, before the end of the period of 30 days beginning with the day on which the contract is entered into.

(5) Where a copy of a contract is by virtue of regulations under section 95 published under section 53(3) on a specified online system, the tax report relating to that contract must be published on the same specified online system—

- (a) if the contract is a light touch contract, before the end of the period of 120 days beginning with the day on which the contract is entered into;
- (b) otherwise, before the end of the period of 30 days beginning with the day on which the contract is entered into.

(6) A ‘multi-national supplier’ is a supplier with two or more enterprises that are resident for tax purposes in two or more different jurisdictions.

(7) A ‘tax report’ means a report setting out—

- (a) the income booked in the UK,
- (b) the profit before tax attributable to the UK,
- (c) the corporate income tax paid on a cash basis in the UK,
- (d) the corporate income tax accrued on profit/loss attributable to the UK, and
- (e) any other information specified in regulations under section 95

for the multinational supplier.

(8) A Minister of the Crown may by regulations amend this section for the purpose of changing the financial threshold.”

This new clause would require large multinational corporations bidding for a public contract to provide information about their Income booked in the UK, their profit before tax attributable to the UK, their corporate income tax paid on a cash basis in the UK and their corporate income tax accrued on profit/loss attributable to the UK, and that information to be published.

New clause 11—*Public interest—*

“(1) Where a contracting authority is considering outsourcing public services that are at the time of consideration delivered in-house or where contracts are due for renewal, the contracting authority must demonstrate that they have considered whether outsourcing or re-contracting provides greater public value than direct service provision.

(2) As part of the duty in subsection (1), the contracting authority should demonstrate that it has assessed the potential benefits and impact of outsourcing the service in question against a public sector comparator with assessments being based on criteria to be set by the Secretary of State, including taking a five year consideration of—

- (a) service quality and accessibility;
- (b) value for money of the expenditure;
- (c) implications for other public services and public sector budgets;
- (d) resilience of the service being provided;

- (e) implications for the local economy and availability of good work in relevant sub-national labour markets;
- (f) implications for public accountability and transparency;
- (g) effect on employment conditions, terms and standards within the provision of the service to be outsourced and when outsourced;
- (h) implications for public sector contributions to climate change and environmental targets;
- (i) implications for the equalities policies of the contracting authority and compliance with the public sector equality duty.

(3) The contracting authority and the supplier of the outsourced service must monitor the performance of any contracted service against the public interest test and the stated objectives set by the contracting authority pre-procurement to demonstrate that outsourcing the service in question has not resulted in a negative impact on any of the matters mentioned in subsection (2)(a) to (i).

(4) The Secretary of State must from time to time set budget thresholds for when a public interest test would be required.”

The new clause would create a process to ensure that contracting authorities safeguard the public interest when considering whether or not to outsource or recontract services.

New clause 12—Protection of subcontractors’ payments under construction contracts—

“(1) A project bank account must be established for the purpose of subsections (2) to (4) in accordance with the following requirements—

- (a) the account must be set up by the contracting authority and the contractor under a construction contract as joint account-holders;
- (b) the monies in the account are held in trust by the contracting authority and contractor as joint trustees;
- (c) the contracting authority must deposit in the account all sums becoming due to the beneficiaries and any disputed sums must remain in the account until the dispute is resolved and any retention monies remain in the account until they are released to the beneficiaries;
- (d) due payments from the account must be made to all beneficiaries simultaneously; and
- (e) the beneficiaries include—
 - (i) the contractor;
 - (ii) all subcontractors where the value of each subcontract is at least 1% of the value (excluding VAT) of the construction contract entered into between the contracting authority and the contractor; and
 - (iii) any other subcontractor which has specifically requested that its payments be discharged through the account.

(2) Subsections (3) and (4) have application to construction contracts having a value in excess of £2 million (excluding VAT).

(3) Not later than 30 days after entering into a construction contract a contracting authority must ensure that a project bank account is in place.

(4) In the event that a contracting authority fails to comply with this subsection the construction contract ceases to be valid and may not be enforced by either party.

(5) The Secretary of State must provide statutory guidance on the operation of project bank accounts to ensure that such operation is standardised amongst all contracting authorities.

(6) Subsections (7) to (10) apply where retention monies are not protected within a project bank account.

(7) The contracting authority must establish a retention deposit account with a bank or building society which fulfils the requirements of subsection (1)(a) and (b).

(8) On each occasion that retention monies are withheld the contracting authority must lodge them within the retention deposit account and maintain a record of the names of each subcontractor having contributed to the withheld monies and the amount of the monies contributed by each.

(9) Subject to subsection (10), not later than 30 days after the date of handover of each subcontracted works at least 50% of the withheld retention monies must be released, and not later than the date which is 12 months from the date of handover of each subcontracted works the balance of the retention monies must be released.

(10) A contracting authority has a right of recourse to subcontractors’ retention monies but such right is limited to any subcontractor which is in default of its subcontract in having delivered works which are defective and in breach of the subcontract.

(11) Paragraphs (9) and (10) also apply where retention monies are protected in a project bank account.

(12) Non-compliance with subsections (6) to (11) renders any entitlement to withhold retention monies in a construction contract or subcontracts of no effect.

(13) Subsections (6) to (12) do not affect the right of any subcontractor to pursue recovery of any outstanding or wrongfully withheld retention monies against its other contracting party.

(14) The Secretary of State must provide statutory guidance on the operation of retention deposit accounts to ensure such operation is standardized amongst all contracting authorities.

(15) Any dispute under this section is referable to adjudication in accordance with section 108 of the Housing Grants, Construction and Regeneration Act 1996.

(16) The Secretary of State must carry out a review of the operation of this section within 5 years of it coming into force.

(17) In this section—

“bank” has the meaning given to it in section 2 of the Banking Act 2009;

“building society” has the meaning given to it in section 119 of the Building Societies Act 1986;

“contractor” is the party engaged under a construction contract with a contracting authority;

“construction contract” has the meaning given to it in section 104, Housing Grants, Construction and Regeneration Act 1996;

“handover of each subcontracted works” signifies the date when the works as defined in each subcontract are substantially complete;

“project bank account” is an account set up with a bank or building society which has the requirements listed in subsection (2);

“retention monies” mean a proportion of monies withheld from payments which would otherwise be due under a construction contract, subcontract or any ancillary contract the effect of which is to provide security for the current or future performance by the party carrying out the works;

“subcontract” and “subcontractor” includes sub-subcontracts and sub-subcontractors.”

This new clause ring-fences monies due to subcontractors in construction supply chains through mandating use of project bank accounts and ensuring retention monies are safeguarded in a separate and independent account.

New clause 13—Dependence on high-risk states—

“(1) The Secretary of State must within six months publish a plan to reduce the dependence of public bodies upon goods and services which originate in whole or in part in a country considered by the United Kingdom as a high risk sourcing country.

(2) For the purposes of this section, a country is considered a high risk sourcing country by the United Kingdom if it is defined as either a systemic competitor or a threat in the latest Integrated Review of Security, Defence, Development and Foreign Policy.”

New clause 14—*Procurement and human rights*—

“(1) A contracting authority may apply a policy under which it does not contract for the supply of goods, services or works from a foreign country or territory based on the conduct of that foreign country or territory relating to human rights, provided that—

- (a) the contracting authority has a Statement of Policy Relating to Human Rights, and
- (b) that statement of policy is applied consistently and not specifically to any one foreign country or territory.

(2) Within six months of the passage of this Act, the Secretary of State must publish, and lay before Parliament, guidance on the form, content and application of Statements of Policy Relating to Human Rights for the purposes of subsection (1).

(3) Contracting authorities must have regard to the guidance published under subsection (2) when applying a policy in accordance with subsection (1).”

This new clause would enable public authorities to choose not to buy goods or services from countries based on their human rights record. They would not be able to single out individual nations to apply such a policy to, but would have to apply it consistently, and in accordance with guidance published by the Secretary of State.

New clause 16—*Eradicating slavery and human trafficking in supply chains*—

“(1) The Secretary of State must by regulations make such provision as the Secretary of State thinks appropriate with a view to eradicating the use in covered procurement of goods or services that are tainted by slavery and human trafficking.

(2) The regulations may, in particular, include—

- (a) provision as to circumstances in which a supplier is excluded from consideration for the award of a contract;
- (b) provision as to steps that must be taken by contracting authorities for assessing and addressing the risk of slavery and human trafficking taking place in relation to people involved in procurement supply chains;
- (c) provision as to matters for which provision must be made in contracts for goods or services entered into by contracting authorities, including mandating or enabling the use of forensic supply chain tracing.

(3) In this section— “forensic supply chain tracing” is the process of using forensic techniques to track the movement of goods and services through a supply chain; “slavery and human trafficking” has the meaning given by section 54(12) of the Modern Slavery Act 2015; “tainted”: goods or services are “tainted” by slavery and human trafficking if slavery and human trafficking takes place in relation to anyone involved in the supply chain for providing those goods or services.”

New clause 17—*Food procurement*—

“(1) A public contract which includes the supply of food must include provisions ensuring that the supply of food under that contract—

- (a) is aligned with the Eatwell Guide, and
- (b) includes options suitable for a plant-based diet.

(2) The ‘Eatwell Guide’ is the policy tool used to define government recommendations on eating healthily and achieving a balanced diet published by Public Health England on 17 March 2016, as updated from time to time.”

This new clause would require public contracts for the supply of food to be aligned with current nutritional guidelines and to include plant-based options.

Amendment 14, in clause 2, page 2, line 15, after “funds,” insert “including the NHS,”.

This amendment includes the NHS in the definition of a public authority for the purposes of this Act.

Government amendments 19 and 20.

Amendment 60, in clause 13, page 10, line 11, at end insert—

“(3A) When the Minister lays the statement before Parliament, the Minister must also lay before Parliament a report which sets out—

- (a) the Secretary of State’s assessment of the impact of the statement on meeting environmental and climate targets,
- (b) the steps the Secretary of State has taken or intends to take in relation to procurement to support the meeting of those targets.”

This amendment would require the Secretary of State to explain in a report laid before Parliament the Government’s assessment of the impact of the national procurement policy statement on meeting environmental and climate targets and to set out any intended steps in relation to the meeting of those targets.

Amendment 4, in clause 19, page 13, line 31, at end insert—

“(aa) must disregard any tender from a supplier that does not guarantee the payment of at least the Real Living Wage to all its own employees and contracted staff and those of any sub-contractors;”

This amendment, together with Amendments 5 to 8, is designed to ensure that no public contract can be let unless the supplier guarantees the payment of the Real Living Wage to all those involved in the delivery of the contract.

Amendment 5, in clause 41, page 28, line 26, at end insert—

“(3A) A contracting authority may not award a contract under this section to a supplier that does not guarantee the payment of at least the Real Living Wage to all its own employees and contracted staff and those of any sub-contractors.”

See explanatory statement to Amendment 4.

Amendment 1, in clause 42, page 29, line 14, at end insert—

“(3A) Provision under subsection (1) must not confer any preferential treatment on suppliers connected to or recommended by members of the House of Commons or members of the House of Lords.”

This amendment is intended to prevent the future use of “VIP lanes” for public contracts.

Government amendments 21 to 23.

Amendment 6, in clause 43, page 30, line 3, at end insert—

“(5A) A contracting authority may not award a contract under subsection (1) to a supplier that does not guarantee the payment of at least the Real Living Wage to all its own employees and contracted staff and those of any sub-contractors.”

See explanatory statement to Amendment 4.

Amendment 2, in clause 44, page 30, line 16, at end insert—

“(4) Any Minister of the Crown, Member of Parliament, Member of the House of Lords or senior civil servant involved in recommending a supplier for a contract under section 41 or 43 must make a public declaration to the Cabinet Office of any private financial interest in that supplier within 10 working days.”

This amendment would implement a recommendation by the National Audit Office that any contracts awarded under emergency provisions or direct awards should include transparency declarations.

Amendment 7, in clause 45, page 31, line 6, at end insert—

“(aa) permit the award of a public contract to a supplier that does not guarantee the payment of at least the Real Living Wage to all its own employees and contracted staff and those of any sub-contractors.”

See explanatory statement to Amendment 4.

Government amendments 24 to 30.

Amendment 61, in clause 58, page 40, line 38, leave out paragraph (c).

This amendment would remove provision allowing a contracting authority to have regard to commitments to prevent circumstances giving rise to the application of an exclusion ground from occurring again when considering whether a supplier should be excluded.

Amendment 62, page 40, line 41, leave out paragraph (e).

This amendment would remove provision allowing a contracting authority to have regard to evidence, explanations or factors not specified elsewhere in the clause when considering whether a supplier should be excluded.

Amendment 63, page 41, line 8, leave out subsection (3).

This amendment removes clause 58 (3), which limits the ability of a contracting authority to require whatever evidence is necessary to make their assessment about whether a supplier is reliable.

Government amendments 31 to 50.

Amendment 17, in clause 68, page 49, line 15, at end insert—

“(10A) Within a year of the passage of this Act, the Secretary of State must prepare, publish and lay before Parliament a report on the effectiveness of this section in ensuring prompt payment of small and medium-sized enterprises.

(10B) Not later than 6 months after the report has been laid before Parliament, a Minister of the Crown must make a motion in the House of Commons in relation to the report.”

This amendment would require the Government to report to Parliament on the effectiveness of this section in ensuring prompt payment of SMEs.

Amendment 68, in clause 71, page 51, line 11, at end insert—

“(6A) When a planned procurement notice is published under section 15 or a tender notice is published under section 21, the contracting authority must include a statement of the outcomes which the contract is intended to achieve.

(6B) The contracting authority must commission an independent evaluation of whether each contract delivered the outcomes mentioned in subsection (6A), unless the contract is excluded by regulations under subsection (6D).

(6C) An evaluation under subsection (6B) must—

- (a) be performed by an independent body in accordance with UK Government Evaluation Standards, and include a clear recommendation on whether similar further public contracts should be begun, renewed or extended;
- (b) be commissioned in time to be completed within six months of contract termination, renewal or extension;
- (c) be published in full by the contracting authority immediately it is received from the independent external body.

(6D) The Secretary of State may by regulations specify types of contracts that do not require independent evaluations under subsection (6B).

(6E) Where the independent evaluation under subsection (6B) recommends that similar public contracts should not be begun, extended or renewed, any contracting authority which nonetheless intends to do so must publish its reasons not less than 30 days before the agreement is begun, extended or renewed.”

Government amendments 51 to 55.

Amendment 13, page 78, line 12, leave out clause 119.

Amendment 8, in clause 122, page 82, line 5, at end insert—

“‘Real Living Wage’ means the hourly wage rates for London and for outside London calculated annually by the Resolution Foundation and overseen by the Living Wage Commission (or their successor bodies);”.

This amendment inserts a definition of the Real Living Wage for the purposes of Amendments 4 to 7.

Government amendment 56.

Amendment 64, in schedule 6, page 106, line 7, at end insert

“or an offence under section 86, 88 or 92 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.”

This amendment is intended to ensure that the full range of criminal offences for money laundering are properly captured for the purposes of exclusion from public procurement.

Amendment 65, page 106, line 12, leave out “or 6” and insert “, 6 or 7”.

This amendment includes the failure of commercial organisations to prevent bribery as an offence which is a mandatory exclusion ground.

Amendment 66, page 106, line 14, at end insert—

18A An offence under Schedule 3 of the Anti-Terrorism, Crime and Security Act 2001 (sanctions evasion offences).”

This amendment is intended to make criminal offences for sanctions evasion grounds for mandatory exclusion from public procurement.

Government amendment 57.

Amendment 15, page 110, line 12, at end insert—

“National security

42A A mandatory exclusion ground applies to a supplier if a decision-maker determines that the supplier or a connected person poses a threat to the national security of the United Kingdom.”

This amendment would move national security from among the discretionary exclusion grounds in Schedule 7 to the mandatory exclusion grounds in Schedule 6.

Government amendment 58.

Amendment 18, in schedule 7, page 113, line 2, at end insert—

“1A A discretionary exclusion ground applies to a supplier if a contracting authority determines that a supplier, within a year leading to the date of tender—

(a) has been found by an employment tribunal or court to have significantly breached the rights of an employee or worker engaged or formerly engaged by it with one or more aggravating features, or has admitted to doing so; and

(b) has not conformed with applicable obligations in the fields of environmental, social and labour law established by national law, collective agreements or international environmental, social and labour law provisions; and

(c) has not taken steps to rectify the situation through—

(i) paying or undertaking to pay compensation in respect of any damage caused by the breach of rights; and

(ii) clarifying the facts and circumstances in a comprehensive manner by actively collaborating with any relevant employment tribunal or court process and the parties thereto; and

(iii) taking concrete technical, organisational and personnel measures appropriate to prevent further breaches of rights of a similar kind.

1B In making a decision on whether a discretionary exclusion ground applies to a supplier under paragraph 1A, a contracting authority must—

(a) evaluate the adequacy of any action taken by the supplier in accordance with sub-paragraph (c) of that paragraph, taking into account the gravity and particular circumstances of the breach or breaches of rights, and

(b) make reasonable provision for the employer and the employee or worker concerned to make representations, which may be made by agreement by a trade association or trade union.”

This amendment would give contracting authorities the discretion to exclude suppliers who have significantly and repeatedly breached the rights of staff in the last year unless they have “self-cleansed”.

Amendment 67, page 113, line 17, at end insert—

“Financial and economic misconduct

3A A discretionary exclusion ground applies to a supplier if the decision-maker considers that there is sufficient evidence that the supplier or a connected person has engaged in conduct (whether in or outside the United Kingdom) constituting (or that would, if it occurred in the United Kingdom, constitute) any of the following offences—

(a) an offence under section 327, 328 or 329 of the Proceeds of Crime Act 2002 (money laundering offences);

(b) an offence under section 86, 88 or 92 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017;

(c) an offence under Schedule 3 to the Anti-terrorism, Crime and Security Act 2001 (sanctions evasion offences);

(d) an offence under section 2, 3, 4, 6 or 7 of the Fraud Act 2006 (fraud offences);

(e) an offence under section 993 of the Companies Act 2006 (fraudulent trading);

(f) an offence under section 1, 2, 6 or 7 of the Bribery Act 2010 (bribery offences).”

This amendment is intended to allow relevant Ministers and Contracting Authorities the power to exclude suppliers from procurement where they have evidence of financial and economic criminal activity, such as fraud, money laundering, bribery or sanctions evasion, but there has not yet been a conviction by a court.

Amendment 16, page 116, line 6, at end insert—

“Sanctions offences

14A(1) A discretionary exclusion ground applies to a supplier if the decision-maker considers that the supplier or a connected person has engaged in conduct constituting—

(a) An offence established in any regulations made under Part 1 of the Sanctions and Anti-Money Laundering Act 2018;

(b) An offence established under Part 5 of the Customs and Excise Management Act 1979.

(2) A discretionary exclusion ground applies to a supplier if the decision-maker considers that there is sufficient evidence that the supplier or a connected person has engaged in conduct outside of the United Kingdom that could result in such an offence being committed if that conduct occurred in the United Kingdom.”

This amendment would create a discretionary exclusion ground where a supplier (or connected person) has violated UK sanctions or export controls, or would have done so if they were in the UK.

Amendment 3, page 116, line 10, at end insert—

“Involvement in forced organ harvesting

14A(1) A discretionary exclusion ground applies to a supplier if a decision-maker determines that the supplier or a connected person has been, or is, involved in—

(a) forced organ harvesting,

(b) unethical activities relating to human tissue, including anything which involves the commission of an offence under sections 32 (prohibition of commercial dealings in human material for transplantation), 32A (offences under section 32 committed outside UK) or 33 (restriction on transplants involving a live donor) of the Human Tissue Act 2004, or under sections 20 (prohibition of commercial dealings in parts of a human body for transplantation) or 20A (offences under section 20 committed outside UK) of the Human Tissue (Scotland) Act 2006, or

(c) dealing in any device or equipment or services relating to conduct mentioned in paragraphs (a) or (b).

(2) “Forced organ harvesting” means killing a person without their consent so that their organs may be removed and transplanted into another person.”

This amendment is designed to give a discretionary power to exclude suppliers from being awarded a public contract who have participated in forced organ harvesting or unethical activities relating to human tissue, including where they are involved in providing a service or goods relating to such activities.

Government amendment 59.

Alex Burghart: It is a genuine honour to take the Procurement Bill through Report stage. As the House will know, this is a major piece of post-Brexit legislation that enables us, for the first time in many decades, to reform our procurement system, to the benefit of contracting authorities, suppliers and taxpayers.

I begin with new clause 15 and amendment 52. We are inserting into the Bill a new clause that allows us to meet the UK’s international obligations on record keeping. We are strengthening record keeping obligations in the Bill to more fully reflect our obligations in both the agreement on Government procurement—the GPA—and the comprehensive and progressive agreement for trans-Pacific partnership. They both require records to be kept for a minimum of three years. New clause 15 sets out the obligation on contracting authorities to

“keep such records as the authority considers sufficient to explain a material decision made for the purpose of awarding or entering into a public contract.”

A material decision is one that requires a contracting authority

“to publish or provide a notice, document or other information in relation to the decision”,

or decisions, that are required to be made under the Bill. Records must be kept for three years from award of, or entry into, a contract—or, if the contract is awarded but not entered into, from the date of the decision not to enter into it.

The primary goal of the Bill is to streamline procurement regulations and ensure the overall efficiency of the system, while avoiding overwhelming businesses and contracting authorities with a multitude of rules and regulations—a point that we will no doubt return to this afternoon. As such, and in line with international requirements, the obligations attach only to the award of, and entry into, contracts; they do not apply to the management stage of a contract.

Information on the management of major contracts will of course be put into the public domain, thanks to the Bill’s considerable transparency obligations. That includes information on key performance indicators, such as performance against them; information on amendments to contracts; and information on contract termination, which will require reporting on performance. The time limit already in the Bill on the duty to maintain records of communications with suppliers is being relocated to sit alongside the new record keeping duty. The record keeping requirement is intended to act as a minimum; contracting authorities may of course keep records for longer, and indeed may be required to do so under other legislation.

Government amendments 24 and 25 change the point at which, under clause 52(1), contracting authorities are required to publish key performance indicators. They will no longer have to do so before entering into a public contract. Instead, there will be a requirement to

publish them under proposed new subsection (2A) of clause 52. Clause 53, on contract details notices, provides that the details of KPIs will be specified in regulations under clause 95. That is because it is not possible to publish the KPIs before entering into the public contract, as they arise as part of the process of entering into the contract.

Government amendments 19, 20 and 56 make a necessary technical adjustment to ensure that the City of London Corporation is caught by the Bill in respect of its public sector functions, but not its commercial functions. The Bill is intended to apply to local authorities—clause 2 makes it clear that publicly funded bodies are caught by it—but due to its evolution and structure, the corporation does not operate solely as a local authority. It has significant private sector trading activities—for example, it operates private schools and undertakes property management—that are clearly not intended to be caught by the Bill. Unlike district and county councils, being a local authority is not the corporation's *raison d'être*; rather, it has some local authority functions bolted on to its wider organisational functions. Without the amendments to clause 2 and schedule 2, there would be a risk of unintended consequences; the Bill would apply to either all the corporation's activities, including its commercial activities, or none of them, depending on whether the corporation's balance of income was derived mainly from its trading activities or from public funds in any one year.

Government amendments 21 to 23 resolve a drafting inconsistency between clause 19, which governs the award of contracts following a competitive procedure, and clause 43, which has rules allowing a contracting authority to switch to direct award if no suitable tender was received in a competition. Under clause 19, a tender may be disregarded in a competition if it breaches a procedural requirement set by the contracting authority—for example, if it is submitted late or is over its word count. Abnormally low tenders can also be disregarded, provided the tenderer has advance notification and the chance to respond, pursuant to subsections (4) and (5).

The changes proposed to clause 43 will ensure that only a material breach of procedural requirements will render a tender unsuitable: for example, being 10 words over the set count should not result in an unsuitable tender permitting direct award. Abnormally low tenders cannot be deemed unsuitable unless the supplier has had an opportunity to demonstrate that it will be able to perform the contract for the price offered, as is required under clause 19.

Moving on to amendment 59, paragraph 2(3) of schedule 10 inserts new section 14(5A) into the Defence Reform Act 2014. The DRA, and the Single Source Contract Regulations 2014 made under it, make provision for the pricing of defence contracts to procure goods, works and services that are not let competitively and meet the necessary criteria, including a financial threshold. New section 14(5A) is being introduced to address uncertainty about when an agreement for new goods, works and services should be regarded as an amendment to an existing contract within the scope of the DRA regime, and when it should be regarded as a new contract in its own right. The proposed new subsection currently addresses the situation by identifying two specific categories

of existing contract not subject to the DRA regime that, when amended on a non-competed basis to add further goods, works or services, would become subject to that regime.

A third such category of contract not currently addressed by proposed section 14(5) has subsequently come to light. That category covers a single source contract that was below the financial threshold set by the SSCRs that is subsequently amended to add new goods, works and services that take it above that threshold. Amendment 59 will ensure that such contracts are brought within the regulation-making power. A hypothetical example would be a contract that was let competitively for £6 million a few years ago and was not subject to the regulations, where proposed section 14(5) and section 14(3)(b)—which excludes contracts let through competitions—did not apply, and a single source amendment was subsequently placed a few years later for £10 million of new work. That kind of amendment is referred to in section 14(5), and under the proposed new regulations, it would be treated as a new contract for the purposes of the regulations. Under the current wording of schedule 10, the agreement covering the new work would fall under the regulations.

Amendments 38, 32, 36, 37, 39 to 51, 57 and 58 significantly strengthen the exclusions and debarment provisions for exclusion on national security grounds. As the Bill stands, placing a supplier on the debarment list on national security grounds will make it excludable from all contracts within the scope of the Bill. That means that the supplier will be identified as posing a threat to the national security of the UK, but contracting authorities will have discretion as to whether they exclude the supplier in each particular procurement. Having engaged with colleagues in the House and reflected on their concerns, I can confirm that the Government are content to further strengthen those provisions. The new amendments will enable a Minister of the Crown to take a stronger approach in response to a specific risk profile of a particular supplier and make targeted decisions about whether the debarment should be mandatory for particular types of contracts, depending on the nature of the risk.

Bob Seely (Isle of Wight) (Con): I thank the Minister for the work he has been doing on the Bill, and for listening to colleagues—there is more work to be done, but we are certainly moving in the right direction. There is an issue about dual use stuff: we are talking about national security, but for technology such as cellular modules in Government cars that may or may not be being used by competitor nations to listen in to conversations, it is not just a narrow definition that we should be worried about, but a rather more expansive definition of some of the risks posed by that technology and where it is placed in either very specific national security contexts or, more broadly, among things that are critical to our national infrastructure.

Alex Burghart: I thank my hon. Friend for his remarks, and for the constructive dialogue that we have had while preparing for today's debate. As he hopefully knows from what we have already said on this subject—he will hear it again in what I am about to say—the structure that we are putting in place will be able to make exactly that sort of assessment.

[Alex Burghart]

If a supplier poses an unacceptable risk in relation to certain goods, such as network communications equipment, the Minister will be able to enter on the debarment list that that supplier is an excluded supplier for contracts for the supply or support of that type of equipment, but that will not necessarily mean that the supplier will be excluded from all other types of contract. Similarly, the entry may also—or as an alternative—stipulate that the supplier is excluded from contracts relating to certain locations or sites, or contracts let by certain contracting authorities. That removes discretion from contracting authorities regarding exclusions where a supplier poses a threat for particular contracts, thereby reducing the risk of a supplier being allowed to participate in a procurement when they should not be.

By allowing this type of targeted and proportionate approach, we can direct that suppliers must be excluded where the risks are unacceptable, and allow contracting authorities to make appropriate choices where a risk is manageable—for example, if a supplier is providing pencils or plastic furniture. We think that approach to national security exclusions is both proportionate and robust, and will allow us to effectively counter the risk posed by some suppliers, including those that many in this House are concerned about.

1.45 pm

Damian Green (Ashford) (Con): The Minister has said that he wants a proportionate response and I take that point. I also thank him for the talks we have had about this issue, which is the basis of my support for new clause 1. However, one thing he has not yet addressed is the timescale. Clearly, a lot of kit that we would regard as suspicious under the Bill needs to be removed. Can he give some indication of what sort of timescale we will need to remove it?

Alex Burghart: I thank my right hon. Friend for the constructive conversations that we have had in getting ready for today's debate. He is slightly pre-empting some remarks that I will come to later. I hope that he saw the announcement that the Government made the other day. It is in the nature of the work that we are doing that, first, we wish to remove devices and components that pose a security risk to sensitive sites—I will say more about the timescale for that later. Secondly, we intend through the use of the unit and the provisions in the Bill to prevent similar devices and components from entering our sites in future. It is a two-part process: first, get rid of what is already there and, secondly, prevent other such services from coming in in future.

Sir Iain Duncan Smith (Chingford and Woodford Green) (Con): The Minister has mentioned sensitive sites. I do not quite understand what that phrase means—I am hoping that we will get a proper explanation in due course—but what I would observe is that, as far as I can see, every single Government site is by nature and definition sensitive. The Department for Work and Pensions is very sensitive because any disruption of its payments would render the UK in a terrible state. Is it not the case that all Departments of central Government are by nature sensitive sites and, therefore, should take upon themselves the reality that they must all rid themselves of these things?

Alex Burghart: My right hon. Friend makes a good point, and I thank him for his constructive engagement with me and the Minister for the Cabinet Office on this issue. We understand and hear his concerns about sensitive and non-sensitive sites—not least, we understand his view that the definition could incorporate a broader range of assets, where information gleaned on the movement of officials and politicians could be detrimental to our national security. We will continue to work on that issue with him, both in today's debate and in the Lords debate that will follow it. I am sure that we can reach a sensible conclusion that will be to his satisfaction.

Bob Seely: If I remember correctly, in January, the security services took apart a UK Government vehicle because data was being transferred via a Chinese cellular module, a Chinese eSIM. We do not know who was in that car—whether it was the Defence Secretary or the Prime Minister. Evidence from a separate Tesla car scandal suggests that it would be possible for Chinese engineers to record private conversations using cellular modules. Just out of curiosity—I suspect I know the answer—are we ever going to get an update on what happened to that car and what was happening with it?

Alex Burghart: My hon. Friend will know that I am not in a position to comment on matters of national security, but he will have heard me say in answer to my right hon. Friend the Member for Chingford and Woodford Green (Sir Iain Duncan Smith) that we understand the view that the definition in the Bill could incorporate a broader range of assets, where information is gleaned on the movement of officials and politicians that could be detrimental to national security.

Amendment 34 will commit a Minister of the Crown to keep suppliers under review for potential investigation for debarment on national security grounds. We recognise that proactive consideration of suppliers will be highly advantageous in minimising the risk of suppliers who pose a threat to our national security being awarded public contracts. The amendment will therefore commit Ministers to proactively consider a new debarment investigation where there is evidence of risk, so that the Government can act effectively and on time.

I am also pleased to announce that the Government will be creating a new specialist unit with dedicated resources within the Cabinet Office to take on and manage this new approach. That new national security unit for procurement will regularly monitor Government supply chains and review pertinent information to determine which suppliers should be investigated for debarment on national security grounds. The unit will be able to draw on the full range of expertise within government and access the latest intelligence, including that from Five Eyes partners. It will be able to respond swiftly to emerging threats. The unit will also carry out investigations of suppliers for potential debarment, which will be overseen by a committee. Following the outcome of an investigation, the committee will make recommendations to the Minister as to whether the supplier should be added to the debarment list. The final decision will be made by the Minister.

Anthony Mangnall (Totnes) (Con): The Minister is making an excellent speech and I agree with the broad thrust of everything he is saying, but in terms of the practical application—how we debar businesses and

organisations bidding in through a procurement process—can he just tell us how long an investigation would take? I realise it would be a case-by-case process, but if a procurement tender is put out, and a business or entity bids into it, how long would it expect that investigation to go on before that business or entity is debarred or not?

Alex Burghart: My hon. Friend will know that is a length of a piece of string question. In setting up the unit and providing it with resource, we are mindful of the need for it to be able to respond swiftly to emerging threats and to new entities. The unit will not serve its purpose if investigations go on too long. I cannot give him any guarantees on maximum length of time for investigation, but I can assure him that those concerns are very much in our thoughts as we go about establishing this new way of working.

The new unit will also have a role in supporting and upskilling contracting authorities. By directly engaging with them and providing guidance, the unit will help contracting authorities confidently implement the national security exclusion and debarment regime correctly, maximising its effectiveness.

Amendments 26, 27, 29, 30, 31, 33, 35, 38, 53, 54 and 55 are minor and technical amendments to ensure that the exclusions and debarment regimes can function effectively.

I take this opportunity to thank all colleagues who have engaged with us on this, including my hon. Friend the Member for Rutland and Melton (Alicia Kearns), who is not in her place today. She has been instrumental in helping us to formulate these ideas in regard to national security and in particular our commitment to the national security unit for procurement.

The Government are taking national security extremely seriously, as the Bill and the amendments just mentioned make clear. Concerns have been expressed in the House regarding the use of surveillance equipment provided by entities subject to the national intelligence law of the People's Republic of China, the risks of which we fully understand. I take this opportunity to remind the House that, in November, the Government published a written ministerial statement asking Departments to consider the removal of visual surveillance equipment from Government sensitive sites and to cease any future procurement of such equipment.

Today, we are going further. I commit to this House that, within six months of the Bill's Royal Assent, the Government will set out the timeline for the removal of surveillance equipment supplied by companies subject to the national intelligence law of China from sensitive sites. I make it clear that we are taking firm and decisive action on this important matter and that we will be held to account for that action. That is why we will provide a clear plan for delivering on it, adhering to the timeline requested by my right hon. Friend the Member for Chingford and Woodford Green. I hope that addresses his and other Members' wishes that the Government take appropriate action.

If I may, I will address two final points. First, I thank each of the devolved Administrations for their constructive engagement during the drafting and passage of the Bill. I am pleased that the Senedd and the Scottish Parliament have agreed to the procurement aspects of the Bill, which are the vast majority of the clauses. However,

despite our best efforts and several amendments, we have been unable to secure full legislative consent motions for the concurrent powers in the Bill relating to the implementation of international obligations. That is disappointing, but not unexpected, given that it is consistent with the position taken by the Scottish and Welsh Governments on the recent Trade (Australia and New Zealand) Act 2023.

I reassure the House that, as with current practice, we will continue to engage and consult with the devolved Administrations if they choose not to legislate for themselves in implementing the UK's international obligations, in so far as they relate to areas of devolved competence. In the absence of a Northern Ireland Executive, a legislative consent motion for Northern Ireland was not possible. However, the permanent secretary for the Northern Ireland Department of Finance has written to the permanent secretary of the Cabinet Office to welcome the Bill as drafted and the close working relationship that has developed between officials.

Secondly, I take the opportunity to clarify the rules for private utilities where they have been directly awarded rights, for example, through a directly awarded contract at the request of the Department for Transport. Private utilities are within the scope of the Bill only where they have been granted a special or exclusive right to carry out a utility activity, effectively creating a monopoly situation. Clause 6(4) clarifies that the right is not special or exclusive where the right is granted following a competitive tendering procedure under the Bill or otherwise on the basis of a transparent procedure and non-discriminatory criteria. That has the effect, for example, that, if a contract for a utility activity with an incumbent supplier is renewed or replaced without competition, the supplier will have been granted a special or exclusive right. The supplier would therefore be classed as a private utility under the Bill. An example would be where an incumbent train operating company awarded a contract following competition has been directly awarded a new contract under DfT legislation.

Florence Eshalomi (Vauxhall) (Lab/Co-op): Three years ago, in the aftermath of the covid-19 pandemic, vital frontline staff across our NHS were struggling against dangerously low stocks of personal protective equipment. We all heard the stories of frontline workers in the early stages of the pandemic. These stories show us the impact of not procuring adequate reserves for a pandemic such as covid-19, and they show us why we need the right culture to rapidly respond to emergency procurement demands whenever they may show. Sadly, what we saw during the pandemic did not live up to standards. What followed, with the horror stories of frontline workers in the early stages of 2020, was a case study in wasteful and inefficient emergency procurement.

In January, the National Audit Office found that nearly £15 billion was wasted on unused covid supplies. That is £15 billion that could be going towards tens of thousands of full-time nursery places. It is £15 billion that could be going towards clearing the backlog in our NHS. It is £15 billion that could hand every single person in this country £220 and still have change left over. Instead, the incompetence we saw from this Government cost this country a fortune. In fact, the Government's record keeping was so flawed that the

[*Florence Eshalomi*]

Public Accounts Committee's July 2022 report on the awarding of contracts to Randox during the pandemic stated it was

"impossible to have confidence that all its contracts with Randox were awarded properly."

It is not just incompetence that costs the country. During the pandemic, the Government created a VIP lane for those offering to provide PPE. The system was extremely useful for some suppliers, with the Public Accounts Committee finding that one in 10 suppliers coming through the high-priority lane were awarded a contract. That compares with just one in 100 for the ordinary lane. The Cabinet Office and the Department of Health and Social Care also accepted that leads that went through the high-priority lane were handled better. Who was in that lane?

In the Public Account Committee's report on PPE procurement, it stated

"The British Medical Association and the Royal College of Nursing told us that their organisations did not have access to the high-priority lane, even though they were being contacted by, and therefore would have been able to put forward, credible leads based on the knowledge of their members. The British Medical Association also noted that suppliers which had contacted them, including suppliers trusted by doctors, tried the normal channels of reaching out to the Government but had 'hit a brick wall'. Care England told us that it had similarly shared the details of potential suppliers but there had been no follow-through."

Instead, those with contacts with Government Ministers and officials, MPs and Members of the House of Lords were given access to this VIP lane. That included PPE Medpro, a company set up only a few days before but—surprise, surprise—with links to a Tory politician, which was awarded more than £200 million of public money. In total, £3.4 billion of taxpayers' money in the form of contracts went to Conservative donors and friends. At a time when we were asking people up and down the country to come outside and clap, the Tory Government were giving cash to their donors. The Bill must be used to ensure that that never happens again.

2 pm

Use of the VIP lane was unlawful, as a High Court judge ruled last January. Although the increased transparency in clauses 44 and 81 to 83 is welcome, it is not enough to shine a proper light on the practices that occurred. Under our amendment 2, which is based on a proposal by the independent National Audit Office, any Minister, peer or senior civil servant involved in recommending a supplier for a public contract, under clauses 41 or 43, would be mandated to make a public declaration to the Cabinet Office of any private interest. That would go further than the provisions in the Bill by opening to public scrutiny information that relates to a supplier who is recommended for a direct contract. I pay tribute to the hon. Member for Richmond Park (Sarah Olney) for her amendment 1, which clarifies the point of law.

Without proper transparency, breaches of procurement practices can take years to come to light. Meanwhile, huge amounts of public money can be wasted, and companies that lack such connections, including small and medium-sized enterprises, which already face a struggle to get contracts under the current system, can

be sidelined. SMEs are often close to the heart of the communities they offer services to, and proactive procurement policy can help them grow. These contracts can boost the social impact of how we spend public money across the board. The Opposition welcome the amendments made to the Bill so far to improve the situation for SMEs, but we worry that the Government are not matching them with action.

According to research from the British Chambers of Commerce—the Minister knows that I have cited these figures before—in 2016, 25% of public sector procurement spending was awarded directly to SMEs. By 2021, that had dropped to 21%. Neither of those figures suggests a healthy procurement environment for SMEs, but it is shocking that SMEs have faced more difficulty in getting a fair share of public contracts in the past five years, despite the strong rhetoric from the Government. One important barrier for SMEs is the constant delay they face in getting access to the money they are owed within an appropriate timeframe. For SMEs that see a significant amount of money coming in via a single contract or a small pool of contracts, such delays can be devastating to the balance sheet. They can lead to missed payments, job losses and even closures of our valuable SMEs.

Danny Kruger (Devizes) (Con): I applaud what the hon. Member is saying about SMEs. She is absolutely right that it is important that we support the small business sector. However, she has tabled amendments that would favour the insourcing of public services. She seems to think that we should require the public sector to deliver public contracts, rather than SMEs. Which is it?

Florence Eshalomi: The hon. Member is absolutely right: those SMEs will work with local councils in a local area, and they know the local area. In some cases the contracts that are outsourced are not value for money. This is about ensuring that, in public contracts, public money is spent in the right way. If we are to lower the risks faced by SMEs seeking to enter the supply chain, it is vital that the measures in the Bill have an impact.

Sir Iain Duncan Smith: One of the biggest problems during the pandemic, which came out of China and became a global pandemic, was the question of everybody scraping around trying to find PPE, most of which was manufactured in China. Is it therefore part of the hon. Lady's argument that we should have strategic manufacturing of PPE—either here or certainly in democracies that we can trust—to which we get earlier access, or will we just leave it to be produced somewhere else?

Florence Eshalomi: I agree with some of the amendments the right hon. Member has tabled on the issue of China and national security. Throughout the Committee stage, we argued consistently for removing risks from countries with a high national security risk, but we have concerns about the approach of naming specific countries in the Bill. It is important that we work with the whole House to get the right framework. I urge the Minister to consider our amendment 17, which is a careful mechanism for assessing the impact of the new rules that he is championing.

Throughout the passage of the Bill, national security has been an issue of extreme interest to the House. On Second Reading, we heard a tour de force from the Chair of the Foreign Affairs Committee, the hon. Member for Rutland and Melton (Alicia Kearns), on national security. In Committee, I raised multiple concerns with the Minister about the place of national security as a discretionary exclusion ground and its role in the debarment system. I am pleased that the Minister was listening to all those points, and we welcome amendment 57 and similar Government amendments, which we believe will address many of the concerns raised in Committee. I welcome the amendments originally tabled by the hon. Member for Rutland and Melton, which will establish a list of high-risk suppliers as part of the Bill. Our amendment 15 would exclude suppliers identified as a security threat from public contracts. Although that offers some benefits over alternative proposals, there is a balance, so we are not minded to press amendment 15 to a Division.

Procurement practices affect not only our services, but the many workers who rely on procurement-related roles for their jobs and livelihoods. Public money, and the jobs that will create, should not be given to those who treat their workers unfairly. Our amendment 18 would give contracting authorities the power to exclude suppliers that have significantly and repeatedly breached the rights of their staff. It would affect only those who have not taken self-cleansing measures to correct their conduct and the causes of breaches. The amendment would ensure that authorities have the right to turn away the worst offenders on workers' rights, and would ensure that publicly funded jobs are protected jobs.

It can only be right that those seeking public contracts in the UK are transparent about where they pay their tax. The public would not expect their hard-earned money to go to those seeking not to pay into the system themselves, but a study from the Fair Tax Foundation found that, between 2014 and 2019, one in six public contracts were won by companies with links to tax havens. Our new clause 10 would mean that multinational companies bidding for large public contracts need to provide information about their tax arrangements in the UK. That would be open to the public and create greater transparency on how public money is spent. Amendment 16 would create a discretionary exclusion ground for suppliers that have violated UK sanctions or export controls, ensuring that authorities have the power to exclude from the procurement system those who continue to profit off businesses in places such as Russia. New clause 11 would require authorities to undertake a public interest test whenever deciding to outsource public services, to ensure that it truly offers value for money. Finally, new clause 14 would allow public authorities to choose not to buy goods or services from countries on the basis of their human rights records. That would give authorities the power to set clear policies, not to hand public funds to those committing atrocities around the world.

I pay tribute to members of the Committee for their engagement on this very long Bill. We have definitely shone a light on it, and had many discussions about paperclips. In particular, I thank my hon. Friends the Members for Birkenhead (Mick Whitley) and for Brighton, Kemptown (Lloyd Russell-Moyle), who embellished the Committee with a wealth of examples of procurement

practices from their constituencies. I hope the Minister will listen to us on why additional amendments are important to strengthen the Procurement Bill in the interests of all taxpayers across the country, and I look forward to hearing from other Members.

Sir Iain Duncan Smith: I rise to speak to the amendment in my name and those of 26 others in the House of all parties.

The real issue here is the existence of a specific law in China that makes pretty much all companies in China, but particularly those involved in technology, a public risk in procurement to the United Kingdom. Article 7 of the People's Republic of China national intelligence law 2017 states:

"Any organisation and citizen shall, in accordance with the law, support, provide assistance, and cooperate in national intelligence work, and guard the secrecy of any national intelligence work that they are aware of."

In other words, under the Chinese national intelligence law, they must completely comply with all demands and requests for information in the business they are in, and deny they have done that to any other country or authority that asks. We have had Chinese companies coming to the House and lying to Select Committees about what they are doing, all saying that they have no obligations under the national intelligence law. They do have obligations under that law and they will lie for their country as a result.

We need to start by understanding the problems, and I thank my hon. and right hon. Friends on the Front Bench for having listened to the arguments and changed the terms, first by referencing the national intelligence law, which is very important, because many Departments will play fast and loose unless what they must do is made very clear. We have been encouraging the Government, who came out with views on Hikvision, Dahua and other companies supplying surveillance equipment to the UK, knowing that they are a surveillance risk not because they are cameras in a particular fashion but because what they glean is available completely to the Chinese authorities under the national security laws.

We have heard from my hon. Friend the Member for Isle of Wight (Bob Seely) about the small devices—a growing threat that I have not referenced but which also gets caught by the national intelligence law. China is leading in this technology, which is one way in which it can keep track of its own people, but they are now using it more broadly. I had a suspicion and heard that the cars that my hon. Friend was referencing were Downing Street cars. There is a very good chance that the Prime Minister and others may have been tracked by the Chinese Government without our knowledge.

We must therefore remember that first and foremost China poses a significant threat to us, our interests and the way we live our lives. Until we all agree and come to those terms, we simply cannot move on; that is the key. Government Departments and the Government have dragged their feet over this because we do not want to upset the Chinese—but it takes a lot to upset the Chinese because they carry on as before. The amendment is intended to get the Government to accept that we should reference the national intelligence law because that defines all Chinese business and companies and therefore they are a threat.

[Sir Iain Duncan Smith]

There are other Chinese companies that are a problem that will not be named, and surveillance cameras are part of this. I must confess that when my brother-in-law went around an area of a farm looking at the surveillance cameras, he spotted that they were Hikvision cameras—they are not listed in the contract because the contract provider is a UK organisation, but we discovered that they are everywhere.

Once I heard the news that the Government clearly wanted Departments to get rid of those cameras, I made a set of freedom of information requests to all Departments about whether they had cameras, where they were, whether they were on their buildings, and what plans they had to get rid of them, having spotted that a lot of Departments still had them, including the Ministry of Defence. All Departments—bar I think the Wales Office, which came clean and said it did not have any or was getting rid of them—claimed that, under section 24 of the Freedom of Information Act 2000, they did not have to answer because it was a security risk. The security risk is having the cameras, not answering the damned question! Excuse my language, Mr Deputy Speaker. It is all about where the cameras are and what they are doing, and that is the point of the amendment.

I hope that Ministers will take this matter forward and tell Departments to stop obfuscating. If they are asked a direct question they should tell the honest truth and explain that under the new rules under the Bill they will be getting rid of those cameras, which is absolutely critical.

Kirsty Blackman (Aberdeen North) (SNP): The right hon. Gentleman makes an excellent point on national security, particularly the risk posed by this equipment. I credit him and others across the House who have worked to encourage the Government to move on this matter. As well as the national security issue, does he share my concern that companies such as Hikvision are involved in human rights abuses in China, for example with the Uyghur Muslims?

2.15 pm

Sir Iain Duncan Smith: I did not send the hon. Lady a copy of my speech but I am glad she has jumped into this because I want to move on to that point now.

Finishing on the point I have been making, however, it is good that the Government are moving on this, but I do not think they have moved enough because I am very worried about the word “sensitive”, which the Minister is talking about. I will come back to that, but this move will begin to bring us into line with the United States, who moved on this under their Hikvision Act, which banned it back in 2019. It is worth reminding colleagues, too, that the European Union is also ahead of us on this now, because the President has said that they must do some “de-risking” on the issue of threats from China. So we are coming back into line on doing that and the west is waking up to this threat.

It is not just about all the threats that are clear under the obligations and the data China collects—it data-harvests, by the way. When the Government said that they were banning TikTok from Government telephones, I made the observation that that is not enough because people

might still have TikTok on their own phones. Having run a Department for six years, I know that Ministers’ telephones sit on their desks next to their Government telephones, and therefore the Chinese will be data-harvesting on the back of that. One of my Government colleagues said that he wants to get in touch with the younger people; fat chance they are going to listen to a word they are saying. The truth is he should get rid of TikTok like the rest and be real about it. We must now make it clear that Government telephones and the telephones of Ministers should no longer have TikTok.

Damian Green: I am glad that my right hon. Friend has moved this amendment, which as he knows I strongly support. To return to my point about timescale, security cameras are normally replaced every five to seven years. Does he think we have five to seven years in which we can leave these cameras in place in public sector buildings, or would he like their removal to be accelerated?

Sir Iain Duncan Smith: The Cabinet Office must now decide the pace of this change. I hear that it is talking about six months and will come forward with a clear and explicit decision. In line with what my right hon. Friend has just said, it ought to explain the timescales for how Departments are going to take them away and how quickly, and an endpoint. That is critical, because otherwise, as I saw with the FOIs, Government Departments will do whatever they can not to do this because they are frightened and they say it will cost them extra. What really costs us is if they fail to do it.

John McDonnell (Hayes and Harlington) (Lab): On telecoms, not TikTok in this instance. According to reports last week, the UK telecoms arm of CK Hutchison, 3 mobile, is merging with Vodafone. Vodafone is extensively involved in Government contracts and evidence by Unite the union published this week is basically saying that CK directors supported the suppression of democracy in Hong Kong. In fact, the chair of the company, Victor Li Tzar-kuoi, is adviser to the Hong Kong Chief Executive. The right hon. Gentleman knows that John Lee, the Chief Executive, has been involved in the suppression of protests and in the arrest of trade union colleagues of mine, members of Unite. Does he share my concern that people linked to this company now are going to have access to Government contracts in the UK?

Sir Iain Duncan Smith: That is not the subject of the amendment but I will touch on it briefly. I have already spoken to the unions on this and I am very much in line with their position. The Government need to look very carefully at what has taken place, particularly because it reduces competition in the market. The links to the authoritarianism of the Chinese is one of the big worries, so I suggest that the Government have a serious look at that.

Returning to the point made by the hon. Member for Aberdeen North (Kirsty Blackman), these cameras are also being used in internal suppression in China. We know about the suppression of the Uyghurs; that is a genocide that is taking place. Even though the Government will not say it is genocide, everybody else believes it is: Parliament here has said it; the Americans have now said it; and so, too, have many other countries. I do not know why we cannot say this is genocide, but that is a question for another debate. The fact is that many of

these instruments are being used as part of that suppression in the camps as well as to watch carefully so that suppression can take place. Right now, forced labour, forced sterilisation and re-education in camps are all taking place in China.

The hon. Member for Vauxhall (Florence Eshalomi) referred from the Dispatch Box to the Opposition's amendments. It is worth reminding her that China poses a risk in just about every single area with its human rights abuses and abuses of workers' rights, yet so many of our companies want to ignore that.

While I welcome much of what the Government have done, I do not plan to move new clause 1 today, but only because I want more from the Government. I think they understand that.

I come back to the "sensitive" point. The truth is that, by definition, all Government Departments must be sensitive. As I said, I spent six years in charge of the DWP, and what I know is that there is arguably no more sensitive Department, because stopping payments for one or two days from the DWP would wreak havoc across the United Kingdom. People would not be able to get money to pay their rent, to buy their food or to live—all those things of vital importance. So a foreign power might be able to use information to target a Department such as the DWP that is not on the list because it may not appear as sensitive as the Ministry of Defence, GCHQ or—God bless us—the Foreign Office, when in reality, it is much more sensitive.

When we try to use a word like "sensitive" to give ourselves a little bit of a break, the problem becomes: who defines sensitive, and how often we will redefine it? I recommend that the Government describe all Departments as sensitive or else get rid of the word. That would put the onus on the Departments to come to the Cabinet Office to say, "We need an exemption for a period" or, "We can't do this as fast." The current wording means that they will not have to do that if they are outwith the term "sensitive."

The reality is that we have had a number of Dispatch Box commitments from a load of Government Ministers about interpreting these things, but they never come to fruition. We were promised guidance in the other place on slavery during the passage of the Nationality and Borders Bill, but that was never put in. We really want the Government to commit at the Dispatch Box to changing what they are doing with "sensitive" when the Bill goes to the other place. "Sensitive" is too weak a position. It lets Departments off the hook and will put all the onus on the Cabinet Office. That must be reversed to ensure that this removal gets done.

Kirsty Blackman: I really appreciate the right hon. Member giving way again. Would he consider asking the Government for removal from all sites and, when they produce their timeline, to have them say, "These are our priority sites, which will be done first, but there will be removal from all sites off the back of that"? That would cover removal from all sites but allow the Government to prioritise if they cannot do things overnight.

Sir Iain Duncan Smith: I agree that that would be the common-sense way of doing it; I think we are all on the same page on this one.

The thing about our new clause is that, without the word "sensitive", the position is simple. The new clause uses the same language as the Cabinet Office's announcement in November, which recommended the removal of Chinese CCTV from sensitive sites. Now, that was the wording. Okay. But when we ask, "What has happened? How many Departments have felt under pressure to do that?", we start to discover that they are not doing it because it is too difficult, and they want the requirement to go away. My answer is: do not use the word "sensitive" in that respect. It is about national security law, and Government Departments must either be completely defined as "sensitive"—if we want to use that word—or be bound to rid themselves of all companies obligated under the national security law. If they are unable to do that, they must make their case so that we can question that publicly and comment about what is going on.

I conclude on this simple point. The new clause is there to try to make it clear that we face a most significant and dangerous threat from the Chinese Communist party in control of China today. It is everywhere. It is using slave labour to produce polysilicon to collect solar rays. We all beat our chests proudly and proclaim that we are heading towards net zero, but on whose backs is that? It is people working in slave labour conditions to produce these things, people under surveillance, and people taken away on genocides. A Government already doing this internally are now referring it out to us. We must make it clear beyond peradventure that Government Departments must now rid themselves of equipment and never place contracts with other companies on equipment that comes under the rule of the national security law. I am looking for commitments from the Government today that, by the time the Bill gets to the other place, that will finally be resolved. If so, they will have my approval and that of many others in the Chamber.

Apsana Begum (Poplar and Limehouse) (Lab): I rise to speak in favour of a number of new clauses and amendments to improve transparency and accountability regarding public procurement and providing value for money for the taxpayer, including those tabled by Labour Front-Bench Members. The House will be aware that trade unions and others have long raised concerns that existing procurement policy pushes public authorities to privatise and marketise public services, including through private finance initiative contracts, which allow private consortiums to make high profits out of public assets—often far above the true value of the asset.

A particularly controversial element of procurement policy has been the use of private finance initiative regimes in NHS contracts. The evidence is clear that many of them have left NHS trusts heavily in debt owing to the need to repay private companies for capital assets, with high repayments meaning that some NHS trusts pay 12 times the initial sum borrowed, giving some investors profits of 40% to 70% in annual returns. Indeed, the poor performance of many of the private outsourcing and consulting companies brought in at significant cost to the taxpayer to provide parts of the covid-19 response stood in stark contrast to the consistently proven effectiveness of our publicly run NHS, for example, but that did not stop more and more contracts being awarded to those seeking to make money off the back of our country's worst health crisis. Amendment 2,

[Apsana Begum]

which would prevent VIP lanes by ensuring that any contract awarded under emergency provisions or direct awards should include transparency declarations, is therefore critical.

Tim Loughton (East Worthing and Shoreham) (Con): The hon. Lady has just described PFI contracts in harsh terms, and she is now going on to procurement. Will she explain why the vast majority of those PFI contracts for hospitals, medical facilities and schools were awarded under the last Labour Government?

Apsana Begum: The problem has existed through successive Governments. However, I recognise it through my NHS trust, which is still paying sums that are much higher than the true value of the assets. It has been a problem under successive Governments, and the Tory Government have had years to sort it out if they had wanted to do so.

The Bill does not exclude private companies from getting contracts even where they are failing to abide by international labour law and other environmental standards. I therefore support amendment 4, which would ensure that no public contract would be let unless the supplier guaranteed payment of the real living wage, as calculated and overseen by the Living Wage Commission, to all employees, contracted staff and subcontractors. That is critical because about 4.8 million workers across the country are paid less than the real living wage.

There are a number of amendments and new clauses relating to national security. Indeed, we have heard a lot about national security in the debate. I want to mention briefly the victims of the brutal repression in Hong Kong, some of whose architects may shortly become suppliers to the Government, as mentioned by my right hon. Friend the Member for Hayes and Harlington (John McDonnell). Recent years have seen curbs on the work of trade unions, the jailing of protestors and arrests of independent media outlets. The Hong Kong Confederation of Trade Unions was persecuted until it was dissolved. Many of its affiliates had been involved in industrial action, including a successful 2013 dock strike for pay and conditions at Hongkong International Terminals, owned by the Hong Kong-based CK Group.

