

**Wednesday
14 June 2023**

**Volume 734
No. 173**



**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES
(HANSARD)**

Wednesday 14 June 2023

House of Commons

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

NEW WRITS

Ordered,

That the Speaker do issue his Warrant to the Clerk of the Crown to make out a New Writ for the electing of a Member to serve in this present Parliament for the County Constituency of Selby and Ainsty in the room of Nigel Adams, who since his election for the said County Constituency has been appointed to the Office of Steward and Bailiff of His Majesty's Manor of Northstead in the County of York.—(*Simon Hart.*)

Ordered,

That the Speaker do issue his Warrant to the Clerk of the Crown to make out a New Writ for the electing of a Member to serve in this present Parliament for the Borough Constituency of Uxbridge and South Ruislip in the room of Alexander Boris de Pfeffel Johnson, who since his election for the said Borough Constituency has been appointed to the Office of Steward and Bailiff of His Majesty's Three Chiltern Hundreds of Stoke, Desborough and Burnham in the County of Buckingham.—(*Simon Hart.*)

Oral Answers to Questions

SCIENCE, INNOVATION AND TECHNOLOGY

The Secretary of State was asked—

Technology Sector: Skills Shortages

1. **Bill Esterson** (Sefton Central) (Lab): What steps she is taking with Cabinet colleagues to help tackle skills shortages in the technology sector. [905382]

The Parliamentary Under-Secretary of State for Science, Innovation and Technology (Paul Scully): We know that digital skills are a vital building block for developing the workforce of the future, so we are working across Government with educators and employers to grow the pipeline of individuals entering the digital sector. Steps that we have taken include the launch of the Government and industry Digital Skills Council, the introduction of artificial intelligence and data science conversion courses with the Department for Education and the creation of new visa routes with the Home Office to attract international tech talent. We worked with the Department for Education on the launch of skills bootcamps in England and the Government will be investing up to £150 million in the programme, with free, flexible courses lasting up to 16 weeks in subjects such as software engineering, with a guaranteed job interview at the end.

Bill Esterson: In contrast to what the Minister says, more than £600 million of apprenticeship levy funding has been returned to the Treasury in the last year alone, enough to have funded more than 60,000 new apprenticeships. Labour will reform the system to create a growth and skills levy that can be used on a much wider range of training that businesses say they need. Will the Government address the chronic shortage of skills, match Labour's ambition and give tech businesses what they need to thrive?

Paul Scully: I gave a long answer the first time, so I can give a shorter one this time. We are already acting in that space. On the apprenticeship levy, we always work with employers and supply chains throughout this country to ensure it works as effectively as possible for what businesses need.

Simon Fell (Barrow and Furness) (Con): The submarine programme in Barrow will deliver thousands of jobs and generations of work, but we are struggling to grow our own. We have Furness STEM and UlverSTEM, which do good work, but this is an international endeavour with AUKUS and a national endeavour with Dreadnought. What discussions has the Minister had across Government about how we lean in to that skills challenge?

Paul Scully: My hon. Friend is right to champion Barrow's industry. We talk regularly with the Department for Education, colleagues from the Department for Work and Pensions, tech sectors and academia to ensure we get it right. We must remember that domestic and international talent are so important in this space.

Regional Innovation

2. **Wendy Morton** (Aldridge-Brownhills) (Con): What steps her Department is taking to support innovation in all regions of the UK. [905383]

8. **Sir Edward Leigh** (Gainsborough) (Con): What steps her Department is taking to support innovation in all regions of the UK. [905391]

The Minister for Science, Research and Innovation (George Freeman): To support innovation across the whole of the UK, a central pillar of our innovation nation mission, the UK Government are investing £52 billion in public research and development over these next three years. We have made a groundbreaking commitment in the levelling up White Paper to increase the percentage of Government R&D outside of the greater south-east, which is, of course, home to some of our historic research institutes, by 40%. We have an active programme—through the Catapults, the innovation accelerators and cluster support—all around the UK to that end.

Wendy Morton: Innovation is in the DNA of the businesses in my constituency, including Surespan, a leading manufacturer of roof access hatches, and Phoenix Tooling and Development—after all, our region was the birthplace of the industrial revolution. I support the Government's levelling-up mission, but will the Minister bring forward individual regional targets for rebalancing research and development funding, as recommended by a House of Lords Committee report?

George Freeman: Let me first pay tribute to Surespan and Phoenix. Two weeks ago, my right hon. Friend the Secretary of State and I were in Coventry in the west midlands with the Chancellor, and I have been working closely with Mayor Andy Street on his excellent programmes. We have an advanced manufacturing Catapult in the west midlands. Coventry and Warwick are rapidly becoming world-recognised centres in a whole raft of materials and in robotics. We are working on the Birmingham innovation district, and we have put one of our three innovation accelerators—£30 million—into the west midlands. My right hon. Friend the Member for Aldridge-Brownhills (Wendy Morton) makes an important point, though, about regional R&D clusters; that is public and private sector money. We will set out this autumn our digital cluster map showing all the private and public funding, and how we intend to increase it by region.

Sir Edward Leigh: The Government recently launched a call for space infrastructure projects, and West Lindsey District Council has proposed plans to work with the Satellite Applications Catapult, which the Minister mentioned, at RAF Scampton, as part of a £300 million levelling-up deal. What is the logic of one part of Government talking about levelling up and innovation and another part talking about putting a migrant camp in the middle of it, preventing all that infrastructure?

George Freeman: My right hon. Friend will appreciate that, as the Minister for Science, Research and Innovation, I cannot comment on Home Office plans to deal with refugees, but I can pay tribute to the work of Scampton Holdings Ltd and the very innovative proposal for the regeneration of that site with a whole raft of facilities, including in innovation support. I very much look forward to coming up in due course, once the refugee issue is sorted, to support him in taking that forward.

Dan Jarvis (Barnsley Central) (Lab): Metro Mayors have an important role to play in driving innovation in the regions. Can the Minister give an assurance that he will work closely with them?

George Freeman: Yes, I am absolutely delighted to do so. The Metro Mayors are key parts of our innovation ecosystem, and the three innovation accelerators that have we put in place are fundamentally co-created and led from the bottom up in Glasgow, Manchester and the west midlands. I am actively reaching out to work with the Metro Mayors, as well as with devolved Science Ministers, on extending our science investment to unify all regions of this country and strengthen those urban economies.

Jon Trickett (Hemsworth) (Lab): But the problem is that in my constituency in the Yorkshire coalfield, there are 20 times fewer people employed in science and technology innovation than in Cambridge. We can be proud of what Cambridge has achieved, but why should areas such as mine be so left behind? There is no economic reason why the golden triangle between Greater London, Cambridge and Oxford should be preferred over the rest of the country, so is it pure politics?

George Freeman: I am afraid that the hon. Gentleman could not be more wrong; it is quite the opposite. The truth is that the Oxford-Cambridge-London triangle is

golden for a reason: it is home to two of the world's top three universities and five of top 15. Our central mission is to ensure that we grow an R&D economy all around the country that nurtures and invests in research, including a fantastic cluster in Yorkshire: the Yorkshire bioeconomy, advanced manufacturing in Sheffield, and Doncaster. We are investing in all that, but one does not create the Oxford-Cambridge triangle overnight; it requires us to invest with local leaders, as they are doing across the north-east in County Durham and Northumbria, in the innovative companies of tomorrow. This is a historic moment for the former coalfields.

Mr Speaker: I call the Scottish National party spokesperson.

Carol Monaghan (Glasgow North West) (SNP): I declare an interest as the chair of the all-party group on photonics and quantum. The Fraunhofer Centre for Applied Photonics at the University of Strathclyde has played a leading role in the industrial strategy challenge fund, collaborating with more companies and projects than any other organisation, and it has been praised as a key strength in the national quantum strategy. The centre is supported by the Scottish Government and Scottish Enterprise, but despite its being established at the UK Government's invitation, the UK Government have provided no core funding. What discussion has the Minister had with Treasury colleagues on providing that core funding to a vital part of the quantum technology landscape?

George Freeman: I have to say, that is a bit rich given that the incredible strength of Scottish science and research is built largely on long-term UK block funding across life sciences and other areas. As I said, I have just been in Glasgow, where we put one of our three innovation accelerators. That has been transformational, particularly in quantum, where we have set out our plans for the £2.5 billion quantum strategy. It is just not fair or true to say that the UK Government are not investing in the Glasgow cluster; we are, and it is transformational.

Broadband: Social Tariffs

3. **Helen Morgan (North Shropshire) (LD):** Whether she plans to encourage all broadband providers to offer social tariffs. [905384]

The Minister for Data and Digital Infrastructure (Sir John Whittingdale): The Government recognise that this is a difficult time for families across the country who may be struggling with their bills. Social tariffs are already offered by 21 broadband providers, covering 99% of the UK. We continue to urge the providers that do not yet do so to bring forward offers to support low-income households.

Helen Morgan: My North Shropshire constituents eagerly anticipate the roll-out of Project Gigabit, for which a contract has been awarded, but obviously not everybody in a rural area is well off, and broadband is an essential part of daily life. Will the Minister explain what steps he will take to ensure that that provider will offer social tariffs to my constituents?

Sir John Whittingdale: As I say, the vast majority of providers offer social tariffs already. I am not sure what the broadband provider the hon. Lady refers to will be, but we will certainly look at that. We will also do our best to encourage take-up, because while that has increased fourfold since January 2022, we recognise that a lot of people who are eligible have not yet taken advantage of these schemes.

Mr Speaker: I call Sir Michael Fabricant.

Michael Fabricant (Lichfield) (Con): Oh, thank you, Mr Speaker.

But this is not just about social tariffs, is it? It is also about when the whole broadband system goes down. Recently there was a break in the broadband circuits in Lichfield and no offer was made to any subscribers for any form of compensation. What is my right hon. Friend's view on that?

Sir John Whittingdale: There are schemes that will ensure that if there is a lengthy take-out of provision, compensation will be available. I am very happy to look at the specific example of what happened in my hon. Friend's constituency and to advise customers there what is available to them.

Mr Speaker: I call Alan Brown. I am glad you are feeling fully recovered.

Artificial Intelligence Regulation

4. **Alan Brown** (Kilmarnock and Loudoun) (SNP): Whether she plans to introduce legislative proposals on regulating artificial intelligence. [905385]

The Secretary of State for Science, Innovation and Technology (Chloe Smith): Our White Paper was clear that we will regulate AI through a flexible framework underpinned by five important principles. That proportionate and adaptable approach has been welcomed by British business and will include new risk monitoring functions to ensure that the UK leads the world in AI safety, as well as anticipating the introduction of a statutory duty on regulators in time. We would welcome hon. Members' views on that consultation.

Alan Brown: In terms of risk, I am sure that the Minister will be concerned that Snapchat's My AI chatbot recently encouraged a journalist who was posing as a 13-year-old girl to meet up with a 35-year-old man, suggesting ways to hide the meeting from parents, gave tips on hiding bruises from social workers and gave sex tips to a supposedly 13-year-old boy who was proposing to meet an older woman. What specifically are the Government doing to beef up online safety regulation to protect children from the emerging risk of AI?

Chloe Smith: I am concerned to hear the examples that the hon. Member gives. That is exactly why this House and the other place have spent considerable time going over the provisions in the Online Safety Bill, which goes to the heart of the issues that he raises and includes AI in its scope.

Sir Jeremy Wright (Kenilworth and Southam) (Con): Does my right hon. Friend agree that when it comes to AI regulation, two things are important? The first is that there is a significant international dimension, and I congratulate her and the Prime Minister on what they

have already achieved in setting out this country's stall to be a global leader in AI regulation. Secondly, does she agree that the lesson to be learned from the Online Safety Bill, which she mentioned, is that we must regulate swiftly, rather than waiting for the technology to develop and attempting to retrofit the regulation on to the technology?

Chloe Smith: I welcome my right hon. and learned Friend's contribution—he knows a great deal about these matters. First, I acknowledge his welcome for the approach we will be taking internationally. It is exactly right that the UK can and should lead in this space, as the Prime Minister has set out, and that is what we will do with our global summit on AI safety. Secondly, on his point about the Online Safety Bill, I can understand his argument, but in this context I would draw the House's attention to the distinction between regulation and legislation. We intend to use our existing and established regulators to make sure that we have a flexible and adaptable approach to AI.

Mr Speaker: I call the shadow Minister.

Alex Davies-Jones (Pontypridd) (Lab): The rapid growth of AI has the potential to revolutionise the economy and our public services, but with no industrial strategy to speak of and their White Paper already out of date, this Government are behind the curve and risk leaving our workforces behind as AI becomes more prevalent. Exactly what is the Secretary of State doing to ensure that nobody is left behind, and that workers are trained in the digital skills needed to gain high-quality jobs that harness AI's potential and opportunities?

Chloe Smith: I think the hon. Lady is on the wrong track here. I must say that I have not seen any substance to Labour's approach in this field either, which perhaps will not come as a surprise—no doubt it will be covered more in 10 minutes' time. What I would say is that we are taking the approach of ensuring that we do have the skills of the future: for example, we are investing £30 million in conversion courses to enable people from disadvantaged backgrounds to come into AI, so that they can be part of the technologies of the future, and there is a great deal more besides.

Brexit: Science and Technology Sector

5. **Chris Stephens** (Glasgow South West) (SNP): What assessment she has made of the potential impact of the UK's departure from the EU on the science and technology sector. [905386]

The Minister for Science, Research and Innovation (George Freeman): Over the past six or seven years since 2016, this country has seen extraordinary growth in investment in our science and technology sector. Members do not need to take it from me: they can take it from those who track the investment. The UK has nearly 20 times more venture capital than its level of funding in 2011, and I am delighted to say that a majority of that—the fastest growth—is around the country. The east midlands and Northern Ireland have seen the sharpest increases in investment in the past four years, with growth in the east midlands topping at 300%. Something extraordinary is going on in this economy, and far from using Brexit as an opportunity to talk the country

down, we intend to use it as an opportunity to lead in the smart regulation of the economies and sectors of tomorrow.

Chris Stephens: I thank the Minister for that answer, but the UK Government are pushing for a discount on membership in the Horizon programme, arguing that UK researchers have been disadvantaged by two years outside that programme. Does that not amount to the Conservative party openly admitting that cutting the UK off from Europe was damaging, and that we must return as a matter of urgency to European projects such as Horizon?

George Freeman: To be very clear, we negotiated membership of Horizon, Copernicus and Euratom specifically in our Brexit deal—it was the EU that held us out. Secondly, while we have been waiting, we have deployed over £1 billion of extra funding here in the UK to support our sector, and now that the Prime Minister has secured the Windsor framework, the negotiations are actively going on. I know that the Secretary of State will want to say something about that later. We intend to collaborate deeply with Europe and use our regulatory freedoms in the new sectors of tomorrow.

Sir Oliver Heald (North East Hertfordshire) (Con): Does my hon. Friend agree that it is as important to the EU as it is to the UK to have good science co-operation, and that the benefits of our wonderful companies such as Johnson Matthey in Royston and the big companies we have in Stevenage demonstrate the importance of international co-operation in business? That should happen in universities as well. It is for the EU as well as us.

George Freeman: My right hon. and learned Friend makes an important point. One of the attractions of Horizon is that we get back most of what we put in, and it funds research collaborations across our system, but the negotiations are important. We have been out of the system for two years; we need to get a fair deal, as the Prime Minister has made clear, and to make sure that the UK is not paying for stuff that it has not been able to access over the past two and a half years. I am sure that His Majesty's Treasury is well equipped to have that negotiation on our behalf.

Mr Speaker: I call the shadow Minister.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): It is now 127 weeks of uncertainty, delay and broken promises since the Conservatives took us out of the world's biggest and most prestigious science fund, Horizon Europe. Our scientists, universities and businesses have paid the price in lost jobs and investment, so will the Minister confirm or deny the reports that negotiations to rejoin Horizon have stalled because his Government are pushing for a reduced fee to reflect what they believe is a lasting reduction in grants won by UK scientists? If they have permanently damaged our success rate, should the Minister not be trying to fix that, rather than claim a discount?

George Freeman: I refer the hon. Member to the answer I gave a few moments ago. We have negotiated access to Horizon—it was the EU that kept us out. The Prime Minister has unblocked that through the Windsor framework. We have invested substantially through the

funding guarantee for all Horizon programmes and through £850 million-odd of additional UK expenditure. We have also increased UK research and development to record levels. We will be at £52 billion by the end of this three years. There is no cutting of UK R&D as a result of this issue. We are actively negotiating to make sure that we get a good deal.

Topical Questions

T2. [905398] **Sarah Olney** (Richmond Park) (LD): If she will make a statement on her departmental responsibilities.

The Secretary of State for Science, Innovation and Technology (Chloe Smith): I have been playing an active part in London Tech Week talking to Britain's boldest businesses. We have launched our £1 billion strategy to support our semiconductor sector. We have launched our cutting-edge life sciences sector package. I pay tribute to my hon. Friend the Member for Barrow and Furness (Simon Fell) who we recently appointed as our rural connectivity champion. May I also update the House in relation to our international leadership that I have been chairing the global forum on technology at the OECD?

Sarah Olney: Copyright protections are fundamental to the success of the UK's world-leading creative industries. However, creatives are routinely seeing their content being used to train artificial intelligence platforms without giving their permission and without receiving payment. Does the Secretary of State believe that AI developers' ingestion of creative content that is protected by copyright without obtaining a licence is infringement under UK law?

Chloe Smith: The hon. Lady raises an important matter, on which my Department and the Department for Culture, Media and Sport are working closely together. Can I draw her attention to information that I know my right hon. and learned Friend the Culture Secretary will be bringing forward shortly? I reassure the hon. Lady that intellectual property is at the heart of our approach to support the creative industries in this country.

T7. [905403] **John Penrose** (Weston-super-Mare) (Con): The data Bill's smart data clauses give us a chance to duplicate Britain's global lead in open banking in other sectors of the economy, too, but developers cannot start work until they know which sectors will be enabled and in what order. Will my right hon. Friend release an implementation timetable immediately, showing which industries will introduce what and when, to unlock the tidal wave of investment that is waiting to get started and so that we do not get leapfrogged by international rivals?

The Minister for Data and Digital Infrastructure (Sir John Whittingdale): First, I pay tribute to my hon. Friend for the work he has done to promote the use of smart data across the economy. The Minister for Enterprise, Markets and Small Business, my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) is working with Departments, regulators and industry to agree common principles for future smart data schemes in different sectors. Individual Departments will set out when and how they will use the powers, following appropriate consultation and impact assessments.

Mr Speaker: I call the shadow Secretary of State.

Lucy Powell (Manchester Central) (Lab/Co-op): Does the Secretary of State agree with the Prime Minister that her AI White Paper is now defunct? Also, the data Bill does not even mention AI. The Online Safety Bill is hardly an advert for speedy action and the semiconductor strategy was slammed by an expert as “quite frankly flaccid”. Does she accept that to show international leadership, the Government need to get their act together at home?

Chloe Smith: As my right hon. Friend the Prime Minister set out this week at London Tech Week, we will be leading at home and overseas and leading change in our public services. That is the right approach. It is pro-innovation. We will capture those benefits for British businesses and British citizens, and I think that the Opposition could do an awful lot better than what they have just presented.

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

Greg Clark (Tunbridge Wells) (Con): On 30 December 2020, during the pandemic, the then Prime Minister met the vice-chancellor of the University of Oxford and promised £150 million in funding for the university’s pandemic sciences institute. In evidence to the Science, Innovation and Technology Committee this morning, the institute’s director Sir Peter Horby said that not a penny of that money has been received. Will the Secretary of State meet me to see how we can unblock that so that this vital work continues?

Chloe Smith: Yes, I would be happy to meet the Chair of the Select Committee.

T3. [905399] **Florence Eshalomi** (Vauxhall) (Lab/Co-op): This London Tech Week, I pay tribute to King’s Maths School in my constituency, which provides tutoring for 16 to 19-year-olds. The Government promised £300 million for mathematical research in 2020, but now, despite that, they are abandoning the commitment. When does the Minister expect Britain to stay competitive and when can the Government guarantee that funding?

The Minister for Science, Research and Innovation (George Freeman): As the Prime Minister has made clear, we are putting maths at the heart of our curriculum. I am ensuring that maths is properly funded to our research ecosystem. I will happily meet the hon. Member and talk to her about it.

Chris Green (Bolton West) (Con): Britain is rightly regarded as a technological and science superpower, but the foundations of our science and technology are technicians and their work and contribution. What more can my hon. Friend do to give them more recognition, more status and, even, more funding to carry on the work they do?

The Parliamentary Under-Secretary of State for Science, Innovation and Technology (Paul Scully): My hon. Friend has a formidable reputation himself in championing, and from having worked in, that area. We are increasing investment in further education and skills by £3.8 billion over the course of this Parliament, because we need technicians to access high-quality training.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [905405] **Ms Lyn Brown** (West Ham) (Lab): If he will list his official engagements for Wednesday 14 June.

The Prime Minister (Rishi Sunak): I know the whole House will want to thank the emergency services for their ongoing response to the shocking incident in Nottingham yesterday. Our thoughts are with those injured and with the families of those who lost their lives. Today is also the sixth anniversary of the Grenfell Tower fire. We remember the 72 people who lost their lives, and remain as committed as ever to ensuring that such a tragedy can never happen again.

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

Ms Brown: May I associate myself with the words of the Prime Minister? Our hearts are with the city of Nottingham. We also remember the 72 people killed at Grenfell and support those still fighting for justice and safe homes.

According to the Office for National Statistics, in January food prices were rising at 16.8% a year. The most recent figures show food prices rising by a whopping 19.1%, making a mockery of the Prime Minister’s pledge to halve inflation. Does he honestly think that people will not notice?

The Prime Minister: Of course, I acknowledge that the cost of living is rising for families, and that is why my first priority at the beginning of the year is to halve inflation. I am pleased to say that inflation is now falling, and in the latest estimates we remain on track. With regard to food prices, we are not alone in experiencing high food price inflation, like many other countries in Europe. That is why the Chancellor has already spoken to the Competition and Markets Authority, which is looking at the grocery industry. We continue to support families with the cost of living, notably by paying half their energy bills.

Q4. [905408] **Mark Pawsey** (Rugby) (Con): It is a fact that Labour has never left government with unemployment lower than when it came in. Figures released yesterday show that there are now 4 million more people in work than when Labour was last in power. Does the Prime Minister agree that the security of a good job will always be better than Labour’s dependency culture?