Hon. Members may wonder what relevance this has to a debate about Government procurement in this country. The Minister will no doubt be aware that Vodafone is a so-called strategic supplier to the Government and an approved supplier on two framework agreements, providing a range of telecoms services, including mobile voice and data services. As such, Vodafone has an official Crown representative, appointed by the Cabinet Office, who liaises with it on behalf of the Government.

2.30 pm

Members will have heard about the forthcoming merger between Vodafone, which is a Government supplier, and Three, which is not—or at least, not yet. When the two companies merge, as they announced they plan to do, the owners of Three, the Hong Kong-based CK Hutchison Holdings, will automatically become suppliers of communication services to this country's Government.

Myriad evidence uncovered by Unite the union shows that that firm's directors supported the repression of democracy in Hong Kong. The chair of CK Hutchison

Holdings, Victor Li, is an advisor to Hong Kong's Chief Executive, John Lee, who brutally stamped down on pro-democracy protests and implemented the city's oppressive national security law. Victor Li supported John Lee's appointment as a suitable choice, saying

"a city can only prosper when it is stable",

and Victor is reportedly one of 34 members of the Chief Executive's Council of Advisers. He supported Hong Kong's new security law, saying it would

"stabilize Hong Kong and help its society and economy return to normal".

His father is Li Ka-shing, the founder and largest shareholder of the multinational firm, which owns businesses across the world, including Three and Hongkong International Terminals.

Unless the Government act, supporters and promoters of brutal repression in Hong Kong will shortly become suppliers to our Government. There is no excuse for the Government not to be aware of these connections. The question, really, is whether they care.

I conclude with a final question to the Minister: can he assure the House that companies owned by individuals linked to repression, detention and extreme human rights abuses will not be given access to Government contracts?

Bob Seely: It is a pleasure to follow the hon. Member for Poplar and Limehouse (Apsana Begum), and I think that some of the things she said will be echoed on the Government Benches.

I want to speak, in the time I have, to new clauses 1, 13 and 16, and I will try to theme them. Before I do so, I want to thank the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Brentwood and Ongar (Alex Burghart), for his excellent work on the Bill. People moan about Parliament, but we have a Government bringing forward this legislation and Back-Bench MPs from across the House trying to shape it for the betterment of the nation. There is a lot of good in the Bill and I thank the Minister for listening, as he has clearly and obviously done.

I want to talk about the strategic, political and human rights ramifications of supply chain dependency. I thank the Government for their excellent work and the fact that they are moving on this. We will have a national procurement centre, which will look at high-risk firms not only from China but potentially elsewhere. I congratulate my right hon. Friend the Member for Chingford and Woodford Green (Sir Iain Duncan Smith) and my hon. Friend the Member for Rutland and Melton (Alicia Kearns) on their really good work on this.

However, my criticism is that while the Bill is a start, the new clauses that I am speaking to would allow us to go further, and I want to explain why that is. We urgently need to understand the UK's economic dependence on systemic threats or competitors—namely China, but not only China—and the political, economic and ethical ramifications and risks of that dependency. Not to do so is to betray our national interests. I am concerned at the lack of urgency on this issue, which has become significantly more pressing in the last five years. I thank the Government for focusing more on it, but more needs to be done. I think we are at the starting gate. The reality is that we have high levels of dependency and they are increasing, not decreasing.

Here are some facts. First, as an act of state policy, China is aiming to become less dependent on others, while encouraging others to be more dependent on it. It is decoupling from us, but making sure that we are coupled to it. The Made in China 2025 plan had the goal of raising the domestic content of China's core components and materials to 70% by 2025. In 2020, it set a goal to become largely self-sufficient in technology by 2035. At the same time, the belt and road initiative means that China is now the largest lender to developing countries and is effectively encouraging debt dependency, which we have talked about in the past. President Xi, at the seventh session of the Chinese Communist party's finance and economy committee, said that China must develop "killer technologies" to strengthen the "global supply chain's dependence on China".

So this is not a case of, "Gosh, is this happening?" It is stated policy. We do not need to debate whether it is happening; we are being told by the leader of the Chinese state and the Chinese Communist party that it is.

China is already the largest importer to the UK and many other countries. We import more than 50% of our supplies from China in 229 categories of goods. Some 57 of those categories are in sectors critical to the UK's national security. I therefore agree entirely with what my right hon. Friend the Member for Chingford and Woodford Green was saying only a few minutes ago. It is difficult to say what is strategic and what is not. In the US, it might be agricultural production. Here it might be the details of 20 million people on the DWP's databanks. The 57 categories of goods cover communications, energy, healthcare, transport, critical manufacturing, emergency services, agriculture, Government facilities and information technology.

I do not care that we are 85% dependent on China for plastic Christmas trees—although, I do worry about the environmental impact—but I do care that we are 96% dependent on China for phenylacetic acid, which is a basic building block for many drugs; 83% dependent for TV receivers and decoders; and 68% dependent for laptops. China controls near 90% of rare earth processing, which we are now beginning to worry about. And the point about solar panels was well made.

I asked the Foreign Secretary yesterday about having an annual statement on dependency, not just on China but on states in general. He said that one was not needed. With great respect to the Foreign Secretary, I profoundly disagree. We argued during the passage of the National Security and Investment Act 2021 that we need an annual statement of dependency. New clause 13 is about establishing an understanding of the nature of our extreme dependency. I did a report with the Henry Jackson Society a couple of years ago. We found that although we are the least dependent of all the Five Eyes nations, we still have a critical dependency on China in 230 areas of our industry, manufacturing, information technology and so on.

Sir Iain Duncan Smith: Just to add to my hon. Friend's list, as we move to electric vehicles we are about to make ourselves even more dependent. Even battery factories in China are turning themselves into car factories selling to the UK.

Bob Seely: I agree completely and I thank my right hon. Friend for that point. I would not even like that dependency on our allies. Would I like that level of

dependency on the United States? No. On Australia? No. But to have that level of dependency on a Communist dictatorship that is investing massively in AI and big data to spy on their own people and increasingly on us as never before, to threaten peace in the Pacific, and to have a stated aim of dominating while freeing itself from dependency on the west, is really an extraordinarily dangerous position for us to find ourselves in.

We know that Chinese Communist party companies such as Huawei actively seek to gain a monopoly position by systematically destroying economic rivals. That is not fair trade; it is trade as a weapon for a Communist party dictatorship. It did it with Huawei, undercutting and deliberately destroying rivals on price through cheap subsidies. It is now doing the same with cellular modules, seeking to dominate and take control of the market. It does that through IP theft, economic espionage, subsidy, access to super-cheap finance, shared technology and other forms of state support.

Companies such as Quectel and Fibocom—the manufacturers of cellular modules—will, like Huawei, claim to be private. They are not. Nothing is private, as my right hon. Friend the Member for Chingford and Woodford Green said, in a Communist state. It was profoundly depressing for me, a couple of years ago, to hear two former senior Conservative Ministers, who should know better, say that Huawei was a private company. That is a rather more serious way of accidentally misleading the House than whether somebody ate cake or not, but that is another matter.

What are the dangers? We know that the Chinese leadership see themselves as being in competition with the west. Why? Because they tell us. A 2013 "Document No. 9" concludes that western constitutional democracy and universal values were a fundamental threat to the PRC. Of course our values are a threat to dictatorships. Our values are always a threat to communists. Earlier this year, a work report delivered to the National People's Congress set out the belief that

"external attempts to suppress and contain China are escalating", and the term "self-reliance" appeared multiple times. Again, the idea is to create dependency on China for us, while at the same time freeing China from dependency.

What is the worst-case scenario? Frankly, it has happened in Russia, so we should at least be alive to the idea that the worst-case scenario may be happening in the Pacific. President Xi has told his army to be ready to re-take Taiwan by 2027. As I said, let us please stop pretending that dictators do not mean what they say, because they have a depressing habit of meaning what they say. I wish they did not; I wish they would overpromise and underdeliver, but they tend to do what they promise.

Either the UK is militarily involved or it is not. Either way, an assault on Taiwan, either by slow strangulation—a sort of Berlin scenario—or direct invasion, would profoundly alter the state of the world. We would have to put on the mother of all sanctions. The minute we do that, we will risk not only a global economic meltdown, but an economic meltdown probably worse than covid. It will strain to breaking point our relationship with the United States, the European Union and Australia—and not just our relationship but the interdependent relationships.

I am not saying that will happen—although, I think we are heading in that direction—or that we should stop trading with China; I am saying that it makes a

[Bob Seely]

great deal of common sense, frankly, to know what our levels of dependency are. That is why I would love the Minister to commit to at least developing an understanding of what our trade dependency is.

There is another reason to be concerned about supply chains: what is happening in the Xinjiang Uyghur autonomous region, which other Members have rightly mentioned. A 2022 UN report found serious human rights violations in the region. They seem to be about the most significant human rights abuses currently happening in the world, whether we use the “G” word or not—genocide. The Xinjiang Production and Construction Corps alone produces 8% of the world’s cotton. China overall produces 20% of the world’s supply of cotton. Effectively, this is a new slave trade in cotton, as shocking as that sounds. It is not happening 200 hundred years, in the 19th century, in the southern United States; it is happening now, in the early 21st century, in Chinese-controlled central Asia.

There are many other things coming out of the Xinjiang province that tell the story of using forced labour, as both Opposition and Government Members have eloquently spoken about. There is forensic technology available, which we could be using in this country, that can pinpoint the region of origin for items tainted by modern slavery, such as cotton. When it comes to new clause 60, on eradicating slavery and human trafficking in supply chains, I ask the Government to set an example by saying that we will, at the very least, commit—a good Government word—to bringing in that forensic technology within a period of time. That would enable us to understand whether western companies are using slave cotton—an incredibly horrible phrase to use in this age—in their manufactured goods.

Finally, we have spoken about Chinese surveillance technology, and I speak again in support of new clause 1. We have got to get this stuff out of the country for a start. As my right hon. Friend the Member for Chingford and Woodford Green says, with all the dual-use capabilities and new styles of conflict, not just in conventional military but in data domination, it is really difficult nowadays to say where security starts and finishes.

In summation, we need to understand, as a critical matter of national importance, our supply chain dependency on any country, but specifically China. I implore the Government to use the Bill, even at this late stage, to bring in a statement of dependency so that we can begin to understand and to take measures to work out not how to stop trading with China, but how to trade more safely. That way, if we need to take sanctions in future, and for the health of our relationship with that superpower, we can begin to work out how to diversify our supply chains in future and, at the same time, do something about the horrors happening in Xinjiang.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): I rise to speak to my new clause 12 on the protection of subcontractors’ payments under construction contracts. As the explanatory statement describes, the new clause

“ring-fences moneys due to subcontractors in construction supply chains through mandating the use of project bank accounts and ensuring that retention moneys are safeguarded in a separate and independent account.”

2.45 pm

Some Members will recall the collapse of the construction firm Carillion back in 2018. A local joinery business in my constituency lost £176,000 in the process. That is a lot of money for a small business. The owner Neil Skinner had been owed money by Carillion, but he said at the time that Carillion often “went over sixty days” before paying him, and that

“after a lot of chasing, and once the job for a particular customer was finished our sanction, to stop working, was gone and their payments just stopped... They resorted to using all the familiar late payment tactics from finding fault with an invoice, referring us to their...accounts office, statement queries, disputed invoices paid, and so on. Then, lastly, they imposed a 15% non-negotiable discount on our work or they would send all unpaid invoices back to their quantity surveyor’s...department. We reluctantly signed this contract and then they went ‘bump’ the Monday after signing and 10 days before the first...payment was due.

As a result of Carillion’s late payment tactics small enterprises like mine have been suffering greatly, if not terminally.”

Some 30,000 small business contractors working in Carillion’s supply chains were affected, losing an average of £141,000. A total of £2 billion was owed by Carillion to its suppliers. The vast majority of the suppliers never received any recompense whatsoever. It has been estimated that 780 small building firms went into insolvency in the first quarter of 2018 as a direct result of Carillion’s collapse. There was a 20% increase in insolvencies on the previous year.

According to accountancy firm Mazars, 4,135 construction businesses—mainly small firms—went into insolvency over the 12 months to the end of January 2023. That is a rise of 49% on the previous year. This year, it is estimated that 6,000 small construction firms are at risk of insolvency. The number of insolvencies in the sector continues to be greater than in other sectors, although retail is very close behind, and is at the highest level for 13 years. How will we build our homes, hospitals and schools of the future without the construction firms to do that?

The majority of the insolvencies are the result of unprecedented cost pressures on small businesses: hikes in the cost of energy, materials inflation and increased labour costs. But fundamentally, the ability of firms to cope with those costs continues to be severely hampered by poor cash flow, which is often the result of poor payment practices, lengthy payment terms, myriad excuses for paying less than the amount invoiced or applied for, and a non-release or late release of retentions money.

Small businesses often purchase materials well ahead of the commencement of work, but wait weeks to be paid. In the steel sector, for example, 90% of the contract value is expended before firms arrive on site, and they wait weeks to be paid. That then increases the risk that they will never get paid because their tier 1 contractor has gone bust in the meantime. Advance payments or deposits for early work are rarely available. The majority of payments, especially the release of retentions moneys, are always late. On top of that, there is a new issue. It is becoming a common practice for the large tier 1 contractors to refuse to compensate tier 2 subcontractors for rising material prices, even if they have a price adjustment fluctuation clause in their contract. They are absolute cowboys. Those large companies, of which Carillion was a classic example, are noted for manipulating their supply chain’s cash. The Department for Business and Trade has regularly described the business model as unsustainable, yet it allows it to persist.

The solutions are there for the Government: project bank accounts and the ringfencing of retention moneys. That was what I proposed in my 2019 Public Sector Supply Chains (Project Bank Accounts) Bill. Unfortunately, the Government did not pick it up, so the new clause is an attempt to have that provision resurrected. I hope the Minister is listening and will respond, because, as I said to him on Second Reading, the current measures will not work. Project bank accounts are offered by major banks, such as Lloyds, Santander and Royal Bank of Scotland, so this should not be a party political point and the Government should take on board my new clause. If they do not, I would appreciate an explanation as to why not.

Payment abuse has consequences far beyond the firms directly affected, as Dame Judith Hackitt, who chaired the independent review of building regulations and fire safety, concluded. In her report on Grenfell, she noted that poor payment practices compromise construction quality and safety.

At the beginning of last year, the Department for Levelling Up, Housing and Communities published guidance on collaborative procurement to support building safety. That guidance was drafted as support for the Building Safety Regulator in the implementation of the Building Safety Act 2022. The guidance recommended, first, the use of PBAs across the industry and, secondly, cash retention. My new clause 12 is directed at providing greater payment security for small and medium-sized enterprises in construction supply chains.

It should be noted that on public sector work those firms have no protection—none whatsoever—in the event of tier 1 contractors becoming insolvent, but tier 1 companies do have such protection, because contracting authorities do not generally go into insolvency. It has been estimated that £800 million of subcontractor retentions were lost in the Carillion collapse. Protecting retention moneys in the way I suggest would also protect public funds from tier 1 contractor or further supply chain insolvency, as retention moneys are held in ringfenced bank accounts instead of the back pockets of contractors until project completion. The National Audit Office estimated that the taxpayer lost £148 million when Carillion collapsed.

My new clause 12 would require that contracting authorities use PBAs on their projects where the net value of the main contract is over £2 million. To date, PBAs have proved to be the most effective mechanism for reducing payment abuse, because all firms in the supply chain receive their moneys directly from the contracting authority via the PBA, rather than moneys having to pass through the hands of the main contractor.

My new clause 12 is required because the Cabinet Office has failed to enforce the implementation of its own policy that PBAs must be used unless there are compelling reasons. That contrasts with the recent action of the Queensland Government in Australia, who have legislated to mandate the use of PBAs for all public and private sector construction projects over £650,000. They are also mandated for use in public sector projects by contracting authorities in Scotland and Wales; I am merely asking for the requirement to be enforced in England as well. This is about fairness between large and small companies—a real abuse of power happens with the large companies—and about fairness and levelling up across the country.

PBAs shorten payment periods to 12 to 15 days and moneys in the account are protected from tier 1 contractor insolvency. By using PBAs, National Highways has ensured that all supply chain firms are paid within 18 days. My new clause 12 would require contracting authorities to deposit progress payments in a PBA for onward transmission to the beneficiaries—the main contractor and suppliers. Any disputed amounts must remain in the PBA until the dispute is resolved, and any retention moneys must be safeguarded in the PBA until they are due for release.

My proposed subsections (7) to (10) are designed to address the failure of the Department for Business and Trade to respond to the outcome of its consultation on reforming the practice of retentions, which closed in January 2018. The overwhelming majority of respondents supported a proposal to ringfence retention moneys, but the Department and its offshoot, the Construction Leadership Council, have refused to act on this.

In over five years, approximately £1.5 million of retention moneys were lost by small businesses because of upstream insolvency. Retention moneys legally belong to the firm from which they are withheld. They are usually withheld only to boost the cash flow of the withholding party. In the 2017-18 Session of the House, the hon. Member for Waveney (Peter Aldous) introduced a private Member's Bill to ringfence retentions in a secure account. Almost 300 Members of the House indicated their support for that Bill.

If passed, my new clause will transform public sector construction procurement and provide added payment safety. It will inject greater trust into delivery teams and enable greater investment in skills and digital technologies. As I said before, none of the measures the Government have announced, since I raised the issue on Second Reading, will achieve what the new clause would achieve. They will not protect the supply chains, so will the Minister say in his response what he is going to do to protect small businesses?

My 2019 Bill would have prevented both the losses experienced by Neil's business and other small businesses, and the collapse of the 780 building firms. In addition, it would have prevented the late payment abuse that construction firms and others have experienced day to day since then. My new clause 12 would also protect those small businesses in their contracts with large companies, so I hope the Minister will consider it.

Tim Loughton (East Worthing and Shoreham) (Con): I will speak primarily to new clause 1, in the name of my right hon. Friend the Member for Chingford and Woodford Green (Sir Iain Duncan Smith), my name and those of other right hon. and hon. Members.

I have a deal of sympathy with some of the points raised by other Members, not least those eloquently put by my hon. Friend the Member for Isle of Wight (Bob Seely) about trafficking and supply chain risks, as well as those to do with organ harvesting, which all feed back to the subject of China. I appreciate the good work of the Minister, who has listened to some of the representations made, particularly by those of us who have continued grave concerns about the influence of China and its insidious involvement in so many aspects of our society.

We appreciate and are grateful for what has happened so far, but it does not go far enough. That is why I want to speak to some of the themes raised by my right hon.

[Tim Loughton]

Friend the Member for Chingford and Woodford Green and reinforce how this can only be a staging point and not the end result of what we need to achieve. We very much hope that these provisions will be greatly strengthened in another place.

The new clause that we propose is not extreme or prescriptive. It asks for a serious and realistic timeline, not a completely open-ended one. It passed with a comfortable majority in the House of Lords. It would require the Government to publish a timetable within six months of the Bill receiving Royal Assent for the removal from the UK procurement supply chain of Chinese technology camera companies that are subject to the national intelligence law of People's Republic of China. It would catch Hikvision and Dahua Technology cameras that are currently in use across the UK public procurement supply, including in NHS trusts, schools, police forces, jobcentres, prisons, military bases and many local council buildings.

Human Rights Watch has found that Hikvision is one of the principle Chinese companies involved in the construction of the Chinese surveillance state and the camps that house over a million Uyghurs in Xinjiang, as we have heard. A recent report by Big Brother Watch found that about 2,000 public bodies in the UK—some 61%—currently use Hikvision and Dahua surveillance cameras. Other public bodies that have confirmed, in response to freedom of information requests, that they use those cameras include more than 73% of local authorities, more than 63% of schools, more than 66% of colleges, 54% of higher education bodies, 35% of UK police forces, and more than 60% of NHS trusts. There have also been subsequent reports that Hikvision cameras are being used on UK military bases.

3 pm

Hikvision and Dahua are prevalent in businesses and popular consumer chains across the UK, ranging from Starbucks to Tesco as well as newsagents. They are literally all around us, yet no official survey identifies the extent of the issue. Hikvision has successfully cornered the UK domestic surveillance market by utilising Chinese state subsidies to undercut its rivals in terms of price. That is why I support new clause 1 and why I am drawing the House's attention to this urgent matter—the disturbing link between Hikvision, in particular, and atrocities against the Uyghur population in Xinjiang.

Underpinning China's system of oppression is a high-tech network of surveillance, through which China has unleashed wholesale monitoring and tracking of Uyghur individuals, including biometric data collection of facial imagery and iris scans and genomics surveillance through mandatory DNA sampling. I do not think we have devoted enough time in the House to debating the whole issue of genomics, along with the worrying trend that is demonstrated by the huge database that the Chinese authorities are assembling globally.

Hikvision and Dahua are the world's largest manufacturers and suppliers of video surveillance equipment. Both companies are owned by the Chinese Government and, since 2017, both have signed contracts worth at least \$1.2 billion for 11 separate large-scale surveillance projects across the Uyghur region. They are contracted to develop, install and operate CCTV

technology across the region's public checkpoints, mosques, factories and concentration camps—as we now know them to be.

We should remember that the House voted unanimously to recognise the Chinese genocide against Uyghurs in Xinjiang. Although it may not have been a binding vote and the Government have yet to come round to the thinking of the vast majority of Members, it was nevertheless a vote in the House, reflecting the clear evidence provided by Sir Geoffrey Nice in the Uyghur trials about 18 months ago. There is compelling, detailed, startling but convincing evidence of what was going on then, and of what is still going on under the noses of the world. Having been trialled in places such as Tibet for decades before, these practices are being increasingly extended towards Hong Kong, where, as we see daily on our television screens, the rule of law is being increasingly snuffed out.

Sir Iain Duncan Smith: My hon. Friend is making an excellent speech. May I return him to the procurement point about what is national security and what is not? He will know, as I do, that if we go to Hong Kong we can see that HSBC, for instance, is already, in a way, in league with the authorities. The changes it is imposing include freezing the pension funds of people who are over here under British National (Overseas) passports and, at times, freezing their bank accounts. It says that it has to obey the Chinese Government. Is that not what we are saying? There is no particular definition. They are all operating, once these companies are in China, under the rule.

Tim Loughton: My right hon. Friend is, of course, right. He and I and others in this place who have been sanctioned in China and beyond have drawn attention to how effectively respectable global British companies are becoming complicit in the suffocation of the democratic principles, freedoms, liberties and rule of law that we all take for granted, and they need to answer for it. Are they on the side of the rule of law, of international freedoms and liberties in all the areas we have described, or have they thrown in their lot for a mess of pottage—or whatever we want to call it—with the Chinese Communist Government, notwithstanding their complete abrogation of any pretence to democratic accountability and freedoms for the individuals who not only happen to live within its borders but against whom they are increasingly able to extend their tentacles globally, not least in this country?

Hikvision and Dalua are both subject to China's National Intelligence Law, which stipulates that

“any organisation or citizen shall support, assist, and cooperate with state intelligence work according to law”.

The law also permits authorities to detain or criminally punish those who “obstruct” intelligence activities. The presence of vendors who are subject to extrajudicial directions from a foreign Government which conflict with UK law may risk failure by the carrier to adequately protect networks from unauthorised access or interference.

In the UK, Uyghur people face a sustained campaign of transnational repression in the form of threats, harassment, cyberattacks, and online and in-person surveillance. LBC and the *Financial Times* have recently reported instances of Uyghur people seeking refuge in the UK being offered thousands of pounds a month

and blackmailed by Chinese security officers to spy on Uyghur advocates. In that context, the Government must take seriously the threat posed by the presence of this equipment to British national security and the safety of exiled and dissident populations seeking refuge in the United Kingdom. Without urgent action, the UK risks facilitating a system of surveillance designed to extend Chinese domestic policy across borders.

The evidence, which is presented by reputable sources such as IVP, Axios, The Intercept, *The Guardian* and the BBC, is deeply troubling. These and other reports paint a harrowing picture of the situation in Xinjiang and provide substantial evidence of Hikvision's involvement. IVP's investigation reveals that Hikvision, a leading provider of surveillance technology, has actively contributed to the surveillance state in Xinjiang, where more than a million Uyghurs are estimated to be held in what we now know to be internment camps. Hikvision's technology is reportedly used to monitor and control the Uyghur population, facilitating its repression. Worse, it is credibly accused of constructing the surveillance state in Xinjiang in close partnership with the Xinjiang Production and Construction Corps, a report corroborated by *The Guardian*, which published leaked documents outlining Hikvision's close collaboration with Chinese authorities in developing and implementing surveillance technologies in Xinjiang. The evidence suggests a concerted effort by Hikvision to profit from this oppression.

Axios, in its comprehensive reporting, explains that Hikvision's surveillance cameras are integrated with sophisticated artificial intelligence systems to track, profile and identify individuals in Xinjiang. Let me be clear: this technology is trained to recognise Uyghur-looking faces with a view to profiling them, flagging them when they are doing things of which the Chinese Government do not approve, and then facilitating their persecution through mass surveillance and control with the aim of suppressing their cultural, religious, and political freedoms.

The scale and sophistication of Hikvision's surveillance technology exacerbate the already dire human rights situation in the region. The Intercept's exposé provides damning evidence that Hikvision's technology has been directly used in the internment camps, enabling the Chinese Government to monitor and suppress the Uyghur population. One source revealed that Hikvision's cameras were installed throughout the camps, capturing every move and expression of the detainees. This raises alarming questions about the company's complicity in the perpetration of human rights abuses that our own Government have described as

"torture...on an industrial scale".

The evidence leaves no room for doubt. Hikvision's involvement in the surveillance and control of the Uyghur population in Xinjiang is deeply troubling, and, even without the security concerns so ably highlighted by my right hon. Friend the Member for Chingford and Woodford Green, would warrant the company's removal from our supply chains, consistent with our modern-day slavery commitments. We cannot turn a blind eye to the suffering of millions of innocent people, and help those who persecute them fill their pockets with public money.

Bob Seely: I have a genuine question for my hon. Friend, who is making a brilliant speech, and for the Minister. Given Hikvision's frankly repugnant role in the ethnically based oppression of an entire people, why

on earth is it not covered by our Modern Slavery Act 2015 and how did we let such a repugnant company into this country under any guise?

Tim Loughton: My hon. Friend poses a very good question. Whether it is on moral grounds, on the basis of what this House has voted for in the past or on the basis of legislation that is topical in many areas around modern day slavery at the moment, we should not be anywhere near that company or similar companies. Our Government, our public bodies and our procurement agencies need to take much more notice of what Governments do and say. Much more must be done, and urgently so.

It is incumbent on the House to call for a comprehensive investigation into Hikvision's activities and its complicity in the suspected atrocities against the Uyghurs. We must work alongside our international partners to hold Hikvision and the Chinese Government accountable for their actions. Most importantly, we should use the purchasing power that we have as a Government and the interest we have in public bodies to disincentivise companies from behaving in the way Hikvision has towards the Uyghurs. At the moment, we are not merely failing to hold these companies to account; we are actually making them richer. The Government's decision to remove Chinese state-owned surveillance at sensitive sites is welcome, but not sufficient. The widespread use of Hikvision equipment by police forces, hospitals and local councils risks providing malign states—

Mary Robinson (Cheadle) (Con): I am grateful to my hon. Friend for giving way. He has set out an alarming set of issues around the extensive use of this surveillance equipment across various sectors. I know that the Government are listening, so if they were to go ahead as he suggests, should they not, in a parallel way, also ensure that the capacity to fill the gap is there and incentivise other companies to fill it?

Tim Loughton: I do not wish to alarm my hon. Friend, but I am afraid that what we have heard is alarming. The trouble is that it is true. It is based on evidence and the sources that I have given.

We have to achieve a balance here, but we need to show greater urgency to dispel the current installations that we have. We need to ensure that they are replaced with reliable equipment from trusted sources as a matter of urgency. It is that urgency that we are not seeing. My hon. Friend the Minister said that within six months the Government would produce this list—a limited list of action that they are going to take. They could come up with a timeline that is still several years away. That is not realistic or sending out the right messages, and we can and need to do far better.

The widespread use of Hikvision equipment by those different agencies risks providing malign states with a back entrance into UK security and imposing an unwanted reliance on those countries. By contrast, the White House has taken a strong stance on those companies by refusing to support Chinese companies that undermine the security or values of the United States and its allies. Embracing and reasoning would allow the UK Government to be consistent with their commitment to protecting core national security interests and democratic values. That is why this new clause is so important. I hope that

[Tim Loughton]

the Minister will respond positively to that and give us a reassurance and an offer, if we are not taking the new clause to a vote today. My right hon. Friend the Member for Chingford and Woodford Green has rather let the cat out of the bag by saying that he will not press his new clause to a vote. If that is the case, more has to be done in the other place. We need much tougher measures than we have seen so far, because I am afraid that the Chinese are laughing at our failure to treat this with the seriousness and urgency that it requires.

Dame Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): I rise to speak to a number of amendments. It is worth highlighting that the bread and butter of the work of the Public Accounts Committee, which I have the privilege of chairing, is looking at procurement—failed procurement in particular—and making sure that we get on the record and into the brain of Whitehall the lessons learned from those failures. We have also been at the forefront of looking at procurement during covid, and we did our first inquiries into that as early as June 2020. I want to place on record my thanks for the hard work of the National Audit Office, which immediately pivoted to online working to enable us to continue our scrutiny of the Government as a cross-party parliamentary Committee.

3.15 pm

The National Audit Office also highlighted the VIP lane, which was a matter of concern. We were shocked to discover that certain people were given special access to the Government. It is as a result of that and further NAO work, and the work that led to the Boardman review of the Cabinet Office, that the Government changed the rules about how procurement was conducted, particularly in the Department of Health and Social Care, where there was a real issue about record keeping. For that reason, I welcome new clause 15, but it is a sadness to me that we have to put so forcibly into the Bill something as basic as keeping records of how decisions are made when procurement contracts are let.

Procurement is about much more than legislation, as we have highlighted repeatedly on the Public Accounts Committee. We need highly skilled public procurement professionals, and it is a good thing that in the nearly 12 years that I have been a member of the Committee we have seen more people with that skill enter Whitehall and do a good job. Some of the best bits of covid came about because there were experts on hand to advise the Departments in an emergency. Some of the worst bits were a result of there not being enough procurement specialists in a Department to do that work. Procurement, like finance, is too important to be left just to procurement professionals, and I hope this Bill will contribute to that general move in Whitehall alongside the work of some of the best people in Whitehall who are trying to deliver better results, and the work of Committees such as mine in highlighting when things are going well and the repeated times when they are not going so well.

I will talk about evaluation in more detail in a moment, but more transparency is needed generally. The Public Accounts Committee has the privilege of calling for persons, papers and records, so we sometimes see papers that are not generally available to the public. We would

like information to be in the public domain as much as possible, and more transparency, not less, is important, particularly in emergency situations such as covid. There should be nothing to hide when taxpayers' money is at stake. Of course there are commercial discussions to be had at some points, which is why we have systems in place whereby I and other members of the Committee, and when necessary other Select Committee Chairs, can see information about decisions before the final commercial contract is signed. This is to ensure that there is some parliamentary oversight. I pay tribute to the Deputy Chair of the Committee, the hon. Member for The Cotswolds (Sir Geoffrey Clifton-Brown), who has been instrumental in being part of that scrutiny and making sure that this is not down to just one person—the Chair of the Public Accounts Committee—or just a handful of people. He and I often work assiduously together on these matters.

The other key thing is evaluation of what has worked. That draws me to amendment 68, which I commend the hon. Member for Weston-super-Mare (John Penrose) for working on. The Committee has been looking increasingly at the evaluation of what has worked, and that is really important for procurement. An example is the emergency services network that was introduced after the tragedy of the 7/7 bombings in London, when our emergency services were unable to talk to each other because of connection problems. There had been similar problems in the past. A firm decision was made in 2010 to get rid of the old contract in 2015 and have a whole new all-singing, all-dancing system by which our emergency services could connect through the mobile network.

The Committee has looked at procurement 14 or 15 times. Some of the problems we have seen have been around policy decisions, but a lot has been around contracting. As I say, we have had the privilege of calling persons, papers and records, so I have had the privilege—I am not sure if it is a privilege—of seeing some of the back documentation on those issues. That highlights why we need to evaluate what is not working and what has worked. Amendment 68 calls for an independent body to look at that, but we now have a system in Government in which there is a bit more discussion, although not enough, about evaluating policy. In the heat, cut and thrust of elections, we politicians might be in office for only five years if we are lucky, so we want to get things done, and evaluation seems like it will slow things down. But whatever party is in government, it is important to learn what has worked in the past and what has not. A large amount of what we want to deliver, whether it is services for people in receipt of benefits or important security measures, are things that any Government will have to deal with, and there are lessons to be learned from the contracts that are in place.

From the point of view of the Minister and of the shadow Minister, anything that looks like an expensive spending commitment is alarming at the moment. As Chair of the Public Accounts Committee, I understand that, but I cite the example of a programme introduced by the Department for Education to review innovative approaches to dealing with children in social care. The Department's then permanent secretary said that evaluating contracts of this scale is effectively a "rounding error" in the budget. It is possible to write in that evaluation as part of good, proper, professional contracting.

John Penrose (Weston-super-Mare) (Con): The hon. Lady is being very complimentary about an amendment that I tabled and she kindly signed to show cross-party support. Does she agree not only that the cost of evaluation is a rounding error but that the savings from weeding out dud contracts early would dwarf any possible cost? In any case, we already have a network of so-called what works centres, which are arm's length, independent bodies that have been doing precisely this for ages. The problem is that they cover only about 8% of all that we buy, but they are already in place, so the additional marginal cost would be even smaller.

Dame Meg Hillier: I agree with the hon. Gentleman. Of course, if evaluation is built in from the beginning, the company that has been contracted to do the work would be required to collect data. They will say that that involves more cost but, over time, it would wash out. We need a better standard of data collection on all sorts of issues.

Take the example of a contractor that was asked to run a prison. The Government provided data on the prison's maintenance, but the data was not right as it did not count the number of windows and toilets, and so on, that needed to be fixed, so the company had to come in and count them. In that case, the company had not banked on prisoners breaking more windows than the average in other buildings. There is lots of data, and we keep pushing for it to be collected, and that data could be built into evaluations.

The hon. Gentleman is bang on about making sure we do not send good money after bad. If something is not working, we need the evidence and the political courage, sometimes, to end the contract. We need to make sure that the people delivering a contract are clear that they are delivering the contract's aims. Evaluation should have the impact of tightening procurement, tightening the management of contracts by the civil service and sharpening up those who bid for contracts to do a better job and to be proud of that job, in the knowledge that doing a good job may well mean that the contract is extended, but not if they do not do a good job. We should also reward good behaviour. I am keen to hear what the Minister has to say about that.

My right hon. Friend the Member for Barking (Dame Margaret Hodge) tabled amendments that would ensure that organisations involved in nefarious activities are excluded from public procurement. It is extraordinary that companies that are making money in nefarious ways can bolster their activity and give themselves credibility through public procurement. Others have talked a lot about the issues around China, so I will not go into that much more. My right hon. Friend has a strong reputation in this area, and her amendments speak for themselves.

We do not want to miss this opportunity. I recognise that not everything in procurement is about legislation. It would give me some comfort, as Chair of the Public Accounts Committee, if the Minister showed that that is being thought about a bit more deeply across Whitehall.

Danny Kruger: This has been a very interesting debate, veering from grand geopolitics to the sourcing of public services and paperclips. All of this is, in a sense, the responsibility of an independent country, so the debate is one benefit of Brexit, for which I am sure we are all very grateful.

I am pleased with the Bill and the Government amendments. I think of it as the patriotic Procurement Bill, which is exactly what we need. I particularly welcome the explicit commitment to national security that has been added to the Bill, and I pay tribute to my hon. Friends the Members for Rutland and Melton (Alicia Kearns) and for East Worthing and Shoreham (Tim Loughton), and my right hon. Friend the Member for Chingford and Woodford Green (Sir Iain Duncan Smith), for their work and their contributions today. I am particularly grateful to my hon. Friend the Member for Isle of Wight (Bob Seely) for his tremendous speech about the dangers we face from a more hostile China.

In the Government amendments, and in Government policy in general, we see a necessary new realism in UK policy. Security is the new watchword of our times, and to me it means much more than defence against hostile states. We face all sorts of other threats to our security, including, as my hon. Friend the Member for Isle of Wight mentioned, our extreme dependence on supply chains around the world, not only but particularly those in hostile states.

Conservative Members tend to regard “protecting” and “subsidising” domestic industry as dirty words and unorthodox policies. Nevertheless, we see around the world a growing tide of tariff barriers and domestic subsidies. Our great friends in the United States have committed to spending \$500 billion on domestic manufacturers, particularly to wean themselves off Chinese imports. I welcome the Prime Minister's commitments this week to a new US-UK economic collaboration arrangement to secure our common interests and to ensure that we have safe supply chains. We will need to rely more on our allies in future.

As we move from a just-in-time procurement model, we need to recognise, particularly on this side of the House, the role of Government in ensuring economic security. The fact is that £300 billion a year makes the Government the biggest player in the UK economy. As we have heard today, and I pay tribute to the speeches made by Opposition Members, the Government are often not very good at procurement and spending public money for public goods. We could go into the sources and origins of that, but we should recognise that since the late 1990s, and under the Blair and Brown Governments in particular, the model of new public management has created a new doctrine of how Government money should be spent on private sector providers. The principle of introducing internal markets—the purchaser-provider split—was an attempt to ensure greater efficiency, greater value for money and greater responsiveness to the users of public services, and it engendered all sorts of difficulties, too. The hon. Members for Poplar and Limehouse (Apsana Begum) and for Oldham East and Saddleworth (Debbie Abrahams) listed some of them, and I recognise them from my previous work. Providers have to jump through really bureaucratic processes.

There is a concentration of big suppliers. My right hon. Friend the Member for Chingford and Woodford Green has done a lot of good work, although he did not speak about it today, on the importance of SME procurement. Large charities in particular can game the system, in the way that large companies can, to secure Government contracts. The Government often do not buy the best; they buy the service that gives commissioners the least risk. Those suppliers often run rings around

[*Danny Kruger*]

Government. In the way services are designed and delivered, we see cost deferrals, with payment pushed back beyond the budget cycle; cost shunting, with different parts of the public sector having to carry the cost for a bad contract; the creaming of the high-value, low-cost clients or services; and the parking of high-cost, low-value services. So the providers, whether they are charitable or commercial, game the system. We see that all time, so all this needs improvement and this Bill takes important steps towards ensuring that.

3.30 pm

I want to ask more fundamentally whether it is right for Government to be so big and have such a vast role in the British economy. I welcome the brave speech made by the Chancellor last night, in recognising that we have an unsustainable reality in this country: the trend rate of growth of the economy is only 1.6% in the years ahead, whereas public spending is forecast to rise to 2%—and that is excluding debt repayments. We have a complete mismatch and we are not complying with Micawber's principle; we are spending more than we are making, which is clearly unsustainable.

The Chancellor's answer to that is growth—it is the right answer. The biggest part of the answer is probably addressing how we generate growth in the economy. His answer is, rightly, that we do it through productivity gains, which are essential. He highlights the productivity challenges in the public sector, which are relevant to this debate. He pointed out a terrible figure with which I was not familiar: the output of the public sector since the pandemic has fallen by 6%. So while the private sector has recovered its productivity, the public sector has not. That is a chronic problem. His answer is that we need to be “much, much more efficient” in the public sector.

Sir Iain Duncan Smith: I am fascinated by the speech my hon. Friend is making, because he is right in one sense about this. We did a report at the Centre for Social Justice about four or five years ago where we looked at productivity. So often we make international comparisons, but the whole figure for productivity contains that which a country wants to put into it. For example, France does not put health or education into its productivity measures. Health and education have shocking productivity outcomes in terms of cost, which means that France is able to declare itself as having a higher level of productivity. London and the south-east have the highest productivity in Europe, but the real story is that the rest of the UK does not meet the average for the whole of the Europe, which tells us what our problem really is.

Danny Kruger: My right hon. Friend makes important points, and I recognise the difficulty of comparing our productivity figures with those of other countries. The comparison I am making is with our own recent history, but he is absolutely right in what he says. Indeed, the point about what is measured matters enormously. In our debates, we often make the mistake of thinking that the only things that matter are those that can be easily quantified. That is a great challenge we face, particularly in the social sector.

The Government are rightly committed to improving the efficiency and productivity of the public services—I absolutely support them on that—but we face another great challenge that does not get enough of a mention: the need to reduce demand on the system as a whole. We are spending so much not just because we are inefficient, but because the demand on the system is so high. I do not need to run through all the details of the enormous budgets we spend on social breakdowns and the consequences of social problems that we should have averted, in criminal justice, in the health budget, in what is called “social protection”. Some £150 billion is categorised under “social protection” in the public finances—not pensions, but paying for people who have tough lives. We should be seeking to reduce the cost of those budgets, because each one of those costs represents, in a sense, people in trouble. Both for financial and social reasons, we should be trying to reduce that expenditure.

How do we do that? We need social reform. I am not going to bore the House with long thoughts on that, but we need public sector reform, as has been mentioned a bit today, and that includes procurement reform. I acknowledge what Labour is suggesting in some of its amendments and in some of the speeches we have heard: an objection to the whole model of outsourcing. I recognise the objections to some of the failures of public service management—new public management—over the past generation, and some of the challenges of outsourcing and of competition in the public sector or for public services. However, I do not think insourcing everything is the answer. Reverting to a pre-1990 model of everything being delivered by the central state, as one of the amendments and Unison are championing, is not the right model. We need a better model of outsourcing that relies much more on civil society and, in particular, on the local, community-based services in which the UK is so rich and which do such a great job. We need to be able to measure their value properly and commission their services effectively. That is what this Bill aims to do.

I declare an interest, in that I set up and ran for many years projects working in prisons and with youth services. I have personal acquaintance with the challenge of EU procurement, not only social fund commissioning, but central and local government contracts. None of this is easy and I am familiar with all of that. I am familiar with the frustrations of getting on the frameworks; expressing interest; bidding through tenders; and being treated as bid candy on a long contract. I am also familiar with going through a pointless competition process where there is only one obvious provider—the one that helped to design the service—which still has to jump through loads of competitive hoops only for some other random provider to come in and swipe the contract; I speak bitterly from experience. The challenges that small social enterprises face are significant.

The difference between procurement and commissioning is not often acknowledged. We often have procurement departments doing work that is too complicated for them on their own. We need to have proper commissioning where people who are paying for a service work collaboratively with providers, stakeholders, service users and other parts of the system. Everybody needs to bring their assets, resources, skills and experience to co-design the service that is needed locally. The Bill

brings us much closer to that model. I greatly welcome the measures that have been included, especially around the simplification of tendering. The single portal is an important development and it is good for transparency as well. The Tell Us Once registration is essential, as is the help that will be given to SMEs and social enterprises, including the active reduction in the barriers to tendering, lower reporting requirements and so on.

Most of all there is the shift from the most economically advantageous regime to the most advantageous regime. That small excision of the word “economically” is an important recognition of the point that my right hon. Friend the Member for Chingford and Woodford Green (Sir Iain Duncan Smith) was just making about the need to go beyond a purely commercial estimation of the value of social projects. I would go further. In 2020, I wrote a report for the Government who were trying to maximise and sustain the enormous contributions that communities were making during the first lockdown. I suggested that we recognise and declare that the whole of Government commissioning—the whole of public service spending—is to deliver social value for the public. Essentially, that is what we all believe and it should be stated much more explicitly in my view. I just bring the House’s attention back to the Conservative Government’s Social Value Act 2012, which gets those principles right.

I recognise that we need to take enormous steps forward. I honour what the Government have been doing around national security. I also honour the steps that have been taken to ensure greater opportunities for SMEs and social enterprises, and I commend the Bill to the House.

Caroline Lucas (Brighton, Pavilion) (Green): I wish to associate myself with the remarks made by hon. and right hon. Members across the House about the dangers of sourcing from high-risk countries and parts of countries and those implicated in serious human rights abuses. The appalling persecution of the Uyghurs in Xinjiang is a very powerful case in point that has been echoed by many Members around the House, and I agree very strongly with that.

I rise to speak to amendment 60 and new clause 17. I welcome the provisions in the Bill that aim to help small and medium-sized enterprises to access public contracts. SMEs are often best placed to meet the needs of the communities in which they operate, providing numerous social and economic benefits. Those benefits, often referred to as a social value, cannot simply be reduced to a tick-box exercise. Nor can we allow social value to amount only to crumbs of compensation from corporate giants, while they extract wealth from our communities. Wider economic, social and environmental priorities need to be built in from the start of every procurement process.

The UK spends about £300 billion a year on public procurement. We could question whether that is a good thing. That has already been hinted at—whether some of these services at least would be better off delivered in-house by public bodies themselves rather than via contracts. However, this is probably not the place to go into that debate. I want to focus on the need to use that procurement spend as a force for good—to keep wealth in local economies, to ensure that public money goes to responsible companies and not those that exploit people

and nature, and to help us meet our climate goals and to preserve a liveable future for all of us. I want to see values, not just value, at the heart of the public procurement process in public life.

That brings me to amendment 60 on the national procurement policy statement, which sets out the strategic objectives that the Government want public procurement to achieve. The amendment would require the Government to assess and report on the impact of the national procurement policy statement on meeting environmental and climate targets and to set out any steps that they intend to take to meet them.

Thanks to the efforts of climate campaigners across the country, we are now seeing the net zero goal and the need for climate action acknowledged in strategies and policy statements across the public sector. But these acknowledgements remain meaningless unless we assess the real world impact of those statements. Are our plans to reduce emissions actually being implemented and are they working? The amendment would signal to contracting authorities and businesses that the Government are serious about aligning procurement with climate and environmental goals. It would also enable Government to see where policy might need to be strengthened if it is not having the intended impact.

New clause 17 would require public contracts that include the supply of food to be aligned with nutritional guidelines and to specify options suitable for a plant-based diet. We know that animal agriculture is one of the largest contributors to global heating and biodiversity loss, representing around 15% of all greenhouse gas emissions according to the United Nations Food and Agriculture Organisation. More and more people are choosing to move to more plant-based eating and almost one quarter of people in Britain now follow a mainly or entirely meat-free diet.

The 2022 progress report to Parliament by the Climate Change Committee urges the Government not to ignore the role of diet and notes:

“Government can influence diet shifts, through mandating plant-based options in public settings”.

My amendment would require public contracts for the supply of food to be in line with the Eatwell Guide, which drew inspiration from the nutritional guidance of what was then Public Health England, developed in conjunction with the devolved nations. Analysis by the Carbon Trust found that, thanks to lower consumption of meat, dairy and sugary foods, the environmental footprint of the Eatwell diet is around one third lower than the current national diet.

In settings such as hospitals and schools, where good nutrition can make all the difference, our public sector should lead the way by offering nutritious and sustainable food. That is too often overridden by a narrow notion of value for money, resulting in vulnerable people being given food that does not meet nutritional guidelines. As we all remember, during the pandemic the Government were forced to U-turn on school meal vouchers after widespread outrage at the poor quality and quantity of food being distributed to families. That was not just one isolated failure; it was symptomatic of a political culture that thinks we can package up children’s nutrition, health or any public service and hand it over to whichever corporate giant says it will do it most cheaply. That is the culture that has to change.

[Caroline Lucas]

Last year the all-party parliamentary group on the green new deal, which I co-chair, produced a report setting out how local community-based solutions are key to climate action. As part of that inquiry we heard from the Sustainable Food Places network, as well as from community farms and kitchens. A key recommendation that came up again and again was to use the procurement system to support more local food and plant-based diets.

The Government's own food strategy proposes a target of at least 50% of food spend to be on food produced locally or to high environmental standards, a move I certainly applaud. However, nine months on from the Department for Environment, Food and Rural Affairs consultation, we are still awaiting the Government's response.

Pioneering local authorities and public bodies are leading the way, and my constituency has had some notable successes. In 2020, Brighton received the first-ever Sustainable Food Places gold award. It has brought in improved standards for procurement as part of a wider campaign to get more people eating more vegetables and its school food supplier meets the Food for Life gold standard for championing healthy, local, climate-friendly food.

A more joined-up approach to food, climate and nature and a real commitment to supporting local businesses and community organisations would have huge benefits for our health and our local economies. In addition to the provisions in this new clause, I would therefore hope to see much more support for public bodies that want to put social value at the heart of procurement, to help them to find out how best to get sustainable food from local producers into public sector canteens.

John Penrose (Weston-super-Mare) (Con): I rise to speak to my amendment 68, which was tabled with not just my signature on it, but those of the Chairman and the deputy Chairman of the Public Accounts Committee.

The amendment is about value for money and evaluation. We have heard during the course of this debate that this excellent Bill, which covers an enormous amount of much-needed reform in this area, deals with about £300 billion-worth of taxpayers' money every year. That is a vast amount of cash and it is vital that we spend it as effectively as we possibly can. It matters not just for the value for money that taxpayers get, but for the efficiency and effectiveness with which our public services are delivered. That ought to be a compelling dyad if there ever was one.

The aim of amendment 68 is to achieve that evaluation, which we have already heard about from the Chairman of the Public Accounts Committee. I stress that this is not just a cross-party amendment, with support from both Labour and Conservative Members and from the cross-party Public Accounts Committee. It also has a very unusual political coalition behind it, which includes not only the Centre for Policy Studies, the TaxPayers' Alliance and the Adam Smith Institute—all good, solid free-market, centre-right think-tanks—but Transparency International, Spotlight on Corruption, the Campaign for Freedom of Information and the Centre for Public Data. In other words, it is a very

unusual political coalition, backing something because it is right in principle and because it yields better value for taxpayers' money.

I urge Ministers to give the amendment much closer attention. I appreciate that it is different from the equally important questions that we have also addressed during the course of this debate, about exploitation of workers, exploitation of Uyghurs and human rights abuses around the world. However, domestically, in the middle of a cost of living crisis, it really matters to everybody in our constituencies, the man and woman in the street and hard-working families up and down the country and it can make a prompt difference.

Mary Robinson: Value for money is, of course, at the heart of procurement, and we all want to see it. The Royal Institute of British Architects has recommended post-occupancy evaluation. That would be an effective tool for public buildings such as hospitals and schools. Could it form part of the evaluations that my hon. Friend is talking about?

3.45 pm

John Penrose: Absolutely; that is a good and broad-based example that proves the concept's breadth of applicability.

The whole idea behind that is based on the What Works Network, which is currently backed up by the evaluation taskforce—a joint unit between the Cabinet Office and His Majesty's Treasury. That is long-standing expertise—over 10 years' worth—in arm's length evaluation of Government contracts. It is a great idea in principle, and it has its roots very firmly in successful examples such as the National Institute for Health and Care Excellence, which does a crucial job relating to the medicines bought by the NHS.

But—and it is a very big and important “but”—just how much of that £300 billion-worth of public expenditure is properly evaluated each year? The answer, or the “stat of shame” as it is described in the civil service, is 8%—£1 in every £12. That is shocking and should worry us all. Whether or not we are concerned about value for money or the effectiveness of our public services, 8% is far too low. It is true that some major projects have their own arrangements, including gating agreements and a much more structured approach, which we hope will drive improvements, but for everything else—the annual contracts granted on a three-year rolling basis, then renewed, extended and renewed again—that is where the opportunity is, that is where the magic is, and that is where the potential for massive savings and better value for money really lies.

It is an old marketing truism that most marketing and advertising directors will say that they know that they waste roughly 50% of their advertising budget, but they just do not know which half. This will be an opportunity for us, when it comes to Government expenditure, to break that particular truism in half and say, “We will know.” The amendment allows the Minister to exclude contracts if he thinks they are too small or are governed by national security, but for everything else in that £300 billion, or as much of it as we can possibly manage, we will know up front what the contract is supposed to achieve, which is, after all, a rather basic thing—one would think that that would be automatically recorded, but at the moment it just is not.

We have to say up front what we are trying to do, and we are supposed to say at the end of the contract, “Well, did we do it?” That has to be evaluated by an arm’s length body according to the existing independent criteria laid out in something called the Magenta Book, which is long established and well respected. If we do that evaluation, we can then ask, “Did it work?” If it did not, we get a learning loop; an opportunity—as the new economy specialists and entrepreneurs call it—to “fail fast”, to ensure that we spot the duds and do not renew or extend them, or allow them to carry on rolling over willy-nilly. Instead, we say, “We are going to change something because this did not work.” That will be published, and then we will not renew that contract in that form. We will change it to fix the faults that would by then have been identified. At the moment, those faults are not being identified and are allowed to continue to roll and roll.

That is a blessedly simple idea. It will also pay for itself, as I said earlier when the Chair of the Public Accounts Committee was giving her speech, because the amount of money that it would save would pay rapidly not just for the existing costs of the What Works Network, but probably for a huge expansion, were Ministers so minded, of such evaluations to other parts of the national procurement effort. It would therefore cost the taxpayer net not a bean, it would dramatically improve value for money, and it would improve the credibility of our public service delivery, which all Governments of every stripe always struggle with. It would be a ready-made arm’s length route for politicians of any party to say, “We are doing the right thing. This is done independently. We will make sure that, next time around, we weed out the bad and expand the good.” That could be genuinely revolutionary.

Sarah Olney (Richmond Park) (LD): The Liberal Democrats support the provisions in the Bill that will speed up and simplify procurement, and create greater opportunities for new entrants, such as small businesses, to access public contracts. However, we have concerns about those areas of the Bill that create opportunities for circumventing the rules that govern the procurement regime. The Government’s shambolic procurement of personal protective equipment during the pandemic exposed the weaknesses in our procurement system, and showed what can happen when Ministers are awarded too much power, and face too little scrutiny. It is vital that safeguards are in place to ensure that billions of pounds of taxpayers’ money does not go to waste.

Amendment 1, which is in my name, seeks to prevent the use of VIP lanes in the procurement of public contracts. The bypassing of the usual procurement rules via VIP lanes during the pandemic saw £3.8 billion of taxpayer funds handed over to 51 suppliers, many of whom were closely tied to Conservative Ministers and their friends. We all know of the scandals that emerged off the back of those contracts; they included reports of excessive profits and conflicts of interest. The Public Accounts Committee, of which I am proudly a member, has, under the chairmanship of the hon. Member for Hackney South and Shoreditch (Dame Meg Hillier), carried out an inquiry on the management of PPE contracts. We found that at no stage was any consideration given to potential conflicts of interest between individuals making referrals through the VIP lane and the companies that they were referring.

The Prime Minister said that he was “absolutely shocked” to read of the allegations against Baroness Mone, but future scandals will not be a shock unless the Government take action to ensure that our public procurement regime cannot be exploited, and prevent Ministers from giving special treatment to their friends without proper scrutiny. Transparency of procurement decisions is paramount. I therefore urge the Government to accept amendment 1, ban VIP lanes and crack down on future cronyism and sleaze.

New clause 9 would ensure that the national health service complied with the public procurement rules set out in the Bill—I would like to press it to a Division this afternoon. Liberal Democrats in the Lords successfully amended the Bill to bring the NHS into its scope, so I am extremely disappointed that the Government have overturned the Lords amendment and are reinstating a huge carve-out for the NHS. Without new clause 9, the Secretary of State for Health will be able to make up their own rules for huge swathes of NHS procurement via secondary legislation. Handing over such a wide-ranging power to the Secretary of State without ensuring proper scrutiny is not the hallmark of a Government who wish to govern with integrity and transparency.

The Government argue that the procurement rules are important for all procurement decisions, so it is unclear why they believe that the NHS, which has a procurement spend of many billions of pounds, should fall outside the new regime. Surely it is essential that the largest public organisation in the country follow the same procurement rules as all other organisations. I therefore urge the Government to accept the new clause, and support the Liberal Democrats in ensuring that NHS procurement represents value for the taxpayer and is subject to proper scrutiny.

To conclude, the Liberal Democrats support efforts to reform our procurement regime, and to introduce new rules to increase transparency and create opportunities for small businesses, but there is too much room in the Bill for the rules to be circumvented. The Prime Minister’s pledge to act with integrity and professionalism risks becoming an empty promise unless the Government take action to prevent the use of VIP lanes. Further, it would be ludicrous for NHS spending to be left outside the regime that governs all other public bodies. Public procurement is the largest area of public spending, totalling approximately £300 billion a year. It is vital that the taxpayer has confidence that the Government are taking due care, and confidence that money is spent in accordance with fundamental principles of transparency and fairness.