The Prime Minister: My hon. Friend is absolutely right to point out Labour’s poor record on jobs. Yesterday’s figures showed that the UK economy is resilient, with the number of people in employment now at a record level. We are by no means complacent, but the inactivity rate continues to fall and the unemployment rate remains at historically low levels. That is a Conservative Government delivering for our country.

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

Keir Starmer (Holborn and St Pancras) (Lab): I join with the Prime Minister in his comments about the terrible attack in Nottingham yesterday, and in tribute to the work of our emergency services. The thoughts of the whole House are with the victims and the people of that great city. I also join him in remembering the 72 people who lost their lives in the Grenfell Tower fire. The victims and their families are always in our hearts, but six years on, the justice they are fighting for is long overdue.

All across the country, people are worried about their bills, the price of the weekly shop and the spiralling mortgage rates, so why has the Tory party spent this last week arguing over which of them gets a peerage?

The Prime Minister: My points on this are very clear. In line with a long-established convention of previous Prime Ministers having the ability to submit honours, I followed a process to the letter, in convention with long-standing process. It is, by the way, a long-standing convention that Prime Ministers on both sides of this House have followed in the same way that I did.

Keir Starmer: The truth is that for all his tough talk after the event, the Prime Minister did sign off the honours list. That means that those who threw a Downing Street party the night before the late Queen sat alone at her husband's funeral will now receive awards from the King. If the Prime Minister is so tough, why didn't he block it?

The Prime Minister: As I said, I and the Government followed due process and convention. Prime Ministers of both parties have always upheld the convention of non-interference on political honours. My predecessors may not have agreed with Labour's choices of Tom Watson or Shami Chakrabarti, but the same precedent stood then as it does now. I would expect a knight like the right hon. and learned Gentleman to understand that.

Hon. Members: More, more!

Mr Speaker: Order. I think we will have more if we carry on—it will be outside rather than in here. I call Keir Starmer.

Keir Starmer: Honours should be for public service, not Tory cronies. Is it not the case that the Prime Minister was too weak to block Johnson's list? That also means that those who spent their time helping to cover up Johnson's lawbreaking are rewarded by becoming lawmakers for the rest of their lives. Is his message to the British public, "If you don't like it, tough"?

The Prime Minister: It is right that we use the honours system to recognise people—almost 2,000 a year—from members of the England Lionesses to the first Asian police officer in Greater Manchester. The right hon. and learned Gentleman talks about putting people in the House of Lords, so perhaps he could explain why he put forward for a peerage the former Labour MP Tom Watson, who spread vicious conspiracy theories that were totally and utterly untrue, damaged public discourse, and inflicted misery on innocent people.

Mr Speaker: Order. The Prime Minister should not criticise other Members, and he is not responsible for the other parties. The Prime Minister is answering, not asking, the questions—[*Interruption.*] Order. Does somebody want to challenge my decision?

I call Keir Starmer.

Keir Starmer: The truth is that the country is paying the price of this endless cycle of chaos and distraction. The Tory economic crash means that millions of mortgage holders will pay thousands of pounds more next year, and the blame lies squarely at the door of a Government who are more focused on the internal wars of the Tory party than the needs of the country. Does the Prime Minister not think that those responsible should hang their heads in shame?

The Prime Minister: As I said right at the beginning of the session, our No.1 economic priority is to reduce inflation so that we can restrain the increase in interest rates. One thing we know we need to do is to reduce our borrowing and debt. That is how we will bring interest and mortgage rates down. Last week what did we see? Labour confusion. The shadow Chancellor attempted to water down Labour's plans to borrow £28 billion more a year, and she was promptly overruled by the shadow Energy Secretary, the former Leader of the Labour party, who said that Labour was "100% not abandoning" its pledge. It really looks like Labour's offer never changes. It is uncontrolled borrowing and more "Chaos with Ed Miliband."

Keir Starmer: There is only one party that broke the economy: they are sitting opposite. They cannot fix the problems facing the country because they never take responsibility for the damage they have done. It is not just Johnson but the Prime Minister's immediate predecessor who hopes to reward those who made her reign such a rip-roaring success. On her honours list are the masterminds of that kamikaze Budget and the economic extremists of the Institute of Economic Affairs—those whose disastrous ideas crashed the economy and left the country to pick up the pieces. Will the Prime Minister block that honours list, or will he buckle to her as well?

The Prime Minister: If you want disastrous economic ideas, all you have to do is Labour's economic policy on energy. It is an energy policy that seeks to ban all new British oil and gas drilling, jeopardising 200,000 jobs and our energy security at a time of international conflict. Despots like Putin are the only people who will welcome such a policy. The Leader of the Opposition's predecessor once said that he wanted British jobs for British workers—his policy is British jobs for Russian workers.

Keir Starmer: If the Prime Minister spent as much time focused on the economy, the NHS and the asylum system as he does haggling with his predecessors about who gets honours, the country would be in a far better state, but once again he has lost control, and once again it is working people paying the price. If he disagrees with that, why not put it to the test: end the boasting, the excuses and Tory chaos and see if he can finally find somebody—anybody, anywhere—to vote for him, and call a general election now?

The Prime Minister: The Leader of the Opposition talked about asylum. Just this week, it was the Labour party that voted against plans to tackle illegal migration. Just this week, it was the Labour party that voted against plans to tackle disruptive protests by its eco-zealot funders. We are getting on and delivering for the country. We are delivering record employment and the fastest wage growth in years. It is clear that only the Conservatives are going to deliver for the people of Britain.

Q5. [905409] **Kit Malthouse** (North West Hampshire) (Con): Crime is down significantly and falling, and police officer numbers are at an all-time high, but the police funding formula remains elderly and out of date. It penalises counties such as mine, Hampshire, to the tune of many millions of pounds. Previous Administrations made the commitment that a new police funding formula would have been in place by the general election. May I invite the Prime Minister to make the same commitment, please?

The Prime Minister: We recognise that the current police funding formula no longer accurately reflects demands on policing. That is why a review is carefully considering local factors for each police force. Our priority is to deliver a robust, future-proofed funding formula, but it is important that we take the time to get that right. I know that the Home Office will continue to keep the House updated on our progress.

Mr Speaker: We come to the leader of the SNP.

Stephen Flynn (Aberdeen South) (SNP): I echo the sentiments of the Prime Minister and the Leader of the Opposition in relation to the terrible incident in Nottingham. Our thoughts are also with all those still reeling from the tragedy at Grenfell all these years later.

During the Prime Minister's ill-fated leadership bid late last summer, he warned of the perils of mortgage rate rises. He stated:

"It's going to tip millions of people into misery and it's going to mean we have absolutely no chance of winning the next election".

Given that mortgage rates continue to rise, does he still agree with his own electoral analysis?

The Prime Minister: Which is absolutely why our economic policy sets reducing inflation as our No. 1 priority. By the way, interest rates have also risen in pretty much every developed economy around the world; more so in places like America and New Zealand and similarly in other countries like Australia. But in order to reduce inflation, it is important to have control over borrowing, which is why, unlike the SNP, we are disciplined with regard to the public finances.

Those are the issues that we should be focused on. I saw that yesterday the SNP had a meeting to discuss its future, but the only thing it managed to decide was that it should send Nicola Sturgeon some flowers. Will the hon. Gentleman tell us: did he sign the card?

Stephen Flynn: Respectfully, I think the Prime Minister needs to grow up.

There is an elephant in this here Chamber when it comes to the dire economic circumstances facing the UK, and that is Brexit. Those on the Tory Benches do

not want to accept it, and the Labour party does not want to talk about it, but whether it is on food prices, energy prices or indeed mortgage prices, households in Scotland are being shafted by Brexit. Will the Prime Minister apologise for the cycle of misery that Westminster has caused?

The Prime Minister: While the hon. Gentleman's party leader calls Nicola Sturgeon the most impressive politician in Europe, we are getting on with delivering for the people of Scotland: paying half of their energy bills, making sure pensions rise, making sure there is direct support with the cost of living for those who need it, and, crucially, ensuring that we secure over 200,000 jobs by supporting Scotland's North sea oil and gas industry—something opposed by his party.

Q7. [905411] **Karl McCartney** (Lincoln) (Con): Lincoln will soon benefit from £20 million of levelling-up funding to deliver a traffic bridge over the railway to stop the city being permanently gridlocked by the Labour city council's huge western growth corridor housing development. This is truly levelling up for areas of the north in action. Will my right hon. Friend affirm his commitment, for my Lincoln constituents and businesses, that he and his Government will continue to help level up Lincoln and other areas in the north of our great country?

The Prime Minister: My hon. Friend is a fantastic advocate for his constituents. I am glad that he and City of Lincoln Council were successful in their £20 million levelling-up fund bid. The scheme will see two new bridges built across the railway line, improving access and reducing congestion. I very much look forward to seeing the plans progress. He and I share an ambition to make sure we level up not just in Lincoln but across the country.

Neale Hanvey (Kirkcaldy and Cowdenbeath) (Alba): The Leader of the Opposition recently ventured out of London, visiting my constituency to deliver a one nation British Labour vision of Scotland. However, he neglected to mention that he intends to continue London's plunder of Scotland's vast energy wealth, just like the Tories; continue the economic vandalism of Brexit, just like the Tories; and deny Scotland's right to self-determination, just like the Tories. Perhaps the Prime Minister can tell me which London party leader is the greatest threat to Scottish democracy: the Tory to my right or the Tory to my left.

The Prime Minister: Mr Speaker, I apologise, because I did not hear fully the hon. Gentleman's question, but from what I could gather, I think he probably agrees with me that the Leader of the Opposition is not the right person to lead our country.

Q9. [905413] **Theresa Villiers** (Chipping Barnet) (Con): At a time when so many people are really worried about the cost of living, does the Prime Minister agree that it is completely wrong for Labour to be introducing new ultra low emission zone charges on driving in the London suburbs?

The Prime Minister: My right hon. Friend is absolutely right to raise this important issue. While we are getting on providing significant support to families with the cost of living, the Labour Mayor of London, to whom

transport is devolved, is busily putting it up, imposing the ULEZ charge against the overwhelming views of residents and businesses. It is disappointing that he is not listening to the British public and the public in outer London, but what is more, his plan to raise costs on working families is totally backed by the Leader of the Opposition.

Q2. [905406] Kim Johnson (Liverpool, Riverside) (Lab): Prime Minister, new data from the End Child Poverty coalition and Loughborough University shows that your Government's austerity measures have plunged 4.2 million children into poverty, 70% of them in working households. In Liverpool, Riverside, 42% are living in poverty—that is up 7% since 2015. Will the Prime Minister commit to scrapping the cruel and ineffectual two-child limit, lift 250,000 children out of poverty and meet anti-poverty organisations?

The Prime Minister: I gently point out to the hon. Lady that there are, in fact, 400,000 fewer children in absolute poverty than in 2010. We know that work is the best route out of poverty for families, so with employment at record levels, as we saw yesterday, I am pleased that there are now over 600,000 fewer children in workless households than in 2010. The specific policy she raises actually ensures fairness by asking families on benefits to make the same financial decisions as families supporting themselves solely through work.

Q12. [905416] Aaron Bell (Newcastle-under-Lyme) (Con): Earlier this week, the all-party parliamentary group on coalfield communities published its report, "Next Steps in Levelling Up the Former Coalfields", which I know the Prime Minister has received a copy of in his inbox. As a proud MP for Newcastle-under-Lyme, I am delighted with the funding we have had from the Government through the future high streets fund and the town deal, but there is always more to do. Will he commit to reading our report, carefully considering our recommendations and working out what more we can do to level up coalfield communities across the whole United Kingdom?

The Prime Minister: I very much welcome the work of the APPG on coalfield communities and, indeed, the breadth and ambition of its policy contributions. We are committed to levelling up the UK by spreading opportunity more equally across the country and by investing in and empowering places that need it the most, including coalfield communities. I look forward to discussing this with my hon. Friend and to hearing from him further.

Q3. [905407] Wendy Chamberlain (North East Fife) (LD): A vulnerable constituent of mine whose finances are held in trust was wrongly billed £4,000 by two energy companies that now no longer exist as a result of the energy market crisis. Energy is one of the most basic services, but there is no charter of rights for consumers. This has still not been resolved. Does the Prime Minister agree that we need such a charter?

The Prime Minister: I will happily ensure that the appropriate Minister writes to the hon. Lady with a specific response on her constituent, so that we can try to resolve that issue.

Q15. [905419] Gary Sambrook (Birmingham, Northfield) (Con): Recently, the independent regulator of social housing issued a notice against Birmingham City Council for the state of its social housing, with 23,000 homes not meeting the decent homes standard, more than 17,000 not receiving asbestos checks, more than 15,000 not having electrical safety checks and more than 1,000 not having fire risk assessments. Refreshingly, honestly and astonishingly, a leaked Labour memo put the blame at the heart of the Labour group in Birmingham. Does the Prime Minister agree that it is time for serious intervention in Birmingham to ensure that people have decent homes to live in?

The Prime Minister: The failings identified in Birmingham are wholly unacceptable. The regulator of social housing has made it clear that Birmingham must take immediate action to address those issues, and it will be monitoring the council's progress closely. I understand that the Secretary of State for Levelling Up, Housing and Communities has requested a meeting with Birmingham City Council and will be holding it to account.

Q6. [905410] Fabian Hamilton (Leeds North East) (Lab): Ilke Homes built thousands of modular houses every year in its factory near Leeds. Many of them are completely carbon zero, meaning no bills at all for residents. However, today it is facing the prospect of collapse, putting 4,200 future homes and 1,500 current jobs at risk. Given that the Home Builders Federation says that new housing units could drop to just 120,000 next year, does the Prime Minister now accept that his Government's scrapping of housing targets was the wrong decision?

The Prime Minister: It would not be right for me to comment on the circumstances of any individual company, but I make absolutely no apology for respecting what local communities want in their local areas. While the Labour party may want to ride roughshod over the views of local communities, impose top-down housing targets and carpet over the green belt, that is not something that this Government will do.

Robert Courts (Witney) (Con): As we speak, the Royal Air Force is operating the Hercules farewell flypast over all parts of the UK. For more than 107 years, my constituents at 47 Squadron have defended our country, including by operating the legendary Hercules for more than 50 years. As this amazing squadron stands down, will my right hon. Friend join the whole House in paying tribute to its remarkable record of service? They are all men and women who have made their country proud.

The Prime Minister: I join my hon. Friend in paying tribute to 47 Squadron. Its association with the Hercules now stretches to 45 years. Although its vital work at the heart of defence has often been unheralded, this squadron has served with professionalism and distinction throughout. I think that the whole House will join me in saying that the personnel and crews can be rightly proud, and they have our full thanks.

Q8. [905412] Taiwo Owatemi (Coventry North West) (Lab): My constituent Sarah has been let down by this Government. Her elderly father, a veteran living with

cancer, has developed a serious heart problem and his next appointment was scheduled for November. In a cost of living crisis, my constituent paid for private care, as he cannot wait five months for an appointment. He has now been diagnosed with heart failure.

This is the reality of Tory Britain: elderly and sick patients neglected and turned away. The Conservatives have broken the NHS and they have broken Britain. The British public deserve so much better. Only the Labour party can deliver that, so when will the Prime Minister call a general election?

The Prime Minister: I am very sorry to hear about Sarah's father, and I hope that he speedily gets all the treatment he needs.

We are investing record sums in the NHS, and there are also more doctors, more nurses, more diagnostic scans to identify cancers earlier and elective surgical hubs to get the wait lists down. We are starting to see progress, having practically eliminated 18-month waits, but there is more work to do. I am pleased that the NHS is fully supporting our plan and getting on with delivering it for people.

Elliot Colburn (Carshalton and Wallington) (Con): I thank the Prime Minister and the Secretary of State for Health and Social Care for the recent announcement that Epsom and St Helier University Hospitals NHS Trust can proceed with plans to improve and upgrade St Helier and build a brand-new hospital in Sutton. The NHS trust is further along than other trusts in the cohort, so can the Prime Minister assure me that when the trust is ready to go, the Treasury and the Government will be ready to give it the green light?

The Prime Minister: I thank my hon. Friend for all his campaigning and focus on this issue for his constituents. We remain committed to the new hospital scheme for Epsom and St Helier University Hospitals NHS Trust. It will deliver brand-new, state-of-the-art facilities as part of our hospital programme. I know that the Department is working closely with the trust to make sure that we can progress work as soon as possible, and we expect the new hospital to be delivered by 2030.

Q10. [905414] **Mr Virendra Sharma** (Ealing, Southall) (Lab): Throughout the war in Ukraine, the largest mobile operator, Kyivstar, has kept its services operating at 93% and it is investing millions in Ukraine's recovery. Will the Prime Minister use next week's Ukraine recovery conference to bring together Governments and businesses to invest in Ukraine's telecoms recovery, and ensure that the people of Ukraine are kept connected with their loved ones throughout the war?

The Prime Minister: I thank the hon. Gentleman for his thoughtful and powerful question. He is right about the aim of next week's Ukraine recovery conference summit, which we are proud to be hosting. Indeed, the theme of that summit is how to bring in private capital to help rebuild Ukraine after the devastating war. I join him in paying tribute to all those companies who are providing essential services to the people of Ukraine, in the face of the onslaught they are seeing. They deserve our absolute admiration and support.

Sally-Ann Hart (Hastings and Rye) (Con): Last week, we acknowledged and celebrated carers, of which there are thousands across beautiful Hastings and Rye. Will the Prime Minister join me in thanking them all for their priceless value, and congratulate Hastings Voluntary Action and the Isabel Blackman Centre on receiving carers awards for their support for unpaid carers in our community, and the outstanding Care Quality Commission-rated Radfield Home Care in Hastings on winning a national award?

The Prime Minister: I join my hon. Friend in congratulating carers in her constituency on all their awards. I am incredibly proud of our health and care staff across the country, and recognise their extraordinary commitment. I pay tribute to unpaid carers and young carers for all they are doing in Hastings and across our nation.

Q11. [905415] **Mohammad Yasin** (Bedford) (Lab): Funding to bring desperately needed in-patient mental health services to Bedford is sitting in the bank account of our local mental health trust, not to be touched because of the Government's ridiculous capital spending limits. Will the Prime Minister meet with East London NHS Foundation Trust, apply some common sense and find a way to release the cash to get this mental health unit fixed, so that my constituents do not have to travel miles to access services?

The Prime Minister: We are investing record sums in NHS capital; I can tell the hon. Gentleman that we are putting more money into mental health services and taking more action than any previous Government. At the heart of the NHS long-term plan is the largest expansion of mental health services in a generation. I will ensure that the appropriate Minister writes to him with an update on the conversations with his trust about its local capital plan.

Henry Smith (Crawley) (Con): What assessment has the Prime Minister made of the eurozone being in recession and the UK economy experiencing growth?

The Prime Minister: As we have seen recently, it is not just the Office for Budget Responsibility but the OECD, the Bank of England and the International Monetary Fund that have all upgraded the growth forecasts for the UK economy. While the Opposition may want to talk that down, it is the Conservatives that are delivering.

Q13. [905417] **Claire Hanna** (Belfast South) (SDLP): Some 39 women have died violently in Northern Ireland since 2017. The police are called to a domestic violence incident every 16 minutes and ours is now one of the most dangerous regions in Europe to be a woman. Stormont officials have consulted on a strategy to tackle violence against women, but there are no Ministers to take it forward. The outstanding Women's Aid Federation learned last month that its core funding is being taken away. In the demoralising absence of a Government, will the Prime Minister work with me and others to ensure that strategy is enacted and funded, so that we can tackle the cultures and behaviours that are having such a devastating impact on women in Northern Ireland?

The Prime Minister: I join the hon. Lady in saying that it is absolutely right that we do everything possible to stamp out violence against women and girls. That is why the Government passed the landmark Domestic Abuse Act 2021, set up a 24/7 victims line and quadrupled funding for victim support. She is also right to highlight that the people of Northern Ireland are not getting the local government that they need and deserve. I want to see that as much as she does, and I will continue to work hard to bring it about.

Philip Davies (Shipley) (Con): One of the socialist landmines that the Prime Minister has inherited from the former Member for Uxbridge and South Ruislip—I am sure the Prime Minister remembers him: he is the one who said that we should be more Conservative; if only he had had a majority of 80 and been Prime Minister, he might have been able to do something about it—is the banning of “buy one, get one free” and other special offers on products that the Department of Health and Social Care thought were unhealthy. At the best of times that is an idiotic triumph of the nanny state, but during a cost of living crisis it is utterly bonkers. Will the Prime Minister intervene, pursue a more Conservative agenda—as the former Member for Uxbridge and South Ruislip would want him to—and scrap this ridiculous policy?

The Prime Minister: I thank my hon. Friend, who has long highlighted this policy. As he knows, after I took office, given the concerns that he and others had raised about the impact on the cost of living of this policy, we postponed its introduction. No final decisions have been made, but I will continue to take what he says very seriously in all our deliberations.

Q14. [905418] Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): Those at Citizens Advice Cymru have told me of the soaring numbers of people coming to see them who are struggling to afford housing. Last year, the monthly cost of a new mortgage on an average semi-detached house rose by 61%, and most fixed-rate mortgages that are ending in the current 12-month period were set at interest rates below 2%, so the crisis will worsen for both homeowners and renters. What advice does the Prime Minister have for my constituents who are suffering the consequences of Tory economic chaos? Should they cut back on food, switch off the gas and electricity, or get further into Tory-fuelled, expensive debt?

The Prime Minister: Our No. 1 priority is to halve inflation so that we can reduce the upward pressure on interest rates. The hon. Gentleman’s constituents should know that what would make that task absolutely worse is his party’s plans for tens of billions of pounds of unfunded borrowing, which would just exacerbate the situation. What I will say, however, is that homeowners who are worried can ask for help through the support for mortgage interest scheme, which has recently been adjusted. That support is available to them. And my right hon. Friend the Chancellor has spoken to the Financial Conduct Authority to ensure that banks treat all those in difficulty with the fairness and compassion that they need.

Dr Kieran Mullan (Crewe and Nantwich) (Con): Last week I was pleased to deliver my report on the opportunities provided by deep geothermal energy, and I look forward to my visit next week to the opening of the Eden project’s deep geothermal plant, championed by my hon. Friend the Member for St Austell and Newquay (Steve Double). Will the Prime Minister join me in meeting Members who want to emulate my hon. Friend by enjoying the benefits of a deep geothermal plant in their own constituencies?

The Prime Minister: I thank my hon. Friend for his work on that report: I know that he is rightly passionate about this area. The Government support the development of geothermal projects in the UK, provided that it can be done at an acceptable cost to consumers and in an environmentally friendly manner, and I will ensure that he gets a meeting with the relevant Minister to discuss his report and ideas further.