Nigel Mills (Amber Valley) (Con): It is a pleasure to follow the hon. Member for Richmond Park (Sarah Olney). I rise to speak to amendments 61 to 67, which stand in the name of the right hon. Member for Barking (Dame Margaret Hodge)—sadly, she cannot be here today, so Members are stuck with me. I cannot do an impression of the energy she would have brought to this debate, but I can try to present the arguments that I think she would have made.

What we are trying to do with these amendments is strengthen the provisions in the Bill to help tackle economic crime. One would think, quite logically, that in a Bill on public sector procurement, the risks of economic crime would be quite a significant issue that

[Nigel Mills]

we would be trying to deal with. I think it is quite right that we use the Bill to tackle issues of national security or modern-day slavery, but equally, I think it is wrong that we do not have the full protections we need for economic crime in the UK.

This is not just a theoretical problem. In a survey from about five years ago, about a quarter of councils said that they had been victims of corruption in their procurement processes. We estimate that the losses are around £876 million a year—the biggest cause of financial loss in local government—so there is clearly plenty of scope for improvement in our performance. We welcome the fact that under the new UK procurement regime, we have an exclusion and debarment regime that is much better, probably much tougher, and hopefully much easier to use. Those provisions do exist in the EU procurement regime, but they have been extraordinarily rarely used in the UK. I think we all hope that we will be much more effective at using the protections that we are putting in place through the Bill.

Mary Robinson: Exclusion and debarment could be a very effective way to incentivise good governance within suppliers, but also to enable local authorities to crack down on and get rid of corruption and fraud in procurement. Indeed, the United States goes a lot further to protect procurement by encouraging whistleblowers to come forward with information through the False Claims Act. In doing so, the US has recovered about £50 billion in respect of fraud in Government procurement and spending. Does my hon. Friend agree that a stronger whistleblowing framework and anonymous whistleblowing, perhaps through a hotline for procurement, could potentially save taxpayers millions of pounds?

Nigel Mills: I agree with my hon. Friend and commend her for the considerable amount of work she has done on whistleblowing—she truly is an expert. In general, the Americans have some good ideas on this. I was at a briefing last week where someone took me through those powers: if someone brings a private prosecution and the Government take it on halfway through, that person gets to keep 20% of the proceeds that are recovered, and if the Government do not take it on and that person is successful, they get to keep 40%. That creates a real incentive in the system for someone to take the huge risk to their personal wellbeing and career of exposing wrongdoing. I think we could learn a very great deal from the American position in that respect.

The amendments I want to speak to can be covered in three different groups. Amendment 67 would give contracting authorities the power to exclude suppliers when they have evidence of economic crime-related wrongdoing, not just a conviction for it. The Bill contains various measures by which authorities that are going through a procurement exercise do not actually have to see convictions—they can see credible evidence. We have ended up in the rather bizarre situation where I can exclude somebody from a procurement if I believe they have been part of a cartel in South America even though they have not been convicted, but I think they might well have been if they were in the UK; however, I cannot exclude somebody who I have real evidence has been committing economic crime in the UK, because there has not been a conviction for it yet.

The problem with that model is that convictions for crimes such as fraud have fallen by about two thirds in the past decade. We have not had a successful prosecution of a large corporate for fraud for a decade, I think, although we have had some deferred prosecution agreements. If we are relying on excluding dodgy companies from the process only where there has been a conviction, we are going to end up in the rather unfortunate position of there not being enough convictions to make the regime successful.

To me, it seems quite reasonable to allow an extension of the more wide-ranging rules in the Bill to apply to an authority that has credible evidence that an economic crime has been committed, especially if that prosecution process is ongoing when that authority is doing the procurement exercise, instead of it not being able to exclude that party from the exercise even though there is a real chance that they could be convicted quite soon. I just think that situation would be a real weakness. I am not saying that we would mandate exclusion in that situation, but empowering authorities to not go ahead with that party or bidder when they have credible evidence seems like quite a reasonable thing to do.

When this issue was raised in the House of Lords, the Government's response was that it would impose an unreasonable burden on contracting authorities, but as I have just said, the Bill already imposes quite significant potential burdens to try to work out if somebody has been guilty of cartel-like behaviour. I suspect that would be harder than working out whether they have been guilty of actual fraud in the UK. We have the new unit being created that could support authorities in that process. That would not be mandatory. It would be an option that they could use in situations where they have that evidence, so there would not necessarily be any burden at all. I urge the Minister to give real consideration to whether a system that only allows successful prosecution of excluded companies that behave terribly in these areas of crime is the right balance to strike.

4 pm

Amendments 64, 65 and 66 look to strengthen the offences covered by the mandatory exclusion. The Government have, probably reasonably, chosen to include tax evasion, but for some reason the first and foremost economic crime of bribery is not down as a mandatory exclusion. We mandatorily exclude somebody for evading tax costing the Exchequer, but in a procurement Bill, we are not mandatorily excluding somebody who has been relatively recently convicted of bribery. If we want to have a respected and robust procurement process, we do not want parties that have ever engaged in bribery anywhere near tendering for high-value contracts in the UK. That seems a significant omission. A company recently convicted of bribery should not be successfully bidding for large contracts in the UK public sector. I do not think anyone would disagree with that.

Even if we do have that mandatory exclusion, the Bill provides various exemptions. Say some major UK provider has been successfully prosecuted for bribery by some rogue subsidiary directors in Africa: we could find a way of letting the provider off from that mandatory exclusion with the exemptions in the Bill. I urge the Minister to seriously consider why we have not started from the default point that, if someone has been convicted recently of bribery, they should not be getting public

sector contracts in the UK. We could extend that to full economic crimes such as money laundering. The idea would be to try to give a powerful incentive to these generally large companies: we do not want to see them getting caught for bribery, money laundering or sanctions evasion anywhere in the world because, if they are, they risk not only facing the full force of criminal law, but losing all the high-value contracts they have in the UK. They should want to take every step they can not to get caught in those situations. Will the Minister consider whether broadening the extent of the mandatory exclusions would be sensible?

Amendments 61, 62 and 63 try to tighten up the exceptions around the exclusions. The Government have drafted these provisions quite generously. Contracting authorities have quite a lot of discretion. In fact, I suspect what we mean is for them not to have quite the breadth of reasons to ignore exclusions. Amendment 61 would wipe out clause 58(1)(c), which allows companies to contract on the basis that they commit to taking steps to prevent wrongdoing occurring again. Paragraph (b) allows a company to continue if it has put those steps in place, but paragraph (c) says that all they have to do is consider taking those steps. It is reasonable, if a company has been convicted of something so serious that it has been excluded, that it should put the steps in place to stop that behaviour happening again before it is allowed to successfully tender for procurements in the UK, rather than promising vaguely that it might put some steps in place that hopefully the contracting authority would find some way of scrutinising during the course of that contract. That would be hard to do.

Clause 58(1)(e), which we are also proposing to remove, introduces a new highly discretionary catch-all ground that contracting authorities can consider

“any other evidence, explanation or factor”

effectively giving contracting authorities free rein to quote whatever reason they like to continue to contract with a supplier that engaged in wrongdoing. That is an incredibly broad exemption to offer. A factor could be, “They’re the cheapest bid, so we’ll go ahead with them.” If the message we are trying to send is that we do not want to contract with parties engaging in serious wrongdoing, that is far too broad an exemption to grant.

Amendment 63 would enable contracting authorities to get evidence from respective parties about the steps they say they have taken. As drafted, the Bill effectively prohibits the authority, unless it has reasonable grounds, from asking for evidence to support the contentions being made. All we are doing with this amendment is saying that the contracting authorities should have the right in any situation to have that evidence, so perhaps the default is the other way from what is in the Bill. That seems entirely reasonable. If a potential contracting party would be excluded but for an exemption, we would expect the contracting authority to get evidence that that exemption is being satisfied and not just to have that on a wing and a prayer.

I hope the Minister will consider that these amendments are constructive efforts to tighten up some of the drafting in the Bill and to make sure that the exclusions and debarring will work in practice in the way we hope.

Ms Marie Rimmer (St Helens South and Whiston) (Lab): This House, this country and the British public

have a long history of supporting human rights. That is why I rise to support amendment 3 in my name. It is signed by Members from across this House.

Up to 100,000 people are brutally butchered for their organs in the People’s Republic of China. It is industrial-scale, state-sponsored organ harvesting, now a nationwide industry worth more than £800 million. The average age of victims is 28. That is not a mere coincidence: 28 is considered by the Chinese Communist party to be the best age for organ harvesting. Hundreds of thousands are kept in internment camps until they are ripe for slaughter. Two or three organs from healthy young adults—28—are worth up to half a million pounds.

The evidence for this crime is growing by the day. The China and Uyghur tribunals, chaired by Sir Geoffrey Nice KC, former lead prosecutor at The Hague, concluded that Falun Gong, a peaceful religious movement, was the primary target. Worse still, the Chinese Communist authorities have now added the Uyghurs in Xinjiang, some Christians and other prisoners of conscience. The tribunals heard reliable evidence of Uyghur Muslims being subjected to comprehensive blood testing and the collection of DNA, which would allow the oppressive regime to create an organ bank, ready for withdrawals on demand.

Forced organ harvesting is an evil practice that this Government should be doing all they can to stop. At present, there are no specific restrictions on suppliers who are involved in forced organ harvesting. In Committee in the Lords, the Minister stated that this Bill was not the appropriate place to address this issue. I could not disagree more. The hard-earned money of our constituents is free to be used propping up this evil atrocity, but that is not right in a country that prides itself on supporting human rights. We all have a duty to our constituents to make sure they are not inadvertently supporting organ harvesting, or any crime indeed. The Minister also said that forced organ harvesting would already be covered on the grounds of professional misconduct. We have heard that before, only for it to turn out, once a Bill becomes law, that it is not covered. On professional misconduct, may I provide just one example? Once when a surgeon was removing organs, he noticed—he went into a cold sweat—that the body he was operating on was in shock: he was still alive. Professional misconduct!

Forced organ harvesting is not an issue to take such a chance on; it needs specific references relating to this crime against humanity. Last month’s G7 heard our Prime Minister state that we need to work together with our allies to “de-risk” ourselves from China. In the United States, Congressman Chris Smith has introduced a Stop Forced Organ Harvesting Bill, which the House of Representatives almost unanimously supported—straight across. This amendment keeps us in line with our allies. Last November, the Prime Minister delivered his big foreign policy speech and said, on our relationship with China, that

“we will make an evolutionary leap in our approach. This means being stronger in defending our values... And it means standing up to our competitors, not with grand rhetoric but with robust pragmatism.”

This amendment is robust pragmatism in practice. It is not grand rhetoric, but action—action to make sure we are strong in defending our values; action to make sure

[Ms Marie Rimmer]

public money is not supporting a crime against humanity; action that this whole House can be proud of, as it always has been on human rights.

I urge Members from across the House to support amendment 3 to keep our hands clean from this evil practice of forced organ harvesting. We must not continue to turn a blind eye to these horrendous breaches of human rights. Governments across the world need to step up on this. We need to be working together, for—believe you me—China would be far more difficult than Russia.

Kirsty Blackman: It has been an incredibly wide-ranging debate. Everyone has had the opportunity to speak on their own amendments and I find myself trying to speak on everyone's amendments. I will do my best but if I miss anyone's it is not personal—it is just that there are a lot of them. I will try to focus on those we are expected to vote on and some that we feel most passionately about.

I was glad to hear the Minister talking about the positions of the Welsh and Scottish Parliaments and recognising that they are consistent with previous positions on trade deals. We consistently believe there is overreach in extending into devolved areas and that is why legislative consent has been withheld on this occasion. Since Brexit particularly, the UK Parliament has been meddling in devolved areas, or allowing itself the power to do so, far more than previously. That is one of the many unfortunate consequences of “bringing back power”: it is power to the Executive, not so much to the devolved Administrations or the rest of us in Parliament.

This Bill is key because the spending of taxpayers' money for the benefit of, and on behalf of, taxpayers is a hugely powerful and important method the Government can use to ensure that they serve citizens in the best possible way, and that they support behaviours that they want to support and reject those they want to reject, in much the same way as tax laws and new tax measures can be created and implemented to discourage or encourage certain behaviours. There is an opportunity in the Procurement Bill and public procurement to do more than the Government have done in encouraging behaviour.

A number of amendments from Opposition Front Benchers specifically focus on that. I am pleased to see the tax transparency amendment, new clause 10. It makes sense to ask companies to be open and upfront about how much tax they are paying. It is very difficult to find out some of this information and it makes a huge amount of sense that decisions around public procurement could and should be made on the basis of considering whether companies are actually paying the tax they are or should be liable for here.

Amendment 2 from the Opposition on transparency declarations is also incredibly sensible. A number of Members around the House have mentioned the VIP lanes and the fact that there were fast-track contracts in relation to covid. The amendment strikes the right balance. The Government say we need to have fast-track processes and to be able to award contracts quickly. Amendment 2 would still allow that to happen. It would allow the speed that is necessary in emergencies and crises such as covid. It would allow procurement to happen speedily, but would increase the transparency;

whether it is an MP, a peer, a senior civil servant or a Minister, a transparency declaration would be required. We wholeheartedly support that amendment.

I turn to amendment 18 on breaching staff rights. The amendment is once again about trying to encourage the behaviour we want to see. We want to see public money, public spending and public contracts going to companies who treat their workers fairly and do not breach workers' rights. The amendment sets a high bar on exclusion from public procurement as it is specifically about excluding those companies found guilty by an employment tribunal or a court; it not just on the basis of one whistleblower whose case may not yet have been proven. Once again, we wholeheartedly support that.

4.15 pm

The hon. Member for Leeds East (Richard Burgon) is not in his place to talk about the amendments on the real living wage. They are incredibly good and helpful amendments, so I am slightly disappointed that they are not to be moved by the Labour Front-Bench team. It would have been nice to have had a vote on the real living wage and on ensuring that companies who get public money pay workers enough to live on. I cannot believe that we need once again to discuss the fact that people need to be paid enough to live on.

Ensuring that people are paid a more reasonable amount of money is a win-win for the Government, because they would have to give out less money in universal credit. Many people are on universal credit because their wages are not high enough for them to survive on. Ensuring that people are paid the real living wage would reduce the universal credit bill. Workers would feel more valued and not be spending their entire time at work thinking about how on earth they will pay their heating bills.

I apologise to the hon. Member for Brighton, Pavilion (Caroline Lucas) for missing her speech on amendment 60 in relation to the environment. I am sure it was excellent—her speeches always are. I have tabled similar amendments to various Bills in the past. I wholeheartedly agree that the Government need not just to talk the talk on climate change but to write it into every piece of legislation, whether a Finance Bill, procurement guidance and legislation or any kind of Bill. It should have been written into the Advanced Research and Invention Agency Act 2022, for example. For everything that is done, we should consider our environmental impact and our climate change obligations and targets.

We should remember that the Government signed up to those targets—they signed up to the Paris agreement and to the net zero target—but they are not following through. We have all these warm words on climate change—that was not meant to be a pun—but it needs to be the thread running through everything the Government do. We should be leading from the front on climate change, so I support the amendment. I also entirely agree with amendment 17 in relation to SME prompt payment.

The hon. Member for Amber Valley (Nigel Mills) spoke to amendments 61 to 67, which he tabled with the right hon. Member for Barking (Dame Margaret Hodge). At least a couple of my SNP colleagues have also signed them. I agree that the changes asked for would bring the Bill more into line with our expectations in ensuring

that all financial transgressions are included under the Bill. I am therefore pleased that he had the opportunity to speak to those genuinely cross-party amendments—not just in the Members who have led on them but in all their signatories. I hope the Government will listen to those calls and make some changes. I fear that we are beyond the point at which that can happen, but at least the issue has been raised.

The Government have mentioned changes to national security. The right hon. Member for Chingford and Woodford Green (Sir Iain Duncan Smith) tabled new clauses, and he and several other Members raised concerns about China and the use of Chinese technology. In Scotland, we have been phasing out Hikvision cameras, for example. I pressed the Minister on a number of occasions on Hikvision, which has been blacklisted in America, but the UK Government have not taken as much action as I would have liked. I welcome the action taken previously and I welcome the fact that they have now agreed to move on this and bring forward a timeline. I echo the calls made by the right hon. Member for Chingford and Woodford Green for an entire phasing out—not just in relation to sensitive sites. He is correct to say that while DWP sites may not be considered sensitive, they absolutely are. The amount of personal data they deal with is extensive and, as a result, the risk to many people is massive. I would like—I think he was calling for the same—all cameras and all technology under Chinese laws to be phased out, and for the Government to make commitments in that regard in the timeline that they will publish in six months' time.

I am not quite clear from the Minister what will happen with the timeline. How much will we be able to scrutinise it? Will there be a ministerial statement in the House, so that when the timeline is published we can ask questions and raise any concerns or queries, or will the timeline just be a governmental document, with no opportunity for MPs to have a formal scrutiny role? I think the Minister understands the strength of feeling across the House, on a cross-party basis. I hope he will be able to give MPs an opportunity to make criticisms, ask questions and get clarity when the timeline is published.

Amendment 68, tabled by the hon. Member for Weston-super-Mare (John Penrose), is on checking that contracts deliver what they say they will deliver. It is important to go further. I have mentioned on a number of occasions that post-legislative review does not take place in the way it should. Many Government Departments are failing, when it comes to post-legislative scrutiny, to work out whether Government policy has achieved its intended aim. We therefore need to go further than the hon. Gentleman suggests. He was talking about the Bill, but it needs to be done for all things where the Government have said, "This policy will raise x amount of money in tax, will cost y amount and will have these outcomes." I do not think there is effective scrutiny. The Public Accounts Committee cannot possibly cover every single piece of delegated legislation. Government Departments should have the responsibility of doing that. If they are asking us to support subsequent legislation, they should prove to MPs that the previous legislation achieved its aims, or say that it did not and that that is why they want to make a change. The PAC absolutely does a good job but there is a mountain of stuff out there and it cannot possibly look at every single matter. Amendment 68 goes some way on that, but it does not cover all we are looking for.

Finally, we support amendment 3 on organ harvesting, tabled by the hon. Member for St Helens South and Whiston (Ms Rimmer). Concerns about this matter have been raised with me by a significant number of my constituents. I agree that we should take the issue incredibly seriously and I would be more than happy to walk through the Lobby in support of her amendment if she pressed it to a Division. It is not an easy thing to talk about—it is a very difficult thing—and I very much appreciate the fact that she brought it here.

The Bill is necessary: it is necessary to have procurement legislation and it is necessary that we ensure that it is as sound as it can be. I am not sure exactly how much time we will have for Third Reading, but I hope we will have the opportunity to thank all who took part in Committee, particularly the Clerks who, as ever, have been excellent during the passage of the Bill. We will not oppose the Bill on Third Reading, but we will do what we can to support amendments. Again, I welcome the Government's commitment to make some changes on the back of conversations that they have had with both Conservative and Opposition Members who have been pushing for change.

Alex Burghart: It is a pleasure to wrap up a very interesting Report stage on this landmark piece of post-Brexit legislation that will allow our country to rewrite its procurement rules for the first time in decades.

It is a pleasure to follow the hon. Member for Aberdeen North (Kirsty Blackman), who had interesting reflections on the Bill. One could be forgiven for being able to listen to her remarks and not understand that the SNP has absented Scotland from the legislation. That is a great shame, and I believe that deep down she recognises the potential of the legislation. As the years go by, and small and medium-sized enterprises, and other businesses and contracting authorities in England, Wales and Northern Ireland benefit from the new regime, we will take pleasure in reminding businesses and contracting authorities in Scotland that it was the SNP that chose to keep Scotland out of it.

I touched on new clause 1, tabled by my right hon. Friend the Member for Chingford and Woodford Green (Sir Iain Duncan Smith), in my opening remarks. I am grateful for his saying that he will not push the new clause to a vote today. In return, I am pleased to reaffirm what I said earlier: we are happy to talk to him and other colleagues who are concerned about the definition of "sensitive", to ensure that it captures the issues about which he is concerned. We do not consider "sensitive" to attach itself just to sites of military significance or intelligence centres controlled by the agencies. It goes further, and we will take his points away regarding ministerial movements.

Sir Iain Duncan Smith: May I be clear? On the question I was asking, and have been asking, the Government have moved, particularly in reference to the national security laws of China, but my key point is that the Government should consider that all Departments fall into that category. There should not be any "B" definition. It would be far better if everybody were incorporated into that definition by the time the Bill got to the other place. Supplication would then have to be made for a variation or change, which the Cabinet

[Sir Iain Duncan Smith]

Office will make a decision about. Start with the power; then let them come and ask for it to be changed. That is the way to do it.

Alex Burghart: I thank my right hon. Friend for his comments. He will have heard me say earlier that we understand his views that “sensitive” could incorporate a broader range of assets, where information gleaned on the movement of officials and politicians could be detrimental to our national security.

I reaffirm our commitment to make a statement in the House within six months of Royal Assent, setting out the timeline for the removal from sensitive sites of surveillance equipment supplied by companies subject to the national intelligence law of China. I state again my gratitude to my right hon. Friend for his important work in this area and for the constructive dialogue that we have had with colleagues on the matter.

Amendment 3, tabled by the hon. Member for St Helens South and Whiston (Ms Rimmer), introduces a new ground for the exclusion of suppliers involved in forced organ harvesting. The amendment replicates an amendment made to the Bill in the other House, and subsequently removed by Committee of this House. I reassure her that the Government are not turning a blind eye to the extraordinarily important subject that she raises and highlights consistently.

We are in full agreement that complicity in the abuses associated with the overseas organ trade must not be tolerated. The Government have taken action to address that issue on a number of fronts. The Health and Care Act 2022 prohibits commercial organ tourism. I know the hon. Lady was involved in discussions leading to those provisions being included in the Act. The Government continue to monitor and review evidence relating to reports of forced organ harvesting in China, and maintain a dialogue with leading NGOs and international partners on that very important issue. I reassure her that forced organ harvesting is already covered by the exclusion grounds for professional misconduct. These grounds cover serious breaches of all ethical and professional standards—whether mandatory or not—that apply to different industries and sectors. The mandatory grounds in relation to corporate manslaughter and human trafficking are also relevant in this context. We have sought to limit the grounds—particularly those which, like this one, require an assessment of factual circumstances by the contracting authority—to those where there is a major and particular risk to public procurement. We are not aware of any evidence that a supplier to the UK public sector has been involved in forced organ harvesting, but I want to reassure the hon. Lady that the Bill will be able to deal with this horrendous practice appropriately.

4.30 pm

Amendment 18, tabled by the hon. Member for Vauxhall (Florence Eshalomi), would introduce a new discretionary ground for exclusion in relation to labour law infringements in the past year. In my view, the amendment is unnecessary. We have already made explicit provision for a new discretionary exclusion ground to disregard bids from suppliers that are known to use forced labour or perpetuate modern slavery themselves or in their supply chains when that has occurred in the last five years. Furthermore, we have expanded the scope of the mandatory exclusion

grounds for serious labour offences, with new grounds including refusal or wilful neglect to pay the national minimum wage and offences relating to employment agencies. Additionally, when the treatment of workers and the protection of their rights is relevant to the contract being procured, contracting authorities are entitled to set conditions of participation in these areas, and to evaluate treatment of workers as part of the award criteria in assessing tenders. The Government have published detailed guidance for contracting authorities to apply this to their procurements.

New clause 16, tabled by my hon. Friend the Member for Isle of Wight (Bob Seely), would require the Secretary of State to make provision for eradicating the use of goods or services that have been tainted by modern slavery. Of course there is no place for modern slavery in our supply chains, and there is already comprehensive guidance for contracting authorities on assessing and addressing modern slavery risks in supply chains. The guidance refers practitioners to the Global Slavery Index and the United States “List of Goods Produced by Child Labor or Forced Labor” to help them to assess the risk of particular contracts. Since April this year, suppliers have been required to detail their supply chains at selection stage in procurements that have been assessed as “high risk” in relation to modern slavery by a contracting authority. My hon. Friend is no longer in the Chamber, but were he present he would be pleased to hear that we think he has made an important point about forensic supply chain tracing, and we will seek to reflect that in the guidance in future.

As my hon. Friend knows, we are strengthening the grounds for exclusion in relation to modern slavery by expanding the mandatory grounds for serious labour offences and introducing a new discretionary exclusion ground for labour market misconduct. The Bill makes it clear that contracting authorities may apply the grounds for exclusion to supply chains, and must apply them to subcontractors on which they are relying to meet conditions of participation. We are also introducing for the first time in the UK a public debarment list of suppliers that meet a ground for exclusion and pose a risk of the issues re-occurring.

New clause 13, also tabled by my hon. Friend the Member for Isle of Wight, aims to ensure that the Government reduce the dependency of public bodies on countries identified as either systemic competitors or threats to the UK by the Integrated Review of Security, Defence, Development and Foreign Policy. I sympathise with my hon. Friend’s position, and have spoken to him about this topic on a few occasions. The need to develop and maintain resilient supply chains is an issue of which the Government are very aware, and I can reassure him that we are already taking steps to manage it. The Department for Business and Trade manages the recently established directorate for global supply chains, which works across Government to strengthen critical supply chains and assess and act on vulnerabilities. As a direct result of the integrated review, it has developed a resilience framework which highlights areas to be explored when dependencies in supply chains are being reduced, and has set up the UK-Australia supply chain resilience initiative to develop and improve public sector approaches to managing critical supply chain risks. The Centre for the Protection of National Infrastructure has also published guidance to prevent hostile actors from exploiting vulnerabilities in supply chains.

Improving supplier diversity and resilience is another key strategic priority for procurement, as is set out in the National Procurement Policy Statement. Achieving this objective will be facilitated in the new regime by, for example, the move from “most economically advantageous tender” to “most advantageous tender”, which will encourage contracting authorities to take factors other than price into consideration when developing award criteria. Criteria could include, for example—when it is relevant to the particular contract—the assessment of long-term supply chain resilience, including consideration of geopolitical instability.

Let me now deal with amendments 61 to 67, which were spoken to by my hon. Friend the Member for Amber Valley (Nigel Mills), and concern the exclusions regime. Amendments 61 and 62 seek to reduce the factors or commitments from suppliers that contracting authorities can take into consideration when determining if a supplier should be excluded from a procurement. We want the exclusions regime to encourage suppliers to engage with us to get better and operate in a manner that the Government find acceptable, whenever that is possible. Similarly, to reach a valid conclusion, contracting authorities should be able to consider pertinent evidence and information, in whatever way that is presented, and the Bill must support that. This is why the Bill allows for consideration of future commitments by the supplier, which can be verified and monitored by authorities and other appropriate factors. The only restriction on the information that contracting authorities can request is that it must be proportionate in the circumstances.

Amendment 63 seeks to remove the reasonable proportionality test in clause 58(3). It should be noted that this sensible threshold, alongside the broader list of matters that can be taken into account, broadens the ability of the contracting authority from the current regime. It is, however, right that contracting authorities should be proportionate and consider the information requested in light of the specific events being considered. For example, they should refrain from insisting that information is generated that would incur significant cost, if it is not directly related to the question at hand.

Amendments 64 to 66 seek to add various offences relating to economic crime as mandatory exclusion grounds. I believe that my hon. Friend the Member for Amber Valley suggested in his speech that a conviction for bribery was not a ground for mandatory exclusion. I can assure him that it is. A discretionary cause for exclusion is the failure to prevent bribery. There is a distinction between the two.

Debbie Abrahams: I just want to make sure that the Minister has not forgotten my new clause 12.

Alex Burghart: I absolutely have not, and I am very much looking forward to getting to it after I gone through the intervening amendments. I appreciate the hon. Lady’s enthusiasm.

The mandatory grounds for exclusion cover the types of misconduct that raise only the most serious risks for contracting authorities. We have strengthened the mandatory grounds significantly in comparison with the EU regime, but they cannot and should not cover every offence that could raise a risk to contracting authorities. However, I can offer reassurance that the offences in question could justify discretionary exclusion

on the ground of professional misconduct. This means that contracting authorities would have the flexibility to consider excluding the supplier, but could also factor in the nature of the contract being tendered and other relevant considerations in exercising their discretion.

Amendment 67 seeks to add a discretionary exclusion ground where there is evidence of financial and economic crime activity but there has not been any conviction of the listed offences. These concerns would already be caught by the ground of professional misconduct, which permits contracting authorities to weigh up the available evidence in the context of their procurement and use their discretion in determining whether an exclusion would be appropriate.

New clause 9, tabled by the hon. Member for Richmond Park (Sarah Olney), revisits the issues we discussed in Committee on the application of this Bill to certain healthcare services. New Clause 9 would insert a new clause 119 that would amend the Health and Care Act 2022, effectively deleting the power that enables the Department of Health and Social Care to make bespoke procurement regulations for the purposes of certain healthcare services, known as the provider selection regime. Amendment 13 deletes the existing clause 119 that provides a Minister of the Crown with a power to disapply the Bill to enable the provider selection regime regulations to be applied to those healthcare services.

The combined effect of these two amendments would be to stop the Department of Health and Social Care making separate procurement rules for certain healthcare services, and make the Procurement Bill apply to all healthcare services instead. As was discussed in Committee, the idiosyncrasies of healthcare delivery necessitate some special rules. The decision to create a free-standing scheme of healthcare-specific rules was taken in 2021 to give the NHS the tools required to deliver more joined-up patient pathways through the health system and to avoid some of the problems of double regulation of both the existing healthcare rules and the standard procurement rules. Significant effort has been expended and invested in consulting on and developing that free-standing scheme over several years now. All sides of the marketplace, including commissioners and providers in the healthcare industry, are expecting this new scheme to be delivered promptly to meet the policy aspirations that they have been so extensively consulted upon.

The Procurement Bill does not address any special measures tailored to support the healthcare reform made by the Health and Care Act 2022, as these measures have always been intended to be provided for in the new provider selection regime regulations. For example, the provider selection regime would permit direct awards to be made in defined circumstances, such as critical A&E services, that cannot be disrupted or when a certain provider is required to play a pivotal role in an integrated healthcare system. It would be incredibly unhelpful for both schemes at this critical stage, when both these healthcare regulations and the Procurement Bill are on the cusp of delivery, to start attempting to unpick it all now. Doing so would add unacceptable and entirely avoidable costs and delays to both programmes, for no tangible benefit. It would also mean more NHS contracts being subject to the rules of the Procurement Bill without due consideration of the exemptions and specific arrangements required to safeguard sustainable and joined-up delivery of NHS services to patients.

[Alex Burghart]

Of course Parliament will have its rightful opportunity to scrutinise the provider selection regime regulations, but it cannot be right to do this through the Procurement Bill for the purpose of killing off a near-ready scheme that supports important healthcare reforms that have already been debated and agreed by Parliament in the Health and Care Act.

Amendment 14, also tabled by the hon. Member for Richmond Park, would explicitly name the NHS in the definition of a contracting authority, a matter also discussed in Committee. Although I understand and entirely agree with the view that NHS bodies should be contracting authorities within the scope of this legislation, there is no need for any amendment in this respect, as the Bill already applies to NHS bodies in its current form.

New Clause 10, tabled by the hon. Member for Vauxhall, would require the submission of a tax report where a bidder is a multinational supplier. The tax reports of winning bidders would then be published. I understand that the aim of this amendment is to encourage contracting authorities to favour suppliers that can demonstrate responsible tax conduct. However, hon. Members will know that the basis on which contracts must be awarded under the Bill is by reference to award criteria that relate to the contract being tendered, not to other matters such as where a supplier pays tax. This is the right principle to deliver value for money for the taxpayer. Crucially, it is also a feature of the UK's international obligations under the World Trade Organisation's Government procurement agreement. Of course, the Government expect businesses to take all necessary steps to comply with their tax obligations. It is for His Majesty's Revenue and Customs to enforce the law on tax, and indeed UK-based multinational enterprises are required to make an annual country-by-country report to HMRC.

Turning to amendment 2, tabled by the right hon. Member for Ashton-under-Lyne (Angela Rayner), we consider that the Bill already has the balance right in terms of achieving greater transparency on direct award. Indeed, save for the small subset of user-choice contracts, it will now be mandatory to publish a transparency notice declaring an intention to award a contract in every case. This will include confirmation of the contracting authority having undertaken a conflicts assessment prior to signature of the contract.

In addition, the Bill also requires the conflicts position to be kept under review and to be revised at key points in the procurement, which will be confirmed via the contract details notice, after the contract is signed. This further ensures contracting authorities comply with ongoing statutory requirements contained in the Bill. Of course, we are all aware that MPs and peers are already required to register their interests, and civil servants are required to confirm annually that their declarations of interest are up to date. Furthermore, the Bill includes an additional safeguard in clause 83(4) so that where

"a contracting authority is aware of circumstances that...are likely to cause a reasonable person to...believe there to be a conflict"

these must also be addressed. We take these matters very seriously, and there is no need for additional provision to cover this issue. We will continue to work with

contracting authorities to show that they know the requirements around conflicts of interest and that they are implemented effectively.

On new clause 12, I welcome the ongoing efforts of the hon. Member for Oldham East and Saddleworth (Debbie Abrahams) to improve liquidity for small businesses, including by advocating for and championing the increased use of project bank accounts. We recognise the energy and enthusiasm she brings to that campaign.

As I said in Committee, project bank accounts are most often an effective way to ensure fair payment and to protect suppliers, and they are already the Government's preferred vehicle for construction contracts where it is cost-effective and cost-efficient. Government Departments have made a commitment to use PBAs in construction projects unless there are compelling reasons not to do so. However, it is not the Government's position that PBAs should be mandated across all contracting authorities, as they are not always suitable or cost-effective, particularly where the subcontractor is very small or is paid more frequently than monthly, or where the supply chain is short. Instead, we intend to continue educating contracting authorities, through guidance, on the circumstances in which we believe PBAs are practical and effective.

Debbie Abrahams: I remind the Minister that new clause 12 covers contracts worth over £2 million, so it is not for all contracts.

Alex Burghart: I accept the hon. Lady's point, but there are other circumstances to consider, which I have just outlined.

We are already working with industry to discourage the withholding of retentions by supporting zero retention for high-quality work pilot projects and reducing the default rate of retentions within certain types of contract to zero. However, we do not support dictating the operation of construction contracts to the degree proposed.

4.45 pm

Amendment 68 was tabled by my hon. Friend the Member for Weston-super-Mare (John Penrose). We very much understand the reasons why he is behind this proposal, and we agree about the value of a systematic evaluation of public contracts. We welcome the constructive conversations he has had with Baroness Neville-Rolfe in the Lords and with the Paymaster General in this place. We are not going to accept the amendment, as the Government are already committed to the evaluation of public contracts in order to improve supplier performance and inform decisions on future requirements. The Bill will ensure that contracting authorities have the data they need to drive value for money and identify cost savings in their procurements by, among other things, the Bill's contract review provisions, based on the publication of key performance indicators for public contracts over £5 million.

The introduction of an external assessment of even a small percentage of public contracts will significantly increase the regulatory burden for contracting authorities, given the sheer volume of public contracts. The Bill needs to strike a balance between the regulatory burden in terms of time and effort, and effective targeted evaluation of public contracts. The Bill sets out the minimum evaluation requirements for all types of contracts. Contracting authorities will have the flexibility to adopt

wider or deeper methods of evaluating contracts in a proportionate manner. However, we are very happy to continue to work with my hon. Friend on what we can do to facilitate his ideas outside placing them in the Bill.

In conclusion, based on the reasons I have given, I respectfully ask that Members do not press their amendments to a vote, but I thank them for their contributions.

Question put and agreed to.

New clause 15 accordingly read a Second time, and added to the Bill

New Clause 10

TAX TRANSPARENCY

“(1) This section applies to any covered procurement for a public contract with an estimated value of £5 million or over.

(2) When assessing tenders under section 19 or awarding a contract under section 41 or 43, a contracting authority must require the submission of a tax report where a supplier is a multi-national supplier.

(3) Where a multi-national supplier fails to submit a tax report, a contracting authority must exclude the supplier from participating in, or progressing as part of, the competitive tendering procedure.

(4) Subject to subsection (5), a contracting authority that enters into a contract with a multi-national supplier must publish a copy of the tax report—

- (a) if the contract is a light touch contract, before the end of the period of 120 days beginning with the day on which the contract is entered into;
- (b) otherwise, before the end of the period of 30 days beginning with the day on which the contract is entered into.

(5) Where a copy of a contract is by virtue of regulations under section 95 published under section 53(3) on a specified online system, the tax report relating to that contract must be published on the same specified online system—

- (a) if the contract is a light touch contract, before the end of the period of 120 days beginning with the day on which the contract is entered into;
- (b) otherwise, before the end of the period of 30 days beginning with the day on which the contract is entered into.

(6) A ‘multi-national supplier’ is a supplier with two or more enterprises that are resident for tax purposes in two or more different jurisdictions.

(7) A ‘tax report’ means a report setting out—

- (a) the income booked in the UK,
- (b) the profit before tax attributable to the UK,
- (c) the corporate income tax paid on a cash basis in the UK,
- (d) the corporate income tax accrued on profit/loss attributable to the UK, and
- (e) any other information specified in regulations under section 95

for the multinational supplier.

(8) A Minister of the Crown may by regulations amend this section for the purpose of changing the financial threshold.”
—(Florence Eshalomi.)

This new clause would require large multinational corporations bidding for a public contract to provide information about their Income booked in the UK, their profit before tax attributable to the UK, their corporate income tax paid on a cash basis in the UK and their corporate income tax accrued on profit/loss attributable to the UK, and that information to be published.

Brought up, and read the First time.

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

The House divided: Ayes 231, Noes 282.

Division No. 252]

[4.47 pm

AYES

Abbott, rh Ms Diane (*Proxy vote cast by Bell Ribeiro-Addy*)

Abrahams, Debbie

Ali, Rushanara

Ali, Tahir

Allin-Khan, Dr Rosena

Amesbury, Mike

Anderson, Fleur

Antoniazzi, Tonia

Ashworth, rh Jonathan

Barker, Paula

Beckett, rh Margaret

Begum, Apsana

Benn, rh Hilary

Betts, Mr Clive

Black, Mhairi

Blackford, rh Ian

Blackman, Kirsty

Blake, Olivia

Blomfield, Paul

Bonnar, Steven

Bradshaw, rh Mr Ben

Brennan, Kevin

Brock, Deidre

Brown, Alan

Brown, Ms Lyn

Brown, rh Mr Nicholas

Bryant, Sir Chris

Buck, Ms Karen

Burgon, Richard

Butler, Dawn

Byrne, Ian

Byrne, rh Liam

Cadbury, Ruth

Callaghan, Amy (*Proxy vote cast by Brendan O'Hara*)

Cameron, Dr Lisa

Campbell, rh Sir Alan

Campbell, Mr Gregory

Carden, Dan

Carmichael, rh Mr Alistair

Chamberlain, Wendy

Cherry, Joanna

Clark, Feryal (*Proxy vote cast by Chris Elmore*)

Cooper, rh Yvette

Cowan, Ronnie

Coyle, Neil

Creasy, Stella

Cruddas, Jon

Cryer, John

Cummins, Judith

Daby, Janet

Dalton, Ashley

David, Wayne

Davies-Jones, Alex

Day, Martyn

De Cordova, Marsha

Debbonaire, Thangam

Dhesi, Mr Tanmanjeet Singh

Dixon, Samantha

Docherty-Hughes, Martin

Dodds, Anneliese

Doogan, Dave

Dorans, Allan (*Proxy vote cast by Brendan O'Hara*)

Doughty, Stephen

Dowd, Peter

Eagle, Dame Angela

Eastwood, Colum

Edwards, Jonathan

Efford, Clive

Elliott, Julie

Elmore, Chris

Eshalomi, Florence

Esterson, Bill

Evans, Chris

Farron, Tim

Farry, Stephen

Fellows, Marion

Fletcher, Colleen

Flynn, Stephen

Foord, Richard

Fovargue, Yvonne

Foxcroft, Vicky

Foy, Mary Kelly

Furniss, Gill

Gardiner, Barry

Gibson, Patricia

Gill, Preet Kaur

Girvan, Paul

Grady, Patrick

Grant, Peter

Green, Sarah

Greenwood, Margaret

Griffith, Dame Nia

Gwynne, Andrew

Haigh, Louise

Hamilton, Fabian

Hamilton, Mrs Paulette

Harvey, Neale

Hardy, Emma

Harman, rh Ms Harriet

Harris, Carolyn

Hendrick, Sir Mark

Hendry, Drew

Hillier, Dame Meg

Hobhouse, Wera

Hodgson, Mrs Sharon

Hollern, Kate

Hopkins, Rachel

Hosie, rh Stewart

Howarth, rh Sir George

Huq, Dr Rupa

Hussain, Imran

Jardine, Christine

Jarvis, Dan

Johnson, rh Dame Diana

Jones, Darren

Jones, rh Mr Kevan

Jones, Ruth

Jones, Sarah

Kane, Mike

Kendall, Liz

Khan, Afzal

Kinnock, Stephen

Kyle, Peter

Lake, Ben

Lammy, rh Mr David

Lavery, Ian

Leadbeater, Kim
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Lloyd, Tony (*Proxy vote cast by Chris Elmore*)
 Long Bailey, Rebecca
 Lucas, Caroline
 MacNeil, Angus Brendan
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Maskell, Rachael
 Mc Nally, John
 McCabe, Steve
 McCarthy, Kerry
 McDonald, Andy
 McDonald, Stewart Malcolm
 McDonald, Stuart C.
 McDonnell, rh John
 McFadden, rh Mr Pat
 McKinnell, Catherine
 McLaughlin, Anne (*Proxy vote cast by Brendan O'Hara*)
 McMorris, Anna
 Mearns, Ian
 Monaghan, Carol
 Morden, Jessica
 Morgan, Helen
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Murray, James
 Nandy, Lisa
 Newlands, Gavin
 Nichols, Charlotte
 Nicolson, John (*Proxy vote cast by Brendan O'Hara*)
 O'Hara, Brendan
 Olney, Sarah
 Onwurah, Chi
 Oppong-Asare, Abena
 Osborne, Kate
 Oswald, Kirsten
 Owatemi, Taiwo
 Peacock, Stephanie
 Pennycook, Matthew
 Perkins, Mr Toby
 Phillips, Jess
 Pollard, Luke
 Powell, Lucy
 Qaisar, Ms Anum
 Qureshi, Yasmin
 Rayner, rh Angela
 Reed, Steve

Rees, Christina
 Reynolds, Jonathan
 Ribeiro-Addy, Bell
 Rimmer, Ms Marie
 Robinson, Gavin
 Rodda, Matt
 Russell-Moyle, Lloyd
 Saville Roberts, rh Liz
 Shah, Naz
 Shannon, Jim
 Sheppard, Tommy
 Siddiq, Tulip
 Slaughter, Andy
 Smith, Alyn
 Smith, Cat
 Smith, Jeff
 Smith, Nick
 Smyth, Karin
 Spellar, rh John
 Stephens, Chris
 Stevens, Jo
 Stone, Jamie
 Streeting, Wes
 Stringer, Graham
 Sultana, Sarah
 Tami, rh Mark
 Tarry, Sam
 Thewliss, Alison
 Thomas, Gareth
 Thomas-Symonds, rh Nick
 Thompson, Owen
 Thomson, Richard
 Timms, rh Sir Stephen
 Trickett, Jon
 Turner, Karl
 Twigg, Derek
 Twist, Liz
 Vaz, rh Valerie
 Wakeford, Christian
 Webbe, Claudia
 West, Catherine
 Western, Andrew
 Western, Matt
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Wilson, Munira
 Wilson, rh Sammy
 Winter, Beth
 Wishart, Pete
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:

**Mary Glindon and
 Gerald Jones**

NOES

Afolami, Bim
 Afriyie, Adam
 Aiken, Nickie
 Aldous, Peter
 Anderson, Lee
 Andrew, rh Stuart
 Ansell, Caroline
 Argar, rh Edward
 Atherton, Sarah
 Atkins, Victoria
 Bacon, Gareth
 Badenoch, rh Kemi
 Bailey, Shaun
 Baillie, Siobhan
 Baker, Duncan
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, rh Steve
 Baynes, Simon
 Bell, Aaron
 Beresford, Sir Paul
 Berry, rh Sir Jake
 Bhatti, Saqib (*Proxy vote cast by Mr Marcus Jones*)
 Blackman, Bob
 Blunt, Crispin
 Bone, Mr Peter (*Proxy vote cast by Mr Marcus Jones*)

Bottomley, Sir Peter
 Bowie, Andrew
 Brady, Sir Graham
 Brereton, Jack
 Brine, Steve
 Bristow, Paul
 Browne, Anthony
 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
 Churchill, Jo
 Clark, rh Greg
 Clarke, rh Sir Simon
 Clarke, Theo (*Proxy vote cast by Mr Marcus Jones*)
 Clarke-Smith, Brendan
 Clarkson, Chris
 Clifton-Brown, Sir Geoffrey
 Coffey, rh Dr Thérèse
 Colburn, Elliot
 Collins, Damian
 Courts, Robert
 Coutinho, Claire
 Cox, rh Sir Geoffrey
 Crabb, rh Stephen
 Crosbie, Virginia
 Crouch, Tracey
 Davies, rh David T. C.
 Davies, Gareth
 Davies, Dr James
 Davies, Mims
 Davies, Philip
 Davison, Dehenna
 Dineneage, Dame Caroline
 Dines, Miss Sarah
 Djanogly, Mr Jonathan
 Docherty, Leo
 Donelan, rh Michelle (*Proxy vote cast by Mr Marcus Jones*)
 Double, Steve
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, Sir James
 Duguid, David
 Duncan Smith, rh Sir Iain
 Dunne, rh Philip
 Eastwood, Mark
 Ellis, rh Michael
 Elphicke, Mrs Natalie
 Eustice, rh George
 Evans, Dr Luke
 Evennett, rh Sir David
 Fabricant, Michael
 Farris, Laura
 Fell, Simon
 Firth, Anna
 Fletcher, Katherine
 Fletcher, Mark
 Fletcher, Nick
 Ford, rh Vicky
 Foster, Kevin
 Frazer, rh Lucy
 Freeman, George
 Freer, Mike
 French, Mr Louie
 Fysh, Mr Marcus
 Garnier, Mark
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gibson, Peter
 Gideon, Jo
 Glen, rh John
 Goodwill, rh Sir Robert
 Gove, rh Michael
 Graham, Richard
 Grant, Mrs Helen
 Gray, James
 Green, Chris
 Green, rh Damian
 Grundy, James
 Gullis, Jonathan
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Harris, Rebecca
 Harrison, Trudy
 Hart, rh Simon
 Hayes, rh Sir John
 Heapey, rh James
 Henderson, Gordon
 Henry, Darren
 Hinds, rh Damian
 Holden, Mr Richard
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Holmes, Paul
 Howell, John
 Huddleston, Nigel
 Hudson, Dr Neil
 Hughes, Eddie
 Hunt, Jane
 Hunt, Tom
 Jack, rh Mr Alister
 Jayawardena, rh Mr Ranil
 Jenkin, Sir Bernard
 Jenkinson, Mark
 Jenkyns, Dame Andrea
 Jenrick, rh Robert
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnston, David
 Jones, Andrew
 Jones, rh Mr David
 Jones, Fay
 Jones, rh Mr Marcus
 Jupp, Simon
 Keegan, rh Gillian
 Kniveton, Kate
 Kruger, Danny
 Lamont, John
 Langan, Robert
 Leadsom, rh Dame Andrea
 Leigh, rh Sir Edward
 Levy, Ian
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Sir Julian
 Loder, Chris
 Logan, Mark (*Proxy vote cast by Mr Marcus Jones*)
 Longhi, Marco
 Lopez, Julia (*Proxy vote cast by Mr Marcus Jones*)

Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 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
 McVey, rh Esther
 Merries, Mark
 Merriman, Huw
 Metcalfe, Stephen
 Millar, Robin
 Miller, rh Dame Maria
 Milling, rh Amanda
 Mills, Nigel
 Mohindra, Mr Gagan
 Moore, Damien
 Moore, Robbie
 Mordaunt, rh Penny
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morrissey, Joy
 Mortimer, Jill
 Morton, rh Wendy
 Mullan, Dr Kieran
 Murray, Mrs Sheryll
 Murrison, rh Dr Andrew
 Nici, Lia
 Nokes, rh Caroline
 Norman, rh Jesse
 O'Brien, Neil
 Opperman, Guy
 Patel, rh Dame Priti
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Philp, rh Chris
 Poulter, Dr Dan
 Pow, Rebecca
 Pritchard, rh Mark
 Quin, rh Jeremy
 Quince, Will
 Randall, Tom
 Redwood, rh John
 Rees-Mogg, rh Sir Jacob
 Richards, Nicola
 Richardson, Angela
 Robertson, Mr Laurence
 Robinson, Mary
 Rowley, Lee
 Russell, Dean
 Rutley, David

Sambrook, Gary
 Saxby, Selaine
 Scully, Paul
 Seely, Bob
 Selous, Andrew
 Sharma, rh Sir Alok
 Shelbrooke, rh Alec
 Simmonds, David
 Skidmore, rh Chris
 Smith, rh Chloe
 Smith, Greg
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Solloway, Amanda
 Spencer, Dr Ben
 Stephenson, rh Andrew
 Stevenson, Jane
 Stevenson, John
 Stewart, rh Bob
 Stewart, Iain
 Streeter, Sir Gary
 Stuart, rh Graham
 Sturdy, Julian
 Sunderland, James
 Swayne, rh Sir Desmond
 Syms, Sir Robert
 Throup, Maggie
 Tolhurst, rh Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Trevelyan, rh Anne-Marie
 Trott, Laura
 Tugendhat, rh Tom
 Vara, rh Shailesh
 Vickers, Martin
 Vickers, Matt
 Villiers, rh Theresa
 Walker, Sir Charles
 Walker, Mr Robin
 Wallis, Dr Jamie
 Warburton, David (*Proxy vote cast by Craig Mackinlay*)
 Warman, Matt
 Watling, Giles
 Webb, Suzanne
 Whately, Helen
 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

Tellers for the Noes:
 Ruth Edwards and
 Jacob Young

Question accordingly negated.

Clause 2

CONTRACTING AUTHORITIES

Amendments made: 19, page 2, line 17, leave out “subsection” and insert “subsections (8A) and”

This amendment is consequential on Amendment 20.

Amendment 20, page 3, line 12, at end insert—

“(8A) In this Act, a reference to a public authority includes a reference to the Common Council of the City of London.”
 —(*Alex Burghart.*)

This amendment would mean that a reference to a public authority in the Bill includes the City of London.

Clause 43

SWITCHING TO DIRECT AWARD

Amendments made: 21, page 29, line 29, leave out “19” and insert “19(3)(a), (b) or (c)”

This amendment would mean that a contracting authority could not rely on clause 19(3)(d) to justify a switch to direct award - which (in not referring to “material” breach) is broader than clause 43(2)(e).

Amendment 22, page 29, line 34, leave out paragraph (c)

This amendment would mean that a contracting authority would have to apply the clause 19 rules on abnormally low tenders before relying on that fact to switch to direct award.

Amendment 23, page 29, line 37, after “notice” insert “or associated tender documents”—(*Alex Burghart.*)

This amendment would reflect the fact that some procedural requirements will be in associated tender documents.

Clause 44

TRANSPARENCY NOTICES

Amendment proposed: 2, page 30, line 16, at end insert—

“(4) Any Minister of the Crown, Member of Parliament, Member of the House of Lords or senior civil servant involved in recommending a supplier for a contract under section 41 or 43 must make a public declaration to the Cabinet Office of any private financial interest in that supplier within 10 working days.”—(*Angela Rayner.*)

This amendment would implement a recommendation by the National Audit Office that any contracts awarded under emergency provisions or direct awards should include transparency declarations.

Question put, That the amendment be made.

The House divided: Ayes 230, Noes 280.

Division No. 253]

[5.2 pm

AYES

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

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

Chamberlain, Wendy
 Chapman, Douglas
 Cherry, Joanna
 Clark, Feryal (*Proxy vote cast by Chris Elmore*)
 Cooper, rh Yvette
 Cowan, Ronnie
 Coyle, Neil
 Creasy, Stella
 Cruddas, Jon
 Cummins, Judith
 Daby, Janet
 Dalton, Ashley
 David, Wayne
 Davies-Jones, Alex
 Day, Martyn
 De Cordova, Marsha
 Debbonaire, Thangam
 Dhesi, Mr Tanmanjeet Singh
 Dixon, Samantha
 Docherty-Hughes, Martin
 Dodds, Anneliese
 Doogan, Dave
 Dorans, Allan (*Proxy vote cast by Brendan O'Hara*)
 Doughty, Stephen
 Dowd, Peter
 Eagle, Dame Angela
 Eastwood, Colum
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Elmore, Chris
 Eshalomi, Florence
 Esterson, Bill
 Evans, Chris
 Farron, Tim
 Farry, Stephen
 Fellows, Marion
 Fletcher, Colleen
 Flynn, Stephen
 Foord, Richard
 Fovargue, Yvonne
 Foxcroft, Vicky
 Foy, Mary Kelly
 Furniss, Gill
 Gardiner, Barry
 Gibson, Patricia
 Gill, Preet Kaur
 Girvan, Paul
 Grady, Patrick
 Grant, Peter
 Green, Sarah
 Greenwood, Margaret
 Griffith, Dame Nia
 Gwynne, Andrew
 Haigh, Louise
 Hamilton, Fabian
 Hamilton, Mrs Paulette
 Hanna, Claire
 Hanvey, Neale
 Hardy, Emma
 Harman, rh Ms Harriet
 Harris, Carolyn
 Hendrick, Sir Mark
 Hendry, Drew
 Hillier, Dame Meg
 Hobhouse, Wera
 Hodge, rh Dame Margaret
 Hodgson, Mrs Sharon
 Hollern, Kate
 Hopkins, Rachel

Hosie, rh Stewart
 Howarth, rh Sir George
 Huq, Dr Rupa
 Hussain, Imran
 Jardine, Christine
 Jarvis, Dan
 Johnson, rh Dame Diana
 Jones, Darren
 Jones, rh Mr Kevan
 Jones, Ruth
 Jones, Sarah
 Kane, Mike
 Kendall, Liz
 Khan, Afzal
 Kinnock, Stephen
 Kyle, Peter
 Lake, Ben
 Lammy, rh Mr David
 Lavery, Ian
 Leadbeater, Kim
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Lloyd, Tony (*Proxy vote cast by Chris Elmore*)
 Long Bailey, Rebecca
 Lucas, Caroline
 MacNeil, Angus Brendan
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Maskell, Rachael
 Mc Nally, John
 McCabe, Steve
 McCarthy, Kerry
 McDonald, Andy
 McDonald, Stewart Malcolm
 McDonald, Stuart C.
 McDonnell, rh John
 McFadden, rh Mr Pat
 McKinnell, Catherine
 McLaughlin, Anne (*Proxy vote cast by Brendan O'Hara*)
 McMorris, Anna
 Mearns, Ian
 Monaghan, Carol
 Morden, Jessica
 Morgan, Helen
 Morgan, Stephen
 Morris, Grahame
 Murray, James
 Nandy, Lisa
 Newlands, Gavin
 Nichols, Charlotte
 Nicolson, John (*Proxy vote cast by Brendan O'Hara*)
 O'Hara, Brendan
 Olney, Sarah
 Onwurah, Chi
 Oppong-Asare, Abena
 Osborne, Kate
 Oswald, Kirsten
 Owatemi, Taiwo
 Peacock, Stephanie
 Pennycook, Matthew
 Perkins, Mr Toby
 Phillips, Jess
 Pollard, Luke
 Powell, Lucy
 Qaisar, Ms Anum
 Qureshi, Yasmin
 Rayner, rh Angela

Reed, Steve
 Rees, Christina
 Reynolds, Jonathan
 Ribeiro-Addy, Bell
 Rimmer, Ms Marie
 Robinson, Gavin
 Rodda, Matt
 Russell-Moyle, Lloyd
 Saville Roberts, rh Liz
 Shah, Naz
 Shannon, Jim
 Sheppard, Tommy
 Siddiq, Tulip
 Slaughter, Andy
 Smith, Alyn
 Smith, Cat
 Smith, Jeff
 Smith, Nick
 Smyth, Karin
 Spellar, rh John
 Stephens, Chris
 Stevens, Jo
 Stone, Jamie
 Streeting, Wes
 Stringer, Graham
 Sultana, Zarah
 Tami, rh Mark
 Tarry, Sam
 Afolami, Bim
 Afriyie, Adam
 Aiken, Nickie
 Aldous, Peter
 Anderson, Lee
 Andrew, rh Stuart
 Ansell, Caroline
 Argar, rh Edward
 Atherton, Sarah
 Atkins, Victoria
 Bacon, Gareth
 Badenoch, rh Kemi
 Bailey, Shaun
 Baillie, Siobhan
 Baker, Duncan
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, rh Steve
 Baynes, Simon
 Bell, Aaron
 Beresford, Sir Paul
 Berry, rh Sir Jake
 Bhatti, Saqib (*Proxy vote cast by Mr Marcus Jones*)
 Blackman, Bob
 Blunt, Crispin
 Bone, Mr Peter (*Proxy vote cast by Mr Marcus Jones*)
 Bottomley, Sir Peter
 Bowie, Andrew
 Brady, Sir Graham
 Brereton, Jack
 Brine, Steve
 Bristow, Paul
 Browne, Anthony
 Buchan, Felicity
 Buckland, rh Sir Robert
 Burghart, Alex
 Butler, Rob
 Cairns, rh Alun
 Carter, Andy

Thewliss, Alison
 Thomas, Gareth
 Thomas-Symonds, rh Nick
 Thompson, Owen
 Thomson, Richard
 Timms, rh Sir Stephen
 Trickett, Jon
 Turner, Karl
 Twigg, Derek
 Twist, Liz
 Vaz, rh Valerie
 Wakeford, Christian
 Webbe, Claudia
 West, Catherine
 Western, Andrew
 Western, Matt
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Wilson, Munira
 Wilson, rh Sammy
 Winter, Beth
 Wishart, Pete
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:
 Gerald Jones and
 Mary Glindon

NOES

Cash, Sir William
 Cates, Miriam
 Caulfield, Maria
 Chope, Sir Christopher
 Churchill, Jo
 Clark, rh Greg
 Clarke, rh Sir Simon
 Clarke, Theo (*Proxy vote cast by Mr Marcus Jones*)
 Clarke-Smith, Brendan
 Clarkson, Chris
 Clifton-Brown, Sir Geoffrey
 Coffey, rh Dr Thérèse
 Colburn, Elliot
 Collins, Damian
 Courts, Robert
 Coutinho, Claire
 Cox, rh Sir Geoffrey
 Crabb, rh Stephen
 Crosbie, Virginia
 Crouch, Tracey
 Davies, rh David T. C.
 Davies, Gareth
 Davies, Dr James
 Davies, Mims
 Davies, Philip
 Davison, Dehenna
 Dinanage, Dame Caroline
 Dines, Miss Sarah
 Djanogly, Mr Jonathan
 Docherty, Leo
 Donelan, rh Michelle (*Proxy vote cast by Mr Marcus Jones*)
 Double, Steve
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, Sir James
 Duguid, David
 Duncan Smith, rh Sir Iain

Dunne, rh Philip
 Eastwood, Mark
 Ellis, rh Michael
 Elphicke, Mrs Natalie
 Eustice, rh George
 Evans, Dr Luke
 Evennett, rh Sir David
 Fabricant, Michael
 Farris, Laura
 Fell, Simon
 Firth, Anna
 Fletcher, Katherine
 Fletcher, Mark
 Fletcher, Nick
 Ford, rh Vicky
 Foster, Kevin
 Frazer, rh Lucy
 Freeman, George
 Freer, Mike
 French, Mr Louie
 Fysh, Mr Marcus
 Garnier, Mark
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gibson, Peter
 Gideon, Jo
 Glen, rh John
 Goodwill, rh Sir Robert
 Gove, rh Michael
 Graham, Richard
 Grant, Mrs Helen
 Gray, James
 Green, Chris
 Green, rh Damian
 Grundy, James
 Gullis, Jonathan
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Harris, Rebecca
 Harrison, Trudy
 Hayes, rh Sir John
 Heald, rh Sir Oliver
 Heapey, rh James
 Henderson, Gordon
 Henry, Darren
 Hinds, rh Damian
 Holden, Mr Richard
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Holmes, Paul
 Howell, John
 Huddleston, Nigel
 Hudson, Dr Neil
 Hughes, Eddie
 Hunt, Jane
 Hunt, Tom
 Jack, rh Mr Alister
 Jayawardena, rh Mr Ranil
 Jenkin, Sir Bernard
 Jenkinson, Mark
 Jenkyns, Dame Andrea
 Jenrick, rh Robert
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnston, David
 Jones, Andrew
 Jones, rh Mr David
 Jones, Fay
 Jones, rh Mr Marcus
 Jupp, Simon

Keegan, rh Gillian
 Kniveton, Kate
 Kruger, Danny
 Lamont, John
 Largan, Robert
 Leadsom, rh Dame Andrea
 Leigh, rh Sir Edward
 Levy, Ian
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Sir Julian
 Loder, Chris
 Logan, Mark (*Proxy vote cast by Mr Marcus Jones*)
 Longhi, Marco
 Lopez, Julia (*Proxy vote cast by Mr Marcus Jones*)
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Maclean, Rachel
 Mak, Alan
 Malthouse, rh Kit
 Mangnall, Anthony
 Mann, Scott
 Marson, Julie
 May, rh Mrs Theresa
 Mayhew, Jerome
 Maynard, Paul
 McCartney, Karl
 McVey, rh Esther
 Menzies, Mark
 Merriman, Huw
 Metcalfe, Stephen
 Millar, Robin
 Miller, rh Dame Maria
 Milling, rh Amanda
 Mills, Nigel
 Mohindra, Mr Gagan
 Moore, Damien
 Moore, Robbie
 Mordaunt, rh Penny
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morrissey, Joy
 Mortimer, Jill
 Morton, rh Wendy
 Mullan, Dr Kieran
 Murray, Mrs Sheryll
 Murrison, rh Dr Andrew
 Nici, Lia
 Nokes, rh Caroline
 Norman, rh Jesse
 O'Brien, Neil
 Opperman, Guy
 Patel, rh Dame Priti
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Philp, rh Chris
 Poulter, Dr Dan
 Pow, Rebecca
 Pritchard, rh Mark
 Quin, rh Jeremy
 Quince, Will
 Randall, Tom
 Redwood, rh John
 Rees-Mogg, rh Sir Jacob
 Richards, Nicola

Richardson, Angela
 Robertson, Mr Laurence
 Robinson, Mary
 Rowley, Lee
 Russell, Dean
 Rutley, David
 Sambrook, Gary
 Saxby, Selaine
 Scully, Paul
 Seely, Bob
 Selous, Andrew
 Sharma, rh Sir Alok
 Shelbrooke, rh Alec
 Simmonds, David
 Skidmore, rh Chris
 Smith, rh Chloe
 Smith, Greg
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Solloway, Amanda
 Spencer, Dr Ben
 Stephenson, rh Andrew
 Stevenson, Jane
 Stevenson, John
 Stewart, rh Bob
 Stewart, Iain
 Streeter, Sir Gary
 Stuart, rh Graham
 Sturdy, Julian
 Sunderland, James
 Swayne, rh Sir Desmond
 Syms, Sir Robert

Throup, Maggie
 Tolhurst, rh Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Trevelyan, rh Anne-Marie
 Trott, Laura
 Tugendhat, rh Tom
 Vara, rh Shailesh
 Vickers, Martin
 Vickers, Matt
 Villiers, rh Theresa
 Walker, Mr Robin
 Wallis, Dr Jamie
 Warburton, David (*Proxy vote cast by Craig Mackinlay*)
 Warman, Matt
 Watling, Giles
 Webb, Suzanne
 Whately, Helen
 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

Tellers for the Noes:
 Ruth Edwards and
 Jacob Young

Question accordingly negated.

Clause 52

KEY PERFORMANCE INDICATORS

Amendments made: 24, page 35, line 17, leave out “and publish”.

This amendment is consequential on Amendment 25 and would remove the requirement to publish key performance indicators before entering into a public contract.

Amendment 25, page 35, line 21, at end insert—

“(2A) A contracting authority must publish any key performance indicators set under subsection (1).”—(*Alex Burghart.*)

This amendment is linked to Amendment 24 and would require key performance indicators to be published, but not necessarily before the contract is entered into—further provision about publication would be made in regulations under clause 95.

Clause 57

MEANING OF EXCLUDED AND EXCLUDABLE SUPPLIER

Amendments made: 26, page 40, line 8, after “are” insert “continuing or”.

This amendment would make it clear that a contracting authority must be satisfied that circumstances are not continuing—that is, it is no defence to say they have never ceased and therefore cannot re-occur.

Amendment 27, page 40, line 16, after “are” insert “continuing or”.

This amendment would make it clear that a contracting authority must be satisfied that circumstances are not continuing—that is, it is no defence to say they have never ceased and therefore cannot re-occur.

Amendment 28, page 40, line 18, at end insert—

“(2A) If a supplier is an excluded supplier on the basis of the supplier or an associated person being on the debarment list only by virtue of paragraph 34A of Schedule 6 (threat to national security), the supplier is to be treated as an excluded supplier only in relation to public contracts of a kind described in the relevant entry.”—(*Alex Burghart.*)

This amendment is consequential on Amendment 57 adding new paragraph 34A to Schedule 6, and would allow a supplier to be debarred only in respect of particular contracts.

Clause 58

CONSIDERING WHETHER A SUPPLIER IS
EXCLUDED OR EXCLUDABLE

Amendments made: 29, page 40, line 28, after “are” insert “continuing or”.

This amendment is consequential on Amendments 26 and 27.

Amendment 30, page 40, line 35, after “circumstances” insert “continuing or”.—(Alex Burghart.)

This amendment is consequential on Amendments 26 and 27.

Clause 59

NOTIFICATION OF EXCLUSION OF SUPPLIER

Amendments made: 31, page 41, line 31, leave out “on the basis” and insert—

“(i) under section 57(1)(a) or (2)(a) by virtue”.

This amendment would clarify that a contracting authority would only have to notify the appropriate authority if it excludes a supplier on the basis of its own judgement (rather than the debarment list).

Amendment 32, page 41, line 31, at end insert—

“, or

(ii) on the basis of being on the debarment list by virtue of paragraph 34A of Schedule 6 (threat to national security).”—(*Alex Burghart.*)

This amendment would require a contracting authority to notify the appropriate authority if it excludes a supplier on the basis of a supplier being on the debarment list by virtue of the new ground to be inserted by Amendment 57.

Clause 60

INVESTIGATIONS OF SUPPLIER: EXCLUSION GROUNDS

Amendments made: 33, page 42, line 18, after “may” insert—

“, for the purpose of considering whether an entry could be added to the debarment list in respect of a supplier.”.

This amendment would clarify that investigations are for the purpose of considering whether an entry to the debarment list could be added in respect of a supplier.

Amendment 34, page 42, line 21, at end insert—

“(1A) A Minister of the Crown must—

(a) have regard to the fact that contracting authorities may be unknowingly awarding public contracts to suppliers that—

(i) could be excludable suppliers by virtue of paragraph 14 of Schedule 7 (threat to national security), or

(ii) are sub-contracting to suppliers that could be excludable suppliers by virtue of that paragraph, and

(b) in light of that fact, keep under review whether particular suppliers or sub-contractors should be investigated under this section.”

This amendment would require a Minister to keep under review whether particular suppliers or sub-contractors should be investigated under this section.

Amendment 35, page 42, line 22, leave out subsection (2).—(Alex Burghart.)

This amendment would clarify that investigations under clause 60 are for the purpose of considering whether a supplier could be put on the debarment list, rather than potentially being connected to an application under clause 64.

Clause 61

INVESTIGATIONS UNDER SECTION 60: REPORTS

Amendment made: 36, page 43, line 27, leave out from “out” to end of line 36 and insert—

“whether the Minister is satisfied that the supplier is, by virtue of a relevant exclusion ground, an excluded or excludable supplier, and if the Minister is so satisfied—

(a) in respect of each applicable relevant exclusion ground—

(i) whether it is a mandatory or discretionary ground,

(ii) the date on which the Minister expects the ground to cease to apply (see paragraph 43 of Schedule 6 and paragraph 16 of Schedule 7), and

(iii) whether the Minister intends to make an entry to the debarment list,

(b) in respect of the exclusion ground in paragraph 34A of Schedule 6 (if applicable), the description of contracts in relation to which the Minister—

(i) is satisfied the ground applies, and

(ii) intends to refer to in a relevant entry in the debarment list, and”.—(*Alex Burghart.*)

This amendment would ensure that the investigation reports specify the description of contracts in respect of which a supplier is to be an excluded supplier by virtue of the ground added by Amendment 57, and clarify that the report can be prepared and published before an entry is made.

Clause 62

DEBARMENT LIST

Amendments made: 37, page 44, line 21, leave out from “must” to end of line 29 and insert—

“include the relevant debarment information.

(3A) In this section, the “relevant debarment information” means—

(a) the exclusion ground to which the entry relates;

(b) whether the exclusion ground is mandatory or discretionary;

(c) in the case of an entry made on the basis of paragraph 34A of Schedule 6 (threat to national security), a description of the contracts in relation to which the supplier is to be an excluded supplier;

(d) the date on which the Minister expects the exclusion ground to cease to apply (see paragraph 43 of Schedule 6 and paragraph 15 of Schedule 7).”

This amendment would ensure that the debarment list can specify the description of contracts in respect of which a supplier is an excluded supplier by virtue of the ground to be added by Amendment 57.

Amendment 38, page 44, line 33, leave out “section 64” and insert “sections 63 to 65”.

This amendment is consequential on the new clauses inserted at Committee providing additional rights to suppliers placed on the debarment list.

Amendment 39, page 45, line 3, leave out “at any time” and insert—

“(ba) in the case of an entry added on the basis of paragraph 34A of Schedule 6 (threat to national security), may revise an entry to remove a description of contracts,”.

This amendment would ensure that the Minister could remove certain descriptions of contracts from the entry of a supplier that is an excludable supplier by virtue of the ground to be added by Amendment 57 without removing the entire entry.

Amendment 40, page 45, line 4, leave out “(3)(b)” and insert “(3A)(d)”.

This amendment is consequential on Amendment 37.

Amendment 41, page 45, line 5, leave out—

“an entry from the debarment list”

and insert “or revises an entry”.

This amendment is consequential on Amendment 39.

Amendment 42, page 45, line 9, leave out “from the debarment list”.

This amendment is to ensure consistent references to “removal or revision of entries” (in line with the other Government amendments to this clause).

Amendment 43, page 45, line 11, at end insert—

“, and

(b) in the case of an entry added on the basis of paragraph 34A of Schedule 6 (threat to national security), revise the entry to remove a description of contracts if the Minister is satisfied the exclusion ground in that paragraph does not apply in relation to contracts of that description.”

This amendment would require the Minister to remove a description of contracts from a debarment list if the Minister is satisfied that the ground to be added by Amendment 57 does not apply in relation to them.

Amendment 44, page 45, line 17, leave out—

“an entry from the debarment list”

and insert “or revising an entry”.—(Alex Burghart.)

This amendment is consequential on Amendments 39 and 43.

Clause 64

DEBARMENT LIST: APPLICATIONS FOR REMOVAL

Amendments made: 45, page 46, line 6, leave out from “for” to end of line 10 and insert—

“the removal or revision of an entry made on the debarment list in respect of the supplier.”

This amendment is consequential on Amendments 39 and 43.

Amendment 46, page 46, line 20, at end insert—

“(3) After considering an application under subsection (1), the Minister must—

(a) notify the supplier of the Minister’s decision, and

(b) give reasons for the decision.”—(Alex Burghart.)

This amendment sits alongside Amendment 37, which would remove the reference to maintaining an entry on the debarment list from things to be published as part of a report of an investigation under clause 60. It is clause 64 that is concerned with maintaining entries, not clause 60.

Clause 65

DEBARMENT DECISIONS: APPEALS

Amendments made: 47, page 46, line 24, at end insert—

“(aa) to indicate contracts of a particular description as part of an entry made in respect of the supplier on the basis of paragraph 34A of Schedule 6 (threat to national security),”.

This amendment would permit suppliers to challenge their being made an excluded supplier in relation to particular contracts by virtue of the ground to be added by Amendment 57 (instead of having to challenge the whole entry).

Amendment 48, page 46, line 26, leave out “(3)(b)” and insert “(3A)(d)”.

This amendment is consequential on Amendment 37.

Amendment 49, page 46, line 27, leave out from “remove” to “following” on line 28 and insert—

“or revise an entry made in respect of the supplier”.

This amendment is consequential on Amendments 39 and 43.

Amendment 50, page 46, line 38, after “(1)(a)” insert “or (aa)”.—(Alex Burghart.)

This amendment is consequential on Amendment 47.

Clause 79

TERMINATING PUBLIC CONTRACTS: NATIONAL SECURITY

Amendment made: 51, page 56, line 26, at end insert—

“(1A) A relevant contracting authority may not terminate a contract by reference to the implied term in section 78 on the basis of the mandatory exclusion ground in paragraph 34A of Schedule 6 (threat to national security) unless the authority has notified a Minister of the Crown of its intention.”—(Alex Burghart.)

This amendment would mean that, as with the existing national security exclusion ground in paragraph 14 of Schedule 7, a relevant contracting authority would need to notify a Minister before terminating a contract in reliance on the new exclusion ground to be added by Amendment 57.

Clause 97

INFORMATION RELATING TO A PROCUREMENT

Amendment made: 52, page 66, line 31, leave out subsection (3).—(Alex Burghart.)

This amendment is consequential on similar provision being made in NC15.

Clause 110

WELSH MINISTERS: RESTRICTIONS ON THE EXERCISE OF POWERS

Amendment made: 53, page 74, line 4, at end insert—

“(4A) Subsection (1) does not apply in relation to a power under sections 59 to 66 (debarment).”—(Alex Burghart.)

This amendment would ensure that the Welsh Ministers can conduct debarment investigations otherwise than for the purpose of regulating devolved Welsh authorities.

Clause 111

NORTHERN IRELAND DEPARTMENT: RESTRICTIONS ON THE EXERCISE OF POWERS

Amendment made: 54, page 74, line 36, at end insert—

“(5) Subsection (1) does not apply in relation to a power under sections 59 to 66 (debarment).”—(Alex Burghart.)

This amendment would ensure that a Northern Ireland department can conduct debarment investigations otherwise than for the purpose of regulating transferred Northern Ireland authorities.

Clause 112

MINISTER OF THE CROWN: RESTRICTIONS ON THE EXERCISE OF POWERS

Amendment made: 55, page 75, line 19, at end insert—

“(za) sections 59 to 66 (debarment);”—(*Alex Burghart.*)

This amendment would ensure that a Minister of the Crown can conduct debarment investigations and put suppliers on the debarment list for the purpose of regulating devolved and transferred authorities.

Schedule 2

EXEMPTED CONTRACTS

Amendment made: 56, page 96, line 43, at end insert—

“Commercial contracts of the City of London

38 A contract for the supply of goods, services or works to the Common Council of the City of London other than for the purposes of its functions as a local authority, police authority or port health authority.”—(*Alex Burghart.*)

This amendment would exempt from the Bill those contracts entered into by the City of London other than for the purposes of its functions as a local authority, police authority or port health authority (for example, operating independent schools).

Schedule 6

MANDATORY EXCLUSION GROUNDS

Amendments made: 57, page 107, line 36, at end insert—

“National security

34A (1) A mandatory exclusion ground applies to a supplier in relation to contracts of a particular description if an appropriate authority determines that the supplier or a connected person—

- (a) poses a threat to the national security of the United Kingdom, and
- (b) would pose such a threat in relation to public contracts of that description.

(2) In sub-paragraph (1)—

- (a) the reference to an appropriate authority is a reference to the appropriate authority that is considering whether the exclusion ground applies;
- (b) the reference to a particular description includes, for example, a description by reference to—
 - (i) the goods, services or works being supplied;
 - (ii) the location of the supply;
 - (iii) the contracting authority concerned.

(3) Sub-paragraph (1) applies only for the purpose of an appropriate authority’s functions under sections 59 to 66 (debarment), and cannot otherwise be relied on by a contracting authority when considering whether a supplier is an excluded supplier under section 57(1)(a).”

This amendment would allow the Minister to put a supplier on the debarment list as an excluded supplier in relation to contracts of a particular description if satisfied that the supplier would pose a threat to national security in relation to those contracts.

Amendment 58, page 111, line 6, at end insert—

“(d) paragraph 34A (threat to national security).”—(*Alex Burghart.*)

This amendment is consequential on Amendment 57.

Schedule 7

DISCRETIONARY EXCLUSION GROUNDS

Amendment proposed: 18, page 113, line 2, at end insert—

“1A A discretionary exclusion ground applies to a supplier if a contracting authority determines that a supplier, within a year leading to the date of tender—

- (a) has been found by an employment tribunal or court to have significantly breached the rights of an employee or worker engaged or formerly engaged by it with one or more aggravating features, or has admitted to doing so; and
- (b) has not conformed with applicable obligations in the fields of environmental, social and labour law established by national law, collective agreements or international environmental, social and labour law provisions; and
- (c) has not taken steps to rectify the situation through—
 - (i) paying or undertaking to pay compensation in respect of any damage caused by the breach of rights; and
 - (ii) clarifying the facts and circumstances in a comprehensive manner by actively collaborating with any relevant employment tribunal or court process and the parties thereto; and
 - (iii) taking concrete technical, organisational and personnel measures appropriate to prevent further breaches of rights of a similar kind.

1B In making a decision on whether a discretionary exclusion ground applies to a supplier under paragraph 1A, a contracting authority must—

- (a) evaluate the adequacy of any action taken by the supplier in accordance with sub-paragraph (c) of that paragraph, taking into account the gravity and particular circumstances of the breach or breaches of rights, and
- (b) make reasonable provision for the employer and the employee or worker concerned to make representations, which may be made by agreement by a trade association or trade union.”—(*Florence Eshalomi.*)

This amendment would give contracting authorities the discretion to exclude suppliers who have significantly and repeatedly breached the rights of staff in the last year unless they have “self-cleansed”.

Question put, That the amendment be made.

The House divided: Ayes 225, Noes 288.

Division No. 254]

[5.14 pm

AYES

Abbott, rh Ms Diane (<i>Proxy vote cast by Bell Ribeiro-Addy</i>)	Brennan, Kevin
Abrahams, Debbie	Brock, Deidre
Ali, Rushanara	Brown, Alan
Ali, Tahir	Brown, rh Mr Nicholas
Allin-Khan, Dr Rosena	Bryant, Sir Chris
Amesbury, Mike	Buck, Ms Karen
Anderson, Fleur	Burton, Richard
Antoniazzi, Tonia	Butler, Dawn
Ashworth, rh Jonathan	Byrne, Ian
Barker, Paula	Byrne, rh Liam
Beckett, rh Margaret	Cadbury, Ruth
Begum, Apsana	Callaghan, Amy (<i>Proxy vote cast by Brendan O’Hara</i>)
Benn, rh Hilary	Cameron, Dr Lisa
Betts, Mr Clive	Campbell, rh Sir Alan
Black, Mhairi	Carden, Dan
Blackford, rh Ian	Carmichael, rh Mr Alistair
Blackman, Kirsty	Chapman, Douglas
Blake, Olivia	Cherry, Joanna
Blomfield, Paul	Clark, Feryal (<i>Proxy vote cast by Chris Elmore</i>)
Bonnar, Steven	Cooper, rh Yvette
Bradshaw, rh Mr Ben	Cowan, Ronnie

Coyle, Neil
 Creasy, Stella
 Cruddas, Jon
 Cummins, Judith
 Daby, Janet
 Dalton, Ashley
 David, Wayne
 Davies-Jones, Alex
 Day, Martyn
 De Cordova, Marsha
 Debbonaire, Thangam
 Dhesi, Mr Tanmanjeet Singh
 Dixon, Samantha
 Docherty-Hughes, Martin
 Dodds, Anneliese
 Doogan, Dave
 Dorans, Allan (*Proxy vote cast by Brendan O'Hara*)
 Doughty, Stephen
 Dowd, Peter
 Eagle, Dame Angela
 Eastwood, Colum
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Elmore, Chris
 Eshalomi, Florence
 Esterson, Bill
 Evans, Chris
 Farron, Tim
 Farry, Stephen
 Fellows, Marion
 Fletcher, Colleen
 Flynn, Stephen
 Foord, Richard
 Fovargue, Yvonne
 Foxcroft, Vicky
 Foy, Mary Kelly
 Furniss, Gill
 Gardiner, Barry
 Gibson, Patricia
 Gill, Preet Kaur
 Grady, Patrick
 Grant, Peter
 Green, Sarah
 Greenwood, Margaret
 Griffith, Dame Nia
 Gwynne, Andrew
 Haigh, Louise
 Hamilton, Fabian
 Hamilton, Mrs Paulette
 Hanna, Claire
 Hanvey, Neale
 Hardy, Emma
 Harman, rh Ms Harriet
 Harris, Carolyn
 Hendrick, Sir Mark
 Hendry, Drew
 Hillier, Dame Meg
 Hobhouse, Wera
 Hodge, rh Dame Margaret
 Hodgson, Mrs Sharon
 Hollern, Kate
 Hopkins, Rachel
 Hosie, rh Stewart
 Howarth, rh Sir George
 Huq, Dr Rupa
 Hussain, Imran
 Jardine, Christine
 Jarvis, Dan
 Johnson, rh Dame Diana
 Jones, Darren
 Jones, rh Mr Kevan
 Jones, Ruth
 Jones, Sarah
 Kane, Mike
 Kendall, Liz
 Khan, Afzal
 Kinnock, Stephen
 Kyle, Peter
 Lake, Ben
 Lavery, Ian
 Leadbeater, Kim
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Lloyd, Tony (*Proxy vote cast by Chris Elmore*)
 Long Bailey, Rebecca
 Lucas, Caroline
 MacNeil, Angus Brendan
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Maskell, Rachael
 Mc Nally, John
 McCabe, Steve
 McCarthy, Kerry
 McDonald, Andy
 McDonald, Stewart Malcolm
 McDonald, Stuart C.
 McDonnell, rh John
 McFadden, rh Mr Pat
 McKinnell, Catherine
 McLaughlin, Anne (*Proxy vote cast by Brendan O'Hara*)
 McMorrin, Anna
 Mearns, Ian
 Monaghan, Carol
 Morden, Jessica
 Morgan, Helen
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Murray, James
 Nandy, Lisa
 Newlands, Gavin
 Nichols, Charlotte
 Nicolson, John (*Proxy vote cast by Brendan O'Hara*)
 O'Hara, Brendan
 Olney, Sarah
 Onwurah, Chi
 Oppong-Asare, Abena
 Osborne, Kate
 Oswald, Kirsten
 Owatemi, Taiwo
 Peacock, Stephanie
 Pennycook, Matthew
 Perkins, Mr Toby
 Phillips, Jess
 Pollard, Luke
 Powell, Lucy
 Qaisar, Ms Anum
 Qureshi, Yasmin
 Rayner, rh Angela
 Reed, Steve
 Rees, Christina
 Reynolds, Jonathan
 Ribeiro-Addy, Bell
 Rimmer, Ms Marie
 Rodda, Matt
 Russell-Moyle, Lloyd
 Saville Roberts, rh Liz

Shah, Naz
 Sheppard, Tommy
 Siddiq, Tulip
 Slaughter, Andy
 Smith, Alyn
 Smith, Cat
 Smith, Jeff
 Smith, Nick
 Smyth, Karin
 Spellar, rh John
 Stephens, Chris
 Stevens, Jo
 Stone, Jamie
 Streeting, Wes
 Stringer, Graham
 Sultana, Zarah
 Tami, rh Mark
 Tarry, Sam
 Thewliss, Alison
 Thomas, Gareth
 Thomas-Symonds, rh Nick
 Thompson, Owen

Thomson, Richard
 Timms, rh Sir Stephen
 Trickett, Jon
 Turner, Karl
 Twigg, Derek
 Twist, Liz
 Vaz, rh Valerie
 Wakeford, Christian
 Webbe, Claudia
 West, Catherine
 Western, Andrew
 Western, Matt
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Wilson, Munira
 Winter, Beth
 Wishart, Pete
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:
 Mary Glindon and
 Gerald Jones

NOES

Afolami, Bim
 Afriyie, Adam
 Aiken, Nickie
 Aldous, Peter
 Anderson, Lee
 Andrew, rh Stuart
 Ansell, Caroline
 Argar, rh Edward
 Atherton, Sarah
 Atkins, Victoria
 Bacon, Gareth
 Badenoch, rh Kemi
 Bailey, Shaun
 Baillie, Siobhan
 Baker, Duncan
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, rh Steve
 Baynes, Simon
 Bell, Aaron
 Beresford, Sir Paul
 Berry, rh Sir Jake
 Bhatti, Saqib (*Proxy vote cast by Mr Marcus Jones*)
 Blackman, Bob
 Blunt, Crispin
 Bone, Mr Peter (*Proxy vote cast by Mr Marcus Jones*)
 Bottomley, Sir Peter
 Bowie, Andrew
 Brady, Sir Graham
 Brereton, Jack
 Brine, Steve
 Bristow, Paul
 Browne, Anthony
 Buchan, Felicity
 Buckland, rh Sir Robert
 Burghart, Alex
 Butler, Rob
 Cairns, rh Alun
 Campbell, Mr Gregory
 Carter, Andy
 Cash, Sir William
 Cates, Miriam
 Caulfield, Maria
 Chope, Sir Christopher
 Churchill, Jo
 Clark, rh Greg
 Clarke, rh Sir Simon
 Clarke, Theo (*Proxy vote cast by Mr Marcus Jones*)
 Clarke-Smith, Brendan
 Clarkson, Chris
 Clifton-Brown, Sir Geoffrey
 Coffey, rh Dr Thérèse
 Colburn, Elliot
 Collins, Damian
 Courts, Robert
 Coutinho, Claire
 Cox, rh Sir Geoffrey
 Crabb, rh Stephen
 Crosbie, Virginia
 Crouch, Tracey
 Davies, rh David T. C.
 Davies, Gareth
 Davies, Dr James
 Davies, Mims
 Davies, Philip
 Davison, Dehenna
 Dinenage, Dame Caroline
 Dines, Miss Sarah
 Djanogly, Mr Jonathan
 Docherty, Leo
 Donelan, rh Michelle (*Proxy vote cast by Mr Marcus Jones*)
 Double, Steve
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, Sir James
 Duguid, David
 Duncan Smith, rh Sir Iain
 Dunne, rh Philip
 Eastwood, Mark
 Ellis, rh Michael
 Elphicke, Mrs Natalie
 Eustice, rh George
 Evans, Dr Luke
 Evennett, rh Sir David
 Fabricant, Michael
 Farris, Laura
 Fell, Simon
 Firth, Anna

Fletcher, Katherine
 Fletcher, Mark
 Fletcher, Nick
 Ford, rh Vicki
 Foster, Kevin
 Frazer, rh Lucy
 Freeman, George
 Freer, Mike
 French, Mr Louie
 Fysh, Mr Marcus
 Garnier, Mark
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gibson, Peter
 Gideon, Jo
 Girvan, Paul
 Glen, rh John
 Goodwill, rh Sir Robert
 Gove, rh Michael
 Graham, Richard
 Grant, Mrs Helen
 Gray, James
 Green, Chris
 Green, rh Damian
 Griffith, Andrew
 Grundy, James
 Gullis, Jonathan
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Harris, Rebecca
 Harrison, Trudy
 Hart, rh Simon
 Hayes, rh Sir John
 Heald, rh Sir Oliver
 Heappey, rh James
 Henderson, Gordon
 Henry, Darren
 Hinds, rh Damian
 Holden, Mr Richard
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Holmes, Paul
 Howell, John
 Huddleston, Nigel
 Hudson, Dr Neil
 Hughes, Eddie
 Hunt, Jane
 Hunt, Tom
 Jack, rh Mr Alister
 Jayawardena, rh Mr Ranil
 Jenkin, Sir Bernard
 Jenkinson, Mark
 Jenkyns, Dame Andrea
 Jenrick, rh Robert
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnston, David
 Jones, Andrew
 Jones, rh Mr David
 Jones, Fay
 Jones, rh Mr Marcus
 Jupp, Simon
 Keegan, rh Gillian
 Kniveton, Kate
 Kruger, Danny
 Lamont, John
 Largan, Robert
 Leadsom, rh Dame Andrea
 Leigh, rh Sir Edward
 Levy, Ian

Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Sir Julian
 Loder, Chris
 Logan, Mark (*Proxy vote cast by Mr Marcus Jones*)
 Longhi, Marco
 Lopez, Julia (*Proxy vote cast by Mr Marcus Jones*)
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 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
 McVey, rh Esther
 Menzies, Mark
 Merriman, Huw
 Metcalfe, Stephen
 Millar, Robin
 Miller, rh Dame Maria
 Milling, rh Amanda
 Mills, Nigel
 Mohindra, Mr Gagan
 Moore, Damien
 Moore, Robbie
 Mordaunt, rh Penny
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morrissey, Joy
 Mortimer, Jill
 Morton, rh Wendy
 Mullan, Dr Kieran
 Murray, Mrs Sheryl
 Murrison, rh Dr Andrew
 Nici, Lia
 Nokes, rh Caroline
 Norman, rh Jesse
 O'Brien, Neil
 Opperman, Guy
 Patel, rh Dame Priti
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Philp, rh Chris
 Poulter, Dr Dan
 Pow, Rebecca
 Pritchard, rh Mark
 Quin, rh Jeremy
 Quince, Will
 Randall, Tom
 Redwood, rh John
 Rees-Mogg, rh Sir Jacob
 Richards, Nicola
 Richardson, Angela
 Robertson, Mr Laurence
 Robinson, Gavin
 Robinson, Mary
 Rowley, Lee
 Russell, Dean
 Rutley, David

Sambrook, Gary
 Saxby, Selaine
 Scully, Paul
 Seely, Bob
 Selous, Andrew
 Shannon, Jim
 Sharma, rh Sir Alok
 Shelbrooke, rh Alec
 Simmonds, David
 Skidmore, rh Chris
 Smith, rh Chloe
 Smith, Greg
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Solloway, Amanda
 Spencer, Dr Ben
 Stephenson, rh Andrew
 Stevenson, Jane
 Stevenson, John
 Stewart, rh Bob
 Stewart, Iain
 Streeter, Sir Gary
 Stuart, rh Graham
 Sturdy, Julian
 Sunderland, James
 Swayne, rh Sir Desmond
 Syms, Sir Robert
 Throup, Maggie
 Tolhurst, rh Kelly
 Tomlinson, Justin

Tomlinson, Michael
 Tracey, Craig
 Trevelyan, rh Anne-Marie
 Trott, Laura
 Tugendhat, rh Tom
 Vara, rh Shailesh
 Vickers, Martin
 Vickers, Matt
 Villiers, rh Theresa
 Walker, Mr Robin
 Wallis, Dr Jamie
 Warburton, David (*Proxy vote cast by Craig Mackinlay*)
 Warman, Matt
 Watling, Giles
 Webb, Suzanne
 Whately, Helen
 Wheeler, Mrs Heather
 Whittingdale, rh Sir John
 Wiggin, Sir Bill
 Wild, James
 Williams, Craig
 Williamson, rh Sir Gavin
 Wilson, rh Sammy
 Wood, Mike
 Wragg, Mr William
 Wright, rh Sir Jeremy

Tellers for the Noes:
Ruth Edwards and
Jacob Young

Question accordingly negated.

Amendment proposed: 3, page 116, line 10, at end insert—

“Involvement in forced organ harvesting

14A (1) A discretionary exclusion ground applies to a supplier if a decision-maker determines that the supplier or a connected person has been, or is, involved in—

- (a) forced organ harvesting,
- (b) unethical activities relating to human tissue, including anything which involves the commission of an offence under sections 32 (prohibition of commercial dealings in human material for transplantation), 32A (offences under section 32 committed outside UK) or 33 (restriction on transplants involving a live donor) of the Human Tissue Act 2004, or under sections 20 (prohibition of commercial dealings in parts of a human body for transplantation) or 20A (offences under section 20 committed outside UK) of the Human Tissue (Scotland) Act 2006, or
- (c) dealing in any device or equipment or services relating to conduct mentioned in paragraphs (a) or (b).

(2) “Forced organ harvesting” means killing a person without their consent so that their organs may be removed and transplanted into another person.”—(*Ms Marie Rimmer.*)

This amendment is designed to give a discretionary power to exclude suppliers from being awarded a public contract who have participated in forced organ harvesting or unethical activities relating to human tissue, including where they are involved in providing a service or goods relating to such activities.

Question put, That the amendment be made.

The House divided: Ayes 229, Noes 280.

Division No. 255]

[5.25 pm

AYES

Abbott, rh Ms Diane (*Proxy vote cast by Bell Ribeiro-Addy*)

Abrahams, Debbie
 Ali, Rushanara
 Ali, Tahir

Allin-Khan, Dr Rosena
 Amesbury, Mike
 Anderson, Fleur
 Antoniazzi, Tonia
 Ashworth, rh Jonathan
 Barker, Paula
 Beckett, rh Margaret
 Begum, Apsana
 Benn, rh Hilary
 Betts, Mr Clive
 Black, Mhairi
 Blackford, rh Ian
 Blackman, Kirsty
 Blake, Olivia
 Blomfield, Paul
 Bonnar, Steven
 Bradshaw, rh Mr Ben
 Brennan, Kevin
 Brock, Deidre
 Brown, Alan
 Brown, Ms Lyn
 Brown, rh Mr Nicholas
 Bryant, Sir Chris
 Buck, Ms Karen
 Burgon, Richard
 Butler, Dawn
 Byrne, Ian
 Byrne, rh Liam
 Cadbury, Ruth
 Callaghan, Amy (*Proxy vote cast by Brendan O'Hara*)
 Cameron, Dr Lisa
 Campbell, rh Sir Alan
 Campbell, Mr Gregory
 Carden, Dan
 Carmichael, rh Mr Alistair
 Chamberlain, Wendy
 Chapman, Douglas
 Cherry, Joanna
 Clark, Feryal (*Proxy vote cast by Chris Elmore*)
 Cooper, rh Yvette
 Cowan, Ronnie
 Coyle, Neil
 Creasy, Stella
 Cruddas, Jon
 Cummins, Judith
 Daby, Janet
 Dalton, Ashley
 David, Wayne
 Davies-Jones, Alex
 Day, Martyn
 De Cordova, Marsha
 Debbonaire, Thangam
 Dhesi, Mr Tanmanjeet Singh
 Dixon, Samantha
 Docherty-Hughes, Martin
 Doogan, Dave
 Dorans, Allan (*Proxy vote cast by Brendan O'Hara*)
 Doughty, Stephen
 Dowd, Peter
 Eagle, Dame Angela
 Eastwood, Colum
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Elmore, Chris
 Eshalomi, Florence
 Esterson, Bill
 Evans, Chris
 Farron, Tim

Farry, Stephen
 Fellows, Marion
 Fletcher, Colleen
 Flynn, Stephen
 Foord, Richard
 Fovargue, Yvonne
 Foxcroft, Vicky
 Foy, Mary Kelly
 Furniss, Gill
 Gardiner, Barry
 Gibson, Patricia
 Gill, Preet Kaur
 Girvan, Paul
 Grady, Patrick
 Grant, Peter
 Green, Sarah
 Greenwood, Margaret
 Griffith, Dame Nia
 Gwynne, Andrew
 Haigh, Louise
 Hamilton, Fabian
 Hamilton, Mrs Paulette
 Hanna, Claire
 Hanvey, Neale
 Hardy, Emma
 Harman, rh Ms Harriet
 Harris, Carolyn
 Hendrick, Sir Mark
 Hendry, Drew
 Hillier, Dame Meg
 Hobhouse, Wera
 Hodge, rh Dame Margaret
 Hodgson, Mrs Sharon
 Hollern, Kate
 Hopkins, Rachel
 Hosie, rh Stewart
 Howarth, rh Sir George
 Huq, Dr Rupa
 Hussain, Imran
 Jardine, Christine
 Jarvis, Dan
 Johnson, rh Dame Diana
 Jones, Darren
 Jones, rh Mr Kevan
 Jones, Ruth
 Jones, Sarah
 Kane, Mike
 Kendall, Liz
 Khan, Afzal
 Kinnock, Stephen
 Kyle, Peter
 Lake, Ben
 Lammy, rh Mr David
 Lavery, Ian
 Leadbeater, Kim
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Lloyd, Tony (*Proxy vote cast by Chris Elmore*)
 Long Bailey, Rebecca
 Lucas, Caroline
 MacNeil, Angus Brendan
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Maskell, Rachael
 Mc Nally, John
 McCabe, Steve
 McCarthy, Kerry
 McDonald, Andy
 McDonald, Stewart Malcolm

McDonald, Stuart C.
 McDonnell, rh John
 McFadden, rh Mr Pat
 McKinnell, Catherine
 McLaughlin, Anne (*Proxy vote cast by Brendan O'Hara*)
 McMorris, Anna
 Mearns, Ian
 Monaghan, Carol
 Morden, Jessica
 Morgan, Helen
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Murray, James
 Nandy, Lisa
 Newlands, Gavin
 Nichols, Charlotte
 Nicolson, John (*Proxy vote cast by Brendan O'Hara*)
 O'Hara, Brendan
 Olney, Sarah
 Onwurah, Chi
 Oppong-Asare, Abena
 Osborne, Kate
 Oswald, Kirsten
 Owatemi, Taiwo
 Peacock, Stephanie
 Pennycook, Matthew
 Perkins, Mr Toby
 Phillips, Jess
 Pollard, Luke
 Powell, Lucy
 Qaisar, Ms Anum
 Qureshi, Yasmin
 Rayner, rh Angela
 Reed, Steve
 Rees, Christina
 Reynolds, Jonathan
 Ribeiro-Addy, Bell
 Rimmer, Ms Marie
 Robinson, Gavin
 Rodda, Matt
 Russell-Moyle, Lloyd
 Saville Roberts, rh Liz

Shah, Naz
 Shannon, Jim
 Sheppard, Tommy
 Siddiq, Tulip
 Slaughter, Andy
 Smith, Alyn
 Smith, Jeff
 Smith, Nick
 Smyth, Karin
 Spellar, rh John
 Stephens, Chris
 Stevens, Jo
 Stone, Jamie
 Streeting, Wes
 Stringer, Graham
 Sultana, Zarah
 Tami, rh Mark
 Tarry, Sam
 Thewliss, Alison
 Thomas, Gareth
 Thomas-Symonds, rh Nick
 Thompson, Owen
 Thomson, Richard
 Timms, rh Sir Stephen
 Trickett, Jon
 Turner, Karl
 Twigg, Derek
 Twist, Liz
 Vaz, rh Valerie
 Wakeford, Christian
 Webbe, Claudia
 West, Catherine
 Western, Andrew
 Western, Matt
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Wilson, Munira
 Winter, Beth
 Wishart, Pete
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:

Gerald Jones and
 Mary Glindon

NOES

Afolami, Bim
 Afriyie, Adam
 Aiken, Nickie
 Aldous, Peter
 Anderson, Lee
 Andrew, rh Stuart
 Ansell, Caroline
 Argar, rh Edward
 Atherton, Sarah
 Atkins, Victoria
 Bacon, Gareth
 Badenoch, rh Kemi
 Bailey, Shaun
 Baillie, Siobhan
 Baker, Duncan
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, rh Steve
 Baynes, Simon
 Bell, Aaron
 Berry, rh Sir Jake
 Bhatti, Saqib (*Proxy vote cast by Mr Marcus Jones*)
 Blackman, Bob
 Bone, Mr Peter (*Proxy vote cast by Mr Marcus Jones*)
 Bottomley, Sir Peter
 Bowie, Andrew
 Brady, Sir Graham
 Brereton, Jack
 Brine, Steve
 Bristow, Paul
 Browne, Anthony
 Buchan, Felicity
 Buckland, rh Sir Robert
 Burghart, Alex
 Butler, Rob
 Cairns, rh Alun
 Carter, Andy
 Cash, Sir William
 Cates, Miriam
 Caulfield, Maria
 Chope, Sir Christopher
 Churchill, Jo
 Clark, rh Greg
 Clarke, rh Sir Simon
 Clarke, Theo (*Proxy vote cast by Mr Marcus Jones*)

Clarke-Smith, Brendan
 Clarkson, Chris
 Clifton-Brown, Sir Geoffrey
 Coffey, rh Dr Thérèse
 Colburn, Elliot
 Collins, Damian
 Courts, Robert
 Coutinho, Claire
 Cox, rh Sir Geoffrey
 Crosbie, Virginia
 Crouch, Tracey
 Davies, rh David T. C.
 Davies, Gareth
 Davies, Dr James
 Davies, Mims
 Davies, Philip
 Davison, Dehenna
 Dinenage, Dame Caroline
 Dines, Miss Sarah
 Djanogly, Mr Jonathan
 Docherty, Leo
 Donelan, rh Michelle (*Proxy vote cast by Mr Marcus Jones*)
 Double, Steve
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, Sir James
 Duguid, David
 Duncan Smith, rh Sir Iain
 Dunne, rh Philip
 Eastwood, Mark
 Ellis, rh Michael
 Ellwood, rh Mr Tobias
 Elphicke, Mrs Natalie
 Eustice, rh George
 Evans, Dr Luke
 Evennett, rh Sir David
 Fabricant, Michael
 Farris, Laura
 Fell, Simon
 Firth, Anna
 Fletcher, Katherine
 Fletcher, Mark
 Fletcher, Nick
 Ford, rh Vicky
 Foster, Kevin
 Frazer, rh Lucy
 Freeman, George
 Freer, Mike
 French, Mr Louie
 Fysh, Mr Marcus
 Garnier, Mark
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gibson, Peter
 Gideon, Jo
 Glen, rh John
 Goodwill, rh Sir Robert
 Gove, rh Michael
 Graham, Richard
 Grant, Mrs Helen
 Gray, James
 Green, Chris
 Green, rh Damian
 Griffith, Andrew
 Grundy, James
 Gullis, Jonathan
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Harris, Rebecca
 Harrison, Trudy
 Hart, rh Simon
 Hayes, rh Sir John
 Heald, rh Sir Oliver
 Heappey, rh James
 Henderson, Gordon
 Henry, Darren
 Hinds, rh Damian
 Holden, Mr Richard
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Holmes, Paul
 Howell, John
 Huddleston, Nigel
 Hudson, Dr Neil
 Hughes, Eddie
 Hunt, Jane
 Hunt, Tom
 Jack, rh Mr Alister
 Jayawardena, rh Mr Ranil
 Jenkin, Sir Bernard
 Jenkinson, Mark
 Jenkyns, Dame Andrea
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnston, David
 Jones, Andrew
 Jones, rh Mr David
 Jones, Fay
 Jones, rh Mr Marcus
 Jupp, Simon
 Keegan, rh Gillian
 Kniveton, Kate
 Kruger, Danny
 Lamont, John
 Largan, Robert
 Leadsom, rh Dame Andrea
 Leigh, rh Sir Edward
 Levy, Ian
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Sir Julian
 Loder, Chris
 Logan, Mark (*Proxy vote cast by Mr Marcus Jones*)
 Longhi, Marco
 Lopez, Julia (*Proxy vote cast by Mr Marcus Jones*)
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Maclean, Rachel
 Mak, Alan
 Malthouse, rh Kit
 Mangnall, Anthony
 Mann, Scott
 Marson, Julie
 May, rh Mrs Theresa
 Mayhew, Jerome
 Maynard, Paul
 McCartney, Karl
 McVey, rh Esther
 Menzies, Mark
 Merriman, Huw
 Metcalfe, Stephen
 Millar, Robin
 Miller, rh Dame Maria
 Milling, rh Amanda
 Mills, Nigel

Mohindra, Mr Gagan
 Moore, Damien
 Moore, Robbie
 Mordaunt, rh Penny
 Morris, Anne Marie
 Morris, David
 Morrissey, Joy
 Mortimer, Jill
 Morton, rh Wendy
 Mullan, Dr Kieran
 Murray, Mrs Sheryll
 Murrison, rh Dr Andrew
 Nici, Lia
 Nokes, rh Caroline
 Norman, rh Jesse
 O'Brien, Neil
 Opperman, Guy
 Patel, rh Dame Priti
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Philp, rh Chris
 Poulter, Dr Dan
 Pow, Rebecca
 Pritchard, rh Mark
 Quin, rh Jeremy
 Quince, Will
 Randall, Tom
 Redwood, rh John
 Rees-Mogg, rh Sir Jacob
 Richards, Nicola
 Richardson, Angela
 Robertson, Mr Laurence
 Rowley, Lee
 Russell, Dean
 Rutley, David
 Sambrook, Gary
 Saxby, Selaine
 Scully, Paul
 Seely, Bob
 Selous, Andrew
 Sharma, rh Sir Alok
 Shelbrooke, rh Alec
 Simmonds, David
 Skidmore, rh Chris
 Smith, rh Chloe
 Smith, Greg
 Smith, Henry

Smith, rh Julian
 Smith, Royston
 Solloway, Amanda
 Spencer, Dr Ben
 Stephenson, rh Andrew
 Stevenson, Jane
 Stevenson, John
 Stewart, rh Bob
 Stewart, Iain
 Streeter, Sir Gary
 Stuart, rh Graham
 Sturdy, Julian
 Sunderland, James
 Swayne, rh Sir Desmond
 Symms, Sir Robert
 Throup, Maggie
 Tolhurst, rh Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Trevelyan, rh Anne-Marie
 Trott, Laura
 Tugendhat, rh Tom
 Vara, rh Shailesh
 Vickers, Martin
 Vickers, Matt
 Villiers, rh Theresa
 Walker, Mr Robin
 Wallis, Dr Jamie
 Warburton, David (*Proxy vote cast by Craig Mackinlay*)
 Warman, Matt
 Watling, Giles
 Webb, Suzanne
 Whately, Helen
 Wheeler, Mrs Heather
 Whittingdale, rh Sir John
 Wiggin, Sir Bill
 Wild, James
 Williams, Craig
 Williamson, rh Sir Gavin
 Wilson, rh Sammy
 Wood, Mike
 Wragg, Mr William
 Wright, rh Sir Jeremy

Tellers for the Noes:
 Jacob Young and
 Ruth Edwards

Question accordingly negated.

Schedule 10

SINGLE SOURCE DEFENCE CONTRACTS

Amendment made: 59, page 121, line 27, leave out “subsection (4) or (5)” and insert “this section”.—(*Alex Burghart.*)

This amendment would allow single source contract regulations to make provision as to whether a contract is or is not an amendment of an existing contract for any purpose under section 14 of the Defence Reform Act 2014, not simply for the purposes of subsections (4) and (5).

Third Reading

5.37 pm

The Minister for the Cabinet Office and Paymaster General (Jeremy Quin): I beg to move, That the Bill be now read the Third time.

I stand here today proud of the progress we have made to deliver an important manifesto commitment. The Procurement Bill constitutes a vital piece of legislation following our exit from the European Union, which allows us to set our own rules that will work best for the UK. I am delighted to say that we will sweep away bureaucratic regulations and broaden opportunity to small businesses right across the country.

One in every £3 of public money, some £300 billion a year, is spent on public procurement. For too long, modern and innovative approaches to public procurement have been bogged down in bureaucracy. We are changing that. The Bill simplifies our public procurement rules, cutting down the 350 different procurement regulations to create a single rulebook. This will create a more efficient, innovative and friendly procurement system, increasing value for money and opening up public contracts to small businesses, in turn supporting the Prime Minister's commitment to grow the economy.

Debbie Abrahams: Will the Minister give way?

Jeremy Quin: I keep promising my colleagues that I will be brief, but I will always give way to the hon. Lady.

Debbie Abrahams: The Minister is being very generous with his time. He will not be surprised by my question. I was a little disappointed that my new clause 12, on introducing and mandating project bank accounts, was disregarded. I mentioned the estimate that 6,000 small construction firms will go into insolvency this year. What is the Department's analysis of how that might be prevented by project bank accounts?

Jeremy Quin: I am sure I could try to produce a one-hour solution, or I could be more direct with the hon. Lady. I know she has raised this issue on numerous occasions, but she and I have not spoken about it one-on-one. If she wishes to speak to me about it, we could have a meeting, if that would help. I might learn something from it or I might be able to inform the hon. Lady, but if she wishes to do that, I will make certain that we have that opportunity.

Sir Bill Wiggin (North Herefordshire) (Con): On that point, will my right hon. Friend give way?

Jeremy Quin: I will also have a meeting with my hon. Friend, if he wishes.

Sir Bill Wiggin: Construction businesses are terribly important. If the Government could do something about the ban on building, for example because of pollution in the River Wye, then those construction businesses would find new opportunities and would flourish.

Jeremy Quin: My hon. Friend is vociferous on the issue of the River Wye. He never misses an opportunity and has proved his dexterousness yet again, in doing so in this debate.

We, on the Government Benches, are proud to be the party of small business. I am delighted that, as part of this Bill, authorities will now have to have regard to small and medium-sized enterprises and the barriers that they face.

Finally, the Bill will put in place a new exclusions framework that will help to make it easier to reject bids from suppliers whose performance on previous contracts has been unacceptable, or who have been involved in serious wrongdoing, such as fraud, collusion or modern slavery. Crucially, on Report, we introduced a package of vital amendments that will protect our national security and ensure that public contracts do not go to suppliers who pose a risk to our country.

We will also create the national security unit for procurement, which will proactively investigate suppliers for national security threats, and we will publish, within six months of the passing of the Bill, a timeline for the removal of all the surveillance equipment provided by suppliers subject to the national intelligence law of China from sensitive Government sites, protecting places that are most vulnerable to sinister interference and espionage. Together, these changes constitute robust protections against the ever increasing national security threats.

I would like to take this opportunity to thank all hon. Members across the House for the quality of the debates and the scrutiny provided throughout the passage of the Bill. I am indebted to my hon. Friends and to those across the House for the helpful engagement and the comments they have made, which have undoubtedly refined this crucial piece of legislation.

I am particularly grateful to my hon. Friend the Member for Brentwood and Ongar (Alex Burghart) for his excellent work on Committee and on Report in this House, and to Baroness Neville-Rolfe for her tireless work in the other place. The Bill has had a long progression, so I would also like to thank our predecessors, Lord Agnew and my right hon. Friend the Member for North East Somerset (Sir Jacob Rees-Mogg), for their work on the Bill in its earlier stages.

I thank the officials who have worked on this Bill, particularly the Bill manager, Katrina Gajewska, Sam Rowbury, Ed Green, Janet Lewis and other officials who worked on this legislation, as well as the staff in the private offices of all the Ministers in the Cabinet Office, for their support and help throughout.

When he entered office, the Prime Minister said that he would deliver on the manifesto on which we were elected. I am proud today to be doing just that, and I wholeheartedly commend the Bill to the House.

Madam Deputy Speaker (Dame Rosie Winterton): I call the Deputy Leader of the Opposition.

5.43 pm

Angela Rayner (Ashton-under-Lyne) (Lab): I start where the right hon. Member for Horsham (Jeremy Quin) left off, by saying thank you to all right hon. and hon. Members who have spoken today, in particular my hon. Friend the Member for Vauxhall (Florence Eshalomi) for her contributions throughout the stages of the Bill. I also thank the brilliant Clerks and the House staff, and everyone who has been involved and on hand to support every step of the Bill.

It has been a long and complex process, and I know the Cabinet Office has been very busy in recent weeks, so I welcome the opportunity to debate something of more substance today. Unfortunately, the substance of the Bill, while necessary, is a little bit of tinkering

[Angela Rayner]

around the edges of a broken system. I understand the need for a new Procurement Bill, to consolidate the patchwork of former EU rules and to bring the spaghetti of procurement regulations into one place, but it seems this distracted Government are more concerned with the civil war than writing good legislation.

Britain faces huge economic challenges—challenges made worse by years of economic incompetence, a disastrous kamikaze Budget and a Government on the side of vested interests. Wages have flatlined, prosperity has turned to stagnation and Britain has the highest forecast inflation in the G7. Procurement is one of the biggest and most effective tools available to Government to drive up standards across the economy and create world-class, affordable and effective public services.

As the Minister said in his response, we are talking about £300 billion of public money a year, a third of public spending and more than the NHS budget. What we should be debating this evening is a bold new set of rules to direct investment to the places that need it most. We should be discussing how we can clear the pipes and flush out the system with transparency after years of cronyism and waste. We should be debating legislation that pumps money back into the pockets of local communities, creates decent jobs and skills in our towns and cities, and hands wealth back to the people who built Britain.

Instead, what we have before us today is a damp squib. This Bill fails to close the loopholes that saw obscene waste of taxpayers' money through the VIP lane, it fails to mandate social value to secure investment in good British business, and it fails to create robust protections for workers. Labour recognises the need for a new procurement Bill, and for that reason we will not oppose this one, but surely we can do better than this.

This evening the Government chose to vote against a Labour amendment that would have blocked VIP lanes, for the third time. They have had three opportunities to show that they have learnt from the waste and the cronyism that we saw during the pandemic, and on all three occasions they have refused. In fact, loopholes included in this Bill will make it easier for Ministers to bypass existing transparency rules. The Tory VIP lane is at the heart of why we need a procurement Bill. It exposed the true weaknesses in the system and showed us why we desperately need a more agile and transparent procurement system.