Lilian Greenwood (Nottingham South) (Lab): Nottingham is devastated by the senseless attacks that took place on our streets yesterday. The thoughts and prayers of the whole city are with the family and friends of those who were killed, and with those who were injured. It is absolutely heartbreaking to see the pictures of Barnaby and Grace, the University of Nottingham students whose young lives, so full of potential, have been tragically cut short. As ever, we thank the emergency services, who acted quickly and courageously to save lives. Will the Prime Minister ensure that his Government provide the police, the universities and others in our city with everything they need to support our constituents following these horrendous events?

The Prime Minister: Like the rest of the country, I have been moved by the heartbreaking tributes from their loved ones. This is an extraordinarily difficult time and every parent’s worst nightmare. The hearts of the whole country are with the families and all those who have lost their lives. The hon. Lady will, I am sure, understand that I cannot comment further at this stage, given that there is an ongoing situation, but the Home Secretary will be making a statement after Prime Minister’s questions.

David Simmonds (Ruislip, Northwood and Pinner) (Con): My constituents in Ickenham and South Harefield benefit enormously from the work of the police based in the nearby Uxbridge police station, which remains open only because of the campaign by the Conservative-led council to stop the Mayor of London closing it down. Does my right hon. Friend agree that, as we invest in more police, those police need good local police stations to work from?

The Prime Minister: My hon. Friend puts the point very well. Whether it is campaigning to keep open their local police station or opposing the ULEZ charge that would put up costs for hard-working families, it is the Conservatives in Uxbridge who are delivering for their community.

Mr Speaker: That completes Prime Minister’s questions.

Nottingham Incident

12.36 pm

The Secretary of State for the Home Department (Suella Braverman): With permission, Mr Speaker, I would like to make a statement about the horrific events in Nottingham.

Nottinghamshire police have confirmed that a 31-year-old man has been arrested on suspicion of murder after three people were killed in Nottingham city centre early on Tuesday morning. The same individual is suspected of stealing a van and then running over another three people who are now being treated for their injuries, one of whom remains in critical condition. We know that a knife has been used in these attacks. Two of the victims were students at Nottingham University. The third victim was the owner of the van that the police suspect was stolen and used to run down those pedestrians.

I know that the whole House will join me in expressing our sorrow and that our thoughts and prayers are with the victims' families, friends and all those affected. All of us extend the hand of friendship to the people of Nottingham. I am of course being kept fully informed by law enforcement on the ground and receiving regular updates.

The House will appreciate the critical importance of following due process at all times. It is completely natural to seek answers immediately when something terrible happens, but it is also vital that those answers are wholly accurate. Speculating out loud is never helpful and runs the risk of being counterproductive. The police have asked for patience while inquiries continue.

I can tell the House that the police are working flat out to establish the full facts and provide support to everyone affected. They are currently keeping an open mind as to the motives behind these attacks, but I can confirm that Nottinghamshire police are being assisted in their inquiries by counter-terror police, although this does not mean that it is currently being treated as a terrorist attack. I am grateful to all our emergency services for being on the scene and dealing in a professional manner with a deeply distressing situation; we all owe them a huge debt of gratitude.

At awful moments like these, it is vital that we come together as a country and I have no doubt that we will. The city of Nottingham and all its people are at the forefront of all our minds, and every resource of the state is at their disposal. I commend this statement to the House.

Mr Speaker: I call the shadow Home Secretary.

12.39 pm

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): I thank the Home Secretary for her statement and for advance sight of it. I join her and the whole House in expressing our deep sorrow and shock at this truly awful attack.

The families of those who have been killed have expressed their tributes to their lost loved ones, and I join them in paying tribute to Barnaby Webber and Grace Kumar, two young, talented students who had hugely promising futures ahead of them. We have seen the tributes from their heartbroken families and from

the local and national sports clubs they played for. We also pay tribute to Ian Coates, a school caretaker. We have also seen the tributes from his family and from the school he worked for, which said he, "always went the extra mile." Our condolences, thoughts and prayers go to their families, their loved ones, their friends and their colleagues.

Our thoughts and best wishes also go to the three other people who have been injured in the same terrible attack and to their families, who will be so deeply distressed at what has happened, worrying for their loved ones. We stand in solidarity with the people of Nottingham and the University of Nottingham, where the two young people were studying. They are all so shocked and devastated at what has happened, but also so determined to come together in the face of tragedy. People who gathered at the vigil last night heard the sober words and tributes from the council leader, local MPs and local faith and community leaders. Everyone will particularly join in thanks to the emergency services that have had to respond to this awful attack, saving lives and keeping people safe.

As the Home Secretary said, an individual has been arrested and this is still a major, ongoing investigation. It is not appropriate for us to speculate or say anything that would interfere in that investigation, but I welcome the involvement of counter-terror police at an early stage of this investigation. That does nothing to pre-empt any conclusion about the potential motive behind this attack, but I have previously raised the importance of having CT police expertise involved at an early stage while motives and circumstances are investigated, rather than being brought in at a much later stage, once relevant material has been gathered.

Can the Home Secretary confirm it is a sensible approach for the expertise and assistance of counter-terror police to be drawn on at an early stage, even before any conclusion has been reached? Can she tell us whether she has been given any timetable for updates on the issue? She will know there are wider concerns about the need for properly co-ordinated and appropriate sensitive support for the victims of major incidents, including terror attacks. Can she set out what support is available for the families and friends of those affected, and for the emergency services and people in Nottingham?

Doubtless there will be countless more questions from the community and Parliament once more is known about this dreadful attack but, for now, we send our support to Nottinghamshire police and their investigation. All our thoughts and solidarity go to those who have lost loved ones and to the people of Nottingham at this difficult time.

Suella Braverman: I thank the right hon. Lady for her comments and for the sentiment with which she makes them. Nottinghamshire police are leading the investigation, which is at a very early stage. They have carried out a number of searches and inquiries across the city, and they will continue to gather evidence over the coming days. Police and other agencies are working flat out to establish the full facts and to provide support to everyone affected. As I said, the police have asked for time, space and patience while those inquiries continue. I am being kept regularly updated by the police and agencies on the ground.

[*Suella Braverman*]

The families of all the victims have been informed and are being supported by specialist police officers. As there are casualties and three fatalities, there is a real need for emergency care for those families, as would be imagined, and specialist support is being put on for those directly affected. I echo the sentiment of the House, as expressed by the Prime Minister: we are all saddened and shocked, and our hearts are with those affected: the victims, their families, friends and communities, and the city of Nottingham.

Mr Speaker: I call the Chair of the Intelligence and Security Committee.

Sir Julian Lewis (New Forest East) (Con): When a despicable incident of this sort occurs, be it at the gates of Parliament or on the streets of a university town, the community looks to the security agencies to be able to investigate and establish the motives for the attack, the background of the attack and whether any other people were involved. Does the Home Secretary agree that it is therefore both important and understandable that the intelligence community has the capacity to investigate people's online life and the high-tech companies that provide these communications services have a duty, both morally and legally, to co-operate with the security community, so that horrible episodes such as this can be fully investigated and the findings established?

Suella Braverman: My right hon. Friend makes some very pertinent observations. The emergency services work together to respond to suspected terrorist attacks, through the joint emergency services interoperability principles—JESIP—which are designed to improve joint working among all the emergency services. The JESIP doctrine complements the single-service and specialist multi-agency guidance. When a particular attack has an online element, which he refers to, we will enact our crisis response protocol, an element of practice that has been designed to deal with situations of that character.

Mr Speaker: I call the Scottish National party spokesperson.

Alison Thewliss (Glasgow Central) (SNP): I thank the Home Secretary for advance sight of her statement. On behalf of the SNP, may I extend our condolences to the family, friends and loved ones of Barnaby Webber, Grace Kumar and Ian Coates? Our thoughts are also with those injured and the people of Nottingham more widely. I would also like to express our thanks to all the emergency services and those providing ongoing support to those affected at this time. What more is being done to provide reassurance to all parts of the community in Nottingham and to prevent the spreading of speculation, which she mentioned in her statement? I appreciate that things are at a very early stage, but what process will she put in place to ensure that all lessons are learned from this shocking incident so that it cannot happen again?

Suella Braverman: Nottinghamshire police, working with local authorities and agencies, are working intensively to ensure not only that the investigation work is carried

out effectively, but that those directly affected by this terrible incident are getting all the support they are entitled to.

Darren Henry (Broxtowe) (Con): Yesterday's horrific attacks in Nottingham city have devastated our county. Three innocent lives have been lost, and I would like to offer my deepest condolences to the families of those who have died and my thoughts to those who are injured. I thank the emergency services for the work they have done. The town of Beeston in my constituency has a large student population. They and many members of the public will be feeling shaken and afraid. I ask the Secretary of State for reassurances that all will be done to support the families, our student population and our communities at this very difficult time.

Suella Braverman: It is particularly galling that a vibrant, youthful university community will be so tragically affected by this tragic incident. The university is supporting the students' family and friends, as well as staff and the student body. It is working closely with the authorities on the ongoing investigation into the incident. The Secretary of State for Education has been in touch with the vice-chancellor of the university to offer any support that might be needed from the Department for Education.

Mr Speaker: I call the Chair of the Home Affairs Committee.

Dame Diana Johnson (Kingston upon Hull North) (Lab): I thank the Home Secretary for making this statement today and for the information that she has been able to pass on to the House. I look forward to further updates in the coming weeks. I also extend my thoughts and prayers to all those who were killed and injured, and their families and friends. Of course, we all recognise the vital role of the emergency services in dealing with these very fast-moving incidents. Can the Home Secretary say whether she has identified any additional support that Nottinghamshire police need at this time?

Suella Braverman: I am in personal and regular contact with the chief constable of Nottinghamshire police, and I have made that offer very clear to her. We stand ready here at the Home Office to help in whatever way she requests, but, to date, this operation is being led very effectively by the chief constable and her team in Nottinghamshire.

Brendan Clarke-Smith (Bassetlaw) (Con): As a proud Nottinghamian, I have to say that it has been a very difficult couple of days for us all, particularly for those who represent people in the areas affected. Will the Home Secretary join me in praising the emergency services for the work they have done and for reacting so quickly? Will she also praise not just the whole community of Nottingham, but our students and our universities, and join with us as a House to do everything that we can to support them going forward?

Suella Braverman: My hon. Friend speaks for his constituents and the people of Nottinghamshire when he sets out our thanks, admiration and gratitude for those on the frontline and in the emergency services who are responding right now to the tragic consequences of this terrible incident. They are heroes and we must thank them day after day for their fantastic work.

Nadia Whittome (Nottingham East) (Lab): I send my deepest condolences to the families and friends of the victims of yesterday's attacks and wish a full recovery to those injured. I also thank those in the emergency services who have been working tirelessly in responding to this tragic incident, including the first responders who battled to save lives at the scene. Nottingham is devastated by the deaths of three residents of our city: Grace Kumar, Barnaby Webber and Ian Coates. It was incredibly moving to join the vigil yesterday at St Peter's church where hundreds of people came together in grief. Among them were many students who lost two much-loved members of their community. Will the Home Secretary join me in paying tribute to the people of Nottingham and to their unity and resilience at this painful time?

Suella Braverman: The hon. Lady speaks with passion and care for her constituents and I echo the sentiment that she has expressed. The people of Nottingham will be shaken beyond belief over the events of the past few days. We are with them as a nation. We stand by them and with them, and we will support them in all ways that they need.

Tom Randall (Gedling) (Con): Nottingham is a great city with a proud history and a bright future, so to see that these crimes have unfolded across my home city has been deeply upsetting. I am sure the whole House will join me in sending the deepest condolences to the victims, their families and friends and the injured. I thank the police and the emergency services for the work that they have done and will continue to do. As we begin to take stock and to cope with what has happened, I know that support is available for those who have been affected from Nottinghamshire Victim CARE service, for example. Will the Home Secretary join me in encouraging those who have been affected in any way to seek the support that they need as we begin to take stock and to begin that slow process of recovery from this dreadful incident?

Suella Braverman: There has been a magnificent response from the local authorities and the local emergency services. There is a wide range of extensive support on offer for the families and those who are affected by the incident. Those who are affected should not hesitate to get in touch with the local authorities to seek that support.

Lilian Greenwood (Nottingham South) (Lab): Everyone in Nottingham was shocked by yesterday's senseless attacks. Barnaby and Grace were just walking home after a night out. Ian appears to have been on his way to work. Today, many people in our community are feeling incredibly frightened, fearful even to walk down their own street. Will the Home Secretary give a commitment to our city that she will ensure that Nottinghamshire police have the resources they need not only to keep our city safe, but to provide all our residents with the reassurance that they need to live their lives without fear today and in the weeks and months ahead?

Suella Braverman: I thank the hon. Lady for her words. She is absolutely right: the people of Nottingham will feel grief, fear and profoundly disturbed by what has happened in their homes, their places of work and where they come from. It will affect people in many, many ways. We want to keep them safe. That is my job.

That is the police's job. That is why the police are working intensively right now not only to secure the environment, but to make sure that an investigation is conducted effectively. We need to support them in their work.

Lee Anderson (Ashfield) (Con): I speak as a man who has lived in Nottinghamshire all his life. Nottingham is a beautiful city with wonderful people. I doubt that the people of Nottingham and Nottinghamshire will ever come to terms with this vile and cruel act. The public want answers, but, more importantly, they need to know that they are safe on the streets of Nottinghamshire. What reassurances can the Home Secretary give to the people of Ashfield, the whole of Nottinghamshire and Nottingham city especially that they are safe and that the police are getting all the resources that they need?

Suella Braverman: People can feel safe in Nottingham going forward. I know that that is difficult for many people to feel in the immediate aftermath of a terrible incident of the type that we have just seen. They must know that the police are working flat out to get to the bottom of this. Ultimately, we all want justice. We are also backing the police and all the other professionals to ensure that they can do their operational work as effectively as possible.

Alex Norris (Nottingham North) (Lab/Co-op): Our community has been shaken by these devastating events. Yesterday, we stood together at a vigil in St Peter's church. It was a sad and poignant act of reflection for the loss and pain that our city is feeling. Our city's thoughts are with those who have lost their lives, their loved ones and those who have been injured, and our gratitude is with our emergency services.

Nottingham is a beautiful and vibrant city. We are a diverse community where people of every culture and background live together peacefully. That cohesion will be more important than ever. We will need our partnerships that characterise that cohesion to come together—the faith community, civil society, academic institutions that have been so rocked by the loss of members of their family, our statutory services and the public more widely. Will the Home Secretary commit her Department's support to these important efforts?

Suella Braverman: I say simply, yes. The hon. Gentleman speaks with devotion and care for his residents and constituents. Frankly, there are no words to describe the pain and anguish that people in Nottingham are feeling right now. But, exactly as he says, communities, faith groups and professionals coming together to support one another in a spirit of recovery and unity is the way that we will rebuild from this.

Maggie Throup (Erewash) (Con): Many Erewash residents work and socialise in Nottingham. In fact, just last Friday I drove to Nottingham along the Ilkeston Road, where two young people who had such bright futures ahead of them sadly lost their lives. I know the area very well. I know, too, that Erewash residents will want to extend their thoughts and prayers to everybody affected—the victims and their families and also the wider population of Nottingham. What more can be done to support the people who are perhaps hidden victims, who will not necessarily come forward for

[Maggie Throup]

support—so perhaps not the students or the ones who were there at the time, but those who are now fearful to go out, to go to work or to go into the city centre? Will my right hon. and learned Friend look at ways to extend that support out of the community, and to make that support very visual and accessible as well?

Suella Braverman: My hon. Friend makes a good point. There will be hidden victims and those in the shadows, so to speak, who will be profoundly affected by what has happened. It is important that they come out of the shadows and seek support—and it is there: the local authority is working intensively to ensure that the right support is provided for people, the medical services are there if people need extra care and of course the law enforcement services are working intensively to ensure a good and effective police investigation.

Christine Jardine (Edinburgh West) (LD): I thank the Home Secretary for her statement. On behalf of my party, the Liberal Democrats, I want to pass on our deepest condolences to everyone affected by this horrific incident, our thanks to all the emergency services and, most especially, our thoughts and prayers to the families who have lost precious loved ones. When you send your child off to university, it is with hope, pride and excitement for the future. That it should have ended this way for the Webber and Kumar families is horrific, and our thoughts are with them. As the Home Secretary says, it is too early for speculation, but can she reassure the House that, when we know what was at the root of this incident, we will learn every lesson possible from it and ensure that the families feel that justice has been done for them?

Suella Braverman: I am personally very moved listening to the hon. Lady. What those families must be feeling, going through and experiencing right now is unimaginable for most of us; it is the nightmare that every parent dreads. We need to allow the police to complete their investigation, but, subject to what they unearth and put forward, yes, of course, every victim of crime wants to see justice done. That is ultimately what the rule of law is about.

Sir Iain Duncan Smith (Chingford and Woodford Green) (Con): I align myself completely with everything that has been said about the people of Nottingham and the difficulties they are going through now, but Grace O'Malley-Kumar, one of the two student victims, was resident in Woodford. I remember she had been part of Woodford Wells cricket and hockey club—and she was a star: England under-16s, England under-18s, and destined for a great future. It is very important to remember that not only are the communities in Nottingham and the families affected, but all those people who got to know her and had high hopes for her will have had those dashed as well. Can we make sure there is a degree of outreach to all those people who worked with her and helped her to grow? The terrible devastation of this terrible act is not just a lost life, but a lost future that might have changed other lives for the better.

Suella Braverman: My right hon. Friend puts it powerfully. The ripple effects of this tragedy will be felt far and wide, and it will take considerable time for many

people to recover and move on with their lives. This is a tragedy of an enormity that the people of Nottingham have not seen, but it is also a tragedy for many other groups and communities around the country.

Jim Shannon (Strangford) (DUP): I thank the Home Secretary very much for her statement and her clear compassion for those who grieve today. It is heartbreaking to hear of the tragedy and the cruel, vicious, devastating deaths of two young aspiring students and a man in his 50s. On behalf of the Democratic Unionist party and myself, I send our sympathies and condolences to the family and friends of all the victims and to the good people of Nottingham. Fear stalks the streets of the United Kingdom, so will the Home Secretary ensure that any details relating to the motivation behind the attack will be revealed to the general public, so that future predators and murderers can be identified and swift action can be taken to preserve life?

Suella Braverman: Decisions such as that are for the police. Once they establish the facts, if and when they bring charges and if there is an ensuing prosecution, the facts will be aired in the proper course of justice.

Jane Hunt (Loughborough) (Con): Nottingham is usually thought of as a vibrant city, full of joy and excitement, and it is close to my own constituency. On behalf of the people of Loughborough, I offer my heartfelt condolences to the city, to the families, to the Nottingham Members of Parliament and to everyone who has been involved in or impacted by this shocking and senseless act. Will the Home Secretary join me in underlining the fact that the whole House is united in condemnation of what has happened?

Suella Braverman: Absolutely. This tragedy, this despicable act, cannot be condoned but must be condemned in the strongest possible way, and I think on that this House is united.

Vicky Ford (Chelmsford) (Con): I draw attention to my entry in the Register of Members' Financial Interests, which shows that I am a member of the board of Essex Cricket, based in my Chelmsford constituency. Grace O'Malley-Kumar played cricket for Essex from the under-11s to the under-15s and was highly talented with bat and ball. She captained the team. She was a massive talent, a respected captain and an awesome teammate. The club is devastated. I know Barnaby Webber was also a very keen and talented sportsman with a great future. I am sure that there are people all over the country who played at the England level with Grace and played cricket with Barnaby and who will miss them so deeply. As well as sending our condolences and our love to their families and friends at university, please can we also remember all those young people who shared their love of sport?

Suella Braverman: My right hon. Friend speaks very powerfully on behalf of those affected at the cricket club. All I will say is that she mentioned the word love, and she is right: we are sending our love to the families, the friends and all those people who knew the victims.

Bob Blackman (Harrow East) (Con): Obviously at this time we all express our condolences to the families, friends and everyone who knew the victims of this terrible tragedy. It would not be right for any of us to

speculate on the motives or rationale for such a dreadful attack, but one clear issue that will be of concern to the people of Nottingham and beyond is whether they are safe now. Did this individual act alone, or in concert with others who will then represent a threat to other people? Will the Home Secretary give an assurance to this House that, as soon as the police are able to inform the House of the position, she will relay that widely? Will she also, once the investigations are complete, update the House on the reasons and rationale for this attack and what the history of the individual may have been?

Suella Braverman: Nottinghamshire police are doing a good job of regularly updating the public and have already made several public statements as the investigation progresses. I do not want to look behind that or undermine that process. I must allow them to carry out their investigations in the fullest and safest way possible. We would not expect anything less of our police.

Mr Speaker: We have somebody who knows about terrorism. I call Anna Firth.

Anna Firth (Southend West) (Con): On behalf of everybody in the new city of Southend, I want to pay tribute to all those who are senselessly murdered and offer our sincere condolences to the victims' families and friends. I hear that we must not jump to conclusions, but we do know that a knife was used in these attacks, and I know that tackling knife crime is one of the Home Secretary's top priorities, which is why she has recently been consulting on reforming our knife laws. Will she use this opportunity to underline that commitment, and possibly to give an update on the consultation and when it might be published and implemented?

Suella Braverman: My hon. Friend speaks with considerable power in expressing her condolences towards those affected by this tragic incident. The Government have made £130 million available this year to tackle serious violence, including murder and knife crime. We have increased powers in particular pieces of legislation. Fundamentally, however, this is about a tragedy, and we must keep working relentlessly to ensure that incidents such as this do not happen again. That is what we are working to do at the Home Office.

Mr Speaker: I think the House is always its best when it comes together, and it has certainly come together today. We all pay our respects to those who have died and all our thoughts are with the victims, the families and those people who have suffered in the city of Nottingham.

Point of Order

1.9 pm

Jim Shannon (Strangford) (DUP): On a point of order, Mr Speaker. Has the Secretary of State for Culture, Media and Sport indicated that they are to come before the House to announce their intention to discuss with the director general of the BBC the fact that licence-fee payers are to pay all costs and compensation for a series of recent tribunal cases, particularly those involving two female former BBC employees in Northern Ireland? There has to be accountability—

Mr Speaker: Let me help the hon. Gentleman. I have got the gist of what he is asking, and the answer is no.

Healthy Start Scheme (Take-Up) (No. 2)

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

1.10 pm

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

That leave be given to bring in a Bill to require the Secretary of State to ensure that families eligible for the Healthy Start Scheme are registered to receive it; to confer certain powers on government departments and agencies and public bodies for that purpose; to provide for an opt-out where the family wishes; and for connected purposes.