Jeremy Quin: It is a bit late in our proceedings, but I really would encourage the right hon. Lady to read the Bill, even at this late stage.

Angela Rayner: I think the Minister knows full well that I have read the Bill, and it is a real shame that in the conversations that my hon. Friend the Member for Vauxhall and I have had with him and his team, they have refused to help stop this loophole. The Tory cronyism on the VIP lane is still there in this legislation. The VIP lane enabled a shameful waste of taxpayers' money and profiteering by unfit and unqualified providers, and as a result the Government have written off £10 billion of public funds spent on personal protective equipment that was unusable, overpriced or undelivered.

While I welcome the moves in the Bill to issue “transparency notices” before awarding a contract, these are just baby steps; they barely scratch the surface. We must see end-to-end transparency. And it is not just me who thinks that. The amendment that the Government voted down today is a proposal by the National Audit Office, a totally independent body calling for the Government to end their murky practices that saw taxpayers' money wasted at eye-watering rates.

This Bill also gave us an opportunity to reimagine the way we spend public money in order to promote decent work across the economy, to reward businesses that treat their workers right, and to use procurement to raise the floor on working conditions for all. Any suppliers given taxpayers' money should provide their workers with decent pay, respect, dignity and fairness, as well as access to a trade union. Economies across the world expect that from their employers. In France, Germany and the Netherlands, for example, more collective bargaining, stronger workers' rights and a fair share of wealth lead to higher growth, productivity and staff retention. President Biden's Government direct investment to companies with a track record of treating their workers with respect, so why can't we?

But over the last 13 years, the Tories have failed to use the levers of government to drive up standards for working people. In fact, things have got worse. I am disappointed but not surprised that the Government today voted down our amendment, which would have held suppliers to account when they repeatedly abuse workers' rights. Taxpayers do not expect their money to be handed to suppliers with a track record like that. They want to see their money going to suppliers who pay their staff properly and who uphold fair conditions, job security and union access. That is the bare minimum.

I also want to take this moment to welcome the Government's last-minute amendments on national security. I could not help but recognise some of those amendments. I would also like to pay tribute to the hon. Member for Rutland and Melton (Alicia Kearns), whom I worked closely with to highlight the need for change in managing the risk in procurement. I welcome the Minister's recognition that the current system leaves the door open for foreign threats to enter our supply chain and for taxpayers' money to be spent with no oversight on whether they are properly vetted. That said, I hope the Minister can tell us what criteria his Government will use to identify suppliers who pose a risk to national security, and I hope he will consider the inclusion of cyber-security criteria in that assessment.

In closing, I would like to once again thank all hon. and right hon. Members for their contributions today. While procurement might seem a dry topic, it is absolutely central to the way that our country works, and when Ministers abuse the procurement system, it is taxpayers who suffer. As we saw during the pandemic, the VIP lane for PPE contracts was a scandal of epic proportions that allowed the shameful waste of taxpayers' money and inexcusable profiteering, yet instead of learning the lessons of this failure, this evening Ministers voted for a third time to protect the loophole that allows the VIP lanes to exist. The Government have a duty to learn the lessons from the pandemic and, quite frankly, Ministers have abdicated that duty here today. While the Tories are too distracted to govern, Labour in power would

flush cronyism out of the system and protect taxpayers, to ensure that every pound is spent in the national interest.

Question put and agreed to.

Bill accordingly read the Third time and passed, with amendments.

ENERGY BILL [LORDS]: WAYS AND MEANS

Resolved,

That, for the purposes of any Act resulting from the Energy Bill [Lords], it is expedient to authorise—

(1) the imposition, by virtue of the Act, of charges or payments under licences issued under the Gas Act 1986;

(2) the making of provision under the Act requiring electricity suppliers to make payments, or to provide financial collateral, to the Secretary of State;

(3) the making of provision under the Act in relation to income tax, corporation tax, capital gains tax, stamp duty, stamp duty reserve tax, stamp duty land tax or value added tax in connection with a transfer of property, rights or liabilities by a scheme under the Act.—(*Andrew Bowie.*)

ELECTRONIC TRADE DOCUMENTS BILL [LORDS]: SECOND READING

Motion made, and Question put forthwith (Standing Order Nos. 59(3) and 90(5)), That the Bill be now read a Second time.

Question agreed to.

Bill accordingly read a Second time; to stand committed to a Public Bill Committee (Standing Order No. 63).

ELECTRONIC TRADE DOCUMENTS BILL [LORDS] COMMITTEE

Ordered,

That the Electronic Trade Documents Bill [Lords] Committee shall have leave to sit twice on the first day on which it shall meet.—(*Robert Largan.*)

Business without Debate

DELEGATED LEGISLATION

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

TRIBUNALS AND INQUIRIES

That the draft Judicial Appointments (Amendment) Order 2023, which was laid before this House on 11 May, be approved.—(*Robert Largan.*)

Question agreed to.

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

BANKS AND BANKING

That the draft Amendments of the Law (Resolution of Silicon Valley Bank UK Limited) (No. 2) Order 2023, which was laid before this House on 27 April, be approved.—(*Robert Largan.*)

Question agreed to.

PETITIONS

Bus Services in North Shropshire

5.53 pm

Helen Morgan (North Shropshire) (LD): I rise to present this petition to the House of Commons about access to bus services for my constituents across North Shropshire. Shropshire has some of the poorest services in the country. The petition was signed by 1,611 of my constituents who are frustrated by the lack of available transport. Many people struggle to get to medical appointments and high streets, while some businesses are dealing with significant shortages in recruitment for the simple reason that staff cannot get work without public transport connections. This petition declares that rural communities should be provided with improved access to bus and public transport services to better connect towns and villages, particularly to public services.

The petition states:

The petition of residents of North Shropshire,

Declares that residents are concerned by the poor bus services in North Shropshire; express their frustration at struggling to use public transport to travel to key amenities like hospitals and schools; convey their difficulties in securing work opportunities due to lack of transport connections; and note that currently only one bus service operates on Sundays throughout the constituency.

The petitioners therefore request that the House of Commons urge the Government to take their concerns into account and act to ensure that bus connections are available to the residents of North Shropshire seven days per week, connecting local villages and towns.

And the petitioners remain, etc.

[P002837]

Rossendale Valley traffic

Sir Jake Berry (Rossendale and Darwen) (Con): I rise to present a petition on behalf of the residents of Rossendale and Darwen regarding roadworks in the Rossendale valley. My petition has had more than 1,700 signatures, both on paper and online.

The petition states:

The petition of residents of the constituency of Rossendale and Darwen,

Declares that there are major traffic issues across the Rossendale Valley which are caused by temporary traffic lights, thus holding up traffic and causing congestion; further declares that this could be solved by using a Statutory Instrument to allow Lancashire County Council to adopt a 'lane rental scheme'; furthermore, this would mean that utility companies would have to pay to close the road to carry out their work and repairs; notes that this scheme is already in place across London and has proven to reduce traffic significantly by incentivising companies to carry out work quickly and efficiently.

The petitioners therefore request that the House of Commons urge the Government to take into account the concerns of the petitions and take immediate action to give Lancashire County Council the power to charge companies who dig up roads.

And the petitioners remain, etc.

[P002838]

Heating Rural Homes

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

5.56 pm

Sir Bill Wiggin (North Herefordshire) (Con): It is a great pleasure to be able to address this important issue. We all want to beat climate change, cut emissions and leave the planet in a better condition than we found it, so we do need to address the challenge of heating rural homes. It is perhaps ironic that we should be discussing this topic during a heatwave, but

“pleasant as it may be to bask in the warmth of recovery... The time to repair the roof is when the sun is shining”.

As North Herefordshire is a rural constituency, I urge the Government to ensure that there is an equitable solution for heating rural homes. Around 1.1 million homes in England are not connected to the gas grid and currently use some of the most carbon-intensive heating fuels, such as oil and coal. Some rural homes do not even have the option of an electricity supply.

In the past year, we have seen the price of fuel fluctuate wildly due to Russia’s illegal and brutal invasion of Ukraine. In the wake of the invasion, heating oil hit an unprecedented 110 pence a litre, well over double the regular cost.

Dr Neil Hudson (Penrith and The Border) (Con): I congratulate my hon. Friend on securing this important debate and on highlighting how different rural areas are from urban areas. As he mentioned, so many households—up to 76%—are off grid and on things like heating oil. Does he agree that decisions made in urban Whitehall need to understand that rural areas are different? Some well-intentioned schemes, such as the sustainable warmth scheme, have not worked well in practice. There needs to be flexibility in these policies so that, when we talk about phasing out heating oil or, indeed, phasing out petrol and diesel vehicles—things that are so vital to rural areas—we can make sure the Government listen to rural areas.

Sir Bill Wiggin: My hon. Friend is a rural champion, like myself. With his background in animal welfare, he feels the beat of the countryside in his veins. He is absolutely right about having that rural priority for vital things such as climate change, where we all want the right things. We all want to do the best we can for our constituents, but what works in inner London is so different from that which would affect his constituents, those in Brecon and Radnorshire, or the wonderful people of North Herefordshire.

As I said, the fuel price hit an unprecedented 110 pence per litre, double the regular cost, or even more. The Government moved commendably quickly to help secure our energy supply and to protect consumers through the energy price guarantee. However, for those off grid, that support was not forthcoming. The energy price guarantee ensured that gas and electricity bills were capped at about half of what they could have been, but those using alternative fuels received a £200 payment and there was no cap on the price. As a result, they were subjected to massive price increases, with little to safeguard them from factors completely out of their control. During this period, I received emails from people in

Herefordshire whose houses are off the mains grid and who were deeply concerned by the rapidly increasing price of alternative fuel.

With the UK target of reaching net zero by 2050 in mind, the Government are pursuing a heat pump-led approach to secure energy independence for the UK. Their well-meaning boiler ban, set to take effect in 2026, will force homeowners to replace their gas and oil boilers with low-carbon alternatives. Although that ban may be well-intentioned and appears to align with the target of reaching net zero by 2050, we have forgotten the impracticality of such a ban for those people living off grid. With 75% of rural properties off the gas grid, these homeowners rely on alternative heating methods. Of all the off-grid homes in the UK, 55% are heated with heating oil, just 18% with electricity, 11% with solid fuel and 10% with liquid petroleum gas. That means that 76% of off-grid households will soon have to replace their heating systems.

Greg Smith (Buckingham) (Con): I congratulate my hon. Friend on securing this important debate for the 15% of households in my constituency who are off the gas grid. Does he agree that the best way the Government could rise to the challenge he is powerfully making is to adopt the proposal from my right hon. Friend the Member for Camborne and Redruth (George Eustice) to permit the use of hydrotreated vegetable oil and other sustainable fuels in existing oil burners and indeed new oil-burning boilers, so that customers and residents of all our constituencies are not forced to spend tens of thousands of pounds on a technology that may not actually work?

Sir Bill Wiggin: All I can say is that those 15% of my hon. Friend’s constituents are lucky to have such a champion in their MP—what a hero for rural sensibility. We are truly blessed to have an intervention such as that. Later in my speech, I may touch on the subject of HVO. What he is saying is absolutely right. We need to be much broader in our outlook about what works for people, not through force, but through choice, so that the people who want to do the right thing can do so, rather than being curmudgeonly bullied—

Mr Alistair Carmichael (Orkney and Shetland) (LD)
rose—

Sir Bill Wiggin: On that point, I will give way to my former Whip Friend.

Mr Carmichael: I am grateful to the hon. Gentleman for giving way. I should perhaps declare an interest, as someone who owns a house that is also heated by oil-fired central heating, however inadequately. The point he makes illustrates well what happens when Government intervene to set targets and to insist that things must be done by a certain deadline. We see that time and again. I can tell him and others now that one of the biggest problems will be the lack of available skilled, qualified labour in rural areas and in other places to install the equipment for these things. Would it not be better if on this occasion we were to use a little more of the carrot and a little less of the stick, as he and I did when we were Whips together?

Sir Bill Wiggin: Indeed, Madam Deputy Speaker, there is no finer advocate of the pointy carrot than the right hon. Gentleman. But he is right. Again, it is as though he has read my speech because I will touch on the shortage of qualified technicians. One of the problems that we face is that, by insisting on one technology, all those various engineers who can do different things are being forced to do the same thing and, of course, that is far from practical or ideal. I will touch on that in a moment.

Those off the gas grid may face unique challenges that will prove a huge obstacle if the ban comes in. According to the Government's heat and buildings strategy, at least 20% of off-grid homes will not be suitable for heat pumps. Rural areas tend to have limited infrastructure, meaning that it is impractical and uneconomical to deploy heat pump installations in every home. Many rural homes, particularly older or listed buildings, are not designed to accommodate these systems. Heat pumps work best in well-insulated and energy-efficient properties, which rural homes, sadly, tend not to be.

More than 35% of rural properties have an energy efficiency rating of F or G, compared with just 2.1% of properties in urban areas. That is a massive difference. In part, that is because properties located in these areas are proportionately more likely to be older, of traditional construction, detached and potentially larger than urban properties. But it is also because the current stupid, useless and inappropriate energy performance certificate assessment is based on modern construction. More than 60% of homes were built before 1970 and before the first thermal regulations, so these properties are extremely disadvantaged when it comes to energy efficiency ratings.

Sir Jake Berry (Rossendale and Darwen) (Con): On the issue of the flawed nature of EPC, that is an important point. My hon. Friend will be aware that thatched buildings are often given a very low EPC rating because there is no ability to calculate the thermal quality of thatch. Thatch is a brilliant insulating material, so it is complete nonsense that thatched buildings should be given such low rating. This would be of passing interest were it not also the case that the Government are rapidly bringing forward legislation to prevent landlords from renting out properties if they have a low EPC rating. On that point, I draw the House's attention to my entry in the Register of Members' Financial Interests. There are also reports from the Department that it will in future be more difficult to get a mortgage if a property has a low EPC rating, with the voluntary code being suggested to the current clearing banks later to become a compulsory code. In many areas of the countryside, the net effect of that policy will be that someone will have zero chance of getting a mortgage unless these ridiculous EPC ratings and mechanisms are updated.

Sir Bill Wiggin: Madam Deputy Speaker, I saw you thinking that that was perhaps a bit of a long intervention, but it was pure gold. My right hon. Friend is absolutely right: these energy performance certificates are not just stupid and useless, but absolutely evil when it comes to the fundamental right of people to want to own their own homes—something in which we on the Conservative Benches believe passionately. Worse than that, if someone cannot get an EPC rating of C, they cannot rent a

house either. All of this will be no different from the land clearances, when people were shipped off into the cities because they simply could not or were not allowed to live in the countryside. It is an appalling situation and my right hon. Friend is absolutely right to highlight it. I hope the Minister is trembling on the Front Bench at the vehemence of loathing that I have for EPCs, not least because, when I last got one, it said that we should have built a windmill in the garden. How stupid can you get when it comes to really mindless environmental legislation. I care very much about this because, if we are going to do a good job of saving the planet, we cannot be handicapped by cretinous legislation such as EPCs. I ask the Minister to please fix it.

To go back to the speech in hand, we have covered traditional features in old homes. Indeed, it is even more troublesome and expensive to retrofit a listed building, of which there are around 500,000 in England. They have solid floors and walls and are much more difficult to rectify. The House will be aware of the debates I have held on environmental standards for listed buildings and the most welcome progress that was made to allow double glazing by Historic England—a small step, one might think, but to have 500,000 houses in this country banned from having double glazing just reinforces why I rage at EPCs. There are all the other environmental steps that we want to take but are banned from taking.

Greg Smith: Will my hon. Friend give way?

Sir Bill Wiggin: I would be delighted to give way to my hon. Friend; I have hardly started.

Greg Smith: I am very grateful to my hon. Friend for giving way twice. Does he agree that many of the houses that are challenged by the EPC regime simply cannot have the retrofitting he talks about, such as those built out of cob or witchert, a form of cob unique to the Vale of Aylesbury—to declare an interest, my own house is partially made out of witchert—where the walls need to breathe? Therefore, people cannot put in place the measures that would allow a higher EPC rating or allow a heat pump to work in the first place.

Sir Bill Wiggin: I feel for my hon. Friend. When we buy a washing machine or dishwasher and look at the energy rating on it, it is a helpful guide to what we should expect our fuel bills to be. However, the EPCs for houses are off the scale in their inability to provide anything useful and I am mustard-keen for the Minister to tackle them.

My fear is that Historic England, that wonderful body that has been trying to make Leominster a nicer place, may go back on its guidance on double glazing and on the curtilage of listed buildings. That would be a shame because, while there is an industry built up with secondary glazing, it is really important that as a Government we help people to do the right thing. Something that saves energy, improves fuel efficiency and makes houses nicer places to live in is obviously a sensible step.

I am sure the Minister does not find it hard to see why the boiler upgrade scheme has been such a disappointment. Tragically, £90 million-worth of subsidy is being given back to the Treasury due to the difficulty of uptake. The Government's latest scheme offers households grants

[*Sir Bill Wiggin*]

of between £5,000 and £6,000 for low-carbon heating systems such as heat pumps—kind, well-meaning and hopelessly inappropriate. Ofgem figures show that fewer than 10,000 installations were completed under the scheme between its launch in May last year and March this year.

Households with a broken boiler could wait up to six months to source a certified installer, as the right hon. Member for Orkney and Shetland (Mr Carmichael) said, receive a grant, if they are lucky, purchase the heat pump, if it is available, and have it installed, by which time they may have suffered without heating during the coldest months of the year. That is never going to deliver on our ambitions, not least because every broken boiler is a missed opportunity. It means people will go out and buy another fossil fuel boiler because the option to buy a heat pump was just too difficult.

We cannot afford to drop the ball like that. Every time someone needs a new boiler, surely the right thing is for them to say, “Thank goodness for the Minister! She made it so much easier for me to get a super-efficient, clean boiler, which is not just keeping me toasty in the winter, but saving the planet for my children and grandchildren.” That is where we need to get to, and I know the Minister is listening and smiling with delight because that opportunity is opening up before her.

While the Government may have set the ambitious target of 600,000 installations of heat pumps per year by 2028, it will not be achieved unless they address the extortionate cost and impracticality of installation. A poll by Liquid Gas UK discovered that more than two thirds of people living in off-grid rural homes fear that they would not be able to afford a heat pump if required to install one. The average cost of installing a low-carbon heating system such as a heat pump is estimated to be between £15,000 and £30,000. That probably includes the £5,000 grant, as installers are not going to ignore the subsidy, either. For many families, that is an expense that they simply cannot afford. Twelve per cent of houses in rural areas are in fuel poverty—a rate 43% higher than on-grid homes.

On top of the expensive cost of heat pumps, there is a lack of skilled engineers available to install and manage them. I recently received an email from a heating engineer who works in an off-gas grid area of Herefordshire. They are deeply concerned that the Government’s proposals are impractical because it is so expensive and difficult to install heat pumps. In rural areas, it will therefore be extremely difficult to source a nearby engineer to install a heat pump when one’s current oil boiler breaks.

Homeowners should have the freedom to choose their heating systems based on what suits their needs, preferences and budgets. Rather than installing an expensive heat pump, they might find it more suitable to have a hybrid or cocktail of alternative energy sources, such as biomass boilers, which are eligible for the Government’s renewable heat incentive—

Sir Jake Berry: Not any more.

Sir Bill Wiggin: My right hon. Friend mutters “not any more”. That renewable heat incentive for domestic properties would be a wonderful step forward and would encourage biomass in all its different forms.

The Government already provide financial incentives such as grants for reducing the up-front cost of solar panels, making solar power an affordable choice for many households. I welcome the Government’s encouragement of rooftop solar by cutting VAT on solar panels, which saves households more than £1,000 on installation, in addition to the £300 annual saving on their energy bills. Now that we have left the EU, the Government have been able to remove the 5% VAT charge on energy-saving materials, including solar panels, heat pumps and insulation. However, a bigger tax break on UK-manufactured environmental solutions is needed to encourage people to do the right thing when it comes to heating their homes.

Sir Jake Berry: It is absolutely within our power to encourage people to install solar panels, but does my hon. Friend agree that another thing that the Government could do is to bring solar panels within the permitted development regime? Often, the expense of a planning application and of delays puts many people off.

Sir Bill Wiggin: I cannot think of a reason why putting solar panels on the roof of a house should not be permitted development, but it is not. That is a simple step that would really help. I remember when the onshore wind debate started. The then Labour Government refused to allow even the smallest electricity-generating windmill on the side of people’s homes in case it made the electricity meter go backwards. We lost the public at that point. They wanted to do the right thing, but they were prevented from doing so. Solar panels on rooftops should be a natural step forward. They should be permitted development and part of the planning permission for every new build.

If we are to embrace the technology of solar panels, let us ensure that they are made in Britain. Let us stop making the Chinese richer because we want to do the right thing for the environment while they build coal-fired power stations. Bigger tax breaks on UK-manufactured environmental solutions are needed to encourage people to do the right thing.

As solar panels are not always suitable for certain types of building or locations across the country, alternative options should also be supported. Hydrotreated vegetable oil, for example, is a sustainable fuel that can, at a small cost, be used in a conventional boiler. HVO has been trialled in over 150 homes across the UK in the last 18 months, yet it has been given no special tax treatment to encourage its usage. Bringing HVO fuel duty rates in line with kerosene—paraffin, or “heating oil”—would significantly lower its cost.

It is also clear that we need a better solution to incentivise both the take-up and production of UK-made heat pumps. Currently the boiler upgrade scheme subsidy is merely pushing up prices, when supply-side reforms and intelligent incentives would clearly be better options. Stimulating a home-grown heat pump industry similar to our natural gas boiler industry, which produces 90% of all gas boilers in this country, will increase supply and bring down costs for consumers.

A number of British businesses are already striving to make renewable energy cost-effective and affordable, such as Caplor Energy in my constituency, which provides a full range of renewable energy solutions nationwide. We should encourage British-based companies through big tax breaks, rather than continuing to import heat

pumps from abroad and filling the pockets of Chinese companies. A holistic approach to rural home energy systems that involves a mixture of technologies would allow homeowners to transition to a fully electric product once the correct thermal efficiency levels have been reached. They could then avoid having to make drastic changes to the fabric of their house all at once, with or without the local council's intervention.

In many cases, a hybrid heat pump would be most appropriate, as they efficiently switch between renewable and fossil fuel. Hybrid heat pumps are a good middle ground; they ensure a reduction in carbon emissions without leaving people at the mercy of the weather or subject to power outages, yet the renewable heat incentive scheme no longer extends to hybrid heating systems, or any other systems that could have eased the transition to entirely electric heating.

The Government propose a “rural first” approach to the transition. They aim to phase out the replacement of fossil fuel boilers in rural homes from 2026. That is almost a decade earlier than the date for equivalent homes connected to the gas grid. That is extraordinarily unfair. It is far too difficult for the Government to phase out fossil fuel heating in off-grid homes from 2026. The Government consulted on the proposal to phase out the replacement of fossil fuel boilers from 2026 for off-grid homes in January last year, but we are yet to see their response to the consultation. When will they publish it, given that it has been over a year since the consultation? In the absence of a response, can the Minister confirm that the Government will delay the 2026 boiler ban until there are effective and affordable alternatives for heating rural homes?

To conclude, I commend the Government on their net zero policy and on our environmental agenda. We must pursue a more flexible, cost-effective and practical approach to heating rural homes that considers the unique circumstances of these areas. The Government's 2026 boiler ban is a misguided policy that fails to consider the practical implications and financial hardships that it would impose on people living in rural communities. We must ensure that the voice of rural homeowners is heard, and that their concerns are addressed. I urge the Government to re-evaluate their strategy, drop the ban, and develop a plan that prioritises practicality, affordability and choice for rural homeowners, and ensures that those living in rural homes are not unfairly disadvantaged because of where they live.

6.22 pm

The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Amanda Solloway): I thank my hon. Friend the Member for North Herefordshire (Sir Bill Wiggin) for his impassioned speech. We have heard a lot from the rural champions who are here, so it is a great pleasure to be here. I point out that the issue is not in my portfolio; however, I will take back to the Department any question that I cannot answer, and will of course respond in due course to anybody I do not manage to respond to directly tonight. This is an incredibly important debate on heating rural homes. I thank my hon. Friend for our conversation earlier, in which he explained the problem.

Decarbonising off-gas-grid properties that use fossil fuel heating is a key priority for us, as they are some of our biggest polluters. The use of oil and other high-carbon

fossil fuels to heat our properties also reinforces our dependence on foreign sources of energy. The Government recognise that off-gas-grid households have been particularly exposed to high and volatile energy bills, due to the impact of rising global fossil fuel prices following Putin's illegal invasion of Ukraine. That is why we have taken decisive action to support rural households facing higher heating costs through the winter. The energy price guarantee is currently protecting customers from increasing energy costs by limiting the amount that suppliers can charge per unit of gas or electricity used. In addition, the alternative fuel payment scheme delivered £200 to households that use alternative fuels such as heating fuel, petroleum gas or biomass, helping around 2 million off-grid households across the United Kingdom.

Going forward, the Government intend to move away from universal energy bill support and towards better targeted support for those most in need. Therefore, to keep prices down for ordinary households in the long term, we need to make sure that we are relying on sources of energy that are affordable, clean and—above all—secure.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): The Minister is very gracious in giving way, and she is making a most interesting speech. Could I recommend to her something that would be helpful, namely whisky? In the rural community of Wick, in Caithness in my constituency, we have a distillery called Old Pulteney—it is an excellent whisky, but that is not the subject of this intervention. Old Pulteney helps to heat at least 200 houses in Wick, as well as Caithness General Hospital. It is an imaginative solution, so I suggest that the Minister looks at how that is done, takes herself on a tour of other distilleries that are not doing the same, and samples their wares for inner warmth, but also sees how they can contribute to outer warmth.

Amanda Solloway: I confess to being a whisky drinker, so I feel a visit coming on, but that might not be allowed. Of course, I will look into that.

Transitioning rural, off-grid properties to low-carbon heat will help to move us off imported oil and build energy independence; help protect consumers from high and volatile energy bills; and keep us on track for net zero. However, I want to take this opportunity to reassure my hon. Friend the Member for North Herefordshire that we recognise the challenges involved, which he has described so eloquently. Decarbonising rural, off-grid properties in a way that is fair, affordable and smooth for consumers will require a range of different technologies and policy approaches.

While we expect that most off-grid properties will ultimately switch to heat pumps, affordability is a key challenge that we need to address, particularly while the cost of installing a heat pump remains higher than the cost of replacing an oil system. That is why we are taking a range of steps to grow the heat pump market to 600,000 installations a year by 2028, and to make installing a heat pump a more attractive and affordable choice for heating a home. I acknowledge the challenge of building the skills that installers will need; I will take that point away and—with your permission, Madam Deputy Speaker—come back at a later date in a different manner. The steps we are taking include providing support through schemes such as the boiler upgrade scheme and home upgrade grant. We want to make sure that people make green choices.

[Amanda Solloway]

As we take action, we want to ensure that the economic benefits of the transition to net zero are retained in the United Kingdom, which will create new, highly skilled jobs in the low-carbon economy. That is why we are investing £30 million in the heat pump investment accelerator, which will bring forward investment in heat pump supply chains and aim to ensure that at least 300,000 heat pumps are manufactured annually here in the UK by the end of the decade. I also take this opportunity to reassure my hon. Friend that no one will be required to install an unsuitable technology in their home or business. Heat pumps will not work everywhere—some off-grid properties are simply too poorly insulated or have certain characteristics that would make installing the technology challenging. We are therefore looking closely at the potential role of low-carbon heating solutions, such as high-temperature heat pumps, hybrid heat pumps, solid biomass or renewable liquid fuels. They could play a part in the low-carbon heating mix, particularly where heat pumps cannot be used. However, sustainable biomass is a limited resource, and we need to take care to prioritise its use in sectors that offer the greatest opportunity to reduce emissions and where there are the fewest alternative options to decarbonise.

There were some comments on the EPC, which is under a different Department, but I will take that away. However, I thoroughly believe we should always be looking at ways to improve methodology, and I am happy to have further conversations on that, if that is helpful. The forthcoming biomass strategy will review the amount of sustainable biomass available in the United Kingdom

and consider how the resource could be best utilised across the economy to help achieve the Government's net zero and wider environmental commitments. My hon. Friend also mentioned the consultation on the boiler ban. The Government have a commitment to transition to clean heat for the future. My hon. Friend asked me about a date, which I am unable to give at this stage, but I will look into that consultation and get back to him as soon as I can.

We will continue to work with industry stakeholders to build further evidence that will allow us to evaluate what roles these fuels may play in heat, especially where heat pumps cannot be used. Earlier this week, I visited Certas Energy, the UK's largest distributor of heating oil. I thank it for supplying off-grid customers this winter. I also learned about its plans to transition to low-carbon renewable liquid fuels, and I will take away lots of points from that visit. Through the support we are providing, I assure my hon. Friend that we are acting and will continue to act to ensure that the transition to clean heat is smooth, fair and affordable for rural off-grid households and businesses.

Greg Smith *rose*—

Madam Deputy Speaker (Dame Rosie Winterton): I think the Minister had finished. I am sure the hon. Gentleman will have a quick chat with the Minister afterwards—I can feel it.

Question put and agreed to.

6.31 pm

House adjourned.

Westminster Hall

Tuesday 13 June 2023

[CAROLYN HARRIS *in the Chair*]

Cancer Medicines: Appraisals

9.30 am

Jim Shannon (Strangford) (DUP): I beg to move,

That this House has considered the matter of appraisals for cancer medicines.

It is a real pleasure to serve under your chairship, Mrs Harris, and I am always pleased to see you in the Chair, as you know. I am always greatly impressed by your commitment to these issues, and I have been pleased to support you in a small way, although always fully. I thank you for being here.

I thank Members for coming along to participate in this important debate. I am pleased to see the shadow Minister, the hon. Member for Denton and Reddish (Andrew Gwynne), in his place, and the SNP spokesperson, the hon. Member for Midlothian (Owen Thompson). I do not think there is a debate when the Labour spokesperson and I are not together, and we are, more often than not, saying the same thing. I am also incredibly pleased to see the Minister in his place, and it is no secret that he listens and responds to the questions we ask. I think he will find today that there is a united front pushing for the same things. Hopefully, we are pushing at an open door and he can respond in a positive fashion.

It is great that Members have the time to be here to support this matter. The UK's health technology appraisal process must evolve if it is to keep pace with innovations in cancer treatment and improve outcomes. That is important because, across this great United Kingdom of Great Britain and Northern Ireland, one in every two people—half the people we meet out on the street—will be struck by cancer. My father had cancer on three occasions. He was a Christian and he survived all three times due to the prayers of God's people, the skill of the surgeon and, ultimately, the care and love of the nurses and the family who supported him.

There are many global healthcare challenges, and the UK must emerge as a leading force. That is why this debate, which is specifically about appraisals for cancer medicines, is so important. It is essential that the Government, the NHS and the National Institute for Health and Care Excellence evolve their processes to address emerging access challenges—and there are challenges. We must have a process that moves quicker, focuses attention and delivers in the necessary timescale.

In July 2022, cancer waiting lists stood at over 320,000 across the UK, which is breathtaking. In addition, there are wider challenges with patients getting treatment in Northern Ireland. As you and others will know, Mrs Harris, I always try to give a Northern Ireland perspective. I am ever mindful that this is not the Minister's responsibility, but what is happening in Northern Ireland encapsulates what is happening in the UK, Scotland and Wales. Waiting times for cancer treatment in Northern Ireland are the worst on record. Just a third

of urgent suspected cancer referrals from GPs—only 35.6%—began receiving treatment within the 62-day target in the final quarter of last year. We have a big challenge, there is a lot to do and there is clearly a lot more for Northern Ireland to do. It is incredibly concerning that we have deteriorated further since those figures from 2021-22. Back home we have a crisis; a catastrophe is perhaps waiting to happen. It is unacceptable that almost 64% are waiting too long to start cancer treatment.

We in Northern Ireland have a cancer strategy that echoes the asks of many cancer charities across NI, including Cancer Focus Northern Ireland and Cancer Research Northern Ireland. I want to put on record my thanks to those cancer charities, which do fantastic work and are very good at contacting us—I do not think there is an MP here who does not have regular correspondence with them. The information they formulated and sent to myself and others before the debate was really helpful.

The cancer strategy was agreed in March 2022 but, over a year later, given stringent funding cuts from central Government, we simply have not had the finances to fully implement it. It still has the potential to play a crucial role in the transformation agenda of the health and social care service, and I believe that it will prove to be an exemplar of true healthcare for cancer sufferers, but we look to our Ministers back home and here in Westminster to ensure that we have the funds to make that happen.

Throughout the United Kingdom of Great Britain and Northern Ireland, cancer survival rates have risen thanks to improvements in planning, but levels of diagnosis and treatment lag significantly behind those in other countries for some cancer types, especially our five-year net survival rates.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): I congratulate the hon. Member on securing the debate. He mentioned the significance of diagnosis. Medical radioisotopes are highly significant for the diagnosis and treatment of dangerous cancer cells, and it is important to secure a domestic supply of them, in terms of both security of supply and cost. I am told there is a shortage of supply in the offing in the United Kingdom, but there is a chance to secure a generating reactor at Trawsfynydd in north Wales, known as Project ARTHUR. I am sure the hon. Member agrees that it would be a positive step for cancer care in the UK if the UK and the Welsh Government were able to make progress together on delivering that project.

Jim Shannon: As so often in Westminster Hall and in the main Chamber, the right hon. Lady makes a positive suggestion, and it is one I know you would also support, Mrs Harris. We think it should be the Government's intention to make every effort to deliver that project in Wales alongside the Welsh Assembly, because it will help us all in the United Kingdom. I always enjoy these debates because they bring us all together, focused on the issue and not the politics of it. If we can make life better for all of us in the United Kingdom through that project in Wales, let us do it. I do not know whether the Minister has had time to prepare, but hopefully his civil servants will give him some indication on that, and then we can look forward with a positive suggestion out of this debate. I thank the right hon. Lady for her intervention; it was very helpful.

[Jim Shannon]

Our poor international standing and lack of supportive frameworks mean that, in some cases, certain innovative cancer medicines are not submitted for UK regulatory approval or to NICE, further impacting access for UK patients. Resolving challenges in the appraisal process for licensed medicines will provide important benefits. First and foremost, there will be benefits to our constituents and patients, including, importantly, access to a wider range of treatment options and the potential for improved outcomes for those needing treatment.

Secondly, there will be benefits to the NHS, which will be able to deliver more efficient care and have permission to access a full range of licensed medicines. Thirdly, there will be benefits to the UK—this great nation—because resolving these challenges will improve its attractiveness as a destination for clinical research by incentivising research and development to focus on new and more challenging patient populations. How the Government respond to what the right hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) asked for is an indication of how we will move forward and lead the way.

One issue is that NICE guidance is not automatically applicable in Northern Ireland, although the Department of Health there does tend to adopt NICE guidelines and approaches. As such, the patient access challenges outlined will likely have the same impact on Northern Irish cancer patients as they will on cancer patients in England and Wales. To be a successful, leading force in cancer medicines and treatments, we must be united, not divided, in how we tackle these issues. I have always been an avid believer in the idea that no nation in this United Kingdom should be left behind, and I know the Minister has always been committed to that; whatever the subject of a debate, he encapsulates my thoughts on how important it is to work together.

There will be challenges for medicines in the cancer drugs fund. Following the update of NICE's methods and processes, medicines currently in the cancer drugs fund will be measured against different criteria to those used when those medicines entered it. That could mean that, for some medicines, the likelihood of recommending routine NHS access is significantly reduced, so we need some reassurance on that.

The cancer drugs fund is a source of interim funding for cancer drugs in England. It provides access to promising cancer medicines via managed access arrangements. The Northern Ireland Department of Health confirmed in 2018 that medicines approved by NICE for use through the cancer drugs fund will be equally accessible in Northern Ireland through a separate budget pot, which I urge the Minister to defend against any future budget cuts. I know that is not the Government's intention, but it would be nice to have that reassurance today so that we can report it to everyone involved back home.

Given that medicines are to be reappraised under the NICE guidelines, they will not be appraised against the same criteria. I have ascertained that NICE is not presently considering any flexibility for medicines in that situation. For certain medicines, that will mean that the likelihood of recommending routine NHS access

will be further reduced, and probably one of the major asks in this debate is to ensure that that does not happen.

The Government confirmed that 43% of medicines currently in a period of managed access through the CDF include the end-of-life modifier. Issues remain around who can access what medicines. New patients will not be given access to cancer drugs fund-approved drugs if they are not originally taking the drug at the first NICE regulation. Sometimes there needs to be flexibility in how drugs are allocated. It is not just a black and white tick-box exercise—it never is. We need to focus on the circumstances of the individual, the patient and our constituents—I know from his responses to questions that the Minister understands that, and we seek reassurance that that would be the case. The issues I have outlined mean that new cancer patients have no access to old drugs, so future eligible patients will lose out on options in their treatment plan. We seek reassurance that, when it comes to their treatment plan, eligible patients are given options to ensure that they are not debarred by some paper exercise—if I can use that phrase, with great respect.

NICE must act to address the impact that updates to its methods and processes will have on medicines currently in the CDF, especially in Northern Ireland, where these methods are usually followed to the rule. Ensuring that medicines in the CDF can be assessed against the same criteria under which they were initially recommended for use in the NHS will increase confidence for cancer sufferers that the medicines to which they so desperately need access are available. If the Minister has one positive reply for us today, that is the one we would ask for, because we know that it would bring relief to many people right away.

There will always be issues surrounding cost and the cost-effectiveness of financing a drug. The 2019 voluntary scheme for branded medicines pricing and access is an agreement between industry and Government that aims to meet the need to keep the NHS medicines bill affordable. I know there is a need to do that, but there is also a need to make the medication and drugs available, with the ambition to grow the life sciences sector as well, which we must do and have done before. The partnership between Government, pharmaceutical companies and universities is one that I recognise from Queen's University Belfast and Ulster University in Northern Ireland. Those two universities have great relationships and partnerships with pharmaceutical companies that are to the fore of finding new cures for disease.

The scheme operates through rebate mechanisms, where companies pay a percentage of their net sales back to the Government. Historically, the rates in the voluntary scheme have averaged well below 10% of revenues, but as of 2023 they are 26.5%—wow! That rapid rise was driven by several factors, including the post-pandemic demands on the NHS and the fact that the UK is now widely out of line with comparator countries. Not only does the current level of repayment risk costing the UK economy far more than it saves, but it has an incredible impact on patients' access to medicines. Again, we need some reassurance from the Minister on that.

For the UK to continue to be an attractive destination for clinical development, which brings benefits to all areas of the United Kingdom of Great Britain and

Northern Ireland, a solution to the cost challenge must be found. In presenting the facts of the case and the evidential base, all of us present are very much solution-based, and our questions to the Minister will be about finding solutions.

Further combination therapies have been instrumental in combining medicines to attack different types of cancer and cancerous cells. There are still multiple unresolved issues around the value assessment, which I will briefly list, and I thank Sanofi for making me aware of this information before the debate—indeed, some organisations have been incredibly helpful in giving us a train of thought and a focus for requests, and hopefully we can be solution-driven.

Combination therapies undergoing appraisal can be found not to demonstrate cost-effectiveness or value for money. Furthermore, pricing barriers have proven problematic for manufacturers when two therapies are involved. The manufacturer of the new medicine has no influence over the price of the new therapy, meaning the total cost may go over the cost-effectiveness threshold. We all regularly meet lobby groups and pharmaceutical companies, which tell us that the NICE process is making it difficult for them to advance their medicines to provide relief and find a cure. I know that Governments have to be responsible and do not have the power to spend money willy-nilly, but it is important that we grasp what the manufacturers and pharmaceutical companies are trying to achieve.

Combination therapies can offer people suffering with cancer a better quality of life, a better response to treatment and—this is really what it is all about—a better chance of survival, which is so important. The UK must learn from countries such as Spain and the US in creating a more cohesive and agile path from pre-trial to treatment. Those are just two countries that have an excellent methodology for trying to advance. Hopefully, the Minister will reassure us that we in the United Kingdom are doing the same as other countries. The US dominates certain research, such as in immunotherapy, followed by China. The UK is in third place, with a global share of approximately 5%. Third place is not bad—it is a bronze medal—but we would like to move a wee bit further beyond that, and I think it is possible. The ideas are here, the technology is here and the will is here. We just need to drive it.

We must learn to strengthen links between UK academia, clinical medicine and industry, at a time when it is being reported that the number of industry-backed clinical trials has decreased by 41% since 2017. I know there has been a focus on covid, with everybody trying to find the cure, but let us get back to where we were before and lead the way again. I do not see how we can say that we are doing more to expand the variety of medicines that we offer patients, when the number of trials has declined by almost half.

I cannot emphasise enough how important it is that we ensure that the United Kingdom remains an environment where companies want to bring medicines forward for NICE appraisal in the first place. Being able to approve access to innovative cancer medicines is critical if we are to improve patient outcomes. The UK currently ranks 16th out of 18 comparable countries for five types of cancer, and it is important that we address the challenges with appraising cancer medicines to ensure that patients continue to access the new, innovative

treatments in the pipeline. It is so important to get that pipeline concluded and the product line out the other end.

What is the solution? First, it is about exploring and adapting to the challenges and issues that must be overcome in terms of costing, combination therapies and fairer price negotiations for manufacturers and the NHS. The UK Government—our Government—must, in collaboration with NICE and the NHS, work with industry and patient organisations to develop and trial a sustainable solution.

Cancer has killed too many in recent years. Advances in medication and medicine have increased the likelihood of survival—not when my dad had cancer 40-odd years ago, but today. Cancer affects too many loved ones; there are too many horror stories, which we, as Members of Parliament, hear regularly. We do not always get the good stories; it is usually the bad stories about what has gone wrong. As MPs, our duty is to bring them forward on behalf of our constituents and highlight them, as we have done today.

The NHS can work closely with the cancer drugs fund to improve patient access to the good and decent drugs that will help them, and ensure that nobody is left behind. I sincerely thank all the organisations that have been in touch with me and others ahead of the debate on an issue that is so important and affects so many. I say a special thank you to Sanofi for its efforts and support and for answering my questions and queries.

We in this United Kingdom of Great Britain and Northern Ireland have real potential to ensure the best outcomes for constituents and patients. I look to the Minister for reassurance, which I am sure is coming, that we will continue to do all we can to work with the devolved nations—Scotland, Wales and Northern Ireland—and NICE to improve people's lives. Our job is to do just that. If we can improve people's lives and help them to live longer, what a joy it will be to have those answers.

9.51 am

Siobhain McDonagh (Mitcham and Morden) (Lab): It is a pleasure to serve under your chairmanship, Mrs Harris. I thank the hon. Member for Strangford (Jim Shannon), who is the closest thing this House has to a national treasure, for securing a debate that is so important to me.

This debate is about appraisals for cancer medicines. As with any debate about cancer in the House of Commons, there will be Members who have a personal connection to the issue. I will not spend a lot of time explaining my family's situation, but for me this debate is different. It is not like the other debates that we take part in as parliamentarians. For some, we are experts in the field; for others, we are explaining the experiences of our constituents; and for others, we are speaking about what we have heard from stakeholders. My contribution is grounded in the year and seven months I spent caring for my sister, experiencing what the NHS treatment is like at first hand, and suffering as it became clear that over the past 40 years there has been no improvement in the treatment of glioblastoma—a brain tumour. The drug used to treat glioblastoma today, temozolomide, is the same drug that has been used for the past 20 years. That is not a national policy challenge; it is a frustration that I have lived.

[Siobhain McDonagh]

When a person is diagnosed with a glioblastoma, they get six weeks' radiotherapy, followed by six months' chemotherapy with temozolomide if they can manage it. The drug was introduced in 2005, and it is called the gold-standard treatment in our NHS. That is a bastardisation of the English language. It is not a gold standard. It is not even a plastic standard. Although there are other treatments and drugs on the market for other cancers, the 3,200 people who are diagnosed with glioblastoma each year have had almost no improvement at all. The average life expectancy for someone diagnosed with a glioblastoma is nine months—do not believe the figures that suggest it is 18 months. The five-year survival rate is only 12.9%—just 1% better than the five-year survival rate in 2010.

For other cancers, the story is very different. For someone diagnosed with lung cancer in 2010, the five-year survival rate was 10.3%—not dissimilar to the survival rate for glioblastoma. The difference is that by 2020, the five-year survival rate for lung cancer had doubled to 21%. For some undiagnosed with breast cancer in 2010, the survival rate was 83.2%. By 2020, the five-year survival rate was all the way up to 85.9%. The five-year survival rate for bowel cancer has gone from 58% in 2010 to 60% in 2020.

I do not in any way mean to take attention away from those cancers. I am absolutely delighted that survival rates have increased, that there is innovation and that there are trials across the board. However, when I meet constituents who have had a cancer diagnosis for something other than a brain tumour, I regularly hear that they have had access to experimental trials. I appreciate that that is because I have a south London constituency and we are close to the brilliant Royal Marsden. When it comes to brain tumours, it is not that there are only a few trials; there are zero, with not many on the horizon. There are many reasons why survival rates have not changed for brain tumours in 20 years, but one is in the title of this debate: there are nowhere near enough appraisals for new brain tumour drugs and nowhere near enough clinical trials.

I will give an insight into how difficult it is to get a new drug on the market for glioblastoma. When my sister's brilliant oncologist, Dr Paul Mulholland, set up a new clinical trial, he could not get the pharmaceutical companies to give him the drugs he needed. As a result, he had to rely on me, a Member of Parliament with no medical training, to write to the pharmaceutical chief executives asking them to donate to his trial. We were successful. We met senior members in four drug companies, and Roche was absolutely brilliant in its response. But why did it take a letter from somebody like me to get the drugs for a new clinical trial, instead of the other pharmaceutical companies responding to Europe's expert on brain tumours? It completely baffles me, but I suppose that is the world we live in.

This experience tells me that the market is not working. It tells me that because only 3,200 people are diagnosed with a glioblastoma every year, it is not profitable for the pharmaceutical companies to invest in glioblastoma treatments. The market is very small, so it is not worth their while. As policymakers, it is our job to see where the market is working and where it is not. As legislators, it is our job to change, cajole and, ultimately, legislate to

make sure that it does work. That has simply not been happening with glioblastoma, for which there has been no improvement in 40 years.

The drug companies will not change on their own. Unless we demand that they invest in those drugs, nothing will ever change; it will go on and on. Believe me, I do not want my worst enemy to go through what we have over the last 18 months. After speaking to some of the experts in the field and having conversations with all the main brain tumour charities, we have been able to develop a four-point manifesto that will make a real difference. As it happens, it will not cost very much either. I would be very grateful if the Minister could respond to that point.

On a personal level, I understand that the Minister is standing down at the next election. He has a year to 18 months to leave a real mark on this area of work. I ask him personally to be up to that challenge, to stand up to the status quo and the establishment in the medical profession and pharmaceutical companies, and to consider our glioblastoma manifesto.

First, we need a target of getting 200 glioblastoma patients into clinical trials each year on a drug that has the potential to change the course of the disease. That would be 1,000 patients over the lifetime of a Parliament. With those trials, we can begin to understand what works and what does not.

Secondly, the NHS should trial on brain tumours every drug that gets licensed to deal with other tumours, as long as there are not indications that it would be dangerous. Repurposing those drugs would be a cheap way to make a huge difference. It is sometimes the only way that makes a difference. The reason for melanoma survival rates of 90% at five years is precisely that: the use of a drug licensed for another cancer purpose.

Thirdly, the NHS should ensure that every neuro-oncology multidisciplinary team has a medical oncologist who is a core member and is required to attend meetings to discuss patients, so that brain tumour patients are not left in a corner of the ward because there is no specialist arguing for them. Unless a neuro-oncologist is in the room, we will not benefit from their ideas or expertise.

Fourthly, the NHS should require that every young—or not so young—doctor, training to be a medical oncologist should go through a mandatory course on brain tumours. At the moment, there is no compulsory training. Doctors have to take two courses on bowel cancer as part of their training, but nothing on brain tumours. Believe me, they do not take that option. The reason that there is nobody on those wards and the research infrastructure is not there is because nobody is required to do the course.

Fantastic work is being done in the world of cancer. There are improvements in some areas with some fantastic successes, which we should celebrate. However, we should have our eyes wide open when we are not making any progress. We should be able to take stock and say, "This is not working; we need to try something new." In 2018, after Tessa Jowell sadly passed away from a glioblastoma, £40 million of Government funding was promised to fund research into brain tumours, but the infrastructure of treating glioblastoma is so poor that there have not been enough bids to allocate that funding. As of January, just £15 million of the promised £40 million had been

awarded; the field is in such a dire situation that we cannot even spend the money that has been specifically allocated to brain tumours.

This is about trying something different. I do not care whether it is Labour, the Conservatives, the Lib Dems, the DUP or the SNP—I will get behind anyone with the political will to make a change. Einstein famously said:

“The definition of insanity is doing the same thing over and over again and expecting different results.”

I think we are getting to that point with the treatment of glioblastoma. It is time to break the mould, take a risk and try something different.

10.3 am

Tracey Crouch (Chatham and Aylesford) (Con): I think this is my first time speaking under your chairmanship, Mrs Harris; I am sure it will be a great pleasure. I congratulate the hon. Member for Strangford (Jim Shannon) on securing this important debate, and on his excellent speech setting out the issues with the new NICE methods and processes for cancer drugs. The hon. Member for Mitcham and Morden (Siobhain McDonagh) described him as a national treasure. As a Minister, I was once in charge of national treasures; I feel I lost the opportunity to enshrine his legacy in a Bill before Parliament, during whose passage I am sure he would have intervened.

The hon. Member for Strangford set out an interesting problem, and, like him, I am grateful for the briefing I have received on the matter. I am humbled to follow the hon. Member for Mitcham and Morden. I have been on the cancer treadmill, and I think that, as patients, people become incredibly compliant; they do as they are told. It is often much harder for those who love someone who has cancer. They fight for better treatment and care on behalf of their loved one because it is all that they feel they can do, as the hon. Lady set out.

We need to do so much more on rarer cancers, particularly brain cancers. I quickly googled global survival rates for glioblastoma; the survival rate in the US is 26%, compared with 10% in the UK as the hon. Member for Mitcham and Morden set out. That shows that factors such as access to drugs can make a significant difference to outcomes. I am sure that the Minister heard very much what she said, and many people who are suffering from brain tumours will be grateful for her contribution.

I have no intention of becoming the poster girl for all things cancer. In some cases, I still find talking about my experience of the disease quite hard, but I wanted to speak in this debate because I also find it infuriating that we lag behind so many countries on many cancer-related areas, including access to medicine. However, I want to give some good news on cancer targets from my area. It is extremely worrying for anyone to read front-page news of missed targets, backlogs, delays and so on at the start of their cancer journey, but in Kent and Medway we are fortunate to have one of the top performing alliances in the country for meeting the 62-day standard, with both Maidstone and Tunbridge Wells NHS Trust and Medway NHS Foundation Trust reaching 85%. In fact, MTW, which is where I was treated, has consistently met its targets for the last three years, having kept all its cancer services open during the pandemic. The improvements are generally down to

achieving more rapid diagnoses by triaging referrals and sending as many patients as possible straight to their diagnostic test.

A lot of evidence links early diagnosis with better outcomes. Despite having top-notch treatments available on the NHS, the UK still lags behind Europe and the US. There may be many reasons, but my view and that of many others is that the main push should be for diagnosing patients as early as possible to improve outcomes. However, we really cannot afford to get into a situation where we do not have access to the latest treatments; otherwise, outcomes may worsen. There is a conundrum, which can be summarised as: methods and processes versus cost versus data—and it is really hard to squish that triangle into a circle. I met two pharmaceutical companies to learn about this issue. Although I am not naive to its aims, I was struck by the disadvantage that the changes to NICE's methods and processes could leave UK cancer patients with.

The hon. Member for Strangford outlined the background to the changes so I will not repeat them in great detail, but in summary, in 2022 NICE changed the way it reviews disease severity as part of its assessment process. It introduced the severity modifier and removed the end-of-life criteria, which gave a higher value weighting to medicines for terminal illnesses. That change is likely to negatively impact cancer medicines in particular. Capacity issues, cost containment measures and other commercial environment factors are steadily combining to create a life sciences sector that is disincentivised to focus on cancer innovations or invest in the UK. That in turn will pose challenges to achieving the Government's ambitions to accelerate access to oncology medicines and meet the policy targets set out in the “Life Sciences Vision” and the NHS long-term plan.

What worries me is that big, global oncology conferences take place—like the recent American Society of Clinical Oncology conference in Chicago—which are brilliantly reported in our newspapers, with references to breakthrough drugs for x cancer sending shivers of hope down the spines of people like me and many others, when the truth is that very few of those drugs will reach our NHS due to NICE methods.

That is when I see the other side of the argument, at least to some extent. We should really be congratulating whoever does the procurement negotiations with pharma to drive down the cost to the NHS so that investment can be made in other areas of cancer, such as diagnostics, although that can be stretched only so far before companies pull their drugs from the market. It is about finding a sweet spot that works well for both.

Data is another challenge. There is a lack of outcome data available to NICE in the full assessment of some medicines. The problem for pharmaceutical companies is that this data is hard to come by. Outside of a clinical trial, they have little or no access to outcome data from the use of the drug in the real world, and if it is expensive, it is hard to prescribe it without a NICE recommendation in the first place—thus we have come full circle due to a lack of evidence and, of course, the increasing cost.

Siobhain McDonagh: Does the hon. Lady agree that it seems crazy that in a system as universal as the NHS there should not be access to outcome data? To give just

[Siobhain McDonagh]

one example, South West London Elective Orthopaedic Centre at Epsom Hospital is the largest hip and knee replacement centre outside of America. It is the lowest for blood risks, and has the lowest infection rates and quickest turnaround. It has its own small charity and keeps the data, making £1 million a year from it. That could go some way towards paying for the latest cancer drugs.

Tracey Crouch: I entirely agree. Data sharing will help cancer outcomes full stop, not just in the example she gives. If my GP sent me for a breast screening, for example, the person doing the screening could not currently see whether I have had a cervical screening. Having the conversation about screening for other cancers while having some form of cancer screening is an important aspect of long-term survival rates, so I completely agree with the hon. Lady.

It appears that NICE, through changes to its methods and processes, has probably got stricter on the level of evidence it requires before it will make a recommendation, so that it ensures that there is a survival benefit to the things it recommends, all of which is a potential reason that we should collect and share data better across the NHS. We could allow pharma better access to anonymised NHS data, and some trusts already do so with strict governance in place. Working together in this way would allow us to access the actual impact of a drug when it is used outside of a trial and allow NICE to make a real-world evidence-based recommendation, which would be particularly helpful for rarer cancers such as glioblastoma.

We have to get over the clinical reticence of not using a drug before it has a NICE recommendation, otherwise we will never get the real-world data. Some 80% of cancer drugs recommended by NICE were only recommended if the price to the NHS was reduced, so, given that in the UK clinicians tend not to prescribe without a positive NICE recommendation, the pharmaceutical companies essentially have to drop the price to get the recommendation for the drug to be on the market. In all those points, it is forgotten that at the centre of this is a cancer patient just wanting to get the best possible treatment to live for as long as possible.

We all want positive outcomes for cancer. NICE has committed to keeping its new methods under review. During this time, it is essential that flexibility is maintained when considering disease severity so as to ensure timely and ongoing patient access. Pharmaceutical companies want to be at the forefront of developing life-enhancing, cancer-beating drugs for the market. There has to be a sensible way forward, but at the moment it feels like the changes may have made things worse for current and future cancer patients hoping for breakthrough life-enhancing treatments.

I know the Minister to be a sensible and reasonable person. I hope he will take renewed vigour from what he has heard so far in the debate and will sit down with all the interested parties to see how we can go forward, because without doing so, I fear that on this issue—coupled with others around screening, diagnosis and access on to pathways—we will continue to lag behind other countries in beating cancer.

10.14 am

Owen Thompson (Midlothian) (SNP): It is a pleasure to see you in the Chair, Mrs Harris. I commend the hon. Member for Strangford (Jim Shannon) on securing this important debate. I will do my best to follow the two previous contributions from the hon. Members for Mitcham and Morden (Siobhain McDonagh) and for Chatham and Aylesford (Tracey Crouch) about their personal experience. I cannot contribute to the debate in that way, but I will do what I can.

All our lives have been touched by cancer in one way or another. We all know someone whose life has been changed in some way by the disease. Therefore the appraisal of cancer medicines is of the utmost importance to us all. These medicines give hope and, indeed, life to so many. Yet even something as vital as the evaluation and distribution of cancer medicines did not escape the upheaval of Brexit. The UK ended its membership of the EU three years ago, and that catastrophe, which Scotland did not want, meant that the Medicines and Healthcare products Regulatory Agency withdrew from the European Medicines Agency. While immediate disruption to patient care was avoided, there have been shortages across the board since Brexit.

In Scotland, the Scottish Medicines Consortium—if I mention it again, it will be easier to say SMC—must review and recommend a new medicine before it can be prescribed on the NHS for routine use. This would take place after a medicine has received a marketing authorisation from the MHRA. The SMC advises and provides recommendations to NHS Scotland. This due diligence must be carried out by medical professionals to ensure everyone's safety. The Scottish Government remain concerned about the effect of Brexit on the authorisation of medicines, as medicines obviously play a crucial role in the NHS. The authorisation and appraisal of medicines also have a key role in the Scottish Government's commitment to supporting people to live longer, healthier lives. Diagnosing and treating cancer are a priority for the Scottish Government, which is why they are investing £40 million over five years to support cancer services.

However, the NHS in Scotland has finite resources, and medicines are the second largest item of expenditure for NHS Scotland, so difficult choices have to be made. A number of factors need to be looked at. For example, what benefits does the medicine offer compared with other available treatments? Other factors include the quality of life and amount of extra life that may be gained by patients using the new medicine, how the medicine is administered and whether it will save money later on. Those are all examples of the considerations that have to be included when coming to decisions.

Despite UK Government vows to make the MHRA faster and nimbler, we remain concerned about budget and staff cuts to the organisation. There is also a question about the so-called light-touch approach to authorising generic medicines and relying heavily on approvals from larger regulators in the EU and US. The *Financial Times* reported that the need for cuts at the MHRA has been driven partly by Brexit and the loss of millions of pounds of annual income from its role in authorising medicines in the EU. There has also been a contraction in UK Government funding after the MHRA was subsumed into the budget of the Department of Health and Social Care, as far as I can see.

The hon. Member for Strangford referred to the payback rate of 26%. That is another thing we must not lose sight of. Two very large pharmaceutical companies have already withdrawn from the voluntary scheme as a result of the increase to the rate, which they claim is now punitive. Any further withdrawals from the scheme will surely only have impacts on patients—the people we all want to be doing everything we can to support.

According to recent research by the Nuffield Trust, although the UK Government and pharmaceutical industry averted immediate disruption to patient care from difficulties in the supply of medicines after leaving the single market, there has been a great level of shortages. A review by Imperial College Business School revealed that fewer novel drugs were authorised by the MHRA in 2021—its first year of independence—than by the European Medicines Agency; the UK saw the approval of 35 drugs, compared with 40 in Europe and 52 in the US. That goes back to the points about the availability of medicines and the options that that then makes available to doctors and their patients. Any reform of the regulatory framework must ensure that patients have a voice; their lived experience must inform regulatory decisions. That is where we can all play our part—by relating the experiences that are brought to us.

A cancer diagnosis can be a heartrending and life-changing event, but it can bring positives, and we can all learn from the experiences of those who have gone through it. We need to do everything we can not to add to that heartache by allowing standards to drop or by creating more red tape that stops people getting the medicines they so urgently need.

Brexit casts a long shadow and it has impacted on this area, so we must ensure that there is no withdrawal from the current EU standards or safety controls on medication. It is in all our interests to ensure that we support the development and appraisal of new medicines. We owe that to all our constituents and none more so than those affected by cancer.

Carolyn Harris (in the Chair): I call the shadow Minister.

10.20 am

Andrew Gwynne (Denton and Reddish) (Lab): It is a pleasure, as ever, to serve under your chairmanship, Mrs Harris, and to respond to this debate on behalf of the shadow Health and Social Care team.

I begin by congratulating the hon. Member for Strangford (Jim Shannon), who I call my hon. Friend, on securing this important debate, and I thank him for his tireless work campaigning on such issues.

Also, I pay tribute to my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) for the powerful case that she put to the Minister in respect of brain tumours generally and specifically the glioblastoma manifesto. I very much hope that the Minister is able to take up her challenge, because the inequalities in outcomes that she laid out are unacceptable. In the year 2023, we should not be looking at a situation in which there have been zero improvements in life expectancy from cancers such as glioblastoma since 2005-06 when we have seen dramatic improvements in the other areas that she mentioned. We owe it to Baroness McDonagh—Margaret McDonagh—and to others such as Tessa Jowell to ensure that we see improvements in this area, too.

As for the hon. Member for Chatham and Aylesford (Tracey Crouch), she said herself that she has been on the cancer treadmill, and it is lovely to see her back in her place and up to her old usual tricks. We welcome her.

Tracey Crouch: I just want to say that I was never not in my place; I was fortunate enough to go through cancer treatment during covid, when we were all working under a hybrid procedure. Actually, that experience has helped to form some of the contributions that I have made to the Procedure Committee about how we in this place support people who are going through significant illnesses.

Andrew Gwynne: Absolutely—the virtual Parliament hid a multitude of sins. I know that as somebody who struggled with long covid through that period. Many people would not have known just how ill I was, because I just appeared on a screen. However, it is nice to see the hon. Lady in person; I should put it like that. And she was entirely right to say that cancer touches us all, which is why we can all cite personal experiences of it. I lost my mum to ovarian cancer when I was 19; she was just 50. I lost my dad last year to rectal cancer. I am not alone; we all have people, including close family members and friends, who we have lost to cancer.

I also pay tribute to the hon. Member for Midlothian (Owen Thompson), who responded on behalf of the SNP, for his contribution to the debate and to the right hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts), for her intervention.

I am sure that I speak for everybody from all parties in the House when I say that ensuring that patients have quick access to the most innovative and effective treatments is an absolute priority. This country has a proud history of medical innovation, a reputation that we should try not only to protect but to enhance, as we have already heard today.

We are talking today about the appraisal process for cancer patients, which, as we have also heard, has changed markedly over recent years in several areas. We have seen increased focus on targeted treatments and immunotherapies, as well as reform of the cancer drugs fund in 2016, a move that was taken to improve people's access to cancer drugs while allowing NICE to collate more information on potential areas of clinical uncertainty.

In a recent report, the Association of the British Pharmaceutical Industry highlighted that 78% of medicines have been able to exit the cancer drugs fund with a positive recommendation, with most of them spending about two and a half years in the CDF process. It also recognised improvements as a result of the relaunched CDF, but raised concerns that the CDF has

“perhaps been overly relied upon”

in order to

“delay making routine recommendations.”

It states that

“a new balance may need to be struck between NICE and manufacturers in considering which treatments should enter the CDF to resolve genuine uncertainty surrounding long-term clinical outcomes and for how long.”

Given that NICE recently set out specific circumstances when committees may be able to accept a higher degree of uncertainty in routine commissioning decisions, can the Minister set out whether his Department has assessed

[Andrew Gwynne]

the ABPI's findings and whether more can be done to improve access to innovative treatments for patients via routine commissioning? That links to a wider point that I wish to raise on clinical research and trials.

Clinical trials provide an opportunity for the NHS, businesses and brilliant researchers to work together for the benefit of everyone. Unfortunately, however, in recent years the UK trials industry has collapsed. The number of commercial trials in the United Kingdom decreased by 41% between 2017 and 2021. Worryingly, the UK has dropped from fourth to 10th in the global rankings, behind Spain, France and Italy. Of most concern is that in 2020-21, the NHS lost £447 million in revenue due to a drop-off in clinical commercial trial activity. Those figures should seriously worry the Minister. They risk putting patients at a disadvantage for all kinds of innovative treatments, including cancer medicines.

In Labour's recent health mission, we committed to putting Britain right at the front of the queue for new medicines and vaccines. Alongside our pledge to spend 3% of GDP on research and development across the public and private sectors, we want our clinical trials to be more competitive, efficient and accessible. Making those ambitions a reality means tackling unnecessary bureaucracy in how trials are set up and reducing the administrative burden on everyone involved in the clinical trial, including the NHS. Will the Minister set out how his Government plan to reverse the drop-off in clinical research and trials—a drop-off that is costing our NHS financially and clinically?

Finally, I want to touch on the issue of patient access to innovative medicines, including for cancer patients. In 2021, in its "Life Sciences Vision", the Government committed to identifying and addressing "unwarranted variation" in the uptake of innovative medicines. But in February this year, in the innovation scorecard commissioned on behalf of the Department of Health and Social Care, it was found that a number of areas were still falling short of the NICE recommended levels of new medicine uptake.

Will the Minister provide an update on what work he is doing to improve regional variation in uptake of innovative medicines so that no matter where someone lives, they can access the treatment they need when they need it. Will he also commit to improving the data collected as part of the innovation scorecard to include information on cancer medicines so that we can meaningfully assess uptake and isolate areas for improvement where necessary? That is something that the life sciences sector has called for, so I would welcome more information on that from the Minister.

In conclusion, Labour is wholly committed to ensuring that cancer patients in this country receive access to the very best medicine and care. That means ensuring that appraisals for cancer medicines remain fit for purpose and adapt in line with evolving technologies and scientific advancements. It also means turbocharging clinical trials and tackling the unacceptable gaps in access to cutting-edge treatment. In his response, I hope that the Minister will meet the ambition set out by the Labour party and that we can work together towards making Britain a world leader in cancer care and treatment, because we owe it to all those people on the treadmill right now.

10.30 am

The Minister for Health and Secondary Care (Will Quince): It is a pleasure to serve under your chairmanship, Mrs Harris. I thank the hon. Member for Strangford (Jim Shannon) for securing this important debate on appraisals for cancer medicines and thank all Members who have contributed to a hugely valuable discussion.

The hon. Member said that he thought the debate would be a presentation of a united front, and that has been demonstrated today. He also said that he hoped he was pushing at an open door. On many of the points he made, he certainly is doing that. He spoke with great passion and empathy for those who suffer from this terrible disease, and I commend him for bringing this issue to my attention and the attention of the Government. Unusually, for a Westminster Hall debate, I have some time to respond to the points, so as ever, I will offer all Members who would like it a meeting to discuss any of the issues that have been raised in greater depth, but I will try to cover them in as much detail as I can in my response.

According to Cancer Research UK, one in two people will develop cancer at some point in their lives. There are around 290,000 new cancer diagnoses a year, equating to around 780 every single day. I am acutely aware as a Health Minister that when we use statistics such as these, we must remember, as the hon. Member for Mitcham and Morden (Siobhain McDonagh) eloquently and articulately pointed out, that these are people; these are human beings who we all know and love—a dear friend, a loved one, a member of our family. It is important when we talk about statistics that we do not lose sight of that.

Let me turn to the hon. Lady's contribution. She made a powerful speech, and it is not the first that I have heard from her and had the good fortune to respond to. She rightly made a powerful and emotive case on behalf of her sister Margaret and all those who suffer and have suffered with brain tumours. I think she knows my commitment to doing all I can to improve the situation in relation to brain tumours. In truth, I think I have spent more time on this particular issue in my time as a Minister than I have on any other condition under the umbrella of the major conditions strategy. I will continue to do so, not just because of the powerful case that she makes, along with others across this House and campaigners, but because I know there is an injustice in that this area does not get the attention it deserves, and I want to address that. I have raised it with the chief scientific adviser, who heads up the NIHR, and it is important to also raise it with NICE.

I have met the hon. Lady, and I would be happy to do so again. She makes a powerful case that we need the pharmaceutical industry to step up in this space, and I am keen to work with her to see what more we can and should do to make sure that happens. Finally, let me thank her for her kind words about my leaving Parliament at the next election. I assure her that I will do all I can for as long as I am in this role to help her achieve the objectives she seeks.

I join the hon. Member for Strangford in paying tribute to all the cancer charities—some very large and some very small—that work to support patients up and down this country. He is right to draw the House's attention to that.

The NHS has seen enormously high demand for cancer checks. More than 2.8 million people were seen in the 12 months to April this year, up by 26% compared with the same period pre-pandemic. That returning demand is positive after the falls we saw during the pandemic. We are working closely with NHS England to reduce the amount of time people are waiting to receive a diagnosis, and we are making progress; it is not as fast as I would like, but we are working very hard to make progress. The latest published figures show that the 62-day cancer backlog for the week ending 30 April stood at 22,533. It has fallen by 34% since its peak in the pandemic, but I am acutely aware—this preys on my mind every single day—that it amounts to more than 22,000 people, too many of whom have had to wait 62 days and are struggling with the anxiety of waiting for either a diagnosis or the all-clear.

The hon. Member for Strangford set out the scale of the challenge we face, which I touched on there, but I will move on to what we are doing to address this. The Government are spending more than £8 billion on the elective recovery fund, £700 million on the targeted investment fund and, importantly, as has been referenced in a number of contributions, £2.3 billion of capital funding has been made available to increase our diagnostic capacity—those 160 additional community diagnostic centres. I was able to give the hon. Member for Denton and Reddish (Andrew Gwynne) some good news on that for his constituency recently.

We have 108 community diagnostic centres operational at the moment. I announced a further number only last week, and we have another eight coming on stream. We want to get to 160 centres by 2025, but I want to do it as quickly as we possibly can. There will also be additional surgical hubs. Those CDCs have already since July 2021 delivered over 4 million checks, so we have to get those open and operational as quickly as possible.

Liz Saville Roberts: The Minister is of course aware of the proposal for a medical radioisotopes facility in north Wales, which is crucial for diagnosis in the future. I wonder whether he is also aware that this would complement Bangor University's Nuclear Futures Institute and its planned new medical school. We are all aware of the shortage of clinicians. I am concerned that the centre for doctoral training in nuclear energy futures at Bangor, which plays a vital role for PhD projects and their funding, has had its application for renewal rejected by the Engineering and Physical Sciences Research Council.

I would be grateful if the Minister clarified whether he is aware of this issue. I appreciate that it is local, but when we are looking at the future, these local solutions will be absolutely critical. If he is not aware of this, could he commit to raising it with the Department for Science, Innovation and Technology and his counterparts in the Welsh Government? Most importantly, could I plead with the Minister for a meeting with him to discuss the wider issue of radioisotopes availability, their cost and the security of supply in the future?

Will Quince: The answer to both is yes, and yes. If the right hon. Lady would write to me with the details, I will certainly raise the issue and meet to discuss radioisotopes specifically.

NHS England is working very closely with the independent sector to ensure that we are using all the available capacity to us to deliver both diagnoses and

treatment as quickly as possible. The Government announced the major conditions strategy on 24 January, which is important for cancer as it draws on previous work on cancer. Over 5,000 submissions were provided as part of our call for evidence last year, and we will continue to work closely with stakeholders, the public and patients—whose voice should never be forgotten, as the hon. Member for Strangford rightly points out—and the NHS in the coming weeks to identify the actions we need to take as part of the strategy that will have the most impact.

Specifically on NICE appraisals, the hon. Member raised several concerns about the way in which cancer medicines are appraised. Members will know that NICE is rightly independent of Government. It is an expert body that makes evidence-based recommendations to the NHS on whether new medicines should be routinely funded by the NHS on the basis of on assessment of clinical and cost effectiveness. Those recommendations then develop, mainly for the NHS in England, but as was mentioned, they are usually adopted by the NHS in Wales and in Northern Ireland. Scotland has its own system. This is a difficult matter to raise, but it is important to point out that every pound that we spend on a new medicine is money that is not available for other services, and the NICE appraisal process ensures that NHS funds are spent in a way that provides the greatest health benefit to society. That is a hugely difficult job, which NICE does with great professionalism.

Again, it is important to point out that NICE appraises all new medicines and that its approval rate for cancer medicines has consistently been around 90%—I think that the latest figure is 92%. It is absolutely right that when NICE recommends a medicine for the NHS, it is available for patients and NHS England is required to fund that drug or treatment. I know that the NHS in Northern Ireland and in Wales has adopted a similar model.

NICE's methods and processes for assessing new medicines are internationally respected, and they have evolved over time to ensure that they reflect best practice and keep pace with advances in medical science. As my hon. Friend the Member for Chatham and Aylesford (Tracey Crouch) pointed out—I will come on to this in some detail—NICE concluded a comprehensive review of its appraisal methods and processes last year, which it carried out with a high level of ambition and transparency. As she pointed out, changes include the introduction of a new severity modifier, which will give NICE more flexibility to recommend medicines for more severe diseases at higher prices. The severity modifier replaces the previous flexibility for end-of-life treatments.

My hon. Friend raised some concerns about that, and I always listen very carefully to what she says on this and many other issues, especially given her personal experience and campaigning. She is right to say that the situation is hugely complex, and her point about data is a really good one, because decisions need to be informed by good-quality data. I would be happy to meet her to discuss how we can ensure that we are collecting data not just on a regional basis, but nationally, so that we can make sure that NICE is making informed decisions. As she rightly points out, we need to ensure that patients and their voices are always at the heart of all the decisions made by not just the Government, but NICE. I would be happy to meet her to discuss that in greater detail.

[Will Quince]

On the broader point about whether the introduction of a severity modifier in place of an end-of-life modifier will affect cancer drugs specifically, analysis was carried out by NICE in developing the modifier. It indicated that the vast majority of cancer medicines that would have been eligible for the end-of-life modifier would also be eligible for a weighting under the severity modifier. I am happy to meet my hon. Friend and any other Members who would like to meet NICE to discuss this issue further.

Tracey Crouch: I think it is very important that the Minister also meets the pharmaceutical companies, because there is a counterclaim to the statistic from NICE that he has just given. The pharmaceuticals say that, actually, a significant percentage—I cannot remember off the top of my head what it is—of drugs would not pass the test. My plea to him is to sit down with all interested parties and not just listen to NICE's statistics on this issue.

Will Quince: My hon. Friend is absolutely right, and I regularly meet the pharmaceutical industry, not least because of VPAS, which I will come on to discuss because it has been raised by a number of Members. While I understand the concern, it is absolutely right that assessment of clinical and cost effectiveness reflect up-to-date clinical pathways, evidence and evaluative methods and processes. However, my hon. Friend is absolutely right to say that we should also hear and understand the views and concerns of the pharmaceutical industry so that we have a rounded, balanced view and the full picture, to make sure that there are no unintended consequences because of the action that is being taken.

The hon. Member for Strangford mentioned non-uniform pricing and VPAS, so let me come on to that specifically. The tricky thing is that the negotiations for the next VPAS are currently under way. Given that there are ongoing discussions, it would not be appropriate for me to go into too much detail, because of the commercial sensitivity. It would also be inappropriate to set up a working group to review NHS England's policy on non-uniform pricing. What I would say is that if changes were made to the wording in the next VPAS on commercial flexibilities, they would be reflected in an updated commercial framework for new medicines.

The hon. Members for Strangford and for Denton and Reddish raised clinical trials. We are doing a huge amount of work in that space because I recognise some of the issues and challenges that the hon. Member for Denton and Reddish set out. That is why we commissioned the O'Shaughnessy review into clinical trials, and why we accepted Lord O'Shaughnessy's recommendations in full. We should take a step back for one moment and look at the work that we did as a country and an industry on clinical trials, particularly relating to covid. We basically shut down huge numbers of clinical trials to focus on a vaccine. To be fair, this country absolutely led the way in that, and we should be very proud of what we did, but we have not been fast enough in switching clinical trials back on and we have lost some of our competitive edge in relation to other countries, as the hon. Gentleman pointed out. The reality is that it is a race; clinical trials are globally competitive, and other countries, including Spain, have seized the advantage

and are fighting hard for market share. We have to make sure we are a competitive place. That is about clinical trials but also our regulatory environment.

The hon. Member for Midlothian (Owen Thompson) made good points about the MHRA. We are absolutely looking at its processes and procedures, and we are putting an extra £10 million into it over the next two years to ensure it is a world-class regulator that is one of the fastest and most effective and efficient. It is already highly respected, but we must ensure that it does things at the right speed. That is very much on my radar, and as I said we are accepting the recommendations.

The hon. Member for Denton and Reddish also raised the cancer drugs fund. Since 2016, NICE has been able to recommend medicines for use through the Government's £340 million cancer drugs fund, which enables patients to receive promising new treatments for a time-limited, managed access period while further evidence is being collected. That is then considered by NICE when determining whether a medicine should be routinely funded by the NHS. Since that fund was created in 2016, it has helped more than 91,000 patients in England, and more in other places, to access innovative medicines.

Siobhain McDonagh: Those 91,000 did not include people suffering from a glioblastoma. We are not anywhere near NICE. We have not got that far. The drugs are not there. There is nothing. None of this works for people with glioblastoma. I do not want to mislead the Minister into thinking that I care only about my sister, Margaret. I draw hon. Members' attention to early-day motion 1233, in my name, to commend the life of Laura Nuttall, a young woman diagnosed with a glioblastoma aged 18. She died on 22 May. I want to pass on all our condolences to her mum, Nicola, her sister, Gracie, and her father. Laura was a shining light and an ambassador for the Brain Tumour Charity. Although she was told that had only a year to live, she managed to live for four and a half years and secured a 2:1 in her degree. Laura highlighted that brain tumours are the greatest killer of people under the age of 40, who are being let down.

Will Quince: I totally take the hon. Lady's point when she says that it is not all about her sister, Margaret—I know that from her contributions. Often in this place, we draw on our personal experiences, which enable us to bring to life powerfully and emotively what others are experiencing. I thank her for sharing Laura's experience, and I send my condolences to Laura's friends and family.

The hon. Lady is absolutely right that the cancer drugs fund can bring forward only innovative medicines that have gone through the clinical trials process. I will be very happy to work with her and meet her again to discuss how we get more research in this space. That is the key to so much, in relation to tackling brain tumours.

The hon. Member for Strangford spoke about the challenges presented by combination therapies. The commercial framework also recognises that realising the full potential health benefits from combination drug therapies can be challenging, given the requirement for commercial confidentiality and the need to maintain competition. Having said all that, NHS England has a proven ability to negotiate commercial agreements that secure combination treatments for patients. Just last month, deals were struck to enable NICE to recommend

Keytruda and Lenvima for hundreds of women with advanced endometrial cancer. Progress is being made, but again, I would be happy to discuss the issue further.

Again, I thank the hon. Member for Strangford for securing this important debate and for his continued interest in the appraisal of cancer medicines and access to cancer treatments for NHS patients. I also thank other Members who have made such powerful contributions.

If one message comes across, Mrs Harris, I hope that Members are assured that the Government and I remain firm in our commitment to making the most promising and effective new cancer treatments available to NHS patients. The hon. Member for Denton and Reddish said that this is not a political issue, and I agree. It would be impossible to find anyone in the House who does not want to ensure that patients across the United Kingdom get access to the most innovative and cutting-edge medicines for cancer and other diseases, as quickly as possible. We all have a common endeavour there.

It is important to acknowledge the huge role that NICE has played, with its world-leading health technology assessment. It has enabled NHS patients to be at the forefront of access to new cancer treatments, in a way that also represents value for the taxpayer. I recognise the point that has been well made today, that we must always seek to improve and to go further and faster. I look forward to working with all Members present and others across the House to achieve that.

10.51 am

Jim Shannon: I thank all hon. Members for their contributions, which I will quickly go through. I thank the hon. Member for Mitcham and Morden (Siobhain McDonagh) for sharing her personal experience, which greatly affected us. She referred to brain tumours—glioblastoma—and the drugs available on the NHS, the survival rate and her heartfelt request for betterment, and the cajoling of legislators that needs to happen.

Drug companies need to change to help cancer patients. Trials need to be encouraged in the NHS and an oncology person needs to be available in meetings. That is a really good idea, because it gives focus. The hon. Lady also said the NHS needs more awareness and training for brain tumours. I wrote down, “Try something new now.” She also referred to the political will for change. The Minister clearly summed up for us all that this is not about politics; it is about patients. The hon. Lady put forward that point very well.

I thank the right hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts)—I hope that is close to the right pronunciation—for coming along. She put forward a simple request; the Minister responded, and there will be a meeting. If we come up with solutions, we should push for them, and the right hon. Lady has a solution that will benefit us all.

The hon. Member for Chatham and Aylesford (Tracey Crouch) was a guest speaker at one of my DUP association meetings a few years ago; we had her down at the women’s football team in Comber. She knows I have always had a soft spot for her, and I am pleased to see her here making a heartfelt, personal contribution. She

referred to the global survival rate for brain tumours, with the USA at 26% while the UK is at just 10%. Other points related to early diagnosis, pharmaceutical companies, better outcomes, the NICE change to the severity modifier, and the difficulties with drugs.

The hon. Lady summed the debate up so very well, and she centred it on the patient. Central to all this—the drug companies, the NHS, the political aspirations of the parties represented here—is the patient. That is critical, and that is what this debate is about. You know that, Mrs Harris, I know that, and the Minister has clearly accepted it. I thank the hon. Member for Chatham and Aylesford for providing that focus that we all needed.

My friend the hon. Member for Midlothian (Owen Thompson) referred to the contraction in funding and its impact on the pharmaceutical companies, on the availability of medicines to GPs and, ultimately, on patients. It keeps coming back to the patients; they are central. I thank the hon. Gentleman very much for his contribution.

I love having debates with the hon. Member for Denton and Reddish (Andrew Gwynne), because we are always on the same page, as we clearly were today. He grasped the issue and summed it up so well. He talked about priority access to innovative medicines, and referred to brain tumours and cancers too. However, he mentioned, as I did, that clinical trials, with businesses and researchers working together, are down by 41%. We really need to address that. The UK has dropped from fourth to 10th in the global rankings. We need to regain that higher position; the hon. Gentleman underlined that. It is not about moving up the rankings for the sake of it; it is about moving up the rankings to regain the position that we had. We understand the reasons for our drop in the rankings, which include covid; the Minister responded well in that regard. It is not about blame; it is about regaining that higher position. The hon. Member for Denton and Reddish also referred to the unacceptable gap in medicines, which must be addressed to make the UK a world leader once again.

It is a pleasure to attend any debate with the Minister, and I thank him for his answers today. He referred to something that should make us focus: there are 780 new cancer cases each day—wow! I had never heard that figure until today. We hear the bigger figure—the 200,000 or 300,000—but I had never heard that daily statistic. As we have been sitting here, there have been diagnoses across this great United Kingdom.

Again, the Minister summed the situation up: brain tumours do not get the attention that they deserve. He referred to a 26% increase in cancer diagnoses in the last year. I loved his positive answer—160 diagnostic centres approved by 2025, with 4 million extra checks. We heard about a 92% approval rate for new drugs, and about clinical trials. Covid changed things, and we must regain our place in the rankings. There is a need to improve and to go faster—how well that was summed up. I thank everyone for their contributions, and I especially thank the Minister for the positivity of his response.

Question put and agreed to.

Resolved,

That this House has considered the matter of appraisals for cancer medicines.

Cryptocurrency Regulation

10.58 am

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): I beg to move,

That this House has considered the regulation of cryptocurrency.

It is a pleasure to serve under your chairmanship for the first time, Mrs Harris, and to see you in your rightful place.

As chair of the crypto and digital assets all-party parliamentary group, I am delighted to be able to talk about the potential of the UK cryptocurrency and digital asset sector, and the need for clear regulation to protect consumers, which should be at the core of everything we do, and to support investment.

Just over a year ago, in April 2022, the UK Government set out their landmark vision to make the United Kingdom the global hub for cryptocurrency investment, committing to creating the right conditions for cryptocurrency and digital asset businesses to set up and scale up in the UK. Shortly afterwards, in August 2022, the APPG launched an inquiry to better understand the opportunities that a regulated industry could bring to the UK, as well as the challenges and potential barriers for Government in making their vision for the UK a reality.

Just last week, we published our report “Realising Government’s vision for the UK to become a global hub for cryptocurrency & fintech innovation”. Our inquiry looked at a number of key areas, including the potential for the UK to be a global hub for investment; the UK’s approach to regulation and the role of UK regulators in consumer protection; the potential offered by central bank digital currencies; and the risks of economic crime. We heard views from operators, regulators, industry experts and the general public—the Advertising Standards Authority, Innovate Finance, the City of London Corporation, the Payment Systems Regulator, the Royal United Services Institute, the Law Commission and many others—on the need for regulation of this ever-growing sector. I put on the record my thanks for their input and help in formulating our recommendations.

The APPG’s report is the first on cryptocurrency and the digital assets industry compiled jointly by MPs and Members of the House of Lords, and I thank colleagues in both Houses for their invaluable contributions. We set out more than 50 recommendations, which we hope will establish a foundation for further discussion. The Minister will be pleased to hear that I will not go through them all today, but I will focus on some of the report’s key findings.

It is clear from our work so far that the growth of cryptocurrency and digital assets presents a number of potential opportunities and that the UK is well placed to realise them, but that will require cross-Government strategic planning.

Jim Shannon (Strangford) (DUP): I commend the hon. Lady for securing the debate—we have become good friends in the House—and I thank her for all she does on this topic. Reports in 2019 indicated that Colu, a tech firm based in Israel, had developed a potential new cryptocurrency for Belfast City Council. There has been much discussion in this place of how cryptocurrency will be regulated across the UK. Does she agree that for

the United Kingdom to become a leading force in crypto, regulation must be UK-wide, led centrally from Westminster, and that UK-wide discussion is the only way to achieve safe regulation?

Dr Cameron: I thank the hon. Member for his contribution. Yes, much of this will be led by the Treasury, and I imagine that regulation will be streamlined right across the United Kingdom. I am pleased to hear about developments in Northern Ireland; there have been many in Scotland, too. I spoke to Scotcoin not that long ago. This area has enthused and motivated people right across the United Kingdom, and it is important that we collaborate in order to realise its potential.

Alun Cairns (Vale of Glamorgan) (Con): It is a privilege to serve under your chairmanship for the first time, Mrs Harris. I congratulate the hon. Lady on her work with the crypto and digital assets all-party parliamentary group and on its excellent report; it is a privilege to work with her. Some years ago, the UK became the world’s leading fintech centre because the regulatory environment was established with a clear direction from Government, which allowed businesses to invest and regulators to lean positively towards the sector’s development. Does she agree that if the positive record of the Government of that time is replicated with cryptocurrency, the UK will have a similar opportunity to be a leading nation in this sector, as well as in other financial technologies?

Dr Cameron: I thank the right hon. Member for his valuable contribution. I totally agree. I saw some research from PitchBook last month that suggested that since the EU produced its regulatory framework on markets in cryptoassets—MiCA—investment in the EU has increased substantially. With a regulatory pathway over the next 12 to 18 months at the maximum, the UK could harness a leadership position in this sector. That will be essential because of the digital revolution that is happening. The next generation is a digital generation already. This is the way that things are moving in the world, and the UK must be at the forefront. I am pleased that the Minister is harnessing his skills and endeavours to ensure that happens.

We heard that without comprehensive regulation there are considerable risks in the industry, particularly regarding consumer protection, economic crime and financial stability, which I will speak about later. While there are clearly legitimate concerns about the potential risk posed by cryptocurrency and digital assets, it is important to acknowledge a number of positive use cases that show the potential benefits of the new technology.

One such example is the use of cryptocurrency at the frontline of the conflict in Ukraine. Many may not know this, but following the Russian invasion, the Ukrainian Government appealed for cryptocurrency donations and received millions of dollars in cryptocurrency to support military and humanitarian efforts on the frontline. Ukraine’s Deputy Minister of Digital Transformation, Alex Bornyakov, has said that cryptocurrency has been “essential” to Ukraine’s response to the Russian invasion. I am delighted to welcome Minister Bornyakov and his team, who are in the Public Gallery. We are delighted to have them here today.

Our inquiry heard that the growth of the sector suggests that cryptocurrency is here to stay. The latest research by the Financial Conduct Authority shows that cryptocurrency ownership has almost doubled in the last year, with almost one in 10 people surveyed owning cryptocurrency in 2022. That highlights the need for proper, clear regulation to protect consumers and support the industry's growth in a reasonable way. As countries around the world move quickly to develop regulatory frameworks, we feel that the UK must move within the next 12 to 18 months to harness the industry's potential in order not to lose out to other jurisdictions.

Throughout our inquiry, we heard that there are potential barriers to the UK's realising its vision, which we set out in the report. We heard that the process for cryptoasset businesses to enter the UK is very lengthy, with limited engagement at times, and that many businesses ultimately choose to invest outside the UK. While the Government have said that they are open for business and for companies in the sector to set up and scale up, we heard that that has not been the experience of many companies seeking to obtain licences to operate in the UK. They have seen very lengthy delays and, in many cases, had their applications rejected. That is fine, because we do not want a race to the bottom, but it often happens without a clear explanation and with limited communication throughout the process.

To date, only 41 firms have been approved to operate in the UK. Will the Minister say what more the Government can do to ensure that legitimate and responsible firms that want to set up and scale up here are able to do so? What steps are the Government taking to ensure that regulators have the resources they need to deliver on their responsibility to process applications?

Martin Docherty-Hughes (West Dunbartonshire) (SNP): It is good to see you in the Chair, Mrs Harris, and I congratulate my hon. Friend on securing the debate. On regulation, my hon. Friend mentioned risks, and does she agree that the Government need first to admit that when it comes to crypto there is a lot of risk? We know there is a lot of risk—it is called fraud, so fraud regulation should be used in the first instance before they introduce other regulation. There needs to be a recognition that fraud is fraud, whether it is related to crypto or anything else.

Dr Cameron: I thank my hon. Friend for raising those important issues. There is a section in my report on fraud and scam risks to consumers, so he has pre-empted the latter part of my speech, but I will cover his points in full.

Another area of concern is access to basic financial services. To be a hub of cryptocurrency—of innovation, scale-ups and start-ups—companies need to be able to open a bank account and pay their employees. The inquiry heard that firms were struggling to secure access to UK banking services. A high proportion of banks have refused to provide bank accounts to digital assets firms, even when those firms are regulated and licensed to operate in the UK. In addition, just in recent months, a number of major banks have also announced limits on transactions, making it more difficult rather than less.

Such services are absolutely necessary for companies to operate regulatorily compliant businesses. The inquiry heard that that could be one of the single biggest

barriers to growth and innovation for the UK. There are concerns that this could fundamentally undermine the Government's ambition for the UK to become a global cryptocurrency hub and could be a barrier to growth and innovation in the digital sector.

I recently chaired a roundtable with the industry to hear more about their concerns. What more can the Government do to help find a way forward and to ensure clear pathways for firms to access fundamental banking facilities when they are operating legitimately and robustly within the guidelines? Will the Government consider using their powers to help facilitate meaningful dialogue between the banking and digital assets sectors to find a way forward that works for both?

We also heard strong support for the Government's current approach of regulating cryptocurrency in line with financial services regulations; when we look at the research and the details, we can see that that offers the best and most robust protections for consumers. In that sense, my report supports the Government's position on financial services regulation.

There is another issue. I worked in the health service and I am keen that people who make gains in the UK should pay their taxes. A regulatory framework in financial services enables the Exchequer to collect taxes, as opposed to using the gambling regulations, which would not allow for that. It is also important that the UK sets regulations within financial services to position itself in collaboration with other jurisdictions internationally and rather than appear an outlier by using other regulatory frameworks.

Our inquiry heard serious concerns about the risks to consumers from fraud and scams associated with the sector. As with all new and emerging technologies, the sector has the potential to be exploited by criminals. We heard that given the rapid pace of growth and consumer adoption, the risks in this area cannot be ignored, particularly if the UK wants to position itself as the global home of investment. Consumer protection measures must be at the core of everything that the Government do. We must mitigate the risks associated with new developments in the sector.

Research from the FCA in 2021 showed that overall public awareness and ownership of cryptocurrency had increased, but it also showed that

"the level of understanding of cryptocurrencies is declining, suggesting that some users may not fully understand what they are buying".

Consumer research by the Financial Services Compensation Scheme highlighted the low levels of understanding and the need for much greater financial education. Industry and the Government must partner to help raise awareness. We want a joined-up and co-ordinated approach, including industry, regulators, law enforcement and the Government, to clamp down on scams.

Before I conclude, let me briefly mention that the Government are making great strides with the consultation on a central bank digital currency, and we support the progress being made. I have also heard about improvements throughout industry on the sustainability of bitcoin mining and so on. That is very important because we must realise that we are in a climate crisis, and all innovations and new technological developments should contribute to net zero.

[Dr Cameron]

For our report, we heard about the need for a joined-up, co-ordinated approach across all Departments, and we have said that Government might consider the appointment of a crypto tsar, who could help to co-ordinate across Departments and support the Minister to ensure a consistent approach. Will the Minister update the House on the Government's vision for the UK to become a global hub? I realise that yesterday the Prime Minister made a very important speech that contributes to the debate and I would be delighted to hear what more we can do, as the all-party parliamentary group, to support the Minister in his endeavours. We feel that things have been extremely positive, but there is a need to move at pace within the next 12 to 18 months.

11.16 am

The Economic Secretary to the Treasury (Andrew Griffith): It is a pleasure for me to serve under your chairmanship, Mrs Harris; congratulations on your first time chairing our proceedings in Westminster Hall. I congratulate the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) on once again securing a debate in Parliament on crypto regulation. It is particularly apposite to do so during London Tech Week. I would also like to extend a welcome to Minister Bornyakov and his team, who are watching this debate from the Public Gallery.

I know that the hon. Member for East Kilbride, Strathaven and Lesmahagow shares with me and this Government a desire for the UK to be a leader in this space; that is our vision. I thank her and the crypto and digital assets all-party parliamentary group, which she chairs, for its excellent recent report, which is timely and adds to the growing canon of work. It is a good read, and I commend it to all parliamentarians and policymakers. One of the valuable functions that that group performs is to raise the level of understanding of this exciting but sometimes challenging new domain.

Let me be clear. The Government's goal is simple: it is for the UK to be an open, well-regulated and technologically advanced society. The extraordinary technology underpinning distributed ledger technology, or DLT, could have profound and positive impacts across multiple sectors in the UK, including more efficient trading, cheaper payments across borders, more choice for consumers and, as the hon. Member for East Kilbride, Strathaven and Lesmahagow said, the benefit for financial inclusion. Beyond that, it is part of the wider Web3 decentralised movement that is leading to a radical rethink about what the future of the internet might look like and who—which sort of organisations—determines that. McKinsey research suggests that this could be

“a paradigm shift in the business model...by making disintermediation a core element”,

while a research analytics firm estimates that the global market size of Web3 could reach \$81.5 billion by 2030.

Alun Cairns: I congratulate my hon. Friend the Minister on pressing ahead with the digital pound that is under consideration in order to ensure that the UK is at the forefront of digital currencies. But is he confident that all the regulators—within the Bank of England for the digital pound, but also the Financial Conduct Authority and others—have the capacity and expertise necessary

to deliver the vision that the all-party group and the Government are seeking to set out? Does he agree that it is worrying that many crypto companies find it challenging to open bank accounts simply to conduct their business?

Andrew Griffith: I pay tribute to my right hon. Friend for the points that he made about how important it is that we lean into this space. He used the excellent and apposite example of fintech—a flourishing industry, for which the UK is genuinely one of the leading centres in the world. I share his concern about the availability of bank accounts. As he understands—I am sure he would not wish it otherwise—that is a commercial decision for organisations, but to the extent that the regulatory framework, or indeed the regulatory culture, is a contributing factor, Parliament will bring cryptocurrency into the regulated domain and decide that it is a lawful activity that could reap many benefits for the United Kingdom. It would, of course, be a concern if those who take part in this lawful and well-regulated activity were unable to procure bank accounts, so I can undertake to keep a close eye on that. I do not plan to make an immediate intervention, but he and other colleagues have raised the issue, as has the APPG. I will undertake to keep a close eye on it, and I am open to hearing examples of where people cannot open bank accounts.

The hon. Member for Strangford (Jim Shannon) has left the room, but I can give him the assurances he seeks. As a proud Unionist, it is a delight to have such a diverse set of representatives from across all parts of the Union. It is wonderful to have contributions from all parts of the Union today, but financial services is a reserved matter, and the Treasury and Parliament will bring forward the right regulations. The regulators have hitherto been clear about some of the risks in this domain, and we seek to strike the appropriate balance between not regulating and introducing appropriate regulations while recognising the potential consumer harms and making sure that we have effective, clear, proportionate and timely regulation. Those seem to be entirely desirable attributes.

Martin Docherty-Hughes: I am afraid I am going to have to challenge the Minister on his point about regulation. We already have regulation, which he and I have talked about, especially in Committee on the Finance (No. 2) Bill. Pretending that we did not have levers for a technology that has, in its tech section, been around for 30 years is, quite frankly, pie in the sky. When will the Government implement the existing regulation around fraud to deal with some of the crypto bros we have all been talking about for years?

Andrew Griffith: Fraud sits separately as part of criminal law. Fraud is fraud, which is a long-standing offence. I am sure the hon. Member has studied in detail the Government's most recent fraud strategy, which is excellent, and I would be happy to introduce him to the Government's recently appointed fraud tsar, my hon. Friend the Member for South Cambridgeshire (Anthony Browne), who will redouble the Government's focus on tackling fraud.

On regulation, the hon. Member for West Dunbartonshire (Martin Docherty-Hughes) will recall that we recently passed secondary legislation covering cryptoasset financial promotions, which has now been

passed by both Houses of Parliament. The regulators are working on its implementation, which will happen later this year. Importantly, it will once again bring the domain within the realm of the regulators we seek. I should say that the Government have no plans for a crypto tsar, but I undertake to champion the sector, quite rightly, in my role as the Economic Secretary, because I am responsible for financial regulation in the UK.

Given the potentially vast benefits of cryptocurrency, it is right that the Government are leaning forward and taking proactive action to harness the opportunities. I recognise the balance struck in the all-party parliamentary group's report. I also agree that the UK must show early leadership within this internationally competitive sector, which is why we are working flat out to give clarity and to implement the framework as quickly as possible. I welcome the offer of support from the hon. Member for East Kilbride, Strathaven and Lesmahagow—it is a dialogue that we should continue—and I welcome the work of the all-party parliamentary group. I have regularly engaged with the cryptoasset sector. Rather than set up a single taskforce, I am regularly having multiple engagements to try to move things forward.

Fellow parliamentarians have suggested that cryptoassets are akin to gambling. I refute that. That is not the Government's position; the right bodies to regulate them are the financial regulators, with their deep expertise and understanding of the issues such as how to ensure that markets are fair and how to protect consumers. They have much greater resource. That is no reflection on anyone, it is simply an important fact.

Importantly, industry can see that the UK has clear and ambitious plans for cryptoassets. I was thrilled to welcome one of the world's leading tech investors, Andreessen Horowitz, which has decided to open its very first international office—its first outside silicon valley—in the United Kingdom. I hope that it blazes a trail that many others follow, and that reaches into all parts of this wonderful United Kingdom because it is about much more than simply London and the south-east.

I hope that I have made it sufficiently clear that the Government want to be a leader in this space and on the opportunities for growth that it can bring to the UK economy. In my view and that of the Government's view, the best way to do that is to continue to develop a comprehensive regulatory regime that will create a safe environment to encourage innovation while managing the risks. I look forward to continuing discussions with parliamentary colleagues on this important agenda.

Question put and agreed to.

11.26 am

Sitting suspended.

East West Rail: Bedford to Cambridge

[SIR MARK HENDRICK *in the Chair*]

2.30 pm

Richard Fuller (North East Bedfordshire) (Con): I beg to move,

That this House has considered the Bedford to Cambridge section of East West Rail.

It is a pleasure to serve under your chairmanship, Sir Mark, and to discuss the recent announcements on the Bedford to Cambridge link for East West Rail. I am grateful to Mr Speaker for permitting this debate, and for the attendance of colleagues from other areas affected by the decision in my area. The areas directly affected include the parishes of Brickhill, which I share with the hon. Member for Bedford (Mohammad Yasin); Clapham; Ravensden; Wilden; Wyboston, Chawston and Colesden; Roxton; and Tempsford. Neighbouring parishes will also be affected, including Great Barford, Little Barford and Everton.

Many people think that a railway from Oxford to Cambridge is a nice idea. I used to think that too, but as I have got into the details of the railway, and as the performance of East West Rail has rolled out, my confidence and support have been completely eroded. Parliamentary colleagues present today will have their own questions for the Minister, and I am grateful to him for being here and for his helpful interactions with me. I will share with him after the debate specific questions that constituents have asked me to raise with him, and perhaps he can respond to them in due course, but I want to highlight six key asks today.

First, will the Minister agree to visit my constituency to walk the proposed route? Secondly, will the Minister ask the National Audit Office to conduct an inquiry into the East West Railway Company to provide the independent scrutiny that has been lacking to date? Thirdly, will the Minister release the full business case and cost-benefit analysis after the “theory of change” assessment, including all details of anticipated passenger and freight traffic, a discounted cash flow and a net present value? Fourthly, will the Minister today instruct East West Rail to release more detailed maps online, so that people can see what the impact is on their parish, their street or their home? Fifthly, will the Minister instruct East West Rail to write to all property owners whose homes or land are within the current corridor, explaining what the specific impact will be on their homes or properties? Finally, will the Minister conduct a full evaluation of the current status of primary care supply and demand in my constituency, and of East West Rail's impact on that?

Last month's announcement by East West Rail was supposed to clarify, to be deterministic, to eliminate doubts, to sideline the nimbys and to propose a great national project of economic growth. It has failed on all those fronts. Instead of a final route, we now have a completely new twist to the story between Roxton and Tempsford, and there is more doubt about the form of traction, although perhaps that is just deflection by East West Rail. Far from sidelining opposition from nimbys, the announcement has galvanised a much wider political alliance of those who have lost faith in the project and the company and who believe there is a greener, better alternative to support growth where we live.

Wera Hobhouse (Bath) (LD): On the question of growth, East West Rail should be a real opportunity for growth, but real problems will arise if the surrounding infrastructure is not there, which will put pressure on people. Does the hon. Gentleman agree that, together with East West Rail, the Government really need to work with local communities to create additional infrastructure, such as bus services and GP services, so that people see the benefits of that growth?

Richard Fuller: The hon. Lady is absolutely right, and that is why I circulated a letter, which all parties have signed, calling for exactly that: a greener alternative that focuses on sustainable growth and the work-life patterns that people want, not a 19th-century solution that is supposed to unlock growth on an unproven model.

One could sense the political support ebbing away from East West Rail as the announcement was made. The truth is that it has brought no relief to those most affected. I understand that, in a rearguard action today, Beth West, the chief executive of East West Rail, has said that she will approach Government to enable the purchase of houses that are currently planned to be demolished. That would help people who are already two or three years into uncertainty. As an additional ask, will the Minister instruct East West Rail to send an advice note to people whose homes or properties are within the proposed corridor and, included in that, the expected distance from the rail route itself? That will provide clarity to more people, particularly in the villages affected.

The Minister will know that we had elections recently, and that they have brought political change. I am not sure that the election results around the country were good for the Conservative party, but in Bedford borough, the Conservatives won the directly elected mayoralty for the first time ever. That was a repudiation of the Liberal Democrat Mayor, who had strongly supported East West Rail and such an environmentally destructive route across north Bedfordshire, with its phoney economic benefits for the town. Now with Tom Wootton as the Mayor, we have someone who is clear and determined in his opposition to the proposals presented by East West Rail. Conversely, in central Bedfordshire we also have a new leader—an independent, whose ward encompasses Tempsford, the site of a station that may herald substantial housing development, measured in the tens of thousands. Does the Minister appreciate the current scale of interest in alternatives to the project, given these political changes?

I have been contacted, without solicitation, by many sources and experts decrying the performance of the East West Rail Company. One constituent with expertise wrote to me to say:

“From my experience and observations the insincerity of the process pursued by EWR has been its most glaring weakness. In equal measure, however, any such criticism must also lie at the door of the Department for Transport who appear to be an acquiescing partner in the woefully inadequate activities of EWR. Unfortunately, the Government as a whole cannot escape association with the feeling of disillusionment generated through continuous stonewalling, lack of logical business planning, flouting of the law (freedom of information) and insincerity of approach.”

The route chosen by East West Rail is so full of twists and turns, and ups and downs, that it surely competes with what is probably our country's bendiest road, the B3081 at Cann Common in Dorset—I am not sure whether the Minister knew that—which

“twists and turns more than many an Alpine climb.”

Those words could be applied to the route chosen by East West Rail. Back in the Victorian age, when Governments and others knew how to build railways, they chose a straighter, less hilly route. I encourage the Minister to watch the video from Alison, a constituent of the hon. Member for Bedford, who clearly outlines East West Rail's irrationality in choosing a route with such topography.

One of the principals behind the campaign, BFAre, Bedford For a Re Consultation, wrote to tell me:

“The crux of the issue stems from the fact that the NSIP process contains a ratchet mechanism whereby the narrowing down of options precludes a fundamental review/rethink of alternatives when better evidence comes to light about previously discarded options. The starting premise for growth in the Arc was flawed and the initial public consultation into the scheme in 2019 was so badly handled that it shut out a lot of people and communities who stood to be most impacted by the scheme”.

Another constituent wrote to me expressing the view of many in my constituency:

“To get to Cambridge I personally would drive to the park and ride and get on a bus to the centre of the city; not drive to Bedford station, pay to park, buy an expensive train ticket to get a train which would not take me to the centre.”

I will spend some time on the cost-benefit analysis, because I think it is an open secret that nobody thinks that East West Rail is financially viable. Less than a year ago, the former Secretary of State for Transport, my right hon. Friend the Member for Welwyn Hatfield (Grant Shapps), when on the LBC radio show of Mr Iain Dale, had the following interaction. Mr Dale: “What would you cut from your Transport budget?” The former Secretary of State: “I would take East West Rail and I would remove.” Iain Dale: “Why haven't you done it already?” The former Secretary of State: “Well, I haven't had the opportunity.” Iain Dale: “You are the Transport Secretary. You could easily have done it already. You could have gone to the Chancellor and said, ‘I know you want to cut spending; here is one way you could do that.’” The former Secretary of State: “I have done that in other ways, but you have just asked what I would do as Prime Minister, and I am telling you I would cut East West Rail on what is called two and three, so there's the second and third tranches of it, and save £3 billion to £5 billion straight away.” I therefore ask the Minister what he would do if he was Prime Minister?

A constituent wrote to me on the cost-benefit analysis and said:

“As someone who has had the ‘we intend to drive a railway line through your property’ notice recently I'd really like to get two questions answered, as this document failed entirely to do so. Where is an up to date business case? No-one has seen one, no-one affected believes a valid business case now exists...When will EWR engage directly with home owners on the route to purchase land?”

I have mentioned that second point already. East West Rail states in its documents:

“While the Business Case is still in development and won't be completed until we've obtained the required consent for the Project...In the final weeks before publication, the proposals are subject to a cross-Government approval process.”

So it will get consent and then tell us what the business case is.

Appendix 5 to the economic and technical report discusses the “economic appraisal”. The report states that it will:

“compare benefits against costs over the life of a project or for a defined period of time. As is typical for infrastructure projects, the monetised impacts of EWR are projected to a point

60 years from entry into service. Both the benefits and costs are discounted and presented in 2010 prices and values in line with TAG guidance”—

transport analysis guidance. The report continues:

“The 60-year value is known as the Present Value (PV).”

It concludes:

“Standard approach to modelling and forecasting results showed us that, in conventional appraisal terms, the BCRs were ‘poor’ across all options”.

What does “poor” mean? It means benefit-cost ratios of 0.26 to 0.42—and that is based on the high-growth option. The high-growth option means that the best benefit-to-cost ratio is less than half the amount taxpayers will be asked to put into the railway. What does that mean in terms of cost to the taxpayer? It means £1.5 billion to £2.4 billion thrown away on a railway.

East West Rail seeks an escape route from such a common-sense economic appraisal. It states:

“These early estimates of costs were a key driver of the BCRs, which did not account for the transformational and strategic benefits considered later as part of the application of our Theory of Change.”

Over two chapters, East West Rail attempts to draw in every possible justification for its project. It talks about east-west connectivity, but it does not mention the cancellation of the expressway. It talks about housing costs, but it does not notice that the highest costs are where railways exist. Thus its proposals are as likely to increase house prices in areas where they are lower than in Cambridge than they are to lower house prices in Cambridge itself. It ignores the power of the market, with private companies already making decisions about where to locate if Cambridgeshire is too expensive. For example, Marshall Aerospace is very sensibly relocating to Cranfield Airport.

Before I entered Parliament, I was a partner in a strategy consulting firm, advising large businesses and utilities on investment decisions. I was also a partner in a venture capital fund, investing in the high-growth businesses of tomorrow. I am also a graduate of Harvard Business School, and I can use all that life experience and those qualifications to assess the theory of change exercise by East West Rail as complete nonsense. What is the Department for Transport metaphorically smoking if it continues to go along with this economic illiteracy? I may have missed the financial conclusion of the theory of change exercise, but perhaps the Minister can advise us whether he will release the full financial case, together with all the assumptions and sources. Today, I issue a challenge to the chief executive of East West Rail to attend a public debate with me to argue the economic case for and against this project—openly, transparently and honestly.

We all know the real reason behind all of this: it is about housing. A constituent wrote to me saying:

“From the economic and technical report, it is clear that Bedford is viewed as simply a cheaper housing estate separate from where all the jobs are expected to be—in and around Cambridge. So what’s in this for Bedford?”

The real reason for East West Rail is the concreting over of north Bedfordshire. We have the issue of the Tempsford interchange section, with reports of up to 40,000 new homes in a village that currently has 400 residents. There is also Stewartby, in the Mid Bedfordshire constituency,

where pages 92 and 93 of the economic and technical report suggest the railway will open up 70,000 jobs to households. In my estimation, that amounts to about 35,000 houses.

I am not a nimby on housing—we should all do our fair share—but as the MP for North East Bedfordshire I have to point out that there is considerable pressure on GPs, dentists and school places. Without investment in that soft infrastructure, it is very unwise to support additional housing growth.

Wera Hobhouse: Does the hon. Member agree that it is unfair to call people such as those in Mid Bedfordshire who are raising these absolutely real concerns nimbys? People need those services to go with the growth and the increased railway line.

Richard Fuller: I do, but I would not do what I understand the Liberal Democrats are doing in Mid Bedfordshire, which is to ask people which housing estate they do not like so that they can oppose it—that is not the right way to do it. However, as regards very large-scale developments, the hon. Lady is absolutely right, and we should have that consideration. In 2019 I stood on a manifesto calling for infrastructure first on these large-scale developments. I do not know whether the Minister can give me an update on that—it is not his remit, so I do not expect him to, but it is important, and he stood on the same manifesto as I did.

We should all do our fair share. I looked at the census data on the growth in households between the 2011 and 2021 censuses. The national average increase in households over that period was 6%, and I think we all feel that rapid growth in our constituencies. Perhaps unwisely, I then decided to look at specific constituencies. I looked at the Chancellor’s constituency, and he is doing his bit, with 6% growth. I looked at the Secretary of State for Transport’s constituency, and there was a 9% increase in households over that period, which is a substantial amount above the national average. The Minister, who is responsible for rail, had only 5% growth, but we will forgive him that 1%. In North East Bedfordshire from 2011 to 2021, there was 21% growth, which is already three and a half times the national average of growth in households. That is already putting pressure on GP services, dentists and school places. How on earth can I, as the MP for North East Bedfordshire, allow further pressure through an increase in housing growth until those problems are dealt with?

I want to turn to the environmental impact. I had an interaction today with Councillor Tracey Wye, who represents the ward that includes Potton. She wrote to me to say she would like to see a commitment that this project would be in harmony with the environment—something so future-proof, leading-edge and creative that we would be at the leading edge of sustainability and climate resilience. I could not agree more; she is absolutely right.

We have been a bit misled, I would say—perhaps that is unfair—about the electrification of this line. Originally, in the Railways Act 2005, it was going to be electrified as part of the electric spine. In the high-level output specification of July 2012, the line was listed as a new electric railway line. It was then dropped by East West Rail Company, but the company’s latest document now says that it may come back. Minister, which is it? Are we

[Richard Fuller]

electrified or are we not? Is it battery powered or not? The announcement was supposed to clarify the form of traction, but it has done nothing of the sort.

I believe that Ministers know that the original plans by Lord Adonis in the 2017 “Partnership for Prosperity” report were bogus, and they have not kept pace with changes in working patterns and our greater focus on environmental issues. A previous Secretary of State cancelled the Oxford-to-Cambridge expressway in 2021, stating that

“analysis shows that the benefits the road would deliver are outweighed by the costs”.

Precisely that charge can be laid today against East West Rail, so why is the current Secretary of State not taking the same action?

A constituent wrote to tell me:

“From a net-zero perspective, how could they possibly introduce a new transport link, with the intention of running diesel trains on it until 2040 at the earliest? Hardly what you’d describe as inspirational or forward thinking.”

Another constituent wrote:

“As someone with long standing involvement in the biotech industry and academic community, I would question the whole rationale for the railway in the first place. Of course we all want to consolidate Cambridge’s position as a technology hub, but if science and industry in Oxford and Cambridge want to collaborate they’d do it remotely. East West Rail is a 19th century response to a problem for which we in the 21st century have solutions that are cheaper, better and less environmentally destructive.”