I am sure that we can all agree, across the House, that every single child deserves the best start in life, and that in those very early years, a nutritious diet is essential for growth and development. That is why the last Labour Government introduced the Healthy Start scheme, which provides financial assistance in the form of a prepaid card to under-18s who are pregnant, and families with young children claiming certain benefits, to help with the ever-increasing costs of fruit, vegetables, formula milk and vitamins. The scheme is available in pregnancy and until the child's fourth birthday. Yet the scheme is beset with problems—problems caused by this Government that can easily be fixed by this Government. That is what my Bill would do by offering the Government a simple cost-neutral solution so that no baby or infant goes without.

As I present the Bill, there will be mothers and fathers who, instead of excitedly preparing for their newborn or enjoying those early years with their little ones, are worried and distressed about how they will provide for them. The all-party parliamentary group on the child of the north, which I co-chair with my friend, the hon. Member for Cheadle (Mary Robinson), heard in evidence that children in the north are more likely to die before reaching their first birthday. Desperate mothers are seeking abortions because they simply do not know how they will feed their babies. It has been widely reported that some parents have, in desperation, resorted to theft of baby milk and formula, or are watering it down. The fact that that is happening in a country as rich as ours should not only shame those on the Government Benches, but spur them into action to help those in need.

Healthy Start take-up is low. The Government's 75% target has been achieved only in two of England's 553 constituencies. The comparative scheme in Scotland has reached 88%. In some areas, the take-up is as low as 50%. Sustain estimates that that amounts to approximately 200,000 babies, infants and pregnant women missing out, leaving £53 million unclaimed. The past 13 years have seen the cruelty of austerity, inaction on low-paid and insecure work, the dismantling of the welfare state and the decimation of vital public support services, and have led to disgraceful and avoidable levels of child poverty. Food inflation is now above 19%, so food banks, baby banks, faith groups and charities have become embedded parts of our welfare state, including the Key to Life food bank in my constituency, which reports a 300% increase in demand coupled with a decrease in donations. It is highly unlikely therefore that that £53 million is unclaimed because people do not need it.

There is a very clear need for the scheme, but, as I have been told time and again, awareness is low among the public and professionals. That is why, in 2021, the national food strategy recommended that the Government implement a communications plan related to Healthy Start. But they did not. Instead, each time they are asked, they repeat:

"The NHS Business Services Authority is committed to increasing uptake of the scheme".

I politely remind the Government that a commitment is not a plan, and that they are the ones who are responsible for this.

In 2021, I and others raised concerns about plans to fully digitalise the scheme by 2022, so that paper applications and vouchers would no longer be accepted. Some years back, the UN rapporteur on extreme poverty investigated the growing deprivation in the UK, and warned the Government:

"The British welfare state is gradually disappearing behind a webpage and an algorithm, with significant implications for those living in poverty",

and that, by assuming that all claimants had the digital skills needed to complete the form, the Government had "built a digital barrier". Sadly, they ignored his entire report and ploughed ahead. The result for Healthy Start was that more than 34,000 people who were previously in receipt of the vouchers are no longer receiving them.

The NHSBSA then admitted to technical issues meaning that applications were being declined, resulting in parents and pregnant women struggling to get through to the helpline and having their payment cards rejected. As it stands, the applications routes are overly complex and varied. When an application is made online, an automated message claims that a response will be given within two days. That rarely happens. Some mothers report that they have never heard back, and, after multiple attempts, have given up.

The Healthy Start phone number provided is not freephone and is fully automated. There is no option for callers to speak to anyone unless they need an interpreter or have inquiries relating to their card. The absurdity of an automated system asking if callers have problems with cards they do not yet have is not lost on anyone in this Chamber. Worse still, if the application is refused, it does not state why, and the parent is directed to the phone line, where, again, they cannot speak to anyone. Research by Manchester Central food bank highlights that those on legacy benefits or with no recourse to public funds have to apply via paper or telephone, but that is completely at odds with the Healthy Start phone line and website, which state that applications must always be done online. That confusion is totally unnecessary.

Repeated questions to the Secretary of State for Health and Social Care about funding for the scheme and future take-up have been equally frustrating. The Government refuse to say how much money they allocate to the scheme each year. They claim that it is allocated on a forecast of take-up, but will not say what the forecast is. A cynic would conclude that if the Government forecast low uptake, it is against their interests to do anything they can to boost it, as they will not have budgeted for it. Or, if they are forecasting higher uptake but are not reaching it, millions of pounds that could be

spent on feeding children is being spent elsewhere. Either way, once again, hungry babies and children are losing out.

All I am asking is for the Government to change to from an opt-in system to an opt-out one. Automatic enrolment is possible. The Government know who is eligible and claim that they have the funds. Automatic enrolment would increase take-up, ensuring that the millions of pounds sat in the Treasury, allocated to those mothers and babies, is exactly where it should be.

I thank in particular my friend the former Member for Stretford and Urmston, who first proposed this Bill and has always championed children's welfare, as well as Feeding Britain, which has supported the Bill from the outset. They, along with many other well-respected organisations and MPs across this House, are urging the Government to back this Bill, because we believe in a healthy start for all.

I know that the Bill is not a panacea. I know that the scheme's value does not cover even the cost of the cheapest tub of infant formula, and that, unless we have a change of Government, life will continue to be a struggle for so many. But in the interim, I will, as I have always done in my time in this House, try anything that the Government might accept to make the daily grind and struggle for parents and children who are going hungry a little less agonising.

Finally, I thank all the parents who have shared with me their stories and their pain. They should always be at the forefront of our minds, because nobody should feel such desperation and hopelessness that they can see no way other than stealing to feed their little baby or seeking to terminate their pregnancy. The fact that they do should be to the absolute and utter shame of this Government.

Question put and agreed to.

Ordered,

That Mrs Emma Lewell-Buck, Paul Maynard, Sir Stephen Timms, Tim Loughton, Ian Byrne, Derek Twigg, Kim Johnson, Dr Dan Poulter, Ben Lake, Barbara Keeley, Debbie Abrahams and Rachael Maskell present the Bill.

Mrs Emma Lewell-Buck accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 24 November, and to be printed (Bill 324).

BUSINESS OF THE HOUSE (TODAY)

Ordered,

That, at today's sitting, notwithstanding paragraph (2)(c)(i) of Standing Order No. 14 (Arrangement of public business), business in the name of Dr Philippa Whitford may be entered upon at any hour and may be proceeded with, though opposed, for three hours; proceedings shall then lapse if not previously disposed of; and Standing Order No. 41A (Deferred divisions) shall not apply.—
(Mike Wood.)

Opposition Day

[10TH ALLOTTED DAY, SECOND PART]

Cost of Living and Brexit

1.21 pm

Dr Philippa Whitford (Central Ayrshire) (SNP): I beg to move,

That this House agrees that increases in the cost of living are having a detrimental impact on businesses and families across Scotland and the rest of the United Kingdom; notes that the United Kingdom's exit from the European Union has played a significant role in driving those increases; further notes that the devolved administrations do not possess the full financial powers required to effectively mitigate the increases in the cost of living in the devolved nations; accepts that finding solutions to the cost of living crisis deserves dedicated parliamentary time to investigate all matters relating to increases in prices and of the contribution of exiting the European Union and of Westminster economic policy to those increases; and resolves that the following shall be a Standing Order of the House:

Cost of Living Committee

1. There shall be a select committee, to be called the Cost of Living Committee, to examine the causes of and possible solutions to matters related to the cost of living in the United Kingdom, the consequences of the United Kingdom leaving the European Union and the cost of living, how the effect of changes in the cost of living affects the economy, and other connected matters.

2. The committee shall be chaired by a Member from the second largest Opposition Party and shall additionally consist of 22 Members from the Government party and 22 Members from opposition parties, drawn from the following Committees

Committee	Number of Members
Business and Trade	3
Energy and Net Zero	3
Environment, Food and Rural Affairs	3
Health and Social Care	3
Home Affairs	3
Levelling Up, Housing and Communities	3
Northern Ireland Affairs	5
Scottish Affairs	5
Transport	3
Treasury	3
Welsh Affairs	5
Women and Equalities	3
Work and Pensions	3

3. The committee shall have power—

- to send for persons, papers and records, to sit notwithstanding any adjournment of the House, to adjourn from place to place, and to report from time to time; and
- to appoint specialist advisers to supply information which is not readily available or to elucidate matters of complexity within the committee's order of reference.

4. Unless the House otherwise orders, each Member nominated to the committee shall continue to be a member of it for the remainder of the Parliament.

5. The committee shall have power to appoint a sub-committee, which shall have power to send for persons, papers and records, to sit notwithstanding any adjournment of the House, to adjourn from place to place, and to report to the committee from time to time.

6. The committee shall have power to report from time to time the evidence taken before the sub-committee.

7. The committee shall have power to order the attendance of any Member before the committee and to require that specific documents or records in the possession of a Member relating to its inquiries be laid before the committee or any sub-committee.

8. The quorum of the sub-committee shall be eleven.

The cost of living crisis is the No. 1 issue for most of our constituents: how to keep a roof over their head with the rising cost of mortgages or rent; how to put food on the table when food inflation in the UK is the highest in Europe; how to pay energy bills that double in just a year; and how to cope with overall inflation, which is far outstripping wage growth. It therefore deserves serious focus by this Parliament to find solutions. The Government are already patting themselves on the back that inflation has eased from 10.1% to 7.8%. Of course, that does not mean that prices are falling, just that they are increasing at a slightly slower rate.

There is no question but that the covid pandemic and the war in Ukraine have contributed to the current crisis—particularly through the latter's impact on global energy prices—but the UK is the only G7 country not to have recovered to pre-pandemic economic health, and consumers in the UK have faced the biggest energy price rises in Europe.

Despite the current easing of the inflation rate, it is still higher than in the OECD, the EU and the US. So why does the UK have the highest inflation and the poorest growth projections among similar economies? It is simple—the disaster that dare not speak its name: Brexit. As we approach the seventh anniversary of the referendum, one of its key architects may have just left the stage, but Brexit's disastrous legacy will impact people across the nations of the UK for years to come.

I know as a doctor that the first step for someone in dealing with any problem is to admit that they have one, but both the Government and the Labour party appear to be in complete denial about the contribution of Brexit to the cost of living crisis.

Joanna Cherry (Edinburgh South West) (SNP): The Labour party is keen to regain seats in Scotland from the Scottish National party. We obviously hope they do not, but why does my hon. Friend think the Labour party is ignoring the impact of Brexit even in Scotland, when the overwhelming position of the Scots is that they want to remain in the European Union?

Dr Whitford: I thank my hon. and learned Friend for her contribution. It is quite clear: we saw the discomfort of the Labour party on Brexit for quite a number of years, because its approach to Brexit had flip-flopped backwards and forwards, so it simply avoids the topic.

Until recently, people would think that there had been an *omertà* in the mainstream media when discussing the UK's poor economic performance. Despite previously campaigning against Brexit, the Labour leader, the right hon. and learned Member for Holborn and St Pancras (Keir Starmer), is now clear that he will not consider rejoining the EU, the customs union or the single market, yet he claims that he can somehow reduce the trade friction that has cut exports by 15% and cost 4% of GDP.

Just as Brexiteers claim the problem is just that Brexit is not Brexity enough, we now have Labour claiming that they will “make Brexit work”. It cannot work, but if the Labour leader wants to reduce some of the

damage of Brexit, he should support the idea of a Committee to identify proposals that could be put to the EU prior to the review of the trade and co-operation agreement in 2026. Otherwise, what is the plan—close his eyes, click his red heels together and make a wish? Talk about not reading the room.

Just as polls show that a majority across the UK recognise that Brexit is a mess and would support rejoining the EU, the supposed official Opposition have lashed themselves to the mast of the floundering Tory Brexit ship. I am not quite sure why they are called the official Opposition when they do not seem to do much opposing and just go along with the policies of this Tory Government, whether that is on Brexit, immigration, outsourcing the NHS in England to private companies or denying the right of the Scottish people to choose their own future.

Labour may have abandoned almost all its previous pledges, and does not offer much real change after the next election, but the politicians who have caused the current damage to the UK economy are those with their bahookies squarely planted on the Government Benches. Tory austerity may initially have made the Treasury balance sheet look better, but 13 years of benefit cuts and public sector pay freezes have sucked money out of local economies, leading to dead high streets and rising poverty, particularly among children, pensioners and disabled people.

Austerity also meant that health and care services were already struggling when covid hit, and the workforce shortages that hamper all four UK health services have been exacerbated by the loss of freedom of movement, meaning that they are all struggling to catch up on the backlog.

The cost of energy is a major contributor to the cost of living crisis, but while global energy prices have risen due to the Ukraine war, the problem has been exacerbated by the Tories' policy over decades. It was their poster girl, Mrs Thatcher, who put the profits of oil, gas and electricity into private hands. That has left the UK fully exposed to global price rises, despite the UK and Scotland's energy potential. We are unlike France, with its nationalised power supplier, which has been able limit price increases to 4%. The UK has been unable to do that.

While the energy support payments were welcome, they had a limited impact on energy bills, which had doubled in a year. The UK Government did not follow other European countries such as Germany, Spain, Ireland or the Netherlands in substantially cutting VAT on energy bills, even though rising prices means that such a VAT cut could have been revenue-neutral.

Brexiteers actually promised cheaper food—it is hard to believe—but that has turned out to be a complete crock, with food inflation in the UK at more than 19%, the highest in Europe. The costs of basic foods and supermarket brands are rising even faster, meaning that those on lower incomes face a dramatic surge in food costs, with more people resorting to food banks or missing meals. Almost 30% of the UK's food comes from the EU, so there will be another surge in food prices next winter when the UK introduces full customs checks on foodstuffs being imported from the EU.

Mhairi Black (Paisley and Renfrewshire South) (SNP): Does my hon. Friend agree that it is also an absolute scandal that during a cost of living crisis, when we are

seeing prices such as those she described, we have produce going to waste in Scotland because we do not have enough people to actually pick the fruit and veg?

Dr Whitford: I thank my hon. Friend for that point. While soft fruit is a particular issue in Scotland, this is an issue right across the UK because of the lack of European staff in harvesting. As my hon. Friend says, the sector is seeing food rotting. We are also seeing this issue in other sectors; there is hardly a sector that is not struggling for workforce.

With regard to the checks on incoming foodstuffs from the EU, the former ill-named Brexit Opportunities Minister, the right hon. Member for North East Somerset (Sir Jacob Rees-Mogg), delayed the checks for the fourth time last year. At the time, he suggested that they would cost £1 billion, and described them as an “act of self-harm”—duh! I could have told him that in 2016. On top of that, the now-infamous mini-Budget that tanked the pound and the stock market while the then Chancellor, the right hon. Member for Spelthorne (Kwasi Kwarteng), was still on his feet, sent mortgage costs spiralling. The relentless rise in interest rates in response to inflation is making home ownership unattainable for young families, as well as pushing up rents.

Peter Grant (Glenrothes) (SNP): My hon. Friend has rightly pointed to the disastrous mini-Budget that was imposed on us by our previous Prime Minister, the right hon. Member for South West Norfolk (Elizabeth Truss). Does the leader of the Scottish Conservative party group in the Scottish Parliament, the hon. Member for Moray (Douglas Ross), who initially demanded that the Scottish Government implement those disastrous policies, and now demands that they spend billions of pounds to mitigate their effects, have any credibility?

Dr Whitford: It would be a more appropriate response by the Scottish Conservatives to get down on their knees in the Holyrood Chamber and apologise for the abuse they gave the Scottish Government for not following such crazy policies.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): I had the honour to be a Member of the Scottish Parliament for some 12 years, and the Minister served in the Scottish Parliament. I know a good deal about the committee system; indeed, I chaired one. Members of the Scottish Parliament who were not members of a committee could come and speak at it—it was almost never not allowed.

I am not a member of any Committee in this place. Given the size of my party, only three of our Members are on Committees. Due to the structure of the proposed Committee, the door would be locked against me applying for a place on it. I feel disenfranchised, and I do not see why my constituents should not be given the chance for their representative to have a voice. I cannot vote for the structure of the Committee as it stands—it is very sloppy work.

Dr Whitford: That is incorrect: there will be Members from the three devolved nations. It will be—as described—a large Committee, which might provide a place for the hon. Member or one of his colleagues from a devolved nation. It is nonsense—there is no exclusion.

David Linden (Glasgow East) (SNP): Will my hon. Friend might lend me her Order Paper? The one I have might be out of date, but it does not show an amendment from the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone), or his party, to change the composition of that Committee. Am I reading the Order Paper wrong, or is the hon. Gentleman perhaps a little bit out of touch?

Dr Whitford: I do not think my hon. Friend is reading the Order Paper wrong.

The combination of rising energy, food and housing costs, on top of years of benefit cuts and stagnant wages, means that, for many families, the sums simply do not add up. The Scottish Government are trying to use their now very limited powers of devolution to mitigate the crisis, particularly for those on the lowest incomes. However, the Scottish budget for the day-to-day running of services is less in real terms than it was in 2010, with no uplift for inflation and—as we all know—no significant borrowing powers. Despite that, the Scottish Government have provided additional funding for the fuel insecurity fund and the Scottish welfare fund. Low-income families are now supported through five childhood grants, including the Scottish child payment, which together provide £10,000 of support during the early years and will provide over £20,000 by the age of 16.

Christine Jardine (Edinburgh West) (LD): Does the hon. Member agree that the way to improve the situation for everyone, not just in the devolved nations but throughout the United Kingdom, is for those who are elected to the Scottish Parliament to work hand in glove with those of us who are elected to this Chamber, and particularly with the other Government for Scotland in the United Kingdom? Rather than set up another cumbersome Committee, which is a process, would it not be better to work together for the benefit of everyone in the United Kingdom?

Dr Whitford: The hon. Lady knows well that on issues such as trade deals and Brexit, we see very little genuine consultation between the Government here and the devolved Government. She is also well aware of how devolution is being rolled back and hollowed out, with legislation that has been passed blocked and undermined.

Christine Jardine: Will the hon. Member give way?

Dr Whitford: No, I am sorry. I have just given way to the hon. Lady.

The Institute for Fiscal Studies’ analysis of the Scottish tax and benefit system showed that it was more progressive, with almost 30% of low-income families £2,000 a year better off in Scotland, but Scotland aspires to something more radical than just mitigating Westminster austerity such as the two-child limit or the six-year benefit freeze. Our vision is to be a fairer, greener nation. The Scottish Government founded the Wellbeing Economy Governments Group in 2018 with Iceland and New Zealand, and Finland and Wales joined later. A wellbeing economy does not just focus on GDP, which includes the profits of damaging sectors such as the tobacco industry, but invests in the physical and mental health and social, economic and environmental wellbeing of every citizen.

[Dr Whitford]

It is a holistic approach that recognises that our society and economy depend on the success of every individual, every family and every community.

Therefore, in addition to the targeted anti-poverty measures, the Scottish Government invest in the wellbeing of all those living in Scotland, from the baby box that welcomes the birth of a child and university tuition that allows our young people to reach their full potential to the free personal care that allows older people to stay in their own home for as long as possible. However, with the tightening limitations of devolution, the Scottish Government do not have the power over their own economy or the control of taxation and social security that are required to deliver the wellbeing economy we aspire to. We all know that we need a different type of economy by the end of this decade, or we will leave our grandchildren to face climate collapse. The pandemic brought everything to a standstill, which gave us a unique opportunity to decide what kind of economy and society we wanted to rebuild.

Stewart Hosie (Dundee East) (SNP): Before my hon. Friend goes on to talk about the kind of economy we want to see, will she make the observation that in an important debate on the cost of living and its evil twin Brexit, on the day after an urgent question on the Tories' mortgage crisis, we have one Tory Back Benchers and two Labour Back Benchers in the Chamber? Does that not tell the Scottish people everything they need to know about how little Unionism really cares for ordinary people?

Dr Whitford: The proposal for this economy, as I said at the beginning of my speech, is not just for the people of Scotland: it is for the people of the four nations of the UK. The review of the TCA will come up in 2026, and while it is not possible to make Brexit work, it is possible to mitigate some of its worst effects. For that, though, we need to understand what Brexit is doing to the UK's society and economy and have proposals that we can bring to the EU to ask for change.

Unfortunately, the opportunity to change to a different economy and society has not been taken. We already see poverty and inequality rising, and the climate emergency being pushed off the action list—including by Labour, which has just U-turned on its pledge to invest £28 billion in the transition to a green economy. Unfortunately, the climate crisis cannot wait. Scotland is blessed with extensive green energy potential, from wind and tidal power to green hydrogen and pump storage hydro. The current Government have failed to support Scotland's green energy potential, and sadly there is now little reason to expect much change under Labour, either.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): My hon. Friend talks about Scotland's energy opportunities, and green hydrogen is indeed one of the key ones. Does she agree that it is perhaps illuminating that the Foreign Secretary himself does not even know about those opportunities, nor has he taken the opportunity to engage with the US on its Inflation Reduction Act regarding the supply pipeline for green hydrogen? Does she think that is absolutely indicative of the relationship of the Government of this place with the needs of the Scottish people?

Dr Whitford: I sit on the Scottish Affairs Committee: we have done an inquiry into hydrogen, and we have also covered some of the other issues around green energy. It has been clear from the UK Minister that the UK Government do not support the Scottish vision of being able to export green hydrogen. We know that Germany is desperate for green hydrogen, particularly in the Ruhr area in Nordrhein-Westfalen, because it is crucial for heavy industry, but the UK Government are not interested, so Scotland's potential for such a lucrative export will be held back.

David Duguid (Banff and Buchan) (Con): The hon. Member has raised an issue that we have discussed at some length in the Scottish Affairs Committee: the future of hydrogen, carbon capture and storage, and suchlike. However, given that energy policy and international trade are both reserved functions, does she believe that it is appropriate for Scottish Government Ministers and officials to be having direct discussions with federal German Government Ministers and officials on that matter?

Dr Whitford: Obviously we are just continuing the Scottish Affairs Committee diatribe from Monday, but the job of the Scottish Government, Scottish Ministers, MSPs and Scottish Members here is to promote Scotland in the world and to attract as much business and investment into Scotland as possible. Because of that, and because of the efforts of Scottish Ministers and MSPs, Scotland is second only to London in foreign direct investment, and that is how we intend to keep it.

To summarise, the key reason to have independence is for the powers that enable us to tackle problems. Independence does not sprinkle fairy dust, but it would give us the levers to tackle poverty, for instance. It would also enable us to invest in our incredible natural resources for the benefit of all our citizens. Most importantly, independence would enable us to be in control of our own future. Being independent would mean that we would never again have a disaster like Brexit forced on us against our will. Those living in Scotland would get to choose their own Governments and therefore drive decisions about our future. With more than 70% of Scots supporting membership of the EU, I have no doubt that our most prosperous future is as a modern, independent European country, just like many of our successful neighbours.