I call on the Minister to consider those solutions.

Sir Mark Hendrick (in the Chair): I remind Members that they should bob if they wish to be called in the debate.

2.52 pm

Daniel Zeichner (Cambridge) (Lab): It is a pleasure to serve with you in the Chair, Sir Mark, and I congratulate the hon. Member for North East Bedfordshire (Richard Fuller) on securing the debate. We have had many animated discussions about this subject in the past, and it will probably not surprise him to know that I take a slightly different view, but I commend him for the powerful way in which he has represented his constituents. I suspect others will do the same, because infrastructure projects of this type always cause problems for local constituents, and I have every sympathy with them.

This debate about East West Rail, the Cambridge to Milton Keynes to Oxford link or the arc—call it what you will—has been going on for a long, long time. I have been involved in discussions and debates about it for many years, and frankly I want to move beyond the debates and get the railway done.

I pay tribute to the many people who have campaigned tirelessly on these issues, including those noble councillors who set it all in motion many years ago and the East West Main Line Partnership. I am grateful for the work of the National Infrastructure Commission, which the hon. Gentleman mentioned, and the all-party group for the east of England, which I co-chair with the hon. Member for Waveney (Peter Aldous). I wish to make three main points relating to the history and the purpose of the project, and the economic and environmental value of getting it delivered.

It has been a long-running goal of rail enthusiasts to restore the lost line between Cambridge and Oxford, which has been made harder by the loss of some of the old Varsity line route. I remember conversations some 20 years ago at least, when some foresighted people were talking about it, and over time the issue came to be picked up by local authorities, which could see the broader benefits. By the time I came into this place in 2015, that campaign was picking up pace. In the subsequent eight years, I can barely recall all the conferences, party groups, business tsars and leaders who have come and gone, some of whom were never appointed in the first place—“announcements and then steps back”, as it has been described. I fear that is all part of the rather hopeless way we go about building infrastructure in this country.

I remember that, at one Budget, the then Chancellor invited Members to show up at a surgery-style session with the Minister in one of those gloomy ministerial offices down the corridor. The then Minister, who shall remain nameless, looked absolutely astonished that anyone had actually shown up. We then had a rather civilised conversation—I think that is when the business tsar came and went—and I put to him the questions that I have been putting for a number of years: what is this line for, and will it be electrified? Predictably, answer came there none.

I put exactly the same question—what is the line for?—to one of the senior civil servants who had been working on the project at one of the many annual conferences about the arc. I was absolutely flabbergasted to get the reply that they were planning to consult on exactly that issue, which seems to be rather the wrong way around.

Back in 2017, at another one of those conferences, I challenged the then chair of the East West Rail Company over electrification, and he publicly promised that not a litre of diesel would be bought. As we have heard, that issue remains unresolved—although given that we are still quite a long way off seeing any trains, I suppose that pledge has been honoured so far.

At that time, the Government were planning to build not only a new rail line but, as we also heard, a major new road. Considerable time and effort were spent on that. I must say that I always opposed the road on the same line that has been mentioned: it is a 19th-century solution to a 21st-century problem. It was absolutely the wrong thing to do when we were trying to encourage a modal shift, and I am glad that it was finally abandoned.

I might be testing the Minister slightly, but can he tell us how much was spent on that abortive project, how many civil servants are still working on the arc project—including beyond the Department for Transport, in other Departments—and how long that project team has been going? I seem to have been aware of it for a number of years, and we really need to see some output from all that work.

That brings me to my main point. As I have said, I understand the concerns about the route. First, I am glad that the southern route has been settled on near Cambridge, because overall that seems to be the most sensible. However, the reason for my unswerving support for the project is that I believe that the environmental and economic benefits will be significant. Environmentally, we know that we have to move people off roads. It may

be that the world is changing, but I think—and the evidence is rising on this—that people will want to get back to face-to-face contact.

Wera Hobhouse: We are in a climate emergency. If people want to really see the benefits of a new infrastructure, they need to see the benefits to both the environment and their health. The Government are not making electrification the main priority. Is that not really what this line should be about—electrification?

Daniel Zeichner: I served on the Transport Committee with the Minister for a number of years, and I appreciate that these issues are not straightforward or simple, but the hon. Lady is absolutely right. In the end, electrification is obviously the way we should be going.

Let us also look at the time savings for people. In the early-morning rush, it can take almost an hour to get the nine miles from Cambourne into the centre of Cambridge by car. By rail, that would be reduced to 15 minutes. Bedford to Cambridge by car is 75 minutes—as I discovered to my cost a few weeks ago—and 90 by bus; but, I am told, it takes 35 minutes by train. That is transformational.

I fully accept that this is partly about the future success of Cambridge, because we are struggling hugely to find housing for the people we need to maintain Cambridge's position driving the UK economy. It is not an unimportant point, although I accept that the location of that housing will not always necessarily appeal to everyone. Cambridge housing is hugely expensive; we all know the figures. Development pressures on my city are intense, and we have an acute shortage of people. Ironically, those are not necessarily the world-leading people but all the people we need to run the basic services. Even the best scientists in the world require their lunches, and offices that are cleaned and maintained, and we are struggling to find those people for lower-paid jobs. We therefore need affordable housing.

I accept the point that house prices do not necessarily always conform to the economic models that some people would like to propose, but we need housing that is available via quick, reliable and environmentally sustainable transport links. Those points have long been made by the leaders of Cambridge City Council, Lewis Herbert and Anna Smith.

In addition, the project would begin to open up prospects for more jobs in high-quality, environmentally sustainable communities along the arc. That is an important point. If we are building these new communities, it must not be about just a developer's charter; they have to be the kind of communities that will attract the people who will be part of our future—a success in both Cambridge and Oxford.

I accept that there will always be debates about the economic theories of how development works and what the drivers are, but I am pretty convinced that this must be the way forward, and not just along the arc. As others, including Eastern Powerhouse, have outlined, it potentially unlocks further opportunities to the east as well.

I will conclude by making some points about the economic significance of and for Cambridge. The region already adds more than £110 billion to the UK economy every year, and the Cambridge sub-region is a major

contributor to the Treasury. Frankly, reinvesting some of that to improve the local quality of life is hardly a unreasonable demand. Cambridge and Oxford are world leaders in venture capital investment, with hugely important research and development sites.

I believe that East West Rail can help to unlock the physical constraints that are currently a real challenge, and help us to get the people we need to remain in our world leadership position. There is strong support for the line from the local authorities and the business community; indeed, I was struck by a recent briefing from the business-led organisation Cambridge Ahead, because this was one of its top priorities. I know that when Government support seemed to be wobbling a while ago—I think we heard a characterisation of that earlier—the University of Cambridge was among the organisations that were particularly concerned about the prospect of the line not going ahead. I am glad that the wobbling seems to have settled, that we have a Minister who is firm in his intentions, and that the current version of this Government seem to understand the significance of the project.

I end where I began: there will always be arguments over routes and local impact, but I urge people to step back, look at the bigger picture and get this electrified railway in place.

3.1 pm

Anthony Browne (South Cambridgeshire) (Con): It is a pleasure to speak under your chairmanship in this important debate, Sir Mark, and I congratulate my hon. Friend the Member for North East Bedfordshire (Richard Fuller) on securing it. We have had many discussions about this issue over the years, including with my constituency neighbour, the hon. Member for Cambridge (Daniel Zeichner). My constituency is literally in between the constituencies of Cambridge and North East Bedfordshire—they border mine on either side—and both Members' excellent speeches raised both the pros and the cons of East West Rail, which affects my constituency.

My job is to represent the views of my constituents, which are very split. There are those who are massively in favour. Cambourne, which the hon. Member for Cambridge mentioned, is the only town in my constituency that will be affected by East West Rail, and the people there are very frustrated at how long it takes to get into Cambridge city. A lot of them work there, and it can them an hour to get there on the train. A station is being built at Cambridge South, which the Rail Minister, my hon. Friend the Member for Bexhill and Battle (Huw Merriman), visited recently. It will take the people of Cambourne 11 minutes to get there, and 14 minutes to get to Cambridge Central, which will be transformative for their lives. The business groups and the university are in favour of the new line, and they regularly write to me about their support for it.

On the other hand, there are villages along the line where it is all downside and no upside, such as Haslingfield, Harston, the Eversdens, Hauxton and so on. They will suffer a railway line going right through them, and probably the worst affected will be Highfields Caldecote, where the rail line will clip the corner of the village. The housing being built there now will presumably have to be knocked down. I had a very impassioned email from Jason Western, who runs the Fortitude Fitness Centre,

[Anthony Browne]

which is an outdoor assault course. He has built it up over 20 years, and the railway line will go right the way through it, affecting a lot of jobs. I can completely understand the distress that it will cause to people like that.

I want to address whether the East West Rail line is needed at all. My hon. Friend the Member for North East Bedfordshire made so many good points that there is not a huge amount I can add, but I also want to raise some of the main issues. Since being elected as an MP, I have been in discussion with the Government about whether the line is needed, and there have been various wobbles. I was told at one point that it had been cancelled and that we were just awaiting the announcement. I was awaiting the announcement, which did not come, and now it has been re-announced. That was because the calculation at the time was done under the Green Book methodology—the standard transport methodology, which my hon. Friend referred to—which produces benefit-cost ratios of just 0.27. That is astonishingly poor—so poor that we would never build a transport project like that. However, East West Rail has come up with a new methodology—the “theory of change”, which he referred to. It is not from the Green Book but from the Magenta Book, and it talks about the impact of the line on overall growth in the area. The project has certainly mutated from helping people to travel more quickly from Cambourne to Cambridge, to helping to supercharge growth in the area.

I do not know quite where it fits in my hon. Friend's ranking, but I know that the growth of housing in South Cambs over the last 20 years has been about three times the national average, or maybe even higher. In the district of South Cambs, there are three new towns. I laugh when my colleagues complain about a new town or 500 houses, because I have tens of thousands of new houses in my constituency. There are already plans to build 57,000 new houses over the next 20 years, which is as many as in Cambridge city at the moment. We will be doubling the number over the next 20 years—that is what is planned at the moment.

East West Rail's business case is clearly predicated on massive housing growth. That growth—this is all hidden in the small print, which is so small that I cannot read it but have to interpret it—is based on 23,500 new houses in Cambourne and 19,000 in Tempsford, just south of St Neots. I do not know whether that is in addition to the housing that has already been planned or whether it is included in the previous figures, which makes a huge difference. Such growth has a huge impact on neighbouring villages, such as the gorgeous little village of Knapwell, with only 45 houses. Knapwell is very remote, and its residents are quite understandably worried about being completely swallowed up. As various Members have mentioned, we also have to worry about all the soft infrastructure when building on that extraordinary scale.

One binding constraint is not mentioned at all in the 2,000 pages of East West Rail documentation. Although we have not read it all, we have done word searches. I entered the word “water” to find that it only appears in the name Waterbeach, which is one of the new towns. This is not some sort of made-up environmental issue, whereby we are worried about things in 20 or 50 years' time; we do not have enough water in South Cambridge

to serve the current housing and agriculture. We have an aquifer, so all the water comes in locally and is not piped in from the rest of the country, but we use more each year than is replenished naturally by rainfall, so the water level drops. The ponds, rivers and streams get completely dried out in the summer, which is terrible for wildlife. We are already building all these houses, and the Environment Agency is very concerned that we just do not have enough water, even for the houses on existing projections. I hate to think what those toilets and showers will be like without water.

East West Rail and the Department for Environment, Food and Rural Affairs really need to be joined up on water supply. There is a plan at some point to build a reservoir in the Fens and pipe the water down, but the existing planning structure means that it will probably not be for 20 years or more. Will that provide enough water for all this housing? Will we need two new reservoirs? How will it fit in? It really needs to be joined up, because we simply cannot build the housing envisaged in this document without the water supply. We need to think about that.

I would love to see the proper business case. We keep being told that it will come at some point, but who is responsible for its delivery? Is it the Department for Transport, the Department for Science, Innovation and Technology, the Department for Levelling Up, Housing and Communities, or DEFRA? Who will oversee it? Who will be responsible for the spatial plan? Will it be the local authority? There has previously been discussion of development corporations, about which I made my views incredibly clear. I am not opposed to development corporations in all situations, but if they are not about press releases, they are about solving a problem that we cannot solve in any other way. In this case, development corporations should only be used as a solution to an existing problem. I cannot see that that would be the case, so I see no case for development corporations.

As my hon. Friend the Member for North East Bedfordshire mentioned, one of the main concerns locally is the exact design. The 2,000 pages contain no detail about what the railway line will look like: no schematics, no visions, and no drawings or visualisations. It is difficult for the villagers impacted by the line to appreciate how it will affect them. For people living right by this thing, that is incredibly important to know, and makes all the difference. I will come to some of the issues for the individual villages in a minute.

My final main point is about the property blight. I mentioned my constituent who has a fitness centre, but there are lots of people whose properties have been quite severely blighted by the plan, including those who had just moved in when they found that the railway would be built next to them and they could not move away again.

My hon. Friend mentioned that East West Rail had been quite proactive. I have been strongly pushing it to address the blight issue way ahead of the statutory requirement, because the law operates far too much in favour of the infrastructure and not householders. It has introduced a scheme to help people buy properties beforehand if they want to move, but they have to prove they have a reason to move and go through a whole load of hurdles. It should at least be geographically defined, so that if people live within a certain distance of the railway, they can automatically sell their house.

The other issue is the need for additional compensation. Our compensation for compulsory purchase in the UK is not generous enough. The value of a house is not just its market value. My constituent has built up his business over 20 years—who knows the value of that piece of land? I do not know whether he has planning permission, but he will have to end up moving his business, and that is a huge disruption. I know of many homeowners who have built up their houses over 20 years and made it a forever home but will suddenly have to sell it. I urge the Department for Transport to look at giving people 10% or 20% above the value of those houses, because it is not fair on them to say, “You’ve got to move. We’re just going to give you the market rate.”

I want to put on record some of the impacts along the route, because these are questions that my constituents and their various campaign groups are asking. There are lots of campaign groups in my constituency, such as Cambridge Approaches, that are doing valuable and important work on this. I mentioned Highfields Caldecote, where the railway line is literally going through the top end of the village. Is it going under the A428 at that point, which is what East West Rail says? I cannot see how it can do that, because the A428 is pretty sunken underground already. At one point, there was going to be a huge embankment 30 feet in the air. Will it be at that level, or will there be a cutting? If it is under the A428, which is right next to it, there would have to be a cutting. This makes a huge difference to people, but there is no information about it.

In the villages of Great and Little Eversden, will there be an embankment at ground level or a cutting? Again, there is no information about that. The line goes through Chapel Hill, which is an iconic local hill where we get fantastic views across South Cambridgeshire, and it is called Chapel Hill because of its historic significance. Will that be fully cut into, which was the original plan, or will it be tunnelled? I hear lots of suggestions that it will be tunnelled, but without any concrete commitment. If it is tunnelled, would it be cut and covered or bored?

There is a possible road closure between Harlton and Haslingfield. Would that be cut and severed? Would the villages be separated? In Harston, will it go over the A10—the main road into the south of Cambridge—or under it? We have no information about that. Would the junction with the King’s Cross line at Harston be a grade separated junction? Would the railway be taken right up into the air and back down again, or could it be done at grade level, which would have far less impact?

What about the road between Harston and Newton? That is not just a road between the villages; they share shops and a school. The people of the village of Newton—which is next to the village I grew up in and has a fantastic pub, the Queen’s Head—would not be able to go directly to Harston. It would be incredibly disruptive to their lives, and the last plans published said that the road would be severed.

The railway line goes between the villages of Hauxton and Little Shelford, and there is currently a level crossing. Department for Transport guidance now is that there should not be any new level crossings, so how will it be done? There is housing right by it. Will it be tunnelled? Will it be bridged? The people there are really worried that the road will be cut in two.

In Great Shelford, as we get into Cambridge, will four-tracking be required? Will the Long Road bridge have to be taken apart? Will Shepreth branch junction at Great Shelford be grade separated? Again, if it is, that will have a dramatic impact on the village, because the railway line will have to be taken right up into the air and back down. If it is grade separated, how would that be done?

There are so many questions about this, and I wanted to put them on the record. I have been trying to get answers out of East West Rail. It needs to do a lot more work on mitigation; I know that it has done quite a bit already, and I commend it on that, but clearly it has not got there yet. Where full mitigation is not possible, I urge the Government to look at how properly to compensate people for the loss of their homes and businesses, not just at the market rate before the railway was proposed but for the damage, loss of amenity and so on.

Finally, the Government need to review the whole issue of housing. Whatever the arguments for East West Rail in terms of making it easier for people to travel from Cambourne to Cambridge, it cannot be used as an excuse to increase the amount of house building, which is already one of the highest rates in the country, and there is absolutely no water. I urge the Government to address all these topics.

3.14 pm

Mohammad Yasin (Bedford) (Lab): It is a pleasure to serve under your chairmanship, Sir Mark. I thank my constituency neighbour, the hon. Member for North East Bedfordshire (Richard Fuller), for securing this debate, which is of great importance to our constituents.

I do not believe that any people along the proposed East West Rail route are impacted as negatively as my constituents. It is for them that I stand in opposition to the route alignment that was confirmed at the end of May. The proposed six-track route will impact at least 66 properties in Bedford, including the demolition of 37 residential properties based on reasonable worst-case railway corridor width and potentially more demolitions as part of the station redevelopment. I am a big supporter of green public transport, so I supported the East West Rail route in principle to bring much needed connectivity and growth opportunities to Bedford, but I have always opposed a route that requires the demolition of homes.

East West Rail has said that it reviewed both a four and a six-track alignment, but preferred the option that, in its view, better serves the wider rail line, although that comes at the expense of homes in Bedford. For years, many of my constituents have been living under the spectre of house demolition. People’s lives have been put on hold. They have been held ransom by a Government who did not care about them and were too incompetent to make a decision. Selling their homes has been an arduous process so far, and I sincerely hope that they are not further distressed by it. We also need to see far more detailed proposals about what is happening to the land around Bedford Hospital for the new Bedford St John’s station.

I hope Ministers will vastly improve their decision-making processes, ensure that East West Rail treats people whose homes are being stolen from them with the respect and compassion they deserve, and ensure they get the necessary

[Mohammad Yasin]

support, and fair and timely compensation, for their losses. The base rate for this should be at least in line with that of HS2, plus inflation.

I have always maintained that East West Rail should be electrified or carbon free from day one, and I am disappointed that the Government have not committed to low or zero-emissions rail. It is outrageous that they are even thinking about a new rail project that is not powered by green technology. I hope the Minister will commit today to a green East West Rail, which will be vital if the Government have any chance of meeting their net zero targets.

I am disappointed that East West Rail has still not published a formal business case. The strategic case and the technical report amount to no more than a glossy corporate dream. There is no detail. We all know that the eastern region is one of the most under-invested places, so of course the growth potential is significant, but citing *The Economist* as recognising that growth potential as a strategic case is not good enough. We need a proper business case. I question why it has not materialised so far and why we are expected to wait another year to see it. It should be done before the fact, not after. We do not want another HS2 on our hands, with chaos and spiralling costs because we forged ahead with unsound plans before due diligence was complete.

I hope the Rail Minister will do more today to prove the business case for East West Rail, and I hope that business case includes the concerns of Bedford businesses about the potential for disruption and loss of trade that building works would cause. These proposals will rip the heart out of strong and vibrant communities in my constituency. These are people's homes. Families have been living in turmoil for years, and now their worst fears have been realised. To many who responded to the last consultation, including myself, it feels like we have not been heard. There are lots of words in the consultation response to say, "We listen to people's concerns," but nothing has changed. I hope that the Minister will give a commitment today that if the majority of the residents respond in opposition to the plans in the statutory consultation, the Government will listen and not approve the proposal.

3.20 pm

Mr Tanmanjeet Singh Dhesi (Slough) (Lab): It is a pleasure to serve under your chairmanship, Sir Mark. I extend my gratitude to the hon. Member for North East Bedfordshire (Richard Fuller) for securing this important debate. It is clear that the debate has allowed Members from both sides to diligently voice their concerns on behalf of their constituents, and I commend their passion in ensuring that the voices of local people are heard. I hope the Minister has been listening intently and will address the questions posed to him clearly and transparently.

Despite being the Member for Slough, I am not stranger to Cambridge or Oxford, having studied at both universities, and I appreciate the importance of joining these two great cities by rail. More recently, I have had the pleasure of visiting Winslow station. I have also spoken to East West Rail in Milton Keynes, and visited some excellent companies in Milton Keynes that are local to this project, including on the Aylesbury

spur, which would no doubt enhance the Bedford to Cambridge connection. Indeed, the line runs through some of the most productive and fastest growing towns and cities. The area supports over 2 million jobs and adds over £110 billion to the economy every year.

As shadow Rail Minister, my support for better rail connections should come as no surprise. As my hon. Friend the Member for Cambridge (Daniel Zeichner) eloquently explained, connecting our great towns and cities through rail links has been proven time and again to provide more opportunities, bolster local economies, unite communities and address the pressing climate crisis. I will always be an advocate for investing in our rail network to make it work for passengers, local communities and the rail industry. That is why it is so important to address the concerns laid out today in order to progress with the project in a way that benefits local people, businesses and passengers.

Putting it plainly, we should not have such limited public transport along this route. Currently, travel from Bedford to Cambridge is restricted to an hour and a half bus service. With the new connection, that is cut to a mere 35 minutes. Quicker journey times, emissions slashed by up to 76% and pressure taken off local roads: the benefits of rail are clear. Those within commuting distance will be increased, with a wider pool of talent for businesses and universities, increasing jobs and opportunities. No wonder, as my hon. Friend the Member for Cambridge again explained to us eloquently, that the top 50 employers in Cambridge have written to the Government in support of the scheme. The aim of the project—to deliver people a better and more convenient way to travel locally—must be maintained alongside local input, consultation and co-operation, not without it.

As hon. Members have outlined, the line covers an area that is going through a great deal of change and growth. This period of flux will undoubtedly mean that significant decisions will be made on infrastructure. Increasing the number of services to meet the existing and growing demand in the region is vital. Failure to provide Government funding to ensure that these needs are met is simply unacceptable. Across our country we have seen people struggle to get GP appointments, a place at their local school or on to the property ladder, and that is exacerbated in areas of high growth and development, as has been highlighted by hon. Members today. That is why progress on the project should be completed alongside public consultation, with local authorities and local people ensuring that decisions are made to benefit the communities who live in those areas.

I feel like a broken record when I say that progress on the project has been characteristically slow, as with countless other rail projects on this Government's watch that we have debated in the main Chamber and in Westminster Hall. Just last year, the project was rated as "red" by the Infrastructure and Projects Authority's delivery confidence assessment, which noted that the later stages of the project "appear unachievable".

The National Infrastructure Commission, no less, recently commented:

"The region presents a significant growth opportunity for the UK but this will be missed if long term certainty is not provided."

It seems that the Government are lagging behind in all areas. We must build a network for the future, but just 2.2 km of electrified track was added to our rail network

last year, while other European nations and others around the world have been full steam ahead—no pun intended—on full electrification. Why has the Minister not insisted on full electrification for the new route, as has been highlighted by my hon. Friends the Members for Bedford (Mohammad Yasin) and for Cambridge, and others? What considerations has he made of the use of trains that are not diesel-only?

As with much of our railway, the Government's lack of leadership and dithering has impacted progress. The impact of sky-high inflation on building costs, and ongoing Government uncertainty, have not been unique factors in the scheme. Although I am grateful for the Department's latest update, I am sure the Minister can see that concerns remain. Most notably, perhaps, is the proposed demolition of homes in the constituency of my hon. Friend the Member for Bedford, who is a persistently strong champion and voice for his constituents. The Minister should directly address those concerns and meet my hon. Friend to discuss next steps. This is clearly devastating for the affected communities, as in the constituencies of the hon. Members for South Cambridgeshire (Anthony Browne) and for North East Bedfordshire.

An updated formal business case should also be published. It is simply unacceptable that we are progressing without that update. Clear and effective consultation is clearly the best way forward. The intentions of the project have always been to serve the local community better, so we must ensure that the final project achieves that. I assure hon. Members on both sides of the House that I will personally raise these matters directly with the chief executive of EWR in my planned meeting with her.

EWR must have direct engagement with affected residents to provide all the support that will be needed through the process, particularly regarding compensation and the sale of nearby homes. Will the Minister confirm what action has been taken and what co-ordination there will be with local representatives—Members of Parliament or councillors and authorities—following the recent announcement? Delivering rail projects with local communities' needs at the very heart should be second nature to a Government in power for 13 years, but sadly they are more chaotic than ever.

We in the region will now have inflicted on us another by-election in which constituents will no doubt deliver a re-election message as to why they will not reward failure. Those that lose out most from Government incompetence are ordinary working people, so I hope the Rail Minister will use this opportunity to address the concerns laid out today. With our railways readying to go full steam ahead, we can ill afford to renege on further infrastructure promises. The people of the north have been betrayed. We cannot allow the people of Bedfordshire and Cambridgeshire to be betrayed. We cannot allow passengers to be let down once again.

3.30 pm

The Minister of State, Department for Transport (Huw Merriman): It is a pleasure, Sir Mark, to serve under your chairmanship this afternoon. I thank my hon. Friend the Member for North East Bedfordshire (Richard Fuller) for securing this important debate on East West Rail from Bedford to Cambridge. I have listened carefully

to his representations. As everyone in the debate has said, he makes excellent points and sets us a challenge. I am keen to work with him to address those points.

I have noted the six or seven points he raised. I will go through some this afternoon, but I will write to him on all of them. I want to work with him to ensure the project is delivered in a way that maximises benefits for members of his constituency and the country as a whole. I am well aware that, when it comes to building new railways, some are very much in favour because they benefit directly or indirectly from the delivery of that new railway. We will always call for infrastructure to be delivered before housing. This is an opportunity where that can be delivered.

Of course, there are those whose lives are directly impacted and blighted by railways, who suffer as a result of the build. I have every sympathy with them, and I am keen to work with my hon. Friend and other hon. Members to minimise that and to give as much information, clarity and frankness in the process as we can. I say that as someone whose family lives in Buckingham and is well aware of the impact of HS2. "I get it," is what I want to say this afternoon.

Let me speak a little about the project and then go into detail as I go along. The East West Rail project will improve the UK economy, supporting ambitions for the Oxford to Cambridge region, to add £103 billion extra gross value added by 2050, securing the UK's future as a world leader in science and technology. East West Rail will improve connectivity and ensure growth is spread across the region as a whole. The route update announcement, which was mentioned, was laid before us on 26 May, and set out the preferred route alignment between Bedford and Cambridge. That would serve new stations at Tempsford and Cambourne, and approach Cambridge from the south, enabling services to call at the new Cambridge South station and to serve the world-leading biomedical campus. As my hon. Friend the Member for South Cambridgeshire (Anthony Browne) mentioned, I was at the site a couple of weeks ago. It is absolutely fantastic; people are incredibly excited about what this railway will deliver through not just better connectivity but allowing more jobs to flow to the campus, enabling it to succeed and to take on the world's finest. I am very excited to have been able to announce the funding.

The route update announcement is a milestone that reaffirms the Government's commitment to the project, along with funding of £1.3 billion to deliver the first connection stage of East West Rail between Bicester and Bletchley. It is part of our national commitment to unlock transformative growth within the globally renowned Oxford-Cambridge hub of science, research and technology. It will transform connectivity for residents and businesses in addition to supporting economic growth and local housing plans. Again, I acknowledge the challenge that housing can deliver in that particular part of the country. The support from Cambridge University, biopharmaceutical companies such as AstraZeneca, Oxford University science park and local enterprise partnerships across the route demonstrates the confidence that key stakeholders and businesses have in the benefits of East West Rail.

With every project at this scale, important decisions must be made to optimise and maximise the benefits it can provide. The proposal to build new stations at Tempsford and Cambourne will enable communities

[Huw Merriman]

to grow, provide opportunities to improve biodiversity and give people increasing access to green spaces, significantly outweighing the benefits that a St Neots station could provide. As I have stated, I recognise that the proposals will have an impact on some homes and businesses. In particular, I understand the concerns of residents immediately to the north of Bedford station.

The hon. Member for Bedford (Mohammad Yasin) mentioned a six-track rather than a four-track proposal. That is being put in place to regulate the disruptive performance on the existing Midland main line, as well as to mitigate congestion and provide options for future growth. It is an example of where we are building for the future, not just through East West Rail, but to deal with a spot of disruption that already exists. By going to the six-track proposal, we will deliver better infrastructure and a better service on both of those lines, though I do recognise that it has more of an impact on residents.

For local residents who are affected, East West Rail Company has launched a need to sell scheme, designed to support residents who have a compelling need to sell their property but are unable to do so other than at a substantially lower value because of the railway. On the point made by the hon. Member for Slough (Mr Dhesi) that I should meet the hon. Member for Bedford, I did that very recently. We discussed the case of one of his constituents and were able to talk about a solution. I continue to make myself available to all hon. Members on behalf of their constituents who are impacted.

East West Rail Company has also proposed to provide a new relocated station building at Bedford Midland, which will offer opportunities for local authorities to partner with East West Rail to deliver a destination station, if supported by third-party funding. Alongside that, the existing Bedford St Johns station will be relocated so that it is closer to Bedford Hospital, providing better connectivity for patients, hospital staff and visitors. Proposals for East West Rail will also mean a significant investment in the Marston Vale line between Bletchley and Bedford to provide a step change in the frequency of services.

As the House and my hon. Friend the Member for North East Bedfordshire will know, East West Rail Company is holding public information events to answer the questions that have been raised by Members on behalf of their constituents. It is also meeting with stakeholders along the line of route. I will take some of the questions that have been posed, particularly by my hon. Friend the Member for South Cambridgeshire about the design stage, and get responses to them.

A statutory consultation is planned for the first half of next year, in which the next stage of technical and operational design proposals will be presented alongside plans to mitigate any associated environmental impacts. East West Rail Company has committed to delivering a 10% biodiversity net gain across the entire project, and traction options such as full electrification along the whole line of route are currently being reviewed.

Phase 1, which goes from Oxford over to Bletchley, is a mix of an existing line and one that once was a railway line. Phase 2, from Bletchley to Bedford, is an existing line. In that sense, electrification is a more difficult challenge, because bridges and other infrastructure are already in place and would have to be significantly changed. Where we

have built new bridges and infrastructure, we have done so with electrification for the future in mind, so there is that pathway available to it. Of course, we are looking toward hybrid options in future as far as trains are concerned, which would enable a better, decarbonised line of route. I know all hon. Members have mentioned that point.

The business case was also referenced. As is standard for a project of this size, a final business case will be put forward once planning consent is secured. Before then, a development consent order application will be prepared in accordance with the Planning Act 2008. East West Rail demonstrates the Government's commitment to supporting growth and improving connectivity for people and business across the Oxford and Cambridge region.

Let me come to some of the points that were raised—my hon. Friends worked hard to raise as many as they could. The first question was, will I walk the line of route? I am not sure whether that is an invitation to walk the entire line of route or selected parts of it, but I am certainly able to say yes to the former—sorry, I should say the latter. I should get that right for *Hansard*. Yes, I will walk parts of the line of route so that my hon. Friend the Member for North East Bedfordshire can show me the areas that are impacted. Indeed, we did something similar when we looked at the options of coming into Cambridge from the north or going from Cambridge to the south, and I will of course do that in my hon. Friend's constituency.

My hon. Friend mentioned the new Mayor, Tom Wootton. I met him and he laid out his arguments as to why he believes the line of route should come through the south rather than the north of Bedford. I have said I will write back to him to explain our thinking behind that and I am very happy to continue to liaise with him. We need to ensure that our case is the strongest case and cannot be rebutted, and that it is not only open and transparent but subject to challenges that will make it more robust. I am very keen to do that.

My hon. Friend also asked whether the National Audit Office will conduct an inquiry. We can consider that option. I always enjoyed working with the NAO when I was Chair of the Transport Committee; it has a lot of value to add when it comes to ensuring projects are built to time and cost. External assurance is provided by the Infrastructure and Projects Authority, whose next review is expected before the statutory consultation. It works as an external review body for the project.

My hon. Friend asked whether I will instruct East West Rail to release the maps. We can check what further information and detail can be provided. East West Rail does not yet have a detailed design for every single area, but where it has the details, it will publish them. It has done so in the Poets area of Bedford. I am very keen that we do that at the earliest opportunity to give residents and businesses impacted by the line as much clarity and detail as possible, so I will look at that point for my hon. Friend.

My hon. Friend's fifth point was about writing to property owners about the current corridor. East West Rail has written to property owners about the route update announcement and will engage with them further in the lead-up to the statutory consultation. Again, I am committed to ensuring that more detail is provided.

I will come back to my hon. Friend on all those points and the one or two that I have not addressed because I have not had the time.

The hon. Member for Cambridge (Daniel Zeichner) asked how much money has been spent on the Oxford-to-Cambridge road that was proposed and then stopped, and how many officials are still working on it. I can tell him that £28 million was spent on the development project, and there are no officials working on it right now. I hope he is impressed with that transparency and immediacy.

My hon. Friend the Member for South Cambridgeshire asked who will be responsible for producing the business case. It is East West Rail in partnership with the DfT. We will work closely with the Treasury to make sure that is properly done in the manner that one would expect. There was talk of the theory of change exercise. That methodology is validated by the Government. We have previously discussed the fact that the Green Book is not particularly good at taking into account regeneration and decarbonisation. Changes have now been made; I welcome them because they mean that transport, and certainly rail projects, score much higher. We will of course ensure that that is rigorous, and that the preparation is transparent. I note my hon. Friend's expertise in this area from his academic background and his business work. I am keen to work with him to ensure the business case works and is in the right form. He can take that assurance.

The hon. Member for Slough visited Winslow. I did so too, and I was actually brought up a few miles away. I am a supporter of this project because when I went to the further education college in Aylesbury, I used to go over that bridge every day, and there was nothing going on underneath it. Now, as the hon. Gentleman is aware, there is a station that will be ready to be opened shortly, and off the back of that we have the housing and the school. The secondary school in Winslow closed down. I was at secondary school in Buckingham, and all the pupils had to be bussed over. That no longer has to happen, and it is the railway that has allowed that to be built. Winslow is a good example of the fact that, if we build the infrastructure, the rest follows.

I am keen to work with the hon. Member for Slough, because it is clear that he supports East West Rail and wants it delivered. I support his support, as it were. He talked about the electrification miles that have been built, but I have to correct the record. In the past 13 years, while we have been in government, 1,200 miles of railway has been electrified. In the previous 13 years, when the Labour party was in power, the figure was a paltry 63 miles. I am sure the hon. Gentleman will not wish to give me any lessons about how to electrify lines, because we are doing that.

Mr Dhesi *rose*—

Huw Merriman: I know the hon. Gentleman is going to tell me that he will do a lot more in the future, but the trouble is that we only have Labour's record to judge him on, not his future deeds. Go on, have a go.

Mr Dhesi: I would like to rebut what the Minister just said. I referred to what has been electrified in the past year, which is a mere 2.2 km of rail line. The Minister is right to point to the Conservative-led Governments'

record in the past 13 years, but having been Chair of the Transport Committee, he will also be aware that the previous Labour Government's main priority was to invest tens of billions of pounds in our rolling stock to get rid of the old, inefficient trains that we inherited from the previous Conservative Government after 18 years of grinding public transport to a halt. Having got the rolling stock back up to full speed, the last decade has been a lost decade for electrification, which is what other European Governments have done. That is why I said that the Minister and the Conservative Government have been failing on electrification.

Huw Merriman: That was more than an intervention. The reality is—

Mr Dhesi: It was a reality check!

Huw Merriman: I am impressed with that argument, actually, that rather than electrifying lines—I am a big supporter of that, and we want to and will do more, as we have done 1,200 miles whereas, as I pointed out, in the previous 13 years Labour had done 63—there was a priority focus on rolling stock. That really is pulling the other one. We have been doing both during that whole process. If the hon. Member has been on an Azuma train, he will know full well that they have been delivered under our—

Sir Mark Hendrick (in the Chair): Order. Can we stick to the subject, please?

Huw Merriman: Of course, Sir Mark. I am happy to do so, but the invention was so long that I thought you might give me the grace of replying to it fully. I think the point has been made.

Overall, we are committed to the project of East West Rail. The hon. Member for Cambridge set out the case that was recognised—

Mohammad Yasin: Will the Minister give way?

Huw Merriman: I will make a little more progress, then I will perhaps give way one final time.

My hon. Friend the Member for North East Bedfordshire mentioned the housing challenges in the area. I recognise that, because, having family and being brought up between Oxford and Cambridge, I see that every single time I go back. He is right to prod me on the figures. In my own constituency, we have an 85% area of outstanding natural beauty. I would like to see more development, so that we have the housing, infrastructure and resources where I am, and spread that load more equally.

I recognise the points raised by most hon. Members that the housing will potentially impact their constituencies. I appreciate that, but I will come back to the point made by the hon. Member for Cambridge. We must ensure that cities such as Oxford and Cambridge can compete not just in this country, but internationally. It is absolutely vital that the scientists, entrepreneurs and innovators there who are coming up with extraordinary cures, which will help people not just in this country but around the world, have the support to do that. At the moment, they do not have a workforce. The idea of this line is to deliver a workforce to Oxford and Cambridge, to use Milton Keynes and allow towns such as Winslow

[Huw Merriman]

to grow further and get schools in place. In my view, it is a good example of rail delivering for the regional economy. I truly believe that it will do that but, as I say, I know the impacts and I understand them. I want to work with hon. Members across the piece on behalf of their constituents so that they feel more reassured, understand what is going on, get the detail and reassurance and, where needed, get compensation, and so that we make the project work for them as well. I will take one final intervention, then I will conclude.

Mohammad Yasin: The Minister mentioned a statutory consultation earlier that will take place from January next year. My constituents think that it is a tick-box exercise; they think that the decision has already been made. If the Minister wants to prove my constituents wrong, will he commit today—I made this point in my speech as well—that if the majority of people taking part in the statutory consultation go against these plans, he will ensure that he puts the proposals on hold? Let him prove my constituents wrong, if he can.

Huw Merriman: That is not a commitment I can give. As we know, those who tend to write back on consultations tend to be the most affected and are therefore the most troubled by the issue. That is not the way that we would run a consultation. We have of course set out a preferred line of route and the ambition that this railway can deliver, but I can give the hon. Member the assurance—I say this as a former Chair of a Select Committee—that consultations run in my Department under my name will be run properly. We will look at all the responses that come back and at where we can make improvements because residents have come up with really good ideas that will be a win for everyone. I expect to look at those closely and work with those suggestions. It will not be a tick-box exercise for as long as I am responsible for the project; I can give the hon. Member that assurance.

I will wrap up. As I stated, I encourage my hon. Friend the Member for North East Bedfordshire and his constituents to continue to use the opportunities provided through the East West Rail company's community events and its forthcoming consultation to provide feedback on the plans. I will conclude by thanking you, Sir Mark, and all those who have spoken with passion and expertise. I give my commitment that the Department for Transport will work closely with all the MPs who are represented and have concerns. I hope to assure those who have the most striking concerns and deliver for those who believe, like me, that East West Rail can be a power for good in the region.

Sir Mark Hendrick (in the Chair): I call Richard Fuller to wind up, cognisant of the fact that there is likely to be a vote at around 4 o'clock.

3.50 pm

Richard Fuller: I will try not to detain you for 10 minutes, Sir Mark, but we will see. I thank the Minister, the shadow Minister—the hon. Member for Slough (Mr Dhesi)—and all hon. Members who have spoken, plus the hon. Member for Bath (Wera Hobhouse), who is no longer in her place but who made useful interventions. We certainly had a diversity of views, but one thing that

united all those speaking from the Back Benches was that diesel is a non-starter on this railway. Until the Minister and the Government resolve that issue, they are pushing a plan that will further erode public support.

The hon. Member for Cambridge (Daniel Zeichner) made the crucial point that the goal of this investment is to try to build on the strength of Cambridge. We are lucky to have academic, technical and innovative skills in and around Cambridge, in the science parks and the university. That hub of activity has a national benefit for all of us. I completely agree with him, including about the importance of being able to provide accommodation for people and support for that potential to be fulfilled. East West Rail is not the smartest way to do that. There are greener, better alternatives that use public money better to achieve that. If we could engage on that rather than blindly going down this route of “We had already thought of it 10 years ago so we have to keep thinking about it”, we would get a better answer for Cambridge.

My hon. Friend the Member for South Cambridgeshire (Anthony Browne) made the crucial point that inadequate attention has been paid to the water supply in the East Anglia region. This is not a marginal concern, but a substantial one. Like my hon. Friend, I have spoken to the experts in this area about their plans going out 20 or 30 years. Even with all the effort they can make with a new reservoir and with desalination plants, we will run out of water in the eastern region unless there are other additional plans. We have to bear that in mind before the potential for more housing can be taken any further.

The hon. Member for Bedford (Mohammad Yasin) spoke with great passion about members in his constituency, which I know well, who have been given a notification, and about the need for compensation and support. My hon. Friend the Member for South Cambridgeshire emphasised how in this country we are not very good at managing these issues for people when it comes to quantity, the process of reassessing the value of properties or timeliness. It was kind of the CEO of East West Rail to say today that she will see whether things can be done. If the Minister took her up on that, that might help those people. As the hon. Member for Bedford said, there is new additional uncertainty about the new station at the hospital and what that will mean for his constituents and the town of Bedford.

The shadow Minister made some strong points. I shall not pick up on all of them. I always love it when I hear someone say they really like something. The shadow Minister said 50 businesses had written to the Government to say that they supported East West Rail. It is always easy for people to support something when they do not have to pay for it. Would those 50 businesses write the same letter if we said we were going to tax their profits until we made up the shortfall for the taxpayer of £1.5 billion to £3 billion? I wonder whether their support would be quite so evocative if they had to pay for it. In the good old days, people used to say, “I’m going to stand on my own two feet. I’m going to pay for things myself.” Perhaps the Minister should look at ways in which the shortfall could be reduced for the taxpayer by charging the businesses that say they are going to benefit. I would be interested in his thoughts about that one.

On the updated business case, again, the shadow Minister talked eloquently about the support he had for rail projects. Well, at the moment this rail project has a benefit-cost ratio of, basically, 26p in the pound to 52p

in the pound. I wonder whether that is Labour's assumption of good value for money to the taxpayer. Is that the benchmark? If we can anticipate Labour spending that £28 billion a year, that would mean a £20 billion to £50 billion a year loss to the taxpayer. I really think that Labour needs to sharpen its pencils on what is a beneficial return and not give such an easy pass if the benefit-cost ratio of East West Rail is as low as that.

I am grateful to the Minister for his responses, and for his willingness to walk the entire route. I am happy to say that we need him only for part of it, and we will find a date. He said that the announcement is a milestone; I fear it is a millstone. I do not think that this is the right way to unlock growth, but I understand that my view differs from that of the Government. It was disappointing that there was no more pressure from the Minister on East West Rail to be open on the business case. As many Members have said, there is no clarity about the business case, and people having the opportunity to discuss it openly would help with greater transparency, which is why I issued my challenge to the chief executive: I am happy to debate the matter with her in my constituency.

The Minister also talked kindly about the impact of housing growth, and I am grateful for that. He talked about his own constituency, which has a large number of areas of outstanding natural beauty. I know that the constituency of the hon. Member for Cambridge and Cambridgeshire have a significant number of areas with greenbelt protection, but we in Bedfordshire love our countryside too. It may not be classified as an area of outstanding natural beauty, and it may not be protected by the greenbelt, but we love it and want to protect it. We do not want a railway and more housing driven through it. The East West Rail announcement has sadly taken us backwards. It has left too many unresolved issues, and too much controversy and uncertainty. Much more work needs to be done before it gets any support from me.

Question put and agreed to.

Resolved,

That this House has considered the Bedford to Cambridge section of East West Rail.

Tackling Rogue Builders

4 pm

Sir Mark Hendrick (in the Chair): I will call Mark Garnier to move the motion, and then call 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, although there will obviously be opportunities for interventions. I am sure that the Minister will accommodate those.

Mark Garnier (Wyre Forest) (Con): I beg to move,

That this House has considered Government policy on tackling rogue builders.

Thank you very much, Sir Mark. I am conscious that we may have to break off to vote, so I will try to keep my words to the point. I thank my hon. Friend the Member for Mid Worcestershire (Nigel Huddleston), who is my constituency neighbour, for stepping into the breach this afternoon. He and I are very good friends. He is an outstanding Minister for International Trade and is replying on behalf of the Minister for Enterprise, Markets and Small Business, my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), who is held up in a Bill Committee. I appreciate that this Minister may not be able to answer every single issue that I intend to raise.

It was nearly 18 months ago that I first brought my presentation Bill to the House, seeking to require the Government to look into the possibility of a licensing regime for builders operating at the smaller end of the market—servicing those people, for example, seeking domestic repairs or small business repairs. That area is known as the repair, maintenance and improvement sector, and it is the RM&I sector that I will concentrate on today. The Minister—when I refer to the Minister, I am in fact referring to his colleague, the Minister for Enterprise, Markets and Small Business—will be aware that at the time the Government were not minded even to look at the possibility of the sector being regulated.

Since then, of course, we have had several new Prime Ministers and a reorganisation of Government Departments, but the Government appear to be, dare I say it, increasingly less interested in talking about this consumer minefield, not more. The Minister, who I have an immense amount of respect for, and I have chatted informally about that and we agreed to meet, accompanied by the Federation of Master Builders, which is championing the cause of improved experience for consumers. It has been difficult to get a meeting set up, but I am delighted to say that we now have a meeting in the diary for the beginning of July.

The issue of rogue builders in the RM&I sector is not widespread, but it is appalling when it occurs. It is important to set out that the majority of builders in the sector are good and decent people. Last week, I had the pleasure of being a judge for the Federation of Master Builders awards, which will happen later this year. It is refreshing to see just how innovating building companies are when it comes to training staff, ensuring health and safety, in some cases offering medical insurance and training for emergencies. Indeed, some of the building firms up for awards demonstrated to me that their reputation is second to none and that they work tirelessly to ensure the longevity of their business through word of mouth and positive endorsements from customers and clients.

Jim Shannon (Strangford) (DUP): I commend the hon. Member for introducing the debate. He is right: most builders are good workmen and do a grand job. That is the case in my constituency, but we also have cases of shoddy workmanship that go unchallenged as people cannot afford costly litigation on small claims, and feel unable to represent themselves. Does he agree that perhaps there should be a role for local authorities—I know that it is different in Northern Ireland than on the UK mainland—to take on the cases of people who have had shoddy workmanship and do not have the wherewithal to chase the case themselves?

Mark Garnier: I am grateful for the intervention. To a certain extent, local authorities can step in where builders fail to meet building standards, but the problem is that that does not work. That is what I am worried about. As I unwind my speech, the hon. Member will be able to understand a little of what I am proposing, which may be a solution to the problems in his constituency.

Of course, highly qualified and professional firms are not the target of any control that we may want to bring in, but a lot of those very good quality firms would benefit from a simple regime that demonstrates beyond any doubt that a builder firm is legitimate and that the workers within it are both honest and qualified. Repeated surveys from organisations within the sector reinforce that consumers are put off by stories of rogue builders. The FMB estimated a few years ago that up to £3 billion a year is wiped off building activity by consumers fearful of falling victims to rogues.

More recently, the HomeOwners Alliance conducted a survey of consumer worries: 79% of those surveyed reported obstacles in the way of their project, including 42% reporting that it was difficult to find a reliable builder, 29% a lack of available builders, and 15% a lack of confidence in the system. The problem that I am trying to address, working with the FMB, is that of rogue builders who prey on clients who are wholly inexperienced in this area. The vast majority of people who employ a builder have no idea how to manage them. Most of us will only infrequently need the work of a builder or tradesman.

Giles Watling (Clacton) (Con): I have a constituent, Michelle Thomas, who paid £70,000 for some restoration work to her house, and the house was left untenable. Building regulators said it should be destroyed. She has paid a further £70,000 and had a very honourable builder come and put it all right.

I am amazed that the Government are not minded to regulate the issue, because, as my hon. Friend says, it would be to the benefit of legitimate good builders who work hard and do good work. One of the issues is that we get repeat offenders, who offend time and again. In the case of my constituent, the rogue builder had been involved in six liquidations. That must be addressed in legislation.

Sir Mark Hendrick (in the Chair): Order. Could I ask for interventions to be a bit briefer?

Mark Garnier: My hon. Friend raises the most important point. We have had six phoenix companies wind up; what we do not want is another six—another six victims

who have to have their homes pulled down. That is why we are trying to come up with a system of regulation that can prevent that.

Most of us will only infrequently need the work of a builder or tradesman. When we do, most of us get lucky—it is important to say that. We hear stories of people who endorse workers and pass on their names, as their work is of good quality. However, when someone gets caught by a rogue builder, their life descends into a nightmare. I know what that is like. In the interests of full transparency, I declare my interest, having found myself in such a position a few years back. It is because of that experience that I am keen to help other victims find a way out of the problem and draw the issue to a close once and for all.

When a problem starts—from poor and potentially dangerous work, as we have heard, through to the other end of the scale, which is fictitious bills—ultimately the only recourse is expensive legal fees. My experience opened my eyes to just how many people are victims of those types of rogue traders in so many different ways.

Rogue builders do not just prey on their clients. Others who lose out are the subcontractors and suppliers who do not get paid, as well as the plant hirers who do not get paid and find their machinery is often stolen. Other building firms do not see business because rogue builders will undercut their prices only to hike them later. All of us lose out through tax fraud, as rogue builders take cash in hand to dodge VAT and corporation tax. Tax fraud distorts the market, with rogues undercutting legitimate builders, creating a false impression of costs. The wider economy also loses out; the Federation of Master Builders has estimated that billions of pounds of building work is not undertaken because consumers fear being ripped off.

After my presentation Bill had its Second Reading, I was contacted by a number of victims of rogue builders. I also appeared on an ITV programme talking about the issue, leading to more victims making contact with me. The Petitions Committee contacted me to let me know that there is not one but four petitions seeking a resolution to the problem. Between them, they have gathered over 4,000 signatures, and I urge anyone who hears this debate who has been a victim, or is interested in resolving the problem, to sign one of those petitions.

It is the stories of victims that crystalises the problem, as we heard earlier. I was contacted by a police officer married to a nurse—two fine public servants. They bought their dream home and engaged a builder to renovate it. The work turned out to be massively substandard: it failed building standards and was deemed so dangerous that they could not move back into their home without remedial work. They contacted trading standards, but the builder is refusing to engage and is hiding behind his solicitor.

Similarly, someone else who contacted me had wanted to improve her home so that her disabled sister could get access. She was so let down by the system that she was motivated to get in touch with the FMB, and has now launched one of the petitions I referred to in order to seek a licensing regime. Again, I urge people to go on to the Parliament petitions page and add their name.

The problem is that there is actually little redress for victims of rogue builders. Trading standards will probably have a good go at trying to sort it out, but if the builder

holds fast, it can do little more than give the builder a telling off and flag their name for future people. The reality is that the only recourse for everybody is the courts, but the legal process is hopeless. Those are not my words; they are the words of a number of solicitors and barristers who advised that, irrespective of the merits of the case, the risk of prosecuting was way too high, so people should cut their losses. “Cut your losses”—do we really think that is a way for 21st-century Britain to tackle a known problem that keeps repeating itself?

The reality is that rogue builders hold all the cards: they can do whatever they like, and there is no recourse. Anyone can pick up a brick and call themselves a bricklayer, anyone can pick up a plank of wood and call themselves a carpenter, and anyone can pick up a pipe and call themselves a plumber. Ironically, they cannot pick up a gas hob and call themselves a gas fitter; that job requires compulsory certification, so there is an acceptance that regulation can be necessary. When a problem arises, however, the only redress is in the courts.

A consumer can be completely rolled over by a rogue trader, but in order to get redress, they need to put aside up to £150,000 to prosecute a legal case, securing barristers, surveyors, solicitors, court fees and all the rest of it. They may win—in fact, they probably will win—but they then need to recover their costs and damages from the builder, who closes their business and moves on to the next scam, having taken all the money out of the business so that there is no way to recover anything. The next victim is engaged and the circus goes on, but our successful litigant is left facing appalling, unrecoverable costs. Meanwhile, more suppliers, subcontractors, plant hirers and the wider building trade lose a little bit more.

However, the solution is simple. The problem lies in the imbalance of jeopardy between the victim and the perpetrator. The reason why there is so much rogue building going on is because it is an easy way to rip people off. In some ways, it is a basic level of fraud, although proving fraud is incredibly difficult. With no loss to the perpetrator, they can go on and on while the victim bears all the costs. How do we balance the jeopardy between the victim and the rogue builder? The answer must lie in regulation, with something such as a compulsory licence that the builder will lose if he or she falls foul of the rules—rules, by the way, that can and will save lives.

Dr Dan Poulter (Central Suffolk and North Ipswich) (Con): I congratulate my hon. Friend on securing the debate. Rogue builders will often go into liquidation to avoid potential litigation or paying out when they have been taken to court and successfully sued, so should we also look at potentially holding the individual responsible in a fiduciary manner, not just the company? That may be a much more effective mechanism for people to be able to chase potential assets that they can then charge against successful litigation.

Mark Garnier: My hon. Friend gets to the nub of the point. At the end of the day, individuals have to find some sort of personal liability if rogue builders perpetrate these endless infringements. The point is that they have nothing to lose at the moment. If they run the risk of losing their livelihood, they will think again before acting in such a way. It may be that they go on to another type of criminal activity, but we would at least get them out of the building market.

The Minister and I have had informal conversations about this issue, and I know that he and the Minister who replied to my Bill's Second Reading in 2021—my hon. Friend the Member for North East Derbyshire (Lee Rowley)—are instinctively against licensing and overregulation. To a certain extent, I can see their point. Why burden an industry that gives opportunities to people who choose to work with their hands and avoid a life of form filling? Indeed, I can see from the Wikipedia page for the Under-Secretary of State for Business and Trade, my hon. Friend for Thirsk and Malton—for whom this Minister is standing in—that he was a very successful estate agent. There is limited regulation around estate agents beyond the Estate Agents Act 1979 and the Consumer Protection from Unfair Trading Regulations 2008.

Conversely, I was an investment banker and investment manager, and I know what it is like to be regulated up to the eyeballs. Having been on the Treasury Committee during the passage of the Financial Services Act 2012, and on the banking commission for the Financial Services (Banking Reform) Act 2013, I can see why people might accuse me of being an instinctive regulator. However, even residential estate agents have to be members of a redress scheme. The estate agency of the Under-Secretary of State for Business and Trade would have been required to be signed up to either the property ombudsman or the property redress scheme. Without membership, I understand that it would not have been allowed to trade under the Consumers, Estate Agents and Redress Act 2007.

When I, the two victims I referred to earlier or any of the millions of people who want to improve their home undertake this momentous challenge—as I have said, they might do that only once or twice in their lives—they start by approaching an architect. They may speak to surveyors, and they may go to their bank or mortgage broker to secure a loan to pay for the improvements. They will apply for planning permission from the local planning authority. They may even seek legal advice, and then they will engage a builder.

The architect is regulated by the Architects Registration Board, established by the Architects Act 1987. The surveyor is required to be a member of the Royal Institute of Chartered Surveyors, set up by royal charter and independent of the Government. The mortgage broker is required to be regulated by the Financial Conduct Authority, which was set up by this Government, and cannot trade without that membership. The local planning authority is subject to the oversight of the local government and social care ombudsman. When our home improver starts to pay the builder, it is done from a bank regulated by both the FCA and the Prudential Regulation Authority, the latter of which is run by the Bank of England. Both were set up by the Financial Services Act 2012. Legal advice is regulated by the Solicitors Regulation Authority.

Our home improver then pays the money—their hard-earned cash—having had to go through umpteen regulatory hoops, to someone with no meaningful regulation. That is ridiculous. Not only is the builder not subject to any meaningful regulation, but they could do something that results in someone being severely injured or even losing their life. It is all very well saying that the builder may then be subject to criminal proceedings, but that is small consolation to the relatives of a dead father or a mother with life-changing injuries.

[Mark Garnier]

The only outcome that would be satisfactory would be a scheme that honest and decent builders—the majority—would be both happy to sign up to and of which they would enjoy the benefit through being part of a system of excellence. Meanwhile, rogue builders who either game the system or care not one iota about their customers will have something to lose. Without membership of whatever scheme we come up with, they would never be able to trade again, either as individuals or as businesses.

My appeal to the Minister was originally going to be for a meeting, but I am delighted that he, or someone from his office, has got in touch with me. I have every confidence that nothing will get in the way in the diary to stop that meeting happening. I very much look forward to meeting the Minister in early July. However, this is the really important point: will his Department—I know that it has been working to a certain extent on this—work with us to find a solution to this problem and stop the scourge of rogue builders once and for all? Every one of us who comes to Parliament baulks at unnecessary regulation, but just how long are we prepared to knowingly allow people to be ripped off without any usable form of redress?

4.17 pm

The Minister of State, Department for Business and Trade (Nigel Huddleston): I congratulate my constituency neighbour, my hon. Friend the Member for Wyre Forest (Mark Garnier), on securing the debate. He is a great champion for his constituents and for many causes that impact right across the country, this being one of them. I am well aware that he has proposed a private Member's Bill to improve consumer protection from rogue builders. I am also grateful to him for giving other hon. Members the opportunity to discuss this important subject today. I thank the hon. Member for Strangford (Jim Shannon) and my hon. Friends the Members for Clacton (Giles Watling) and for Central Suffolk and North Ipswich (Dr Poulter) for their contributions, because I suspect that every Member has had correspondence and interaction with constituents on this issue. It impacts right across the country.

I assure my hon. Friend the Member for Wyre Forest that the Government are committed to ensuring that there are high standards in the construction industry and that consumers can have confidence that the work they commission will be undertaken competently and will comply with building regulations to ensure safety. We are also committed to ensuring that there are high standards of consumer protection and redress for those who pay for work that falls short of acceptable standards of quality and safety.

The construction industry makes a great contribution to the UK economy. In 2021, it had a turnover of £439 billion, accounting for nearly 9% of the economy, and employed 2.2 million people in about 430,000 firms, with an additional 700,000 self-employed workers. That speaks to some of the challenges that my hon. Friend mentioned in terms of the fragmented nature of the industry. He is also right to point out that the vast majority of those engaged in this sector are hard-working, honourable and decent people, but there are rogues—there is no doubt about it.

The domestic repair, maintenance and improvement sector is a vital part of the industry, employing about 60% of all those who work in it. The small firms and tradespeople who make up this sector deliver essential work to people right across the country. They play an important role now, which will become only more important as we seek to improve the environmental and carbon performance of homes. They are critical to our approach to reducing the 40% of carbon emissions generated by the built environment, and to achieving our net zero targets. However, it is also a part of the industry where genuine concerns about consumer protection exist.

As I have said, while the majority of tradespeople are honest and competent and provide excellent service, there are some incompetent or dishonest firms and individuals who exploit consumers, undertake defective work or overcharge for the services that they deliver. That must be stopped. The Government are committed to working with the industry and local authority trading standards to improve standards of competence and consumer protection, and to take action against rogue builders. While we are not convinced that the introduction of a licensing scheme in such a large and varied sector would be practical or cost-effective, I hope that I will be able to reassure my hon. Friend and other hon. Members that the Government take the issue of consumer protection from rogue builders seriously, and that we are taking meaningful action.

The Government have taken action to strengthen consumer rights. The Consumer Rights Act 2015 sets out the standards that consumers can expect when a trader supplies goods and services, including building work, and remedies if those rights are breached. Under the Act, traders are required to carry out a service with reasonable care and skill, and, where the timeframe is not specified in the contract, within a reasonable timeframe. Where a trader fails to meet the standards required by the CRA for the supply of a service, or if the service does not conform to the contract, there is likely to be breach of contract and the consumer is entitled to ask for a repeat performance of the service or for a price reduction. If a trader and a consumer cannot agree to a remedy, the consumer can pursue a claim against the trader in the courts. The small claims procedure provides the means to pursue a claim for up to £10,000, at a modest cost and without the need for a solicitor. Consumers have up to six years to bring a claim against a trader for breach of contract.

The Government have also signalled their intention to go further in order to protect consumers with provisions in the Digital Markets, Competition and Consumers Bill, which will give enforcement bodies the power to levy tougher fines. However, we know that many individuals and businesses are reluctant to have recourse to the courts to resolve a dispute, with the costs and time that that entails.

Dr Poulter: My hon. Friend will be aware that the cost of even relatively modest building works is likely to exceed £10,000, but that is the small claims court limit, so that form of redress is not open to many of the victims of rogue builders.

Nigel Huddleston: Yes, we are aware of the challenges with the small claims court. Of course, many building works go above £10,000. The Ministry of Justice is also

looking at other forms of redress and procedures, and I understand that those are live considerations within Government. I am happy to forward my hon. Friend's comments to the relevant Ministers, but we do understand the challenges with the small claims court. It works in many circumstances but it is not right for everybody.

We know that consumers would prefer swift, cost-effective and less time-consuming measures to settle their differences with business. That is why, following the recommendations of the independent "Each Home Counts" review in 2016, the Government have worked with the industry to establish the TrustMark scheme. This created the first Government-endorsed quality scheme for homeowners across a range of trades and types of work. TrustMark provides consumers with a single brand to identify schemes run within the industry that require participating firms and tradespeople to demonstrate competence, and which provide for consumer redress.

We are also working with the industry to ensure that high standards of consumer protection are embedded in relation to domestic households.

Mark Garnier: The TrustMark scheme is great and is a very good start, but it is not compulsory, which means that a lot of consumers do not necessarily know about it. If they do not know about it, they do not know whether they should be asking for it in the first place. The key point is that we can run on TrustMark, but if that becomes the standard it needs to be made compulsory.

Nigel Huddleston: I completely understand the arguments that my hon. Friend makes. He is right: it is not compulsory, but it is an important signal, and a good signal to the industry. It is Government-endorsed, which is also important. We certainly encourage people, when they are seeking such works, to look for that TrustMark, because it is an important indicator.

In this area, and on all the things that my hon. Friend has raised today, the important principle is getting the right balance, as he acknowledged in his speech. That means not overburdening industry and small traders, most of whom operate very effectively and professionally, but we have to make sure that we have systems and processes in place so that when things go wrong, there is appropriate redress.

My hon. Friend mentioned that the temptation, certainly for most of us, is not to overburden businesses with regulation. There will always be an ongoing debate. I appreciate that he has had consistent engagement with the Department and multiple Ministers and that he has brought many other representations from industry to the attention of the Department. We appreciate that, because these are live debates.

Giles Watling *rose—*

Sir Mark Hendrick (in the Chair): Just before the Minister takes an intervention, I remind Members that this is supposed to be a short debate. I understand that we are possibly going to have as many as five votes, when the votes are called. In the short time we have available, I would be grateful if we could minimise interventions.

Giles Watling: I am very grateful to the Minister for giving way. Is it not the case that historically we have relied on the cry of caveat emptor so much that we have not regulated, but that the time has come to regulate now?

Nigel Huddleston: I am sure the appropriate Minister has heard my hon. Friend's appeals, and I promise to pass on those comments. The key thing is to get the right balance. If things work, we have got the balance right, but if they do not work properly, we need to reassess the balance. I assure him that on an ongoing basis, officials and Ministers pay close attention to what is going on in the sector. Many of the things that my hon. Friend and colleagues have appealed for today have been asked for by many people, but there is also some quite strong opposition, for good reason, so it is a matter of balance.

I will bring my comments to a close shortly, Sir Mark. On decarbonisation, the Government are working with the industry to ensure that high standards of consumer protection are embedded in our domestic household decarbonisation retrofit programmes. Government-funded schemes require installers to hold appropriate certifications. The Government are also seeking to increase the number of qualified and competent tradespeople and to ensure that they have the skills to deliver the quality of work required. We have already provided nearly £7 million to fund 8,000 training opportunities for the energy efficiency and low-carbon heating supply chains. We are considering options to work with the industry to support further training in key skills shortage areas and new routes of entry to increase capacity. My Department is also working closely with the Department for Levelling Up, Housing and Communities to strengthen the consumer protections available through competent person schemes.

In conclusion, I would like to thank my neighbour, my hon. Friend the Member for Wyre Forest, for securing a debate on this important issue. I hope that I have been able to reassure hon. Members that the Government are not only committed to, but taking action to ensure that high standards of consumer protection exist and to tackle the problem of rogue builders and tradespeople.

Question put and agreed to.

[Nigel Huddleston]

New Hospital Programme and Imperial College Healthcare NHS Trust

4.30 pm

Andy Slaughter (Hammersmith) (Lab): I beg to move,

That this House has considered the New Hospital Programme and Imperial College Healthcare NHS Trust.

It is a pleasure to see you in the Chair this afternoon, Sir Mark. I understand that our proceedings may be interrupted for some time, but let us make a start. I am delighted to see my west London colleagues here—my hon. Friends the Members for Westminster North (Ms Buck), for Ealing Central and Acton (Dr Huq) and for Brentford and Isleworth (Ruth Cadbury)—and indeed the hon. Member for Cities of London and Westminster (Nickie Aiken), my hon. Friend the Member for Reading East (Matt Rodda), and, of course, the hon. Member for Strangford (Jim Shannon), without whom no debate would be complete, perhaps to remind us that although this is to some extent a local or regional issue, it has much wider implications.

To be clear, this debate is about one thing specifically: the defunding and removal from the 2030 new hospital programme of three major hospitals—Charing Cross, Hammersmith, and St Mary's—all of which form part of the Imperial College Healthcare NHS Trust. They are teaching hospitals, major emergency and trauma hospitals, research hospitals, academic hospitals, tertiary hospitals—hospitals with a huge national and international reputation—but they are also local hospitals for my constituents and those of many other Members.

In the Secretary of State's statement on the new hospital programme on 25 May, seven of the schemes that had previously been in the 40 hospitals scheme were removed from that programme with respect to completion by 2030—we must be careful in our words here. I need to deconstruct what has happened since that time, because there has been some misleading presentation of the facts. In order to clarify this, I sent some rather key questions to the Minister in advance of this debate.

Essentially, looking at the statement that was made, the Secretary of State said, in respect of those seven schemes:

“The work will start on those schemes over the next two years, but they will be part of a rolling programme where not all work will be completed by 2030.”—[*Official Report*, 25 May 2023; Vol. 733, c. 479.]

That is the key change, as far as we are concerned, in relation to that statement.

The questions that still sadly remain unanswered are these: what works will be done at each of the three hospitals before 2030? How much will the budget be for that, and will it come out of the £20 billion new hospitals by 2030 programme? What is the total budget for the rebuild schemes at each of the three hospitals? Is this secured funding, and when will it be allocated? By what date or dates will the works for each hospital be completed?

I have put together what I think are the answers—I have done my sleuthing—but I really need to hear it from the Minister's own mouth, this afternoon if possible, or in a follow up if he needs to use that. I might also add a sort of meta-question to that: when will I receive a response to the email that I and my hon. Friend the Member for

Westminster North sent to the Secretary of State on 28 May, which raised those same issues?

I understand that there is confusion associated with the new hospital programme—as would be true of any scheme that came in under the aegis of the former Member for Uxbridge and South Ruislip—about whether those were new hospitals or not. Almost a year ago, I asked the then Prime Minister about the new hospitals—the “new” hospital at Hammersmith that opened in 1902, and the “new” hospital at Charing Cross that opened in 1818—but I will not focus on that point today. This is about the funding and the timetabling of the scheme; frankly, the Minister can call them whatever he likes.

There have been a number of schemes moving in and out. At one stage there were going to be 48 new hospitals. I think 128 bids came in for the extra eight places and five were successful. We are told there is £20 billion, which sounds like a lot of money—it is a lot of money—but it is not the £32 billion to £35 billion that the *Health Service Journal* says would be needed to complete all the schemes that have at one time been put forward for the new hospital programme. Those are legitimate grievances, but I do not have time to deal with them all today. I have time only to deal with the one matter that I have already raised.

I need to give a little bit of background. As I have indicated, the hospitals have a long and illustrious history, going back more than two centuries in the case of Charing Cross. In 2012, an Orwellian programme called *Shaping a Healthier Future*, which had been the product of two years' secret work by the consultants McKinsey, said that several A&Es should close, including the one at Hammersmith, and that Charing Cross should be demolished and replaced by primary care and treatment services on the site. It was the biggest closure programme in the history of the NHS.

Sadly, we did lose the A&E at Hammersmith in 2014, but after a herculean battle fought over seven years by community groups, such as Save Our Hospitals, and by Labour local authorities, particularly that in Hammersmith, that battle was won and Charing Cross had a reprieve and would go on being a major hospital. That happened in 2019.

It was rumoured that the money that would have been gained by selling most of the land at Charing Cross might have gone into the St Mary's scheme, which, by common consent, is the hospital that most needs emergency work. But although the bill for essential repairs on the three hospitals is about £350 million—far and away the biggest repair bill of any hospitals in the country—if we want to make those hospitals fit for the 21st century, the actual cost, which I believe is accepted by Department of Health and Social Care officials, will be about 10 times that, between £3 billion and £4 billion. If that seems an unspecific figure—my hon. Friend the Member for Westminster North will say more about this—it is because it depends to some extent on what receipts can be received from land value and moneys at Charing Cross. It is a significant sum of money, but it is to make those essential and world-class hospitals fit for purpose for decades going forward, not just to patch them up.

It was always going to be difficult, and it was disappointing that the hospitals were in cohort 4 and would just squeak in by 2030—that is when the work would be completed. We would have a newly built hospital at St Mary's and refurbished hospitals at Charing

Cross and Hammersmith over that time. That is why it was so disappointing when they were moved out of that without any further future date being given.

What is at stake here? Because there has been so much information, I do not want to use my own words, but the words of the trust itself. In preparation for this debate today, it said:

“the main funding for our schemes has been pushed back beyond the original commitment of 2030 as other schemes have been added to the programme and prioritised. We had two schemes in the original list of 40 hospitals to be built by 2030: a complete rebuild of St Mary’s Hospital in Paddington; and extensive refurbishment and some new build at both Charing Cross Hospital and Hammersmith Hospital”—

confusingly, the Department of Health classifies the two hospitals of Hammersmith and Charing Cross as one scheme, but it certainly affects the two hospitals. The trust goes on:

“It is clearly very disappointing that we will not now be funded to complete these schemes before 2030.”

It also states that

“some funding to progress to final business case approval and to support enabling work”

should be provided, and

“we are awaiting a response in terms of a decision and a funding allocation.”

It then talks about the business plans that it is going to put forward. In rather more emotive but absolutely accurate language, it says:

“If we waited until 2030 to start building works at St Mary’s it would become impossible to patch up our oldest facilities, many of which house key clinical services. As the provider of London’s busiest major trauma centre and host of the NHS’s largest biomedical research centre, that would be hugely damaging for the health and healthcare of hundreds of thousands of people”.

That is the statement from the chief executive officer at Imperial, Professor Tim Orchard, and those words should resonate with the Minister.

Dr Rupa Huq (Ealing Central and Acton) (Lab): I am aware that the Division bell will probably start ringing as soon as I stand up, but I am familiar with that quote from Tim Orchard. My hon. Friend is making a really powerful speech. I am familiar with all these hospitals, as are all my constituents. I was born at Queen Charlotte’s, my little sister was born at Hammersmith, and both my parents were under Charing Cross. I went to the Western Eye Hospital last year when I had shingles, and I have an auntie who has retired but was a consultant professor at St Mary’s.

Does my hon. Friend agree that it is really sad that, in the 75th year of the NHS, we are talking about crumbling estates and all these issues? The backlogs at these hospitals existed long before covid. The Government like to throw up that smokescreen and say, “It’s covid’s fault.” I have just written to Tim Orchard because a constituent told me that there is only one temporary scanner at Hammersmith at the moment. Is that not scandalous? Does my hon. Friend agree that, to paraphrase the Sex Pistols, who were formed on the Wormholt estate, which borders both our constituencies, this is the great NHS scandal?

Andy Slaughter: I thank my hon. Friend for that contribution, and I entirely endorse what she said.

I want to deal briefly with the misinformation—I accept that it was wholly unintentional—in the Secretary of State’s statement, or rather in his responses to questions following his statement, because it is important. A ministerial correction was made following a point of order that I made arising out of that. In response to my hon. Friend the Member for Westminster North, the Health Secretary said:

“We recognise the importance of the Imperial bid; that is why we are starting to build the temporary ward capacity at Charing Cross and the first phase of work is under way on the cardiac elective recovery hub, to bring cardiac work on to the Hammersmith site.”—[*Official Report*, 25 May 2023; Vol. 733, c. 485.]

There are 47 words in that statement, and four errors had to be corrected in the ministerial correction. That may be an all-time record; I do not know. Some are more important than others. There are bids, not one bid. We are not starting to build; we will start to build at some time in the unspecified future. There is no cardiac elective recovery hub; there is a cardiac catheter lab. The idea that we are just moving cardiac services to the Hammersmith Hospital site would be a surprise, given that St Mary’s is a world-leading cardiac hospital at the moment.

I accept that mistakes happen, but there were other errors in that statement. It implied that works are under way, whereas it is common consent now that they have not yet started. The cardiac work is nothing to do with the new hospital programme; it is part of the ordinary work, as is the refurbishment of wards. The temporary ward at Charing Cross will be necessary, but not until the main funding for the floor-by-floor hospital renewal refurbishment is ready to go. Some greater clarity would be helpful on those very contentious matters.

My first question is: what are the enabling works? What does that mean? We have heard several definitions. The trust says:

“We do not yet know when we will be able to start work.”

There has been mention of surveys. Of course there will have to be surveys before the works, which are estimated to cost several billion pounds, start. We are hoping to get a significant sum of money for the business case—perhaps as much as £200 million. This is about rebuilding the three main hospitals.

An energy centre is mentioned. There will need to be a new energy centre, partly because we have major supply issues in west London, and the existing energy supply would not supply modern, state-of-the-art hospitals. All that is true, but what is not true is that this is somehow the beginnings of the major works of the scheme. That is a fig leaf to cover the fact that the major works have been postponed beyond 2030. The fact is that they are not in the 2030 programme or the current spending review. I ask the Minister again: when will the work be done and what funds have been assigned? Yes, there has been preparatory enabling work, but does that come out of the £20 billion? What is the Government’s commitment to the major work of rebuilding those hospitals? There has been some work, with £20 million spent on preparing plans so far, but we are in limbo at the moment. We are suffering repeatedly from misinformation.

I understand that this is a highly contentious political area. The chairman of the Conservative party will, if the Boundary Commission proposals go through, be the MP who covers Charing Cross Hospital. That is no

[*Andy Slaughter*]

excuse for putting forward matters that are simply misleading to my constituents and many other people. That does us a great disservice. We all want to see these hospitals thrive, in the interests of patients, staff, management, the trust and the hospitals themselves.

Therefore, I will end my comments, because I want to give others an opportunity to contribute. What I need from the Minister today is clarity and honesty about what is happening. We will live with the consequences of that, and we will continue to campaign as we have done for our wonderful hospitals and local NHS. The Government do a disservice if they are not straightforward and clear in the message they send out.

Several hon. Members *rose*—

Sir Mark Hendrick (in the Chair): Order. I remind Members to bob if they wish to be called in the debate. I now call Nickie Aiken.

4.46 pm

Nickie Aiken (Cities of London and Westminster) (Con): Thank you, Sir Mark, it is a pleasure to serve under your chairmanship. I thank the hon. Member for Hammersmith (Andy Slaughter) for bringing forward the debate and for the points he has raised. As the Member of Parliament for the Cities of London and Westminster, I would like to focus my remarks specifically on St Mary's Hospital in my constituency.

In September 2021, Imperial College Healthcare NHS Trust set out the need for a complete redevelopment of St Mary's: a new 840-bed, research-led major trauma and acute teaching hospital, which would release around five acres of surplus land for wider site regeneration. As I know the Minister appreciates, that development is of huge—

Sir Mark Hendrick (in the Chair): Order. The sitting is to be suspended for multiple Divisions in the Chamber. We require approximately 15 minutes for each vote. There is an issue in that there may be more than four votes. I would imagine it could possibly be an hour before we come back. Those who have put in to speak should not worry, because there will be injury time.

4.48 pm

Sitting suspended for Divisions in the House.

5.35 pm

On resuming—

Nickie Aiken: Being the Member of Parliament for Cities of London and Westminster, I would like to focus my remarks specifically on St Mary's Hospital, which is based in my constituency. Back in September 2021, Imperial College Healthcare NHS Trust set out the need for a complete redevelopment of St Mary's Hospital, a new 840-bed research-led major trauma and acute teaching hospital, which would release around five acres of surplus land for wider site regeneration.

I know the Minister appreciates that the development is of huge importance to the wider London area and not just my constituency. After all, St Mary's is the

major acute hospital for north-west London, providing care across a range of specialities in London, in addition to its world-leading maternity centre and 24/7 A&E department. It played a significant role in the 7/7 bombings and other major incidents over the years. It is host to the NHS's largest biomedical research centre and through its partnership with Imperial College London, the trust continues its long legacy of translating academic discovery into better care and treatment, including making a major contribution to the management of covid-19.

I welcome the Secretary of State for Health and Social Care's recent confirmation of Government funding for the redevelopment of St Mary's. Though the timescales have been altered, I appreciate that the full picture is more complex and I know that work continues to complete the majority of the redevelopment as near to the original timescales as possible. I also appreciate the complexities of the programme's schedule for building works, so I am glad to hear from discussions with Ministers that they are committed to getting the enabling works started as soon as possible. To that end, I look forward to visiting St Mary's with the Minister responsible, Lord Markham, and the Under-Secretary of State for Levelling Up, Housing and Communities, my hon. Friend the Member for Kensington (Felicity Buchan) to discuss the case for change and the redevelopment more widely.

I pay tribute to Lord Markham and to officials at the Department of Health and Social Care, as well as to the Minister and the Secretary of State, for their communication with the trust and me throughout the process. I am currently concerned about running key clinical services while we wait for building works to commence and specifically about services being patched up to keep patient care running. As it stands, key parts of the estate date back to 1845 and most of the facilities—even the most modern bits—are at least 70 years old. That is because St Mary's has been developed piecemeal over the decades. I am sure anyone who has visited there will agree that, when walking through the site, it is clear that the hospital is a patchwork of buildings with complex patient pathways.

As a patient of St Mary's, having recently gone there for one of my regular mammograms, I saw that parts of the hospital are very outdated and very much in need of redevelopment. That is a product of the hospital's history. However, the space and configuration of the buildings are making it significantly harder to respond to increasing and changing healthcare demands and opportunities. Let us not forget that the hospital was first built in the 19th century, and is now dealing with 21st-century healthcare and medical advancements.

I have heard significant concerns about the fact that the acceleration of the estate decline is impacting patient care and experience and staff working conditions. In short, the St Mary's buildings are in a poor and declining condition, despite investment in maintenance and repairs. Taken together, the size, age and condition of the buildings make it hard to deliver the high-quality care that people expect and deserve from such a major hospital.

From speaking to Professor Tim Orchard, the chief executive of Imperial College Healthcare NHS Trust, I am confident that we will find a way to mitigate decline and enable work as soon as possible. I am assured that the trust is doing all it can to find innovative solutions to the ongoing problems. I hope the Minister

can update us on the outcomes of the Department's conversations with the trust, focusing on the progress of the enabling works.

I know the trust is accelerating its exploration of alternative funding, design and phasing approaches that will make the most of the huge potential of the land surrounding the hospital once we have a new hospital on a less sprawling footprint. That hugely expensive real estate can then be used for better redevelopment. The development of St Mary's has the potential to do so much more for our local community and the whole of the UK science, technology, engineering and mathematics sector.

St Mary's Hospital has been a leading provider of clinical care, education and research for 175 years. We now have an opportunity to take advantage of and invest in new technologies and other opportunities for it so that it better serves its communities and the wider health system.

5.41 pm

Ms Karen Buck (Westminster North) (Lab): I am grateful for the opportunity to contribute to this debate, and I congratulate my hon. Friend the Member for Hammersmith (Andy Slaughter) on securing it. It is a pleasure to follow the hon. Member for Cities of London and Westminster (Nickie Aiken). St Mary's Hospital, which I will mainly concentrate my remarks on, is located in her constituency but is the main hospital serving my constituents in north Westminster.

There is a feeling that this is déjà vu all over again. In April 2019, my hon. Friend the Member for Hammersmith and I spoke in a very similarly titled debate on the Imperial hospitals programme. I said:

"In January 2018, Imperial College Healthcare NHS Trust gained full planning permission for the first phase of the redevelopment of St. Mary's"

as part of the overall redevelopment of the trust. I said that the

"failure to gain funding and approval from key stakeholders...is a key risk on the trust's corporate risk register, because the conditions of St Mary's Hospital have deteriorated so much...the structural issues in the hospital have become absolutely and imminently challenging."—[*Official Report*, 24 April 2019; Vol. 658, c. 354WH.]

That case has intensified in the intervening years, as I will come to in a moment.

That was four years ago. A couple of weeks ago, we had the announcement that the main funding for the Imperial hospitals scheme has been pushed back beyond the start date of 2030. Other hospitals have been prioritised. Many of the 40 hospitals have received their commitment to proceed on the original timescale, but not St Mary's or the Imperial hospitals. As the chief executive of the trust board said, that is very disappointing news.

The 40-hospital building programme was a key feature of the 2019 general election. Conservative candidates took advantage of the opportunity to pose outside St Mary's Hospital and put the pictures on social media and in their campaign literature. One enthusiastically announced:

"We are helping rebuild St Mary's hospital...Great to talk to Matt Hancock"

—the then Secretary of State for Health—

"about what it means for local residents".

The Conservative Assembly Member for West Central, even more enthusiastically, talked about how she looked forward to talking to the BBC about the plans to completely refurbish Charing Cross and Hammersmith Hospitals and rebuild St Mary's. Four years on, St Mary's is still the hospital with the largest maintenance backlog in the country, and it has been left behind in the programme. That goes far beyond being yet another example of a broken promise.

There are two key issues. The first, which my hon. Friends and the hon. Member for Cities of London and Westminster have alluded to, is the centrality of the St Mary's and Imperial trust life sciences campus as a leading centre for biomedical research. This is an incredibly exciting project that is part of this country's scientific renewal—it could not be more important for the locality or the country—but to be honest, it is hard to sustain the necessary investment or the recruitment and retention of staff in a project of that kind in a crumbling hospital building.

But even more important is the central question of the condition of the hospital—all three of them, as my hon. Friend the Member for Hammersmith said, but particularly, from my point of view, St Mary's—and its implications for patient care and public money. Put simply, this is about wasting money on routine maintenance and repairs to patch up a building that has for many years been recognised as being in need of a transformative rebuild; indeed, the plans have been proceeding on that basis.

I spoke four years ago about the litany of floods, fires and ceiling collapses that we have had to deal with in our hospital estate. However, some recent examples include the closure of the gynaecology day services unit due to the failure of the air handling unit, and the flooding of the Paterson surgical centre—both of which led to two weeks-worth of clinical activities being suspended—as well as flooding in the main out-patient building caused by a sewage blockage, a partial ceiling collapse in an in-patient ward, and sewage leaks into the bottom of the Queen Elizabeth building and into the pharmacy. These problems not only inconvenience patients and delay treatment; they demand ever more ad hoc spending, which is running at an estimated £6 million to £7 million every year, and there is a long list of repair work that needs to be done.

We know that the new hospital cannot be rebuilt overnight, but it is essential that the hospital redevelopment stays within the framework of the timescale that we have been working to over the last few years, since the programme of 40 hospitals became such a key element of the Government's planning. St Mary's and the Imperial NHS trust need Government support, and they need it fast.

I have two questions that I would like the Minister to answer today. Will any slippage in the hospital building programme, from other hospitals in the scheme, enable any assistance to be carried over to help Imperial and St Mary? Will the Government also commit to adopting an alternative funding approach to help that scheme—which is being led by a highly skilled, highly experienced team of clinicians and advisers—as a matter of urgency? A scheme is ready to move, but it needs Government support, and the people of Westminster need that hospital to be delivered fast.

5.48 pm

Jim Shannon (Strangford) (DUP): It is a real pleasure to speak in this debate, and I congratulate the hon. Member for Hammersmith (Andy Slaughter) on securing it on this issue. He is indeed a hardy, dedicated and assiduous MP. I say that in all honesty, because I think the good people of Hammersmith have an excellent MP, and they should be very proud of the efforts he makes on behalf of his people in the Chamber and Westminster Hall.

This debate is about the new hospital programme, which applies to the UK mainland. I have come along to add my support to the hon. Gentleman, as I do for many right hon. and hon. Members, here and in the main Chamber. That is my purpose for being here. I am also here to discuss the new hospital programme, which was announced at the 2019 Conservative manifesto launch and would have delivered 40 new hospitals in the UK by 2030. I understand the reasons for the delays—the covid pandemic has focused attention elsewhere and taken away much of the funding—but there is a real need, and hon. Members have made that case today on behalf of their constituents.

I also understand the position of the hon. Member for Hammersmith on the refurbishment works at Charing Cross and Hammersmith Hospitals. As MPs, we want the best of care, access and opportunities for our constituents, and delays to any work are often frustrating, so I understand the request very well, and support his position and his ongoing commitment to his constituents.

I am pleased to see the Minister in his place. He responded to the first debate in Westminster Hall this morning on cancer very well. If he answers hon. Members in the same way in this debate as he did in that one, they will be more than satisfied. With the support of the new hospital programme, Imperial College Healthcare NHS Trust is beginning the next phase of redevelopment planning work for its three main hospital sites, all of which are included in the 40 new hospitals that the Government have committed to building by 2030.

I will quickly give a Northern Ireland perspective: what is happening here is also happening back home. It is important that we all remember that the demands for hospital care and better hospitals are not just in London; they are across the whole of this great United Kingdom of Great Britain and Northern Ireland. Northern Ireland has around 3% of all hospitals, with 40 across the Province.

In a constituency neighbouring mine, Belfast East, we have Ulster Hospital, which is the main hospital for us and is currently undergoing a £261 million revamp being done in stages. I believe that we are now going into section C of this refurbishment. So far there have been developments to a 30,000-square-metre in-patient block that is six storeys high, with a day surgery unit, an endoscopy unit, an angiography unit, and a cardiac investigation unit, with 12 in-patient wards. It is very much a modern hospital and very much of the modern programme that we have in Northern Ireland. The Minister is not responsible for that, but I just wanted to put it on record.

In order to clear our waiting lists, it is crucial that we do all we can to update outdated and old facilities. For a modern society and a fully functioning working hospital, things need to be modern and up to date. That is what

the hon. Gentleman has asked for, and that is important. Hospital waiting lists in Northern Ireland are supposed to be banished by 2026—that is pie in the sky, in all honesty—according to a roadmap set out by the former health Minister, Robin Swann. More than 330,000 people are on some sort of waiting list in Northern Ireland and the new elective care framework proposes a £700 million investment over five years. It is important that the Government are committed to the requests of the hon. Member for Hammersmith and the hon. Member for Westminster North (Ms Buck), and to other requests that will follow.

Sir Mark Hendrick (in the Chair): Order. Health is devolved in Northern Ireland, and the focus of this is very much on—

Jim Shannon: That is what I have done in my comments, Sir Mark. I just want to give you the example of Northern Ireland—

Sir Mark Hendrick (in the Chair): But it is not a speech about the Northern Ireland health service, surely.

Jim Shannon: I have every hope that the Department of Health and Social Care will be able to give us timely updates on hospitals in England. This is a discussion I always have with those in the devolved Assemblies. We must—I conclude with this—do our best for our constituents and ensure that the collective facilities are in place to serve their needs. I hope the work in the constituency of the hon. Member for Hammersmith will commence soon as some reassurance for his constituents. He put his case forward—the Minister, I am sure, will respond—and I support him in what he has requested.

5.53 pm

Matt Rodda (Reading East) (Lab): It is a pleasure to serve under your chairmanship, Sir Mark. I thank the hon. Member for Hammersmith (Andy Slaughter) for his work in securing this debate, and I thank Members from across the House for their contributions. I support the points my hon. Friend made. He set out clearly in his speech a great deal of local need and hope for a solution to be found in his area, as have other Members. I would like to add my support to them and to highlight a similar issue at the Royal Berkshire Hospital in Reading, which serves both Reading and a very large part of the Royal County of Berkshire.

I start by paying tribute to NHS staff in our county and across the country. They are extremely hard working. They have been through the pandemic and many other great difficulties in recent years and they deserve our respect and support. This rebuilding programme is part of that. It is investing in the future of the country and in the health of our population.

The Royal Berkshire Hospital is one of 40 hospitals that were originally identified by the Government for rebuilding but, sadly, when the announcement was made by the Department of Health and Social Care recently, it was not mentioned. The public and hon. Members present can only imagine the stress that puts staff under, as well as the patients who are waiting for a resolution to many serious building problems in our area. I hope that the Minister will address that point.

Sadly, as my hon. Friend mentioned earlier, the hospital now risks potentially missing out, because if the Government's plans and assumptions are correct, the pot of money available could run out in 2030 and, as of yet, there is no date for work to start at the Royal Berkshire Hospital.

The issues at the hospital are quite clear and are very similar to the ones in London and across the country. The old part of the hospital, the North Block, is 173 years old. The site is a patchwork of buildings from different dates since then, the A&E department is not suitable, and there is a £200 million backlog of repairs—all very similar to the situation my hon. Friend described for west London, which is obviously nearby. There are many other issues, and all of this affects the productivity of the hospital, the experience of patients and, to some extent, the morale of staff. A number of staff, many of whom I know, have contacted me over some months and years to express concerns about this issue, so I hope that today the Minister will be able to clarify the position for the 40 hospitals in London, Reading and many other areas around the country. I hope he will be able to reassure both patients and staff, and give the country the certainty it needs.

5.56 pm

Ruth Cadbury (Brentford and Isleworth) (Lab): It is a pleasure to serve under your chairship, Sir Mark. I draw your attention to my revised entry in the Members' Registry of Financial Interests: my spouse is chair of audit at the Imperial College Healthcare NHS Trust. I thank my hon. Friend the Member for Hammersmith (Andy Slaughter) for securing this important debate on the hammer blow that has been inflicted on west London—just one part of the funding and investment crisis being inflicted on the NHS by the Government.

Many of my constituents rely on services from the Imperial College Healthcare NHS Trust, and particularly the St Mary's, Hammersmith and Charing Cross Hospitals. For constituents in the eastern third of my constituency, Charing Cross Hospital is their local general hospital, whereas for those across my constituency, some or all treatments could be at Charing Cross, Hammersmith or St Mary's.

My hon. Friend powerfully laid out the case against the Government and the complete neglect they have shown over the past 10 years to those across west London who need NHS care and those who work in the NHS. The sad thing is that I am not even surprised, because this is what we have come to expect from a Conservative Government—things such as the promises made by the now former Member for Uxbridge and South Ruislip. He said there would be 40 new hospitals—that is a promise he drove into the ditch.

I expect that the Minister will make a valiant effort to shake the Etch A Sketch and pretend that the last four years did not actually happen, but patients and staff cannot pretend. Every delayed or inadequate repair or rebuild of any NHS buildings impacts on staff and patients. Leaking roofs, failing electrics, flooding sewage systems and structural faults put whole wards out of action. Operations have been cancelled, diagnostic units and pharmacies have suddenly closed, and much more. This all leads to delayed diagnostics, delayed treatment and delayed discharge.

The NHS backlog currently stands at over 7.3 million, and over 48,000 people in my constituency and the borough of Hounslow were waiting for treatment last year, including 50 who had been waiting over a year for an operation. Behind every single one of those cold numbers is a person whose life is put on hold or, worse, put at risk because of the delays to well-overdue investment. Examples of delay include people who are forced to go private, stroke victims waiting months for a physio, and a young man waiting over a year for an assessment for a broken hip. Behind every one of those stories is not just frustration, but a deeper anger—a righteous anger about just how bad the state of things is. How many of the delays that people are experiencing are made worse because of the failure to invest in the core infrastructure of NHS buildings? We should be clear that it is not the fault of NHS staff and boards. The Imperial trust has needed work to happen for years, and has been preparing and getting plans ready in the expectation that the Government's promised support will arrive.

I will touch on another aspect that is not necessarily specific to the Imperial trust, but it has been raised with me recently and it is an example of the impact of cutting back on NHS capital investment. There has been a failure to invest in technology, equipment and buildings in testing labs. Without that investment, the NHS is becoming increasingly dependent on the private sector. Businesses are using their leverage position to demand unnecessarily high unit costs per diagnostic test from the already overstretched NHS revenue budgets. Of course, as my hon. Friend the Member for Westminster North (Ms Buck) has described, the annual additional maintenance cost is coming out of revenue budgets because of the lack of capital expenditure.

The failure to invest has left NHS staff, patients and their families down. I know from recently visiting West Middlesex University Hospital in Isleworth in my constituency how hard NHS staff are working, and the groundbreaking work they are doing, but staff say they get little to no support from Government. West Middlesex is not in the same position as the three hospitals mentioned in this debate; it had a complete rebuild on the core part of the hospital under the last Labour Government.

NHS staff and patients are fed up, and they feel ignored. Surely the failure to invest in our NHS estate and provide what was promised will be yet another kick in the teeth for them. The broken promises will have a huge impact on not just my constituents but all Londoners. As has been said, St Mary's Hospital provides key clinical services and is one of London's major trauma centres—I think there are only four across London.

Sir Mark Hendrick (in the Chair): Order. Ruth, could you wind up?

Ruth Cadbury: In conclusion, my constituents, who already face record waiting lists, will face a longer wait and greater difficulty because of the Government's decision to pause investment. The Government over-promise and under-deliver. The whole farce shows why, after 13 years in power, it is time for a change.

6.2 pm

Karin Smyth (Bristol South) (Lab): It is a pleasure to serve under your chairmanship, Sir Mark. It is good to see the Minister; the day after we were last opposite one

[Karin Smyth]

another, he decided he would not continue after the next general election. I hope we have a good exchange today, and I wish him well.

I am pleased to be in the debate. I declare an interest in that I was born in the Chiswick branch of the old Hammersmith Hospital. The groundworks at Ealing were dug by my father and thousands of Irish labourers from across west London, and I used to visit that hospital as a child. My brother was born in Hillingdon. These places matter to local people.

We are here to discuss something called the new hospital programme, but what we quickly learned was that it was not new, they were not hospitals and there certainly were not 40 of them. It is an absolutely sorry saga, and as we have heard it is a hammer blow for people in west London. It is also a saga that is recognised across the country. Members should not just take my word for it; according to the National Audit Office, the NHS estate does not meet the demands of a modern health service. The growth in backlog maintenance risks harm to patients, and the need for capital is being consistently underestimated. Billions of pounds in capital have been diverted to cover inadequate revenue funding, and yet some capital cannot be used for technical reasons, so there are underspends. Assets are sold to fund day-to-day activities.

In July 2020, the Public Accounts Committee recommended a capital strategy and guidance, including expectations on how backlog maintenance costs will be addressed alongside other priorities. In October 2021, the NHS Confederation stated that NHS leaders had concerns about safety standards because they cannot sufficiently maintain their estate, enable positive digital innovations and reduce the elective backlog without further worsening health inequalities. It described a disjointed and opaque allocation system and unresolved issues about how integrated care systems will allocate and prioritise capital spend.

There is more. In September 2022, the King's Fund reported that levels of capital investment had changed dramatically over the past 15 years—and don't we know it! The transfer of NHS funds from capital budgets to support day-to-day spending and relieve the pressures in the NHS has come at a huge cost. NHS buildings and equipment have fallen into increasing disrepair and patients have experienced safety incidents.

The Government's own review, chaired by Patricia Hewitt, recommended that there should be a cross-Government review of the entire NHS capital regime, with a view to implementing recommendations from 2024. Section 5.43 of the report makes suggestions that a review should consider. My first question to the Minister is, will the Government conduct a review in the light of the Hewitt recommendations? The Opposition would like that update.

NHS estates and capital are a subject that has always interested me in my time as a Member of Parliament. My first involvement as an NHS administrator working on NHS estates was in the late 1980s, when I was a junior planner in Enfield working on the final stages of Chase Farm Hospital, liaising with architects and clinicians and producing updates for the planning director. Later, in the noughties, I was part of the Bristol health service plan to reconfigure acute services and develop the primary

and community estate as a non-executive. Yet, my real interest in capital, and part of my motivation in becoming an MP, was the disaster of the Tories' Health and Social Care Act 2012. Nowhere is the destruction caused by that legislation more apparent than in the management of estates and capital planning, which was not even an afterthought. We cannot provide quality healthcare in leaky, dangerous and collapsing buildings.

Local taxpayers deserve to know how their money is being spent, and another key point made by Patricia Hewitt was about accountability. The MPs here today can get no clarity from their local NHS, and that is frankly outrageous. They have come here today from west London, and from across parties, to try to get some answers as to why the promises made to them have been reneged on. They also want some clarity and, as my hon. Friend the Member for Reading East (Matt Rodda) said, some certainty about the capital programme. It is entirely opaque why some schemes go ahead while others languish somewhere in a possible queue—I am not even sure there is a queue. Indeed, my second question is, can we see that queue? Can we understand the criteria for assessing what is in and what is out, and the timings?

There have been questions about enabling works. We need much more detail on what is in the system now, the original bids and the assessment of the capability to deliver. Who is designing? Who is project-managing? Who is freeing up the clinical time and paying for it to lead and advise on what is needed? Who is tackling safety and the sustainability of these future public buildings so they can meet the challenge of climate change? Because of the damage of the last decade, such skills are in short supply across the public and private sectors.

In case the Minister is not across this and does not have the detail from his civil servants, I will end with a little advice. From my 30 years in and around NHS capital schemes, I know they are complex and require a huge range of knowledge and skill throughout a long process that sometimes lasts for decades. We cannot land modular buildings in major towns and cities, with buildings surrounding them that are hundreds of years old. These are complex facilities that need to augment local services; they are not Amazon warehouses. Decanting clinical facilities and patients is not a matter of unplugging a few computers and moving desks into a portakabin.

Crucially, as the people of Hammersmith and Paddington, Hillingdon, and Uxbridge and South Ruislip certainly know, this is a Government of vague but still broken promises. They could not run a bath; they could not deliver a pizza. They are totally incapable of running this hospital programme. I hope the NHS is not waiting for them to deliver a 75th birthday card, because it will never arrive. They need to go.

6.7 pm

The Minister for Health and Secondary Care (Will Quince): It is a pleasure to serve under your chairmanship, Sir Mark. How do I follow that speech by the hon. Member for Bristol South (Karin Smyth)? Well, first, I would like to congratulate the hon. Member for Hammersmith (Andy Slaughter) for bringing forward the debate. I also thank my hon. Friend the Member for Cities of London and Westminster (Nickie Aiken) and the hon. Members for Westminster North (Ms Buck), for Strangford (Jim Shannon), for Reading East

(Matt Rodda) and for Brentford and Isleworth (Ruth Cadbury). Time is short, but I will try to answer as many points as possible.

The new hospital programme is the biggest hospital building programme in a generation, which will help us deliver on our manifesto commitment to build 40 new hospitals by 2030. The hon. Member for Hammersmith raised a number of specific questions. I am not responsible for the new hospital programme, because that matter sits with Lord Markham. Nevertheless, I will endeavour to answer as many of the hon. Gentleman's questions as possible. Furthermore, I know that Lord Markham would be pleased to meet him and colleagues, and I will ensure the hon. Gentleman gets a response to his letter.

On 25 May, we announced that the Government remain committed to building 40 new hospitals by 2030, and the new hospital programme is expected to be backed by more than £20 billion in funding for hospital infrastructure. It is the biggest hospital building programme in a generation. Going forward, new schemes will be considered through a rolling programme of capital investment in hospital infrastructure.

Matt Rodda: Will the Minister give way?

Will Quince: Time is very short, and I ask that the hon. Gentleman to let me answer as many of the questions as I can. If there is time, I will give way.

The programme is part of a more sustainable and consistent approach to delivering state-of-the-art new hospitals and will mean further investment to upgrade NHS facilities across the country. Our announcement is hugely significant to all hospitals in the programme and it gives funding certainty for trusts to progress their schemes in line with revised indicative allocations, most of which are a significant uplift on previous allocations.

I now turn to the specific questions. The hon. Member for Hammersmith said that the debate is about the defunding of the trust. I want to be clear that the trust has been informed of a significantly larger indicative allocation for both schemes than was previously given in 2019. Far from being defunded, the funding envelope has increased significantly.

Furthermore, no schemes have been removed from the programme, as the hon. Gentleman suggested. It is one programme, with a small number of schemes that will now complete beyond 2030. If I might correct the hon. Gentleman, he said that the pot is £20 billion; to be clear, it is over £20 billion.

On Charing Cross, I believe that the hon. Gentleman said that the temporary ward or decant facility will not be necessary until the main construction starts on the tower. That is part of the enabling works that have been raised, which can and should be completed well in advance of the main construction, and therefore can be used as extra capacity should there be a gap between the works. It is the first phase of that floor-by-floor work.

I understand that the main construction itself has not been postponed to start after 2030. We have been clear that, as part of the rolling programme, we may move schemes forward and backward—that question was raised by the hon. Member for Westminster North—based on their readiness to progress. The reason the two Imperial schemes were already in cohort 4 and are now in the rolling programme is that their plans are at such

an early stage of development. If they are ready to progress sooner—or indeed other schemes, as the hon. Lady suggested, encounter problems along the way—some schemes may move forward and others may move back. Having the enabling works and business case ready is vital, and I know that hon. Members will have those conversations with the trust.

I will answer some of the other questions in a moment, but specifically on funding, I can confirm that Imperial and all other trusts will now have received confirmation of the individual indicative funding envelopes that give them the basis on which they can submit their proposals through the business case stages. Those individual scheme figures will not be released into the public domain, because they are commercially sensitive. I know that the hon. Member for Hammersmith would like to know the figures, but I hope he will understand why we will not release them: it could prejudice the future ability of contractors for tenders.

We announced that the programme is expected to be backed by over £20 billion, which gives trusts the funding certainty to deliver. We remain committed to delivering all the hospitals in the programme as soon as possible. Specifically on Imperial College, we are working closely with the trust on its two new hospital schemes within the programme. As the hon. Gentleman rightly said, that includes the rebuild of Hammersmith Hospital, the refurbishment of Charing Cross and the redevelopment of St Mary's in Paddington, as well as any opportunities to commence supportive work ahead of the main construction starting.

Briefly taking each hospital in turn, Charing Cross is a large district general hospital with specialised services. It is a primary undergraduate training centre, and work is under way to explore practical options for a mix of new builds and refurbishment that will be phased across the site. We recognise that the 14-floor tower will need to be refurbished rather than rebuilt, as I mentioned. Other preparatory work that will be necessary, which the hon. Gentleman asked about, includes site-wide surveys and a new energy centre. As with all schemes in the programme, the funding is available for early enabling works such as those as soon as the trusts have their plans ready.

Hammersmith Hospital is a specialist hospital, as the hon. Gentleman said, whose specialisms include renal, haematology, cancer and cardiology care and, of course, its specialist heart attack centre and its research function. Plans for that scheme are also at an early stage of development and will require a phased approach due to space constraints.

Finally, St Mary's is a large general district hospital, as my hon. Friend the Member for Cities of London and Westminster rightly pointed out, providing highly specialised services. The hospital will require a complete rebuild, and there are a range of options for a new site. We have been clear that we are establishing a new, centrally led programme to deliver those hospitals, which includes a new approach that enables standardisation.

The hon. Member for Hammersmith asked about the completion date for each hospital. The timelines are at an early stage. As a result, they are fluid, but I know that Lord Markham, the Minister in the Lords, will keep him updated on progress as work is undertaken with the trust to develop its proposals.

[Will Quince]

With a minute to go, I thank the hon. Gentleman for rightly raising this important issue and for his interest and engagement in the new hospital programme. I absolutely assure him that we are committed to the delivery of the two schemes at Imperial College Healthcare NHS Trust, and I thank all Members who have taken part in the debate.

6.14 pm

Andy Slaughter: I thank everybody who has contributed to the debate, and the Front Benchers for their contributions. I have a huge amount of respect for the Minister and genuinely wish him great success in his future career, wherever that may be, but he will not be surprised to hear that my constituents will not hear “early stage” and “fluidity” as comforting words. They had schemes for the completion of these major rebuilds of their

hospitals by 2030 and assured funding. That is what we do not have, and however we dress it up, we are waiting in hospitals that are not fit for purpose. It is an insult not just to my constituents and patients but to the incredibly dedicated staff. Some of the best clinical staff in the world work in those hospitals, in frankly terrible conditions. That is why we need concrete answers. I will take up the offer of meeting the Lords Minister, but today’s Minister will not be surprised to hear that my hon. Friends and I will pursue this day by day and line by line until we have those assurances.

Question put and agreed to.

Resolved,

That this House has considered the New Hospital Programme and Imperial College Healthcare NHS Trust.

6.15 pm

Sitting adjourned.

Written Statements

Tuesday 13 June 2023

HOME DEPARTMENT

Disregards and Pardons Scheme

The Parliamentary Under-Secretary of State for the Home Department (Miss Sarah Dines): I am pleased to announce that the Government are today bringing into force sections 194 and 195 of the Police, Crime, Sentencing and Courts Act 2022 which will extend the scope of the Government's disregards and pardons scheme. This is a significant step forward in addressing the wrongs of the past when LGBT people were criminalised for their sexuality in civilian life and while serving in the armed forces.

The original scheme was established in 2012 to enable men to apply to have certain homosexual offences for consensual sex removed from their records. This extension to the scheme will widen the scope to include any repealed or abolished offence that was used to criminalise same-sex sexual activity. The scheme will continue to apply to both civilian and service offences and conditions will remain in place to ensure that only those circumstances befitting of a disregard will be removed from the record.

Individuals will be able to apply to the scheme using an application form which has been published today on gov.uk along with accompanying guidance.

[HCWS848]

JUSTICE

Judicial Conduct Investigations Office Annual Report 2021-22

The Lord Chancellor and Secretary of State for Justice (Alex Chalk): With the concurrence of the Lord Chief Justice, I will today publish the 16th annual report of the Judicial Conduct Investigations Office (JCIO).

The JCIO supports the Lord Chief Justice and the Lord Chancellor in our joint statutory responsibility for judicial discipline.

The judiciary comprises approximately 22,000 individuals serving across a range of jurisdictions. Over the past year, the JCIO received 1,817 complaints against judicial office-holders. Thirty-three investigations resulted in disciplinary action.

I have placed copies of the report in the Libraries of both Houses, the Vote Office and the Printed Paper Office.

Copies are also available online at:
<https://www.complaints.judicialconduct.gov.uk/reportsandpublications/>

[HCWS847]

Petition

Tuesday 13 June 2023

OBSERVATIONS

ENVIRONMENT, FOOD AND RURAL AFFAIRS

Storm overflow spillage

The petition of the residents of the United Kingdom

Declares that residents are prevented from safely swimming in the sea and enjoying the beach environment, around Bexhill and Hastings, due to recent and ongoing sewage spillages from Southern Water after heavy rain; further notes that these spillages create a risk to human health; notes that the under the Government's Storm Overflow Discharge Reduction plan water companies will have to improve all storm overflows spilling into or near every designated bathing water and improve 75% of overflows spilling into high priority nature sites by 2035.

The petitioners therefore request that the House of Commons urges the Government to bring forward overflow spilling targets from the Government's Storm Overflow Discharge Reduction Plan and take further action to stop the spillages happening by the summer of 2023.

And the petitioners remain, etc.—[Presented by Sally-Ann Hart, *Official Report*, 28 March 2023, Vol. 730, c. 9P.]

[P002821]

Observations from the Secretary of State for Environment, Food and Rural Affairs (Dr Thérèse Coffey):

The Government would like to thank the petitioners for raising the important issue of sewage spills in Bexhill and Hastings.

The Environment Agency monitors bathing waters from May until September. Bathing waters are monitored for sources of pollution known to be a risk to bathers' health, with up to 20 samples taken from each site during the bathing season. Each sample is tested for bacteria, specifically *E. coli* and intestinal enterococci.

The 2022 bathing water classifications for the bathing waters in the Hastings and Bexhill area are:

Name	2022 Classification
Hastings Pelham Beach	Good—Generally good water quality
St Leonards	Excellent—The highest, cleanest class
Bexhill	Sufficient—The water meets minimum standards

Knowing more about water quality helps people make informed decisions on when and where to swim. The Swimfo website provides detailed information on each of the 400-plus bathing waters in England, and for a certain number of bathing waters—including those in the Hastings and Bexhill area—bathers are notified when pollution risk warnings have been issued, where water quality may be temporarily reduced due to factors such as heavy rainfall, wind or the tide. When a temporary reduction in water quality is forecast, the Environment Agency issues a pollution risk warning and advises against bathing.

Both Hastings Pelham Beach and Bexhill are priority bathing waters—those with declining or reduced Bathing Water Quality. For both bathing waters, the Environment Agency is working with partners, including the local authority and Southern Water, to robustly investigate the reasons for any decline in bathing water quality and to remove and reduce sources of pollution to ensure the bathing water and coastal community continues to thrive.

Improving water quality is a top priority for the Government. In March, we published our “Plan for Water”, a blueprint for a truly national effort to meet the stretching targets that we have set through our Environment Act 2021.

The Government have been clear that the volume of sewage discharged by water companies is unacceptable. Our 2022 storm overflows discharge reduction plan set strict targets that will see the toughest ever crackdown on sewage spills and will require water companies to deliver the largest infrastructure programme in water company history—£56 billion capital investment over 25 years. Our plan will protect biodiversity, the ecology of our rivers and seas, and the public health of our water users for future generations. Overflows that are causing the most harm will be addressed first to make the biggest difference as quickly as possible.

Storm overflows are strictly permitted by the Environment Agency. If overflows operate outside of permit conditions, the agency will not hesitate to use all options for robust enforcement action. This can include criminal prosecution by the agency, for which there can be unlimited fines.

In February 2023, water and sewerage companies were asked to set an action plan on every storm overflow in England, prioritising higher spilling sites, and those spilling into bathing waters and high priority nature sites. We have also announced that water companies will face higher penalties that are quicker and easier to enforce.

On 25 April, we announced a legally binding target to crack down on sewage spills from storm overflows.

There should be no doubt about this Government's ambition and determination to reduce storm overflow use.

ORAL ANSWERS

Tuesday 13 June 2023

	<i>Col. No.</i>		<i>Col. No.</i>
FOREIGN, COMMONWEALTH AND DEVELOPMENT OFFICE	139	FOREIGN, COMMONWEALTH AND DEVELOPMENT OFFICE—continued	
Africa: Sovereign Debt and Resilience to Climate Change.....	148	Islamic Revolutionary Guard Corps	142
AI and Diplomacy	144	Jagtar Singh Johal	149
Brazil: Environmental Activists.....	141	NATO Unity.....	139
Chagos Islands: Resettlement and Sovereignty	150	Sanctions: Russia and Belarus.....	152
Colombia: Establishing Peace	148	Topical Questions	153
Deep-sea Mining Exploration Regulations	143	US Inflation Reduction Act	151
Hunger: East Africa	146	War in Ukraine	152

WRITTEN STATEMENTS

Tuesday 13 June 2023

	<i>Col. No.</i>		<i>Col. No.</i>
HOME DEPARTMENT	7WS		
Disregards and Pardons Scheme	7WS		
JUSTICE	8WS		
Judicial Conduct Investigations Office Annual Report 2021-22	8WS		

PETITION

Tuesday 13 June 2023

	<i>Col. No.</i>
ENVIRONMENT, FOOD AND RURAL AFFAIRS	1P
Storm overflow spillage.....	1P

No proofs can be supplied. Corrections that Members suggest for the Bound Volume should be clearly marked on a copy of the daily Hansard - not telephoned - and *must be received in the Editor's Room, House of Commons*,

**not later than
Tuesday 20 June 2023**

STRICT ADHERENCE TO THIS ARRANGEMENT GREATLY FACILITATES THE
PROMPT PUBLICATION OF BOUND VOLUMES

Members may obtain excerpts of their speeches from the Official Report (within one month from the date of publication), by applying to the Editor of the Official Report, House of Commons.

CONTENTS

Tuesday 13 June 2023

Oral Answers to Questions [Col. 139] [see index inside back page]
Secretary of State for Foreign, Commonwealth and Development Affairs

Mortgage Market [Col. 161]
Answer to urgent question—(Minister)

Spiking [Col. 174]
*Motion for leave to bring in Bill—(Richard Graham)—agreed to
Bill presented, and read the First time*

Procurement Bill [Lords] [Col. 177]
*As amended, considered
Read the Third time and passed*

Petitions [Col. 268]

Heating Rural Homes [Col. 269]
Debate on motion for Adjournment

Westminster Hall
Cancer Medicines: Appraisals [Col. 47WH]
Backbench Business debate
Cryptocurrency Regulation [Col. 69WH]
East West Rail: Bedford to Cambridge [Col. 76WH]
Tackling Rogue Builders [Col. 100WH]
New Hospital Programme and Imperial College Healthcare NHS Trust [Col. 109WH]
General debates

Written Statements [Col. 7WS]

Petition [Col. 1P]
Observations