1.41 pm

The Parliamentary Under-Secretary of State for Scotland (John Lamont): I am grateful to have the opportunity to speak in the debate this afternoon. Cost of living increases are impacting households and businesses right across the country. It is right that this Parliament should be concerned about how we mitigate those impacts to ensure that the people of Scotland thrive. However, a debate that starts from the unfounded position that the UK's exit from the European Union is to blame for any and all woes is not the best use of this House's time. Putin's illegal invasion of Ukraine coupled with the economic aftershocks of covid have caused huge disruptions to the global economy. No country is immune from that. However, we are benefiting from the swift action taken by this United Kingdom Government to mitigate the worst of those impacts. [Interruption.] I will make some progress if I may.

Announcements made at the spring Budget 2023—*[Interruption.]* Madam Deputy Speaker, this is a serious subject, but SNP Members laugh and shout down the Government's representative as we try to respond to some of the points that they have made.

Stephen Flynn (Aberdeen South) (SNP) *rose*—

John Lamont: I will make some progress. Rather than shouting and laughing, I encourage SNP Members to listen to the points I am making. We are benefiting from the swift action that this United Kingdom Government are taking to mitigate the worst of these impacts. Announcements made at the spring Budget 2023 bring the UK Government's total cost of living support to £94 billion over the current and next financial year, averaging at more than £3,300 per UK household. Those interventions will not only help ease some of the pressures on those most in need, but stimulate the economy and contribute to our long-term recovery from these unprecedented global challenges that we have faced in the past few years.

As has been said in the House previously, Government Members would warmly welcome a serious debate on ways to build on those foundations and to improve Scotland's economy, because Scotland's economic growth has lagged behind that of the UK during the SNP's time in Holyrood.

Several hon. Members *rose*—

John Lamont: I give way to the hon. Member for Edinburgh West.

Christine Jardine: The Minister knows that he and I will never agree on Brexit and its impact, not just on Scotland—*[Interruption.]* We do not agree on that. Does he share my amusement that the SNP cannot see the irony in complaining that Scotland was dragged out of the European Union—a successful political and economic union—yet wants to drag Scotland out of an even more successful and economic Union?

John Lamont: Indeed, there is little consistency in the SNP's position, particularly given the importance of the rest of the UK market to Scotland's economy. We cannot blame the poor performance of Scotland's economy on our departure from the EU. Export figures from the Scottish Government show that the rest of the UK remains by far Scotland's most important market. Around 60% of total exports are destined for the rest of the United Kingdom, accounting for approximately three times the value of exports to European Union countries. In the opposite direction, around two thirds of Scotland's imports originate from the rest of the UK.

Drew Hendry: The Minister will know as well as I do that, looking at the figures from the Scottish Government, the vast majority of Scotland's manufactured goods—the things we make in Scotland—are exported outside of the UK to the US, European markets and other places. The figure is some 63%. He will also know that the vast majority of exports to the rest of the UK are financial services, insurance and things such as gas, oil, water, renewable energy and so on—things that people down here would not like to do without if they were taken away.

John Lamont: I am very disappointed that the hon. Member is belittling these important parts of the Scottish economy and how much they contribute to the economic growth of Scotland through trading with and importing from the rest of the UK. More than half of Scottish firms sell to other UK nations, compared with a UK average of just a third. The success of the Scottish economy is dependent on the rest of the UK market.

Clearly Scottish businesses value seamless access to the UK market too, but that could not be guaranteed under the SNP's plans to attempt to rejoin the European Union. Make no mistake, Madam Deputy Speaker—I do not underestimate the challenges facing the people of Scotland, but it is simply outrageous to suggest that leaving the EU is responsible for driving those challenges.

To give another example, Germany, Sweden, Portugal and a number of other countries in Europe have all seen food price inflation of more than 20% recently. That is driven by global factors, such as the loss of grain supply from Ukraine and unseasonable weather in places such as Spain and Morocco. Do SNP Members really want us to believe that Brexit is responsible for bad weather, too?

Alan Brown (Kilmarnock and Loudoun) (SNP): Coming back to the Minister's opening comments, he complained yet again about the SNP bringing forward a debate. He never seems to agree, whatever debate topic we bring forward. If it is independence, he stands up and says, "Why are we debating independence? We should be debating the cost of living." Now we are debating the cost of living and he is complaining about that. If he fundamentally disagrees that Brexit is having a negative impact, will he start explaining the benefits that Brexit has given us?

John Lamont: I have not complained about the SNP bringing forward this debate. The cost of living is an issue facing every single one of us in this House and each one of the households and residents we represent here. What I am complaining about is SNP Members laughing and trying to shout down Government Members just because they do not agree with the points we are making. I also disagree with the fact that, when we should be talking about the measures that both Governments in Scotland are taking to address the cost of living, SNP Members choose to talk about independence, rather than anything else. Your obsession—

Madam Deputy Speaker (Dame Rosie Winterton): Order. I do not have an obsession. If the Minister is saying that he is not going to take interventions, Members should please not just stand up and shout at him. I am sure the Minister will indicate if he wants to give way, but Members should not keep standing up for too long, because otherwise it is difficult to hear what he is saying.

John Lamont: Thank you, Madam Deputy Speaker. My frustration is with SNP Members' continual focus on independence, rather than on the measures that both Governments of Scotland—the UK Government and the Scottish Government—should be taking to address those challenges that all our constituents are facing. Yet again, SNP Members focus on independence.

[John Lamont]

The SNP argues that the Scottish Government do not have the financial powers required to mitigate the increases to the cost of living. I strongly suggest that that is simply not the case. The UK Government are providing the Scottish Government with a record block grant settlement of £41 billion a year. In real terms, that is the highest settlement since the start of devolution for Scotland. The spring Budget provided the Scottish Government with £320 million over the next two years, and that is on top of the £1.5 billion of additional funding we provided at the autumn statement in 2022. This funding is still set to grow in real terms over the spending review period.

David Linden: Going back to the substance of the motion we have brought before the House, can the Minister briefly outline the Government's objection to each of the eight paragraphs of the proposed new Standing Order?

John Lamont: If the hon. Member shows a little patience, I will deal with those points head-on further on in my speech.

People in Scotland benefit from being part of a strong United Kingdom, with the pooling and sharing of resources that that brings. The strength of the United Kingdom, and Scotland's place within it, is even more important during these challenging times. The UK Government will continue to support Scotland and the rest of the UK as we recover from the economic shocks I have mentioned.

The UK Government are also directly investing in Scotland through programmes such as the city and regional growth deals, the levelling-up fund and the UK shared prosperity fund. That is on top of the £52 million of UK Government funding for the creation of two freeports centred on the firth of Forth and the Cromarty firth. Together, these two freeports aim to attract over £10 billion in public and private investments, and to create an estimated 75,000 jobs. I am also pleased to report that I am seeing great progress on investment zones, with our two Governments working together to co-create an approach in Scotland. Each zone will be backed by £80 million of UK Government funding.

Amy Callaghan (East Dunbartonshire) (SNP): Will the Minister explain to my constituents in East Dunbartonshire, who voted overwhelmingly to remain in the European Union, what sum of the £40 billion Scotland's economy has lost he thinks they should be grateful for?

John Lamont: The hon. Lady's constituents also voted overwhelmingly to remain part of the United Kingdom, and I suspect they are very frustrated that the SNP Government and the SNP continue to push for further division, rather than focusing on dealing with the cost of living pressures that households are facing. All the initiatives I have outlined will help stimulate growth and ensure Scotland's economy is more resilient to future shocks, whether they stem from overseas conflicts or global health crises.

The SNP likes to claim that the Scottish Government do not have the policy levers required to mitigate the impacts of the cost of living increases. I would suggest

otherwise, and I respectfully ask what the SNP Government have been doing to grow the Scottish economy, with Holyrood's extensive powers on education and skills, economic development, transport and planning. Instead, SNP Members continue to talk down Scotland and the United Kingdom and to talk up their own separatist ambitions with our European partners, which only damages investor confidence in Scotland. Despite what the SNP says, Scottish exports and foreign direct investment continue to increase to above pre-Brexit levels, during which time the UK Government have secured trade agreements with 71 non-EU countries and the EU worth £808 billion in 2021. Surely that demonstrates the advantage of Scotland being an integral part of the UK market, with the trading power that that creates for the entirety of Scotland.

I have a challenge for SNP Members: would any of them like to tell us what the impact of splitting Scotland from the rest of the UK would be on the cost of living crisis? How would prices be helped by a hard border at Berwick? How would mortgage rates fall if a new untested currency was introduced? How on earth would energy prices be brought down by closing down development in the North sea sector, as Humza Yousaf, the First Minister of Scotland, seems to want to do?

David Linden *rose*—

John Lamont: I give way to the hon. Member for Glasgow East (David Linden), who I am sure can answer those questions.

David Linden: One impact is that in a normal independent country, we would not have more food banks than branches of McDonald's. That is precisely why we want to ensure that our constituents are not going to food banks as a result of a cost of living crisis on which the UK Government are asleep at the wheel.

John Lamont *rose*—

Drew Hendry: Will the Minister give way?

Madam Deputy Speaker (Dame Rosie Winterton): Order. Excuse me, but before the Minister has even answered that point, it is not really fair to ask him to give way straightaway.

John Lamont: Scotland is already a normal country, despite what the hon. Member for Glasgow East might suggest. Talking down Scotland is not something I am here to do; I am very proud to promote Scotland. If the SNP Government in Edinburgh perhaps used some of the powers they are responsible for, then some of the challenges in the Scottish economy and in other aspects of Scottish society that we are dealing with would not be as great as they are. I am very clear that what this Parliament should be focused on is how the Scottish Government, along with the other devolved Administrations, could and should work with this United Kingdom Government to build a better future for the people of Scotland.

The SNP motion to establish a Select Committee to look at the cost of living crisis is not only unnecessary duplication of other work by this Parliament, but a complete waste of taxpayers' money. The total anticipated cost to the House of Commons of this crackpot idea is in the region of £463,000 per annum. In addition, there

would be extra costs to adapt Parliament's Committee Rooms to accommodate this massive new Committee. I suggest that that would be a complete and utter waste of taxpayers' money.

Sarah Atherton (Wrexham) (Con): SNP Members bleat on about the cost of living, but would the Minister please explain why the SNP Government wasted £500 million on two ferries that do not float?

John Lamont: My hon. Friend makes an excellent point. Thankfully, it is not my job to defend the decisions of the SNP Government and the huge mistakes they have made in relation to ferries. What I do know is that this is having a huge impact on many of our island communities in Scotland and on economic development in those communities, because of a complete cock-up by the Scottish Government in delivering those ferries.

Dr Luke Evans (Bosworth) (Con): I notice that the memorandum by the accounting officer that was released for this motion states at paragraph 3:

"Current select committee meeting rooms are not equipped for a committee of the proposed size and would need to be adapted to accommodate the Committee. The costs stated in this memorandum do not include the additional costs associated with such adaptation."

Do the Government have any idea how much this adaptation would cost, or perhaps someone from the SNP could intervene and say?

John Lamont: My hon. Friend is absolutely right to highlight that. As I have pointed out, the estimated cost simply to set up this new Committee is almost £500,000 per annum. As he has correctly identified, there is the additional cost of adapting the existing Committee Rooms. I know many of my constituents in Berwickshire, Roxburgh and Selkirk will be asking why on earth the SNP are proposing this when there are so many pressures on budgets for households and businesses. The SNP is proposing to spend more taxpayers' money on this crackpot idea, which is a complete and utter nonsense.

The people of Scotland want their two Governments to be focused on tackling the cost of living, ensuring our future energy security and investing to support growth, and they want us to work together to do so. I therefore respectfully suggest that the SNP motion before us is not what we should be focusing on, and I urge right hon. and hon. Members to reject it.

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Rosie Winterton): Order. Before I call the shadow Secretary of State, let me provide a little bit of guidance. This debate has to finish by 4.20 pm, so I suspect the wind-ups will start at about 4 o'clock. That means speeches of about 10 minutes each would be a good guide to make sure that everybody gets in. I call the shadow Secretary of State.

1.58 pm

Ian Murray (Edinburgh South) (Lab): I am pleased to be able to speak in this SNP Opposition day debate on the cost of living crisis. It is only a few weeks since the SNP called a similar debate, but for millions of people across Scotland and the whole of the UK, this is the most important and difficult issue they face in their

lives. In many instances, the situation is getting worse, so I am very pleased that the SNP has called this debate on a similar subject. It is worth noting that the SNP's previous debate on this issue did not stay on the cost of living crisis for very long. It quickly descended into a debate about independence, and today we are seeing a debate about independence or a debate about the Government's Brexit versus the SNP's Scexit.

Ronnie Cowan (Inverclyde) (SNP): I apologise once again for being late for this debate, Madam Deputy Speaker, and I have now given up my opportunity to speak in it. I was talking to four women who are currently on hunger strike to raise attention for children living in poverty throughout the United Kingdom, and they asked me to ask the Minister if this Government would consider following the Scottish Government's example of "cash first", so that we can eradicate food banks throughout the United Kingdom. Does the hon. Member agree that we should be working towards eradicating food banks?

Ian Murray: We should absolutely be eradicating food banks across the whole country. The very fact that people in this country cannot afford to eat is an indictment on both Governments. I hope the hon. Gentleman will encourage his colleagues in the Scottish Parliament to support Rhoda Grant's Right to Food (Scotland) Bill, which the SNP Government have so far refused to do. I hope he gets an opportunity to speak in this debate, and a chance to put those points forward. He makes an important point about food banks, but he misses the point about poverty, particularly child poverty. The previous Labour Government lifted millions and millions out of poverty, and that has been all but reversed, and more. That should be of eternal shame to this UK Government and to the Scottish Government.

Jamie Stone: Does the shadow Secretary of State share my astonishment that in this ramshackle proposal for a Committee there is no mention of the Education Committee? Do children not get caught in the poverty trap and the cost of living crisis? Of course they do. This is an example of a badly drafted proposal, and I suggest that the Scottish National party ought to have done its homework a bit better than this.

Ian Murray: Indeed, the Education Committee is not represented. Given that it deals with skills, access to employment and the biggest contributor to our economy, which is children's education, I would have thought that it would be represented on the Committee. However, given that 375 Members or so are already projected to be nominated to this Committee, I am not sure we should have any more. If we do have more, perhaps we should sit as the whole House, as that might be the best way to deal with such issues. SNP Members have not thought this through properly. Perhaps they are frightened of education, because the defining mission of the former First Minister was to close the attainment gap in Scotland. Given that it has got wider, perhaps they do not want to talk about that.

Marion Fellows (Motherwell and Wishaw) (SNP): Does the hon. Gentleman agree that the Education Committee in this place covers only England? There would therefore be no point in having an appointee from that Committee.

Ian Murray: I am not sure I understand that point, given that this is about a UK parliamentary cost of living crisis Committee. It would not be a Committee dedicated just to Scotland; it would be dedicated to the cost of living, I would have thought, and we cannot determine not to have other Committee members serving on it, on the basis that something is an England-only Department. Education is critical across the whole United Kingdom and in terms of the cost of living crisis. Perhaps we can have an explanation for why the Education Committee is not listed—it was not my question; it was a question from the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone).

Dr Whitford: The hon. Gentleman made a point about the failure of Scottish education, but the attainment gap in Scotland has closed by two thirds at higher level, and by two thirds at positive destinations. That is in contrast with what has happened south of the border, where figures in November showed that the gap had widened.

Ian Murray: It always surprises me when SNP Members think that just slightly beating England is an achievement. The attainment gap in Scotland is an unmitigated shame for us all, and the way they have treated education in Scotland should also be a shame.

Several hon. Members *rose*—

Ian Murray: I have not even got through the first page of my speech, so if hon. Members do not mind I will take no further interventions for now.

The cost of living crisis is loading unbearable stress and anxiety on to millions of people. Just last week, a woman came to my surgery with her family. Her mortgage is up for renewal on 31 August this year. Her current two-part mortgage is on a 1.29% fixed rate, and a 2.15% fixed rate, which are both up on 31 August. Those two parts look as though they will be renewed at around or above 5%, alongside large product fees. Her monthly mortgage becomes unaffordable, and with the cost of everything else increasing, including the weekly shop, she does not know how she will keep her family home. They have a Tory premium on their mortgage running to thousands and thousands of pounds.

I genuinely ask the Minister, who I know personally cares about those issues, what advice he would give to my constituent, and to the millions of other mortgage holders who are coming off fixed rates and being met with interest rates that are eye-watering in comparison with their family budgets. He voted for the former Prime Minister's Budget, which crashed the economy and left mortgage holders and rent payers with that Tory premium. He voted for all the measures that the Government proposed in that Budget that made the situation worse. What does he now say to people who will be sitting around dinner tables tonight worried about losing their homes? Those are the family and real-life scenarios of this Government's decisions.

We should never forget that this crisis, which impacts on millions across the country, was created and made worse in Downing Street. This is a Government-made crisis where political choices are having a direct impact on people's mortgages—and subsequently on rents, as the mortgages of landlords also become unaffordable. The Prime Minister is absolutely culpable.

This crisis is not just the result of one disastrous mini-Budget that the Government backed; it is the result of 13 years of this Government's decisions—13 years of little to no growth in the economy, 13 years of stagnation, 13 years of party before country, and 13 years of appeasing Tory Back Benchers rather than looking after the country. Thirteen years of failure—unless, of course, you are looking for a seat in the House of Lords. Even now, this Government are more interested in protecting the profits of the oil and gas giants than in helping ordinary families with their energy bills. At the same time, this Prime Minister, when he was Chancellor, imposed the highest tax burden for 80 years on those very same people, taking more money out of their pockets when they need as much as they can get. We have the highest inflation in 40 years.

I agree with the hon. Member for Central Ayrshire (Dr Whitford), who I thought was fair to suggest that part of the blame is down to Ukraine and other factors, but in the UK we have stubbornly high inflation, higher than most of our peers, and certainly much higher than in the United States and the European Union. Food inflation is more than 15% and shows no sign of falling any time soon. Some food inflation on the most basic of goods bought by the poorest in society is touching 20%, and it is all compounded by the disastrous 13 years of policies on energy that have left us exposed to shock and crisis in the energy sector.

The SNP motion talks about the damage caused by the Tories' Brexit, and on that we agree. The Government have failed to negotiate a good deal with the European Union, despite their promises at the last election, and instead they have left the country with a deal that is only marginally better than no deal at all. It is a deal to ensure that the Prime Minister's party was happy, rather than in the national interest, and every month that goes by, the Government continue to undermine the relationship with our European neighbours and friends, which is having dire consequences on jobs, businesses and this country's place in the world. That has to stop.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): I know the hon. Gentleman cares passionately about Brexit—so much so that he nearly left the Labour party for Change UK but cancelled the press conference. In the debate on article 50, and the vote against triggering it, he said:

"I will do so in the knowledge that I will be able to walk down the streets of Edinburgh South, look my constituents in the eye and say to them that I have done everything I possibly can to protect their jobs, their livelihoods and the future of their families."—[*Official Report*, 1 February 2017; Vol. 620, c. 1052.]

With the chaos unravelling just as he feared back in that debate, and Labour's current position on Brexit, can he still look those same voters in the eye?

Ian Murray: I love it when the SNP quote my own words in debates, because I am very proud of what I and my party did in trying to resolve the savages of Brexit. I am delighted with the way that we pushed the Government all the way in trying to ensure that the country was put first and not their party. Let us not forget that when the Division Bell rang on 19 December 2019, we backed a deal that we knew was thin, but we saw that as the floor not the ceiling. The SNP decided that no deal was the best way forward. Let me put that into context. If it is the case that Brexit under the

current deal is having an impact on the cost of living crisis—I have just said we agree with that—surely that would be magnified by many multitudes by having no deal at all. The record shows that the SNP supported and backed no deal.

The hon. Member for Central Ayrshire spoke, rightly, about the history of this place when we debated the Brexit process, but when the House had the opportunity to back a customs union that would give us frictionless trade with the European Union, SNP Members decided that was not for them and the vote was lost by six. That is on the record as well as my own words, which I stand by 100%. *[Interruption.]* I will give way to the SNP again. Perhaps they can try to explain why they preferred no deal over any deal.

David Linden: Will the hon. Gentleman outline, for the importance of context and the record, how many Labour MPs also abstained on that vote on 19 December?

Ian Murray: I do not agree with the hon. Member—he is justifying his abstention on the basis that other people abstained as well. I did not agree with them at the time, and I still do not. No deal would have been an unmitigated disaster for the country.

Again, I go back to the point—SNP Members might want to reflect on this—that if, as is the case, Brexit with the deal that we have got is a contributor to the cost of living crisis, surely having no deal with the European Union would have magnified the cost of living crisis even more. They cannot say one without the other, and, as the hon. Member for Glasgow East (David Linden) just confirmed, they backed no deal when the deal came to the House.

Dr Whitford *rose—*

Ian Murray: I am happy to give way, given that the hon. Member opened the debate.

Dr Whitford: The shadow Secretary of State is going back to 2019 with the customs union and single market votes. Why is that not Labour policy now?

Ian Murray: Unlike the SNP, the Labour Party is trying to be honest with the public on what is in front of us. SNP Members' proposition to the public at the moment is to have their cake and eat it. They want a separate currency while using someone else's currency, they have a deficit well in excess of what the legal treaties of the European Union would allow them, and their own First Minister is saying that there will not be an independence referendum anytime soon because the Scottish people do not want it, yet they are promising the public, against the very treaty rules in place—they are there in black and white—that they can have everything they want and still get easy access to the European Union. That is fundamentally dishonest. Labour will not be dishonest with the British people.

On day one of my right hon. and learned Friend the Member for Holborn and St Pancras (Keir Starmer) being Prime Minister, he will have to deal with the principles in front of him, and we will ensure that the Brexit proposition is done on the basis that we can have better trade and better agreements. In the 2025-26 trade and co-operation agreement renegotiation, we can build

on that agreement and ensure that we repair our damaged and tattered relationship with the European Union. As I said, we see that agreement as the floor and not, as the current Government suggest, as the ceiling.

The SNP is clear that its solution to Brexit—in its words, as well as mine and those of many others, it was a bad idea—is to have Scexit, which would be many magnitudes worse than Brexit. It wants to repeat the same mistakes and do the same thing while being dishonest with the British people. Labour will not be dishonest with the British people about the position we are in as a country. Regretfully, we have to deal with what is in front of us, not how we would wish to dream it up. The SNP does not have to deal with that, so it can take any position it likes.

The key point is that while SNP Members keep blaming Brexit—they are right that Brexit has contributed to the cost of living crisis—by saying it is all Brexit's fault, they are letting the Government off the hook. It is not all Brexit's fault; it is the Government's fault, given the decisions they have made on Brexit, on energy, on the economy, on wages, on growth and on tax, and the impact of every single thing they have done in the last 13 years. Let us not let the Government off of the hook by blaming their botched Brexit. Let us keep them on the hook for Brexit and for everything else that they have subsequently done.

The motion talks about setting up a cost of living Committee. That may seem like a sensible idea, but when we look at the small print, the flaws of the proposal become clear. I am left wondering whether the real reason for proposing it is to try to get one of the SNP group's many disgruntled Members an additional salary payment for being the Committee Chair, as stated in the motion. Perhaps the SNP is trying to campaign to get the hon. Member for Glasgow South West (Chris Stephens) a Committee Chair position after campaigning so heavily against him for the Energy Security and Net Zero Committee position in the House a few weeks ago.

I am also left wondering why, if the SNP thinks this is such a great idea, it does not use its coalition majority in Holyrood to create a similar Committee in the Scottish Parliament. Perhaps it does not wish to do that, but it does want to spend upwards of half a million pounds here on a Committee with 45 members that would not include members of the Education Committee. The Committee would include three members of the Energy Security and Net Zero Committee, even though the cost of living crisis is no doubt driven mostly by the energy crisis. Is the SNP aware that the biggest spark of the cost of living crisis is spiralling energy bills for families and businesses?

The Committee would have five members from the Scottish Affairs Committee, five from the Welsh Affairs Committee, yet none from the Education Committee. The justification is that the English Education Committee does not have anything to do with Scotland, but neither does the Welsh Affairs Committee, yet it will provide five Members while the Education Committee will provide none. I do not think that the SNP has thought this through. There will also be no representation from the Defence Committee, which is a UK-wide Committee. Perhaps SNP Members are not aware of the many stories of soldiers having to rely on food banks because of the cost of living crisis.

[Ian Murray]

The SNP's motion fails to mention that the SNP has already been in charge of the Scottish economy for 16 years. The Scottish economy is now indisputably the creation of the SNP Government. A Scot who was finishing school when the SNP came to power 16 years ago will now be in their mid-30s—they will probably have one of those fixed-term mortgages, and perhaps even a family of their own—and they will have seen that, much like for the UK Government, economic growth has been an afterthought for the Scottish Government.

The Scottish Government are responsible for a huge number of issues and policy areas in Scotland, including the creation of jobs in the renewable sector. I have said this many times in the House and will continue to do so: we should congratulate the SNP Government, because they have created tens of thousands of jobs in the renewable sector—but unfortunately they are in Denmark, Indonesia and elsewhere. When they had the opportunity to sell what they called ScotWind licences for offshore wind in Scotland, they told us that they could not demand that bidders had their supply chains in Scotland due to EU state aid rules, even though we had left the European Union. They are right to talk about the damage of the Tory Brexit, but they cannot say that and, at the same time, hide behind state aid rules when we know that was not the case. They could have conditioned all those licences for Scottish jobs, but they decided that it would be better for those Scottish jobs to be overseas.

Labour has a fully costed alternative to the Conservative crisis. We would first introduce a proper windfall tax on the oil and gas giants—the SNP and its new leader opposed that until they realised it was popular—by backdating that to January 2022, as we have always called for, closing the loopholes and taxing it at the same rate as Norway. That would raise an extra £10 billion that would go towards people's energy bills and put an end to the injustice of the oil and gas companies raking in billions on the back of people's energy bills. The money raised would help families directly and pay for a plan to help the energy-intensive industries such as food manufacturers and processors with the cost of energy and, therefore, potentially reduce prices in shops for ordinary people.

Labour would reverse the Government's decision to hand the top 1% of savers a tax break in their pensions while introducing specific measures to help doctors and the NHS. We would close the non-dom tax loophole, much to the frustration of the Prime Minister himself. We would cut business rates for small businesses, paid for by taxing the online giants such as Amazon, which are not held to the same rules as our high street businesses.

The hon. Member for Central Ayrshire said that there is no difference between the Conservatives and the Labour party. However, we have already announced that we would fund the Scottish Acorn project, and we would set up a publicly owned GB Energy, which the SNP used to believe in until it dropped that. So it does matter what colour of party is sitting on the Government side of the Chamber.

The new First Minister claims that absolutely none of it matters. Incidentally, he is the first SNP First Minister not to be arrested—but, when he is, I am sure we will send him flowers and thank him for his service. He

would threaten to bring down a Labour Government over his obsession with the constitution. The consequences of what he said at the weekend are clear: vote for an SNP MP and they will block the transformative change that a Labour Government would seek to deliver. Vote SNP and see SNP MPs walking side by side through the No Lobby, with the very hard Brexiteers they have been slagging off this afternoon, to block a Labour Budget. That is what he said.

The conclusion that we can all come to is that SNP candidates at the election will be a barrier to change in this country. Why is the new SNP leader taking such a destructive stance? It is because Labour opposes rerunning the 2014 referendum. He could not have been clearer. He said:

“at the moment, for example, it's pretty obvious that independence is not the consistent settled will of the Scottish people”.

Previous SNP leaders have always avoided speaking that truth for a reason. It begets the question: if the SNP's preferred change is not what the people want, what is the alternative? After the SNP leader's interview, we know that he will block the change that Scots want by undermining a Labour Government, in his words,

“at every corner and every turn”,

to demand something that he has admitted Scots do not actually want. I think that the people of Scotland can see through that position, and I am sure they will do so at the election.

Scotland wants a Labour Government, and a Labour Government will deliver for Scotland. When the mood shifts in politics, it shifts fast, but as ordinary working people sit around their dinner tables discussing how they will meet the weekly shopping bill, praying for mild weather, worrying about their families, neighbours, colleagues and friends or dreading the next email from ScottishPower or a bill dropping on their door mats from British Gas, the Tory Government and the SNP are devouring themselves with their own psychodramas. The cost of living crisis is a misery for millions in Scotland, but both of their Governments are responsible for making it worse and sit back to do little to help. Voters agree: 60% say that the Government are not taking the right measures on the cost of living crisis. The public deserve so much better and, at the election, they will get it.

Several hon. Members rose—

Madam Deputy Speaker (Dame Rosie Winterton):

Before I call the next speaker, just a reminder, as there is quite a lot of intervening going on: if a colleague makes an intervention on another Member, it is important to stay for the whole of that Member's speech and to have been present at the beginning. It is just courteous.

2.20 pm

David Duguid (Banff and Buchan) (Con): I would like to start with a comment on what I believe to be the real motivation behind the motion. I invite the responding Minister to say whether he agrees. It was made evident in the opening speeches, despite its not being mentioned in the motion itself. It is a blatant and cynical attempt by the SNP, in its usual grievance-driven holier than thou manner, to push its own political agenda on a subject that is very real and immensely worrying for many people right across the whole United Kingdom.

On the actual motion, as is often the case, it starts off reasonably non-controversially:

“That this House agrees that increases in the cost of living are having a detrimental impact on businesses and families across Scotland and the rest of the United Kingdom”.

Nobody can argue with that. However, it then goes on to state:

“the United Kingdom’s exit from the European Union has played a significant role in driving those increases”.

There is no mention at all of the covid pandemic or Russia’s illegal invasion of Ukraine, which has had an infinitely more significant impact on the current cost of living issues we are facing. This is straight from the SNP’s playbook: every problem is Brexit; every solution is independence. [HON. MEMBERS: “Hear, hear.”] As if to prove the point; thanks very much. In her opening speech, the hon. Member for Central Ayrshire (Dr Whitford) mentioned independence and those other issues, as other Members have, but again it was entirely predictable that—

Dr Whitford: Will the hon. Gentleman give way?

David Duguid: I will give way in a second.

It was entirely predictable—as was the case in the previous SNP Opposition day debate, which again was on the very important and serious topic of the cost of living—that it soon became about how Brexit is bad and independence is good. I will quite happily give way to the hon. Member.

Dr Whitford: For the hon. Gentleman to suggest I merely mentioned covid and Ukraine is inappropriate—I did discuss them. But covid is easing and other countries have recovered after covid. Unfortunately, Brexit remains with us. That is what we are discussing today.

David Duguid: I am not going to deny that the act of leaving the EU does not have an impact. It was always going to have an impact. It was a major event. The people of the UK showed their settled will on what they wanted the UK to do. However, I would severely disagree with their saying that it is ongoing and in some ways maybe even getting worse, trying to present it as a reason for breaking apart the United Kingdom. I will come on to talk about the impact of Brexit, but for the moment I want to dispel the repeated myth from the SNP that all the issues faced by people, businesses and communities, particularly in Scotland somehow, are all a direct result of the United Kingdom leaving the EU. They may grumble about that, but in every conversation I have with anybody from the SNP, in any panel, session or public meeting in my constituency where SNP Members at any level of Government are present, it is always about Brexit. Brexit is always the problem and independence the solution.

I welcomed the intervention from the hon. Member for Central Ayrshire who led the debate, but I was expecting an intervention on the old chestnut of how 62% of Scots voted for the United Kingdom to remain in the EU. I was not among the more than 1 million people in Scotland who voted for the United Kingdom as whole—not Scotland, one way or the other—to leave the EU. I voted remain, as I am sure many other Members did. However, as a democrat, I accepted the result of that referendum, realising of course that the

concept of accepting the results of referendums is lost on SNP Members. Subsequently, particularly having been elected as the MP for Banff and Buchan a year later, I have done everything I can to make sure that we make the most of the opportunities leaving the European Union presents to all of us, right across the whole United Kingdom.

People right across the world are struggling with rising prices and higher energy bills, mostly due to the aftermath of covid and Putin’s war in Ukraine. The impact of covid not just on this country, Scotland and the United Kingdom but on the whole world as we all started to recover from the awful pandemic and the lockdowns it created, should not be understated. We were still only beginning to recover from that when Russia invaded Ukraine. The overall issue of cost of living is precisely why this Conservative Government paid for half of families’ energy bills last winter and extended the energy price guarantee until March 2024. This Conservative Government are committed to restoring economic stability, while delivering fair and compassionate support for the most vulnerable households as, among other priorities, we halve inflation, grow the economy and reduce debt. It is no accident that the Prime Minister’s top three priorities are to stabilise the economy.

Thanks to the action taken by the UK Government, the Bank of England predicts that inflation is expected to fall sharply to around 5% by the end of this year. The energy price guarantee set the unit cost of energy so that typical households pay around £2,500 for their energy bills until the end of this month. An Ofgem price cap, which comes into action at the end of this month, from July, is just over £2,000. Some 686,000 individuals in Scotland will receive our £900 means-tested cost of living payment this financial year. Some 639,000 disabled people in Scotland will receive a £150 payment to support them in the face of rising prices. Some 973,604 winter fuel payment recipients in Scotland will receive an additional payment of up to £300. Benefits have been increased in line with inflation for 2023-24. More than 10 million households across the UK in receipt of working-age and disability benefits will see an increase in their benefit payments, with an average uplift of around £600 for households in receipt of universal credit. [Interruption.] I hear the grumbling from the SNP Benches saying, “Is that all?” When we take all those numbers into consideration and add them together, it is not insignificant. Despite Opposition Members gleefully predicting that the triple lock on pensions would not be protected, the state pension was increased in line with inflation of over 10%. That means the basic state pension will increase to £141.85 a week and the full rate of new state pension will increase to £185.15.

Chris Stephens (Glasgow South West) (SNP): I thank the hon. Gentleman for giving way. He mentioned that inflation is an important issue. Food inflation is 19.2%. What does he expect that figure to be by the end of the year?

David Duguid: The Government’s objective is to halve all inflation, which would take that into account. I do not have the number off the top of my head and I do not know what the Bank of England’s prediction for that is.

Christine Jardine: Will the hon. Gentleman give way?

Dr Whitford: Will the hon. Gentleman give way?

David Duguid: I would like to continue with my remarks. I will give way later, if time allows.

Ben Lake (Ceredigion) (PC): Will the hon. Gentleman give way?

David Duguid: I will in a second. I am aware of the hon. Gentleman and I will give way once I have made some progress.

The £2 billion household support fund was created to support vulnerable families across the whole UK. From 1 April this year, the national living wage increased by 9.7% to £10.42 an hour for workers aged 23 and over. It was previously for workers aged 24 and over. That represents an increase of over £1,600 to the annual earnings of a full-time worker on the national living wage and is expected to benefit over 2 million low-paid workers right across the country.

Marion Fellows: Will the hon. Gentleman give way?

David Duguid: I want to make some progress and get through this massive long list of improvements that people will experience as a result of this United Kingdom Government. The 80p cut to the taper rate and the £500 increase in the work allowance represent a combined tax cut that will next year be worth £2.2 billion, or an extra £1,000 per person, for 2 million low-income families.

Ben Lake *rose*—

David Duguid: I will give way to the hon. Gentleman at this point, because I know he has been waiting.

Ben Lake: Does the hon. Member share my concern at the many reports suggesting that the additional checks on food imports that are due to come in later this year might have the effect of maintaining or, indeed, exacerbating food inflation?

David Duguid: That is an excellent point, but it has to be taken wholly in the round with the concerns of our own food and drink producers. It is not just about what we pay to get food on our plate. If our primary food producers do not make enough profit at the farm gate, we will not have any food produced in this country at all.

Decisions taken in the 2022 autumn statement and the 2023 spring Budget have resulted in an increase of more than £1.8 billion in Barnett consequential funding for the Scottish Government. That takes the total UK Government funding for the Scottish Government to £37.1 billion annually by 2024-25.

Under this Conservative UK Government, the economy is improving in a range of different ways. There are a record 33 million people in work in the UK, which is up 382,000 over the past year and by 4 million since the Conservatives came into power in 2010. The employment rate of 76% is near record highs and is up by 0.3 points over the past year and by 5.8 points since 2010. Figures show that the unemployment rate is at 3.8%, which is near its lowest rate since 1974 and down by 4.4 percentage points since 2010.

The benefits of Brexit include removing unnecessary red tape and regulatory burdens, ensuring that rules and regulations work for British businesses and consumers. The first package in a series of deregulation announcements expected this year is expected to save employers more than £1 billion a year in today's money. Our first post-Brexit trade deals with Australia and New Zealand have already come into effect. The deals will—*[Interruption.]* Again, SNP Members are grumbling about trade deals. They have never, ever voted for a trade deal, either in this place or in the European Parliament. They are anti-trade, and they make no secret about it. As the hon. Member for Edinburgh South (Ian Murray) said earlier, they voted against our deal with the EU after we left. In effect, they voted for a no-deal Brexit.

Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Will the hon. Gentleman give way?

David Duguid: I give way to the Chair of the Energy Security and Net Zero Committee.

Angus Brendan MacNeil: A few moments ago the hon. Gentleman said that border checks are important for food producers. In a sign of there being no joined-up government, does not the Australia trade agreement kick away the stool he was standing on only a couple of minutes ago?

David Duguid: Again, everything needs to be looked at in the round. Our fantastic food and drink producers have export opportunities, and not just with Australia and New Zealand. Our trade deals with Australia and New Zealand are a stepping-stone to—*[Interruption.]* In fact, I was just about to come to this point. We will become the first European country to join the comprehensive and progressive agreement for trans-Pacific partnership, which is now worth £12 trillion.

Angus Brendan MacNeil *rose*—

David Duguid: I will come back to the hon. Gentleman once I have finished this point. With 500 million people, trade with CPTPP countries will boost our economy by billions and support thousands of jobs in this country. Of course, no discussion of the benefits of leaving the EU could pass without mentioning fishing, but before I do so I will give way again to the hon. Gentleman.

Angus Brendan MacNeil: I am grateful to the hon. Gentleman for raising CPTPP. He will be aware that his own Government's figures show that Brexit has damaged UK GDP by 5%, but the gain from CPTPP is 0.08%. That is equivalent to going to a horse race with £500, coming back with £8 and telling everybody that you backed a winner—but you have lost, and you have lost big style.

David Duguid: The 5% has gone up from the 4% that was reported previously, but what is not taken into account when those calculations are made is what it would cost for the UK to be in the EU. We are not in the EU any more, but we have a comprehensive trade agreement with the EU.

As I was saying, we have left the common fisheries policy and taken our place as an independent coastal state, which is well established as having been of great benefit to the fishing industry. *[Interruption.]* I would be delighted to take any argument on that. If SNP Members do not want to believe me, they can believe

Elsbeth Macdonald, the chief executive of the Scottish Fishermen's Federation, which has confirmed that the UK Government and Scottish Government Ministers have a far stronger negotiating position at bilateral negotiations than we ever would have had as one of 28 member states of the EU.

Dr Whitford: Will the hon. Gentleman give way?

David Duguid: I give way to my fellow coastal MP.

Dr Whitford: A fishing fleet in my constituency on the west coast predominantly catches lobster and langoustine, because virtually all the quota in Scotland has been hoovered up in the north-east. The fleet used to get that into the Paris market in less than 24 hours, with 85% of its produce going there. Boats have already been sold and scrapped, and local fishermen in my area are not convinced that there will be a fleet by the end of this decade. On the idea that there is a sea of opportunity for fishing, the hon. Gentleman must know that that is not true for inshore fishing.

David Duguid: The hon. Lady has spoken on behalf of her constituents, so I am sure she will forgive me for speaking on behalf mine. There are a large number of pelagic and white fish vessels in my constituency, and lobster and other static gear fishing industries are also represented. They experience the same problems with access to exports as anyone else on these islands. I was in the Scotland Office at the time we left the EU and there were initial issues with access to markets. There was new paperwork that everyone had to get used to. Many in the seafood export industry got established and were ready for the new conditions, but many were not. If the hon. Lady would like to intervene again, I would love to know what the SNP Scottish Government did with the £180 million Brexit preparation funding. How much of it was spent on actually helping our Scottish fishermen prepare?

Angus Brendan MacNeil *rose*—

David Duguid: If the hon. Member would like to comment on that, I welcome him to do so.

Angus Brendan MacNeil: How far does the hon. Gentleman think £180 million would go given that the cost of moving product to the European Union from my constituency off the west coast of Scotland has trebled? It was about 30p a kilo, but it is now over £1 a kilo. That is down to the red tape of Brexit. How far would £180 million go to mitigate that? It would not get anywhere near it, and this is costing people a lot.

David Duguid: I apologise, but the most engagement I have with the fishing industry is with that in my own constituency. I am sure that nobody would want to debate that. Remember that it was during the months after we left the EU that covid hit us, and it is covid, above all else, that has had the biggest impact on exports because the whole hospitality sector across the continent—the biggest market for our langoustines, lobster and other shellfish—had shut down.

I want to move on because I know that you want us to be relatively brief, Madam Deputy Speaker. On the motion's proposal for the formation of a Committee, the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone), who is no longer in his place, made

a very good point that the Education Committee is not included on the list. It might be possible to argue that there is no good reason for it to be included, but as he pointed out, our young people and skills are extremely important for the recovery of this economy. We need the overall economy to recover if we are going to get a hold of our cost of living issues. I was surprised when the hon. Member for Motherwell and Wishaw (Marion Fellows) said that the Education Committee should not be there because education is a devolved issue. I thought that this motion was a motion for this Parliament, which represents the whole United Kingdom, so I found that a strange justification. I agree with the hon. Member for Caithness, Sutherland and Easter Ross, and would like to hear what other justifications there may be.

Finally and in conclusion, as everyone will be pleased to hear, I will finish with a few more benefits of having left the EU. I must re-emphasise—we are still trading with the EU. We did not leave without a deal, as was predicted. In fact, as I said earlier and as others have said, at the time of the referendum, SNP Members voted to not have a deal when we left the EU at the end of 2019.

Dr Whitford: We all voted against Brexit.

David Duguid: Well, I voted against Brexit, but as a democratic country, we moved on and left the EU. As the hon. Member for Edinburgh South said, to leave the EU without voting for a deal—[*Interruption.*]

Madam Deputy Speaker (Dame Rosie Winterton): Order. I completely understand that there are a lot of interventions, but I am conscious that many other people want to speak. Some of those who are standing now wanting to intervene have not put in to speak. It is quite a long time since the hon. Gentleman started his speech and he has taken a lot of interventions.

David Duguid: Thank you for your clarification, Madam Deputy Speaker, and I thank the hon. Member for Glasgow East (David Linden) for bringing me a glass of water. I was glad of it because, as hon. Members will have noticed, I have a bit of a frog in my throat today.

To finish, I will repeat some of the main issues that are often misrepresented in our ongoing relationship with the EU. Compared to 2018, when the UK was in the EU, we are about even on trade exports to the EU—a fraction below in goods, but considerably higher for services. The biggest factor in any fluctuations in UK trade exports to the EU in the intervening years was due to coronavirus.

UK trade exports to the EU have increased year on year by 24%, which is part of the post-covid recovery that demonstrates that covid was the biggest factor in those trade issues. That was 24% year on year for UK trade exports, but Scotland's exports to the EU have increased by 28%, including record exports in whisky and salmon—other fish are available, as I often remind people—so Scotland is actually doing better than the rest of the UK in the ongoing trade with the EU.

It is crucial for Scotland and the UK's interests to increase exports, not only in the EU but around the whole world, and not focus solely on Europe. We could not commit to both EU and non-EU free trade agreements when we were a member of the EU. Outside the EU,

[David Duguid]

there is a huge opportunity and presence to increase trade exports with Latin America, including Chile, as well as with India, Mexico and Malaysia, and other states in the CPTPP. Going to non-EU countries seizes more untapped market space and more export growth than going to any EU country, where we already have, and continue to have, a significant presence.

With that, Madam Deputy Speaker, I will finish my remarks, with great disappointment, but I really have to have another drink of water.

Madam Deputy Speaker (Dame Rosie Winterton): Order. We are now down to about nine minutes for each speech.

2.43 pm

Owen Thompson (Midlothian) (SNP): We can all agree that the cost of living crisis is connected to other social and economic disasters, but public services have been undermined by more than a decade of austerity, with devolved Governments, social security benefits and the National Health Service bearing the brunt.

The UK's dependence on fossil fuels, under-investment in renewables, reduced gas storage and failure to regulate the energy market meant the nations of these islands faced unprecedented price rises from early 2022, despite being much less dependent on Russian gas than our European neighbours. Inflation triggered by reopening the economy in the aftermath of the covid-19 upheaval was augmented by supply chain disruption, with food particularly affected. We have had too many years of Torynomics, looking out for the wealthy at the expense of those who can least afford to live, and that was before the bombshell car crash of a Budget experiment towards the end of last year.

I see the effects of these decisions every day in my Midlothian constituency. New figures have laid bare the full scale of the problems facing my constituents in Midlothian. Last year, there were more than 4,500 children living in poverty in my constituency, according to End Child Poverty. Last month, more than 1,300 people were claiming unemployment related benefits. Around 250 of these claimants were aged 18 to 24. Up to 21,000 adults living in Midlothian cannot afford to turn on the heat in their homes to keep warm or to eat a balanced meal, a report found.

We heard about some of those issues on Monday, at the launch of the all-party parliamentary group on coalfield communities, of which I am a vice-convenor. This is not a new phenomenon in our coalfield communities but a legacy of Thatcher that we have never recovered from and that successive Governments have done nothing to tackle.

It is estimated that as many as 34,000 people were worried about energy bills. The same survey found that in one month alone, 8,000 adults went hungry because they did not have enough money to buy food. Those figures, presented to a meeting of Midlothian Council last month, come from an independent study ordered by that council's cost of living taskforce, set up last summer. With residents facing this cost of living crisis, it is clear that has quickly become the biggest priority for our SNP-led council and why it has invested more

than £1.3 million in direct help to residents across Midlothian. It is hard to imagine a much worse scenario, but then there is Brexit.

Even the usually staid publication, *The Lancet*, says the Brexit fiasco is one of the central elements at the core of this cost of living crisis. It impacts not just our constituents and their households, but the Scottish Government, other devolved Governments and local government across the country. They are all facing the same inflation costs, increased costs of capital projects and increased energy bills that are all a drain on limited and fixed budgets. That is certainly the case with the Scottish Government, who do not have the borrowing power of this place or even of local government.

As well as laying bare the massive public health impacts of the cost of living crisis, a recent article in *The Lancet* says:

"There are several factors driving this crisis. The most immediate trigger is high inflation, partially a consequence of trade disruption associated with the conflict in Ukraine, superimposed on the impact of Brexit and associated fall in the value of the pound, which is leading to a rise in the costs of energy, food, and other essential resources for life."

The Lancet also makes the ominous point that this is just the beginning and there is more to come. We have heard others talk about the impact on mortgage rates. Because of the tendency to set fixed rates, many people are still to come up against the worst of the increases.

My hon. Friend the Member for Central Ayrshire (Dr Whitford) talked about the impact of staff shortages on our public services. How can we have a situation where impactful decisions taken in this place can have such a direct consequence for communities across our isles? Those are chilling words from *The Lancet*, which make it ever more baffling that the Government persist with the failed Brexit project, and even more so that Labour want to continue to do more of the same.

As the SNP's armed forces and veterans spokesperson, I am acutely aware of the impact that the cost of living crisis has on our men and women in uniform. Serving military personnel and their families have been forced to use food banks and there are serious questions to be answered around the pay offer to our armed forces.

This week, Sky News revealed that an unofficial food bank even exists at a Royal Air Force base in Lincolnshire. The voluntary facility at RAF Coningsby, home to Typhoon fast jet squadrons, was set up by an aviator to collect food donations from servicemen and women to support civilians in their local community, but a defence source claimed it is now being used by RAF personnel too. Despite the much-vaunted armed forces covenant, we now have a situation where service personnel need to choose between food or fuel. The crisis is impacting on so many places where people would never have thought that would be the case. According to the reports, one aviator, a single mum, was forced to go without a hot meal for four days because she had spent her last money on baby milk formula.

This place, the Tories and their Brexit-supporting Labour pals, need to take responsibility for this utter clusterbourach. In Scotland, we are fortunate that we have a path out of the chaos. We can become independent. I know the hon. Member for Banff and Buchan (David Duguid) will be delighted that I have said that, because he was waiting for it. We have the opportunity to elect

progressive Governments that can implement all the levers that a normal nation can in taking forward their own destiny as a member of the European Union. As we work towards that goal, we desperately need an inquiry led in this place to reveal the full extent of the devastation wrought by Brexit and the cost of living crisis. Why would we not want to get to the bottom of why these problems are happening? That is the only way for Scotland to weather this perfect storm. I look forward to the day when we can get the answers we need, but much more important, I look forward to the day when we can make our own decisions in Scotland.

Madam Deputy Speaker (Dame Rosie Winterton): I now have to announce the results of today's deferred Division.

On the draft Animal By-Products, Pet Passport and Animal Health (Fees) (England) (Amendment) Regulations 2023, the Ayes were 284 and the Noes were 14, so the Ayes have it.

[The Division list is published at the end of today's debates.]

2.50 pm

Beth Winter (Cynon Valley) (Lab): I welcome the opportunity to speak, again, about the cost of living crisis and the motion tabled by my Scottish National party colleagues.

I strongly agree with the opening words of the motion: increases in the cost of living are having a devastating impact on our constituents throughout the United Kingdom. I also agree that

“the devolved administrations do not possess the full financial powers required to effectively mitigate the increases”.

Certainly, in Wales, I believe that Labour in government, under the leadership of Mark Drakeford, is driving a modern socialist agenda to do all that it can with insufficient resources. However, I also feel that, in focusing on the impact of exiting the European Union on the current crisis, the scope of the motion is too narrow. Yes, Conservative policies on Brexit and the failure to sufficiently replace regional development funds are causes of the crisis, but outwith Brexit, the crisis is also down to Tory economic decisions and austerity policies before and since the Brexit referendum.

Dr Whitford: Although the proposal in the motion is for the Committee to understand the extent to which the problem is due to Brexit and to come up with solutions, other issues that are identified regarding policy from this place will also become clear and can therefore be challenged.

Beth Winter: I thank the hon. Lady for that explanation.

As others have pointed out, the frontline remains in the everyday lives of our constituents: in the energy bills that come through their doors, at the supermarket check-outs, and in the payslips detailing wages that are much too low. In Cynon Valley, far too many people are struggling. About a year ago, I conducted a cost of living survey to which hundreds of people responded: we were overwhelmed by the response. It showed that 72% of respondents expected to cut down on their heating in the following 12 months, and almost half expected to cut down on essentials. Like other Members

present, I hear harrowing stories of families having to use food banks—there has been an exponential growth in their use in my constituency—and kettle packs.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): I was interested to hear the hon. Member's ideas about a socialist Government in Wales. I look forward to that. According to research by the London School of Economics, the impact of Brexit on food prices has cost households across the UK £6.95 billion, because 28% of food consumed in the UK comes from the EU. Does she recognise that being wedded to Brexit is an absolute policy disaster, not only for the Government but for her party as well?

Beth Winter: I do not disagree that Brexit is an issue. I have made that comment already. Food price inflation is a major issue.

I thank all the community groups and the trade unions back in south Wales who do such fantastic work to try to mitigate the worst elements of the cost of living crisis. We recently raised a significant amount for the food banks in my constituency in conjunction with the trades council. Despite all the constraints being placed on us by this UK Tory government, local people are stepping up. They should not have to do that, but it demonstrates the importance of community spirit.

There is a problem with pay, and there is a problem of profiteering. Only yesterday, we saw data from the Office for National Statistics showing that real pay is down by £35 a week compared with 15 years ago. Paul Johnson of the Institute for Fiscal Studies described these data as “staggering statistics” and spoke of “a completely unprecedented period with no earnings growth.”

That is thanks to this Tory Government's policy of holding down public sector pay and using that to drive down private sector pay. This is a strategy they have pursued regardless of Brexit.

As a result of Brexit, however, there is certainly a loss of funding. The levelling-up fund and the shared prosperity fund fail to match the resources of the EU regional development fund. We famously heard that there would be “not a penny less, not a power lost”,

but as a result of the shortfall in EU structural funds and the loss of rural funding, the overall shortfall to the Welsh budget is more than £1.1 billion. That is shameful. The UK Government rode roughshod over devolution when it cut out Welsh government to deal with local authorities. My constituency remains one of those that have seen nothing from the levelling-up fund. In the context of that disregard for devolution, it is welcome that we have new thinking, from Gordon Brown's commission on the future of the UK to Mark Drakeford and the Welsh Government's Comisiwn y Cyfansoddiad or Constitution Commission. Indeed, in the last couple of weeks the two came together with the Mayor of Greater Manchester, Andy Burnham, in the new Alliance for Radical Democratic Change to advocate the changes that we need to strengthen what the First Minister of Wales refers to as our “solidarity union”. I look forward to becoming involved with that work.

In Wales, as Mark Drakeford explained at the Welsh Labour party conference, that has meant progressive policies such as trialling basic income, expanding universal free school meal provision, and delivering the living

[Beth Winter]

wage for care workers. I could say more about those progressive policies, but I know that we are short of time. In contrast, the UK Tory Government have only made people's lives worse, forcing hardship and suffering on millions of people. We are the fifth richest nation in the world—I am tired of saying that—and we have the wealth, but it is in the hands of the few and not the many. There are alternatives, such as a wealth tax, fundamental reforms of the social security system, and inflation-proofed pay rises. I also want to see a commitment to reforming funding for devolved Governments that recognises Wales's dependence on public services. We urgently need a revision of the Barnett formula to deliver a needs-based allocation of funds. We need the provision of prudential borrowing powers for the Welsh Government.

The solution to this crisis is being advocated by grassroots community groups and the labour and trade union movements, which speak of the need for higher pay, more universal service provision and for increased wealth taxation, and that is what the TUC General Secretary told the parliamentary Labour party this week. The most pressingly needed solution to alleviate the cost of living crisis is the election of a Labour Government so that we can achieve a greener, fairer, socialist future for everyone.

2.58 pm

Steven Bonnar (Coatbridge, Chryston and Bellshill) (SNP): It is a pleasure to follow the hon. Member for Cynon Valley (Beth Winter). I agreed with pretty much all that she had to say; it is disappointing that her party leadership does not agree with the two of us.

I will focus my remarks on some of the concerning aspects of our current political landscape: the implications of Brexit in creating what is now an endemic cost of living crisis, and the impacts of Westminster rule on Scotland's potential. Brexit ideology is supported by both the Tories and the Labour party in Westminster. That ideology has turbocharged the cost of living crisis for so many people across Scotland and the rest of the United Kingdom. It is damaging and insular, and has more than a whiff of racism about it. In fact, it is exactly the kind of thing we have come to expect from the Conservative party.

But what of the official Opposition? What has been their position when the Westminster Government's ideology has ensured that the UK's GDP is down by 4%, that trade and exports have been reduced by 15%, that there has been a loss of £29 billion in business investment and of £100 billion in output, and that a third of our NHS workforce has gone as decent hard-working contributors leave the UK in droves? What has been the resistance to all that from the self-styled party of the ordinary man and woman—the Labour party—with its knight-of-the-realm leader? What has the Leader of the Opposition given us? The only thing that comes to my mind is a xenophobic trope about British kids speaking Polish.

The reality is that the Labour party has been fully complicit in and a willing enabler of this deeply damaging ideology. It is an ideology shared between the Labour party and the Tory party. It is not just us in Scotland who see the folly of these Brexit ideologues. The former

US Treasury chief and top economist Larry Summers recently said that Brexit will be remembered as a “historic economic error”, adding that he would be “very surprised” if the UK avoided a recession in the next two years. He also noted that the UK's economic situation was “frankly more acute than in most other major countries”.

The sentiment that Brexit has been disastrous for the UK economy is well known to the people of Scotland, and it is now being reflected by people right across the rest of these islands. A poll from April 2023 shows that 53% of people now think that leaving the EU was the wrong decision. They know that Brexit was a lie and they know that it is contributing significantly to the scale of the day-to-day cost of living crisis that they are experiencing. Research shows that households in the UK have paid nearly £7 billion since Brexit to cover the extra cost of food imports to and from the EU. Food inflation alone sits more than 19% higher today than it did on this day last year.

The forecast is not good. Better days are not ahead. The vice-president of the European Commission recently said:

“Trade can no longer be as frictionless and dynamic as it was before. This means additional costs for businesses on both sides... Over time, increased divergence will bring even more costs and it will further deepen the barriers to trade between the EU and the UK.”

That is the reality. The Labour party should have been in unison with us in the SNP as a voice for the ordinary people who are so affected by Brexit and the cost of living crisis. Labour Members should have joined us in opposing this madness; instead, they endorsed it. They stood shoulder to shoulder with the Tories and they continue to ignore Scotland's democratic will.

Deidre Brock (Edinburgh North and Leith) (SNP): My hon. Friend is making some powerful points. Does he not find it extraordinary that Labour continues to insist that it will somehow make Brexit work? Very recently, we heard from the European Commissioner that even in the forthcoming review of the trade and co-operation agreement, there would be no fundamental change. Is that not ultimately very deceptive?

Steven Bonnar: It is very duplicitous, and it is pretty much standard from the Labour party. My hon. Friend supplements the point that I am making, and I thank her for that.

The reality is that families across Scotland are finding it increasingly difficult to make ends meet, with the cost of their rent or mortgage now sky high and the cost of food and energy putting the most basic necessities beyond the reach of many. Eight in 10 charities have experienced an increase in demand from families in the last three months alone, and half of them are not expecting to meet that demand in the next three months. Food banks across my constituency simply cannot meet the demand, and referrals are increasing day after day. In the United Kingdom today, baby food is being kept in anti-theft boxes in local shops. This is the cost of the Union.

In Coatbridge, Chryston and Bellshill, 15% of people are living in poverty and another 10% are experiencing employment depreciation. The figures are much higher here in Tory England, where up to 44% of children in deprived areas live in poverty. Workers' rights, consumer standards, environmental regulations and many other

safeguards have been eroded or lost entirely. We knew that Brexit would put these crucial protections in jeopardy. We warned that people would suffer and lose their rights over pay and conditions, pensions and opportunities for development. We warned that people's prospects would be reduced.

My constituent, Mr Monteith, contacted me recently with his concerns about surviving as a single parent navigating the cost of living crisis. He is struggling to meet his soaring food and energy costs, and his employer has him on a zero-hours contract with no consistent hours, no set income and no job security, and with no consideration for his young family as a lot of his shifts start at 2 o'clock in the morning. He is stuck. He is scared to miss a shift when it is offered, for fear of not being able to put a meal on the table. His is just one of many such cases, but in many of these cases, all we can do is join our constituents—these hard-working men and women, the breadwinners of their families and the backbone of our community—and watch as yet another of their rights is taken from them by these callous ideologues before their very eyes.

What about the choices and chances left for our young people? The CEO of Barnardo's said recently that young people

"seem to be losing hope and do not feel optimistic about their futures".

I simply ask: is it any wonder? Is it any wonder, when the vast majority of young people in the United Kingdom voted to remain in the EU but were ignored? Is it any wonder when they know that their Government have damaged their educational opportunities, dented their employment and career prospects, and hindered their cultural and social integration opportunities?

It is disheartening and frankly sickening that any Government would continue on such a road of self-sabotage. But we know that when the time comes to rid ourselves of this Tory Government—that day is fast approaching—the new Tory-lite replacement will continue on the same futile path of destruction. There can be no doubt that the Labour party's support for Brexit and siding with the UK Government from that day until this day is a betrayal of its core principles and a real disservice to the working class people it claims to represent, whether it relates to the damage of Brexit, the party's brutal approach to social security or its persistent U-turning on promises.

The Leader of the Opposition has U-turned so many times that I do not know which way he is facing these days. Is Labour going to abolish the Lords? It tells us it will, but the next week it is putting mair people into it. It is also failing to stand against the universal credit cut imposed on struggling families by this Government. In my book, the worst thing of all is that it is offering the people of Scotland no say, no voice and no protection from the worst of Brexit. Labour knows fine well that the Scottish people did not vote for Brexit or for Labour. Yet, come election time, when this untrustworthy, unreliable lot are kicked out of office, Labour will expect and implore the people of Scotland to trust it again. But why should we and, more to the point, why would we?

Mhairi Black: Does my hon. Friend agree that it is shocking, and an indictment of this Minister, that for the first time we have a generation who do not believe

that they will be better off than their parents and the generation before them, regardless of who is in charge?

Steven Bonnar: It saddens me that that is the reality of the situation. As I was saying in relation to the chief exec of Barnardo's, the young people of today realise that their future has been dented by this Government. How sad.

Why should the people of Scotland trust the Labour party again? The reality is that the people of Scotland know that while we in the SNP are not perfect, we believe in them and we will stand up for them every single step of the way. We will stand up for them compared with any of the British parties that take their lead from this place. The people of Scotland know that no Tory Government and no Labour Government will protect Scotland, because the reality is that no Westminster Government have or ever will put Scotland's interests first. Only an independent Scotland among our European friends and neighbours can ensure a brighter, more secure, greener future for all as we unleash our potential. A future for the many, not the few.

3.9 pm

Mary Kelly Foy (City of Durham) (Lab): I take any opportunity to raise the cost of living crisis in my constituency and beyond. The cost of living crisis started before the Ukraine war in 2022, before the 2019 pandemic and before Brexit in 2016. It started with austerity, which has been affecting people for more than 10 years, and let us remember that austerity is a political choice. It is a choice made by Ministers, past and present, and they were told at the time that it would not work. Even the United Nations told them that their ideological austerity experiment would not work, but the Government continued, and we are all worse off because of it. Bizarrely, I know the Chancellor agrees with me. He said that some cuts went too far when he was Health Secretary, but he is now Chancellor and can reverse those cuts, so why has he not?

I attended this morning's debate on hospices, which are at breaking point. There is a massive funding gap between what the Government are offering and what hospices need, and the same is true of dental care, which I have mentioned many times in this place. My constituents cannot get an appointment, and they cannot go private because it is so expensive. I could go on.

Child poverty is now rife in my constituency. The number of people fed by food banks has increased, and inequality is worsening. What is happening to our country? Why are the Government allowing this? The austerity policies of David Cameron and George Osborne hollowed out our welfare state and left us unprepared for when covid hit. They both owe the public an apology.

3.11 pm

Alan Brown (Kilmarnock and Loudoun) (SNP): It is a pleasure to follow the hon. Member for City of Durham (Mary Kelly Foy). I agree with what she says, and she certainly gave the hon. Member for Banff and Buchan (David Duguid) a lesson in what "relatively brief" actually means. I am still reeling from his zinger accusing the SNP of pushing a political agenda. Who knew that politicians advance their own arguments and beliefs? It is news to me.

[Alan Brown]

As always, the Minister said that Scotland has all the powers we need—the typical Unionist mindset. Will he explain to me why Northern Ireland has powers over energy, pensions, the civil service and the welfare state, but Scotland is somehow blocked from having these powers? Why is that? Why does Scotland not have better borrowing powers? There is no way that we have the powers we need. It is a weak Unionist argument.

John Lamont: It is unfortunate that the hon. Gentleman is making comparisons with Northern Ireland, which clearly has a very difficult and very different history compared with Scotland. The history of Scotland cannot be compared to the history of Northern Ireland, thankfully. The point I was making in my opening remarks was that, despite all the levers they have, the SNP Scottish Government are failing to expand economic growth or to look after the most vulnerable in society. They continually blame Westminster and ask for another independence referendum, which frustrates me and my constituents.

Alan Brown: The Minister does not explain why Northern Ireland has these powers and Scotland cannot have them. Of course I recognise the difficulties caused in Northern Ireland by the Democratic Unionist party, his brothers in arms. It would be good if it helped to get the Northern Ireland Executive up and running.

We might have thought that Brexiteers, who claim that Brexit is a good thing, would welcome this motion to set up a new Committee. When the Committee looks at the impacts of Brexit, perhaps it will unearth the Brexit dividends that the Minister and the hon. Member for Banff and Buchan have not been able to explain.

We know that Labour and its Front Benchers are not in favour of the motion, hiding behind the fact that the Committee would be too big for a room in Parliament and would cost too much money—the Minister said that, too. Well, I have an idea: we could abolish the House of Lords and the Committee could sit in there. That would save money, too.

As for the omission of the Education Committee, perhaps we should accept members of the Education Committee—Labour could have tabled an amendment—because that would allow greater insight into the impact on higher education in Scotland of the Tories' student visa rules and of not being in Horizon for two years. Having members of the Education Committee on a cost of living Committee might be quite helpful.

Labour obviously does not support the Committee because it would expose Labour's mantra of making Brexit work without rejoining the internal market, rejoining the customs union or restoring the free movement of people. Their mantra is a vacuous statement. Their position, like the Tory position, means continuing labour shortages in the health and social care sector. It means crops continuing to be left unpicked, and it means the home-grown food stock will shrink because farmers will plant less in future. It means continuing rules of origin issues that affect manufacturing in the automotive industry. And it will mean food prices increase further, given the imminent checks that will be made on food imports.

Shane Brennan, the director of the Cold Chain Federation, has said:

"It is crazy that one week the government is holding a crisis meeting in Downing Street to discuss out-of-control food inflation and the next is willing to nod through a multimillion new import tax on EU food imports."

Meanwhile, despite what Conservative Members have said, farmers will have to compete with Australian and New Zealand lamb imports, thanks to the deal that a former Secretary of State for Environment, Food and Rural Affairs has said was an absolutely duff deal pushed through by the former Prime Minister.

The biggest issue created by Brexit and Tory Government policy is the cost of living crisis, which has too many aspects to quantify and discuss. That is why a cross-party Select Committee would be kept meaningfully busy.

Another great Brexit lie is that energy bills would be cheaper if we left the EU. That one has aged as well as Scotland being told in 2014 that our energy bills could only remain as they were, or be lowered, by staying in the UK. We have acknowledged that the Russian invasion of Ukraine is, of course, the main factor in soaring energy bills, but there is a quantifiable Brexit impact. By leaving the single electricity market and creating a standalone trade and co-operation agreement, the post-Brexit cost of trade in electricity is higher. Energy UK estimates that these arrangements cost more than £1 billion a year, which is added directly to our electricity bills. There is a so-called Brexit dividend: higher energy bills. We were promised that VAT on our energy bills would be cut post Brexit, which is another broken promise that has not materialised.

This is in stark contrast to the 2016 Vote Leave briefing on taking control of energy, which said:

"Because of silly EU rules"—

Vote Leave loved that phrase—

"EU energy regulation will cost the UK economy about £90 billion... Instead of spending money on patients, the NHS has to instead spend millions every year on energy costs."

Can anybody with any credibility tell us that, post Brexit, the NHS is saving money on energy and other matters? And where is the mythical £90 billion saving we are supposed to see?

Another Brexit dividend and cost impact on both energy and wider goods comes from the drop in the value of the pound. This means higher costs on imported goods, and the fact that oil and gas are traded in dollars means another financial hit for the UK. The EU is moving much quicker to decouple gas and electricity prices, to bring down the cost of electricity, and it has also taken much stronger action to try to combat the US Inflation Reduction Act.

And what do we hear from the Energy Secretary? "Oh, everyone else is 10 years behind the UK, so we do not need to do anything because the US is playing catch-up." The reality is that investors are looking at moving elsewhere. If the Government will not do anything about it, it will have another long-term impact on the green transition.

The Government argue that they have led the way on renewable energy, and they have been a leading light at some points in the deployment of renewable energy, but the reality is that there have been so many missed opportunities in supply chain development. We are always told that it was the EU that prevented contracts

for difference auctions from incentivising UK and local content in the supply chain, which is, frankly, utter rubbish. Over the years, their narrative was always that EU procurement rules meant lowest price only. People said that other countries did not stick to the rules, unlike the good old Brits, and that that hampered us.

We are talking about the same leavers who now want to break international treaties. The reality is that tender assessments can consider wider impacts and quality. More than 20 years ago, I was procuring civil engineering contracts under EU laws, so I have always been well aware that if a robust scoring assessment system is in place, the argument that we need to go only for the lowest price is false.

The notion that the EU is forcing imports from the far east because of competition laws is also palpable nonsense, because that is where so many of the components come from. So it is high time that the procurement process for the contracts for difference auctions suitably incentivises the creation and establishment of a UK-based supply chain. What is the point of talking about energy security when so much of the renewable energy deployment and so many of the ongoing grid upgrades depend on imports and there are waiting lists of years for some of the components?

The UK Government have at least finally acknowledged the need for some change in supply chain development, but they have cut the overall CfD budget for allocation round 5 by 30%, at a time of rampant inflation. That is happening with projects already struggling to hit allocation round 4 strike prices. That is further proof of their saying one thing and doing another. Tidal stream technology needs to be backed; with 80% of its supply chain content being UK based. However, the ringfencing for that has been halved.

David Duguid *rose*—

Alan Brown: I am sorry, but I am not going to give way.

If we look at Westminster energy policies over the years, we see that the biggest disgrace is the lack of a sovereign wealth fund from oil and gas. Norway has the biggest sovereign wealth fund in the world, and it only started that in the 1990s. That shows what can be done when a country looks after its assets and plans for the future. When Labour came to power in 1997, oil dropped to \$12 a barrel. When Labour left office in 2010, the price was close to \$100 a barrel. Why was there no creation of an oil sovereign fund then? Where is that legacy of that price increase bonanza that Labour had? It was completely frittered away. Governments of any colour down here take Scotland's assets and resources and fritter them away, with no long-term planning.

To add insult to injury, we supply the energy, yet those who stay in the highlands and islands help pay for the gas grid, even though, in general, they are not connected to it. They see the renewable energy going south, but they pay a supplement in their electricity bill. They are also more likely to be energy poor. The situation is unbelievable.

Our hands are being tied by being part of the UK. It is time we were able to make decisions for ourselves, like any normal independent country. This Committee, if

established, would expose that and the fact that independence, in the EU, is the best way forward for Scotland.

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Rosie Winterton): Order. I am conscious that there are four more speakers and the wind-ups will start at 4 pm. Please bear that in mind. I call Brendan O'Hara.

3.22 pm

Brendan O'Hara (Argyll and Bute) (SNP): I would like to begin by thanking my hon. Friend the Member for Central Ayrshire (Dr Whitford) for the way she opened the debate. In her time in Parliament, she has deservedly gained a reputation as being one of those Members people listen to when she speaks. Across this House, she is recognised as speaking with authority, experience and great knowledge of her subject. I am delighted that she upheld her own very high standards this afternoon.

My hon. Friend the Member for Central Ayrshire was absolutely right when she said that the cost of living is the No. 1 issue for all of our constituents and that regardless of how often the Leader of the Opposition says it, it is simply impossible to "make Brexit work". I have the vision of the right hon. and learned Member for Holborn and St Pancras (Keir Starmer) saying to King Canute, "No, you cannae hold back the tide, but I can; I'll show you how to do it." This is utterly delusional because, as she says, we cannot make this work. She laid out brilliantly the case as to why this House should have a dedicated Select Committee, one that will be able to investigate all matters relating to the soaring cost of living and of the contribution made to that cost of living crisis by the UK's disastrous exit from the European Union.

It is not often I will say this, but I am looking for a Lib Dem—

David Linden: Why?

Brendan O'Hara: The hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) intervened earlier to complain bitterly that his party was not to be represented on this Committee and that that would be the Lib Dems' excuse for not supporting this motion. However, as my hon. Friend the Member for Glasgow East (David Linden) said, this is an amendable motion and if the hon. Gentleman felt that passionately about it, he could table an amendment. I wish he was here so that I could remind the Lib Dems that when they proposed the creation of the EU withdrawal Committee, their proposal awarded the SNP precisely zero seats, despite our having the vast majority of Scottish seats. Perhaps the Lib Dems do not want to address this issue and are throwing smoke bombs right, left and centre because they do not want to be reminded that they are where they are because of the dirty deal they cut with the Tories in 2010. I just wish the Lib Dems were here to stand up and face the consequences of it.

No one can deny the detrimental impact that increases in the cost of living are having on businesses and families across Scotland and the United Kingdom, and only the most blinkered Brexiteer would deny the role

[Brendan O'Hara]

that leaving the EU has had in driving those increases. Unfortunately, the powers available to the devolved Administrations in Edinburgh, Cardiff and Belfast mean that it is this place that must find a long-term solution to this crisis. As much as I commend the work done in Edinburgh, Belfast and Cardiff, it is this place that has to find those solutions.

That is why we must, with some urgency, establish this Committee. We must put in motion a process whereby the people of these islands can see and understand why food price inflation is through the roof and why mortgages are becoming increasingly unaffordable for so many. The evidence that will come to this Committee and the reports that will come from it will, we hope, furnish this hapless Government with the facts and evidence they need to see where they are going wrong and perhaps allow them to do something about it.

Let us be clear: the economic disaster of Brexit has not just fallen out of the sky. It has not just miraculously appeared. I am reminded of an exchange I had with the right hon. Member for North East Somerset (Sir Jacob Rees-Mogg) almost exactly a year ago, when he was Minister for Brexit Opportunities—I try to get through that title without laughing. I took the opportunity to remind him of his 2019 promise that the “broad, sunlit uplands” of Brexit were just around the corner for the British people and British business. Last year, I described the case of a small Scottish cosmetic company, Gracefruit, whose owners had told me that, because of red tape, soaring costs and loss of markets, they no longer had the mental or emotional strength to make a success of what had been a thriving business. Gracefruit was emblematic of so many small and medium-sized enterprises across the islands whose business had been destroyed by Brexit. In his reply to me, the right hon. Member for North East Somerset said:

“We are freeing people in this country from red tape because we look at the United Kingdom playing a global role—trading with the globe, being as economically productive as anywhere in the world... That is why the EU is a failing economic option and why we sing hallelujahs for having left it.—[*Official Report*, 9 June 2022; Vol. 715, c. 933.]

That was the Minister for Brexit Opportunities. I thought at the time that his reply was vacuous and glib. Twelve months on, I see it as deluded, arrogant, negligent and dangerous. If there is one reason why the creation of this cost of living Select Committee is essential, it can be found in that single reply. It was he and his well-heeled City chums who sold the people of England a pup in 2016. They sold it as a dawn of a new era of freedom and prosperity and of taking back control, but, instead, we live in a time of uncertainty and grave economic hardship, suffered, ironically, by those who bought into the fantasy that Brexit would be good for them and who have been left with the grim reality that Brexit has been a major driver of spiralling food costs, soaring mortgages and lower wages.

The pain of Brexit has been felt most acutely in our rural communities—communities such as my Argyll and Bute constituency, which had benefited from decades of EU membership and the support that it gave to our agricultural sector and the market that it provided for our outstanding seafood and shellfish sector. All of us who represent rural constituencies such as Argyll and

Bute know that incomes are lower and costs are higher. Nearly 70% of households in my constituency are at risk of fuel poverty or extreme fuel poverty. As the hon. Member for Kilmarnock and Loudoun (Alan Brown) said, 56% of my constituency are off gas grid. To avoid fuel poverty, an average all-electric household would need an income of £72,200. To avoid extreme fuel poverty, they would require an income of £39,600. This is in the context of a median household income of just £33,000. Anyone can see the crisis of fuel poverty that is coming down the line, as indeed there will be with so many of my constituents.

The Royal Society of Edinburgh released a paper, “The cost of living: impact on rural communities in Scotland”, which recommended that any piece of legislation related to the cost of living should be “rural-proofed” and I heartily agree. It also recommended that the UK Government recognise the contribution of rural communities—whether it be through their whisky, tourism, timber or fish farming. In areas such as Argyll and Bute, the contribution made by my constituents to the UK Exchequer through whisky production alone is gargantuan compared with what they receive.

Rural Scotland has been hit hard by the cost of living crisis, which is why the people of these islands need the Committee to be set up. They need to have confidence that the decisions that we make here are done with all the available evidence that we can possibly muster. That is what the Committee would do. I say to Members, whether they be from the Labour party, the Liberal Democrats or the Conservatives, to vote this motion down on the minutiae—[*Interruption.*] The Minister may laugh, but this was an amendable motion, which his party, if it had any real commitment to the cost of living crisis, could have amended. To vote down this motion on the minutiae would be disingenuous in the extreme, because this is a genuine attempt on behalf of our constituents to address the biggest crisis in their lives at the moment. The Government and, sadly, the other opposition parties are playing political games with what should be a motion that unites all in the House.

Mr Deputy Speaker (Mr Nigel Evans): I am calling the wind-ups at 4 o'clock and there are three others wanting to speak, so I ask Members to do the maths and be generous to their colleagues.

3.33 pm

David Linden (Glasgow East) (SNP): It is a pleasure to follow my hon. Friend the Member for Argyll and Bute (Brendan O'Hara). As the junior deputy assistant viceroy was chuntering from a sedentary position about crackpots and a few hundred thousand pounds, I was reminded of Baroness Michelle Mone in the other place, who I am sure he would probably think is great value for money. However, this is a serious motion for a serious issue. Given that the cost of living remains by far—by a country mile—the single biggest issue that my constituents continue to raise on the doorsteps, I am somewhat intrigued that the Government and, indeed, the Labour party have once again largely boycotted this Opposition debate.

I understand that the Government's focus is perhaps elsewhere—for example, sorting out a peerage for the positively sycophantic right hon. Member for Mid

Bedfordshire (Ms Dorries)—but I am very surprised at the British Labour party's boycott of today's debate. I thought it was only picket lines that it boycotted, but I guess variety is the spice of life.

As I have said before, the cost of living crisis has been a persistent issue on these islands for several years, with many people struggling to make ends meet despite working full-time jobs. However, it is important to recognise that the cost of living crisis is not a new thing; it is the culmination of 13 long, cold years of Tory austerity from a Government who Scotland did not vote for. Yes, the issue has certainly been exacerbated by a variety of factors, including stagnant wages and rising housing costs, but the UK's exit from the European Union has caused significant economic disruption and uncertainty that has further worsened the situation for many of those I represent in the east end of Glasgow.

Prior to Brexit, the free movement of goods, services, people and capital in the single market and the customs union were a benefit to our economy. The arrangement helped to promote economic growth and prosperity on these islands, making it easier for businesses to trade and for consumers to access a wide range of affordable goods and services. However, the UK's decision to leave the European Union—a decision not consented to by the country I represent—has created significant challenges that have had a profound impact on the cost of living crisis that people across these islands are experiencing.

Since 2016, the value of the pound has fallen significantly against other major currencies, making imports far more expensive and causing inflation to rise. That has had a particularly acute impact on the cost of basic necessities such as food and fuel, which are heavily reliant on imports. According to the Office for National Statistics, consumer prices inflation surged to 3% in September 2017, up from 2.9% in the August and well above the Bank of England target. That was before the war in Ukraine and before covid. That increase was largely attributed to rising food prices, which jumped by 4.1% in September 2017, and to fuel prices, which rose by 2.5%. The weak pound also led to an increase in the cost of travel abroad, making it more expensive for families going on holiday or for those travelling for business.

Another area where Brexit has exacerbated the cost of living crisis is in the labour market more generally. With the loss of free movement of people around the EU, many industries in the UK face labour shortages, which in itself puts additional strains on business. I know from speaking to many businesses in the east end of Glasgow that they are facing additional costs associated with Brexit such as increased bureaucracy and red tape, tariffs, customs duties and the need to comply with new regulatory requirements. Those costs are often passed on to consumers in the form of increased prices, further exacerbating the cost of living crisis for many people.

Scottish businesses are set to be hit with even more Brexit pain, as the Tories have put on the table new inspection charges on food entering the UK from the EU. Plans drawn up by the Government would see a charge of £43 for each shipment of food coming in from the continent. It is not just my party warning against those plans: the former Glasgow Labour MP, now head of trade policy at the British Chambers of Commerce,

William Bain—I think he is known in Glasgow as Willie—warned that the changes would hit small businesses particularly hard, as they would be bringing in “smaller, lower-value shipments”.

While supporters of Brexit argued that leaving the EU would enable the UK to negotiate better trade deals and reduce the cost for consumers, the reality is that the process has been fraught with uncertainty and complexity. So far, the UK has managed to agree two rather measly trade deals—we would say capitulations—with Australia and New Zealand, plus a pile of roll-over deals. That has been the sum total of Britain's achievements on free trade, and let us not forget that the cost to farmers amounts to some £145 million. Negotiations have been slow and difficult, and there is still so much uncertainty about that future relationship between the UK and the European Union.

Meanwhile, people are struggling to make ends meet, and that is the biggest issue that constituents raise at my surgeries in Cranhill, Easterhouse, Baillieston and Parkhead. According to the Joseph Rowntree Foundation, the number of people in the UK living in poverty has risen for three consecutive years, with 40 million people now living in poverty, including, most shamefully, 4 million children.

Ultimately, the cost of living crisis is a complex issue that requires a multifaceted solution. It requires changes to social security policy, and I would argue it also requires short-term price controls on food, diversification of energy supplies and much more. That is precisely what the Committee in the eight-paragraph motion before the House would look at.

Dr Whitford: Does my hon. Friend agree that that Committee could propose what other European countries have done in reducing VAT on energy? If prices have doubled, we could halve VAT and it would still be revenue-neutral.

David Linden: I would never disagree with my hon. Friend—life is too short for that. The point is that Brexit was about Parliament taking back control. What Parliament has sought to do, via this Opposition day motion, is say, “Right, we have identified an issue with Brexit and the cost of living crisis. We want to empower Parliament to look at this issue further.” Yet the Minister—the deputy assistant junior viceroy—seems opposed to that.

Before I finish, I will touch briefly on rising mortgage rates, which are another aspect of the cost of living crisis that persists—one that will get worse and dominate our inboxes far more. Government inaction on that will mean that millions of households could, by next year, be thousands of pounds a year worse off owing to frankly unsustainable rises on their mortgage payments. On new-build estates in my constituency, such as Broomhouse, Gartloch, Belvidere and Eastfields, many young families are living in fear of fixed rates expiring in the coming months.

Capital Economics reports that 3.2 million households are paying interest rates of 3% or more. By the end of next year, that will have risen to 5.8 million—a rise of 2.6 million. As we look at support for homeowners, households need particularly innovative action and solutions to avoid catastrophe. An example that I would like to see on the table is the concept of employer salary

[David Linden]

sacrifice schemes, which may provide mortgage-holders with a bit more mortgage relief. Thus far, however, as with food prices, the Treasury believes that it is up to the markets to self-regulate, and I know from speaking to constituents that that simply will not cut it. The very reason butter is security tagged at Tesco in Shettleston is because we are allowing the markets to self-regulate.

The Government are very much asleep at the wheel. The Tories have overseen record food inflation caused by their cost of living crisis and their reckless Brexit. Working people are being forced out of buying basic items while their energy bills and mortgage payments rise, too. All the while, our European neighbours are taking action to tackle food prices and price gouging. So yes, I will by all means support the motion when the Division bell rings tonight, but in truth, I would rather my Glasgow East constituents have decisions about their lives made in Edinburgh by a Government we elect, not by an intransigent Tory Government here in London whom we have not voted for—indeed, one we have not voted for since 1955.

Mr Deputy Speaker (Mr Nigel Evans): Order. If someone could inform the Chair of who the Tellers for the Ayes will be when that Division comes, that would be really useful. I call Marion Fellows.

3.42 pm

Marion Fellows (Motherwell and Wishaw) (SNP): Putting the word “Brexit” in the title of the debate will have confused those on the Government Benches, because that word has been expunged from their party’s political lexicon.

When talking about the financial difficulties faced by citizens of the United Kingdom, the Government will rightly mention covid. Certain individuals may have got rich on the back of the suffering of those who experienced covid either through their own illness or that of a loved one. More than 220,000 people died of covid in the UK, and people continue to die of it today. A few folk made a bit of money out of it, because the Government awarded contracts to their incompetent mates. We squandered £37 billion on a failed test and trace system, and covid damaged the UK-wide economy. The UK Government will rightly add to the equation the war in Ukraine, which has had a detrimental effect on the economy.

The existence of covid and the Ukraine war cannot be blamed on the Conservative and Unionist Government, which is why they are so keen to place those issues front and centre. It seems, from listening to the countless interviews that have taken place over the past five years or so, that the B-word has now almost entirely disappeared, but Brexit is and has been at the very heart of the Government in that time. They misled the electorate with promises of sunny uplands, as we have already heard, and now they wish to categorise Brexit as the latest entry in the newspeak dictionary. The poor are getting poorer and the rich are getting richer, and until this Government face up to the consequences of their actions, they will never be in a place to address the problems that Brexit has created. With both the Tories and Labour continuing to support a damaging Brexit

that has wreaked havoc on the UK economy, it is clear that Westminster offers no answers to the pressures faced by ordinary households. We need a Committee that will focus entirely on that.

The OBR predicted in March that the UK’s GDP will fall by 4% as a result of Brexit, with trade and exports reducing by 15%. Additionally, a senior Bank of England official has said that £29 billion in business investment had been lost because of Brexit, because of leaving the EU. The former US Treasury Chief and top economist, Larry Summers, recently said that Brexit will be remembered as an “historic economic error”, adding that he would be “very surprised” if the UK avoids a recession in the next two years. He also noted that the UK’s economic situation is

“frankly more acute than...in most other major countries.”

All those people know more than me about politics and economics, but I know about people, including people in Motherwell and Wishaw. When I joined this place, I knew of one food bank. During recess, I heard about two more that have opened up—those are just the ones that I heard about during recess—and I visited one of them. People in my constituency are hungry. Grown men turn up at food banks and cry because they cannot feed their families. They want to work, and do work in many cases, but they do not earn enough to pay energy bills and to feed their families.

As for the question of baby milk, how in this country have we got to a stage where a security tag has to be put on baby milk, and where parents are diluting baby milk to make it go further? A Committee looking at the cost of living could look into that sort of thing. As a grandmother, I can tell the House: that is just not on.

The Citizens Advice Scotland social justice spokesperson noted that the energy cap

“remains higher than it was last summer, bills will remain higher than the beginning of this crisis in 2021, and since then people have faced a huge squeeze on their finances.”

As SNP spokesperson on disabilities, I deal all the time with disability organisations; I listen to them and the people they represent. The hon. Member for Banff and Buchan (David Duguid) read out a huge list of things that the Government have done for people during the cost of living crisis, but for disabled families, it is just not enough. Scope has put a price tag on the cost of living in a disabled household as £975 a month. The support given to people who are disabled, their families and their carers has simply not been enough. That leads me back to food banks. A huge percentage of people who attend food banks, because they need to, do so because they are disabled.

I wonder whether the Minister or any Government Members know—I cannot tell the House this—how much it would cost for someone to power five machines overnight to support their disabled child. Families are living with that struggle day and daily. In a country as rich as this, we should all be ashamed of that fact. Let us think of that: five machines for someone to keep their child alive, and they are offered something from the Government—I do not deny it—but it is nothing like enough. We need a social tariff on energy, as called for by Citizens Advice. We need to support people who, through no fault of their own, cannot effectively contribute to the economy, otherwise what is the point of a place like this?

In Scotland, things are better for people with children. The Scottish child payment has made a huge difference to families with children, especially during this economic crisis. This Government really need to look at social security benefits, and to stop dealing with people who have to rely on those inadequate benefits as some form of scroungers. There have always been people who play the social security system—I would not stand here and deny it—but think on the people who play the tax system, hoik all their money offshore and refuse to pay their correct taxes. Let us let this Committee look at that sort of thing. If it is a question of money to help families, households and people in general through this cost of living crisis and make up for the effect of Brexit, let the Committee look at that. Let us have a Committee dedicated to helping end this cost of living crisis.

3.51 pm

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): The biggest single issue that has come up on the doorsteps as I have been doing the rounds back in my constituency over the past number of weeks has been the cost of living. People are absolutely terrified, especially as mortgages are increasing and people on fixed-rate mortgages are having to renegotiate those very soon. There is a palpable sense of fear, and I am absolutely astounded that once again in a cost of living debate, we have not only empty Tory Benches—I can kind of understand that, because the Tories want to hide from the consequences of what they have done—but empty Benches on the Labour side of the Chamber. Of course, Labour Members want to hide from the consequences of their support for Brexit.

You would have thought that any sane, normal institution that is interested in pushing things forward for people would want to learn from mistakes. Brexit has cost 5.5% of GDP—or 4%, if we take the estimate given by the hon. Member for Banff and Buchan (David Duguid). That is a massive amount. We are talking about some £40 billion a year in tax revenues, yet the excuse for not having a Committee to investigate that is that it will cost a wee bit of money, or that Parliament does not have a big enough room to put it in. That is just insane. It does not make any sense at all. Lessons should and must be learned; if they are impacting on people, those people have a right to know.

Hon. Friends on the SNP Benches have described families as being the backbone of our communities, and that is especially true in the highlands. These are people—families—who are toiling to secure a future for their children, and Brexit has made that significantly more challenging for them. Those hard-working families are now at the mercy of consequences made in contradiction to their voting preference. The people of Scotland went to the polls and voted to reject Brexit, yet we have imposed upon us, and the other nations of the UK are feeling the effects too, so why should this not be looked at in detail in a Committee? It just makes no sense, but then this place day by day makes no sense for people, especially those in Scotland.

When it comes to Brexit, do not forget that the Tories failed to oppose the hard-right voices in their ranks. They capitulated to them, resulting in these hardships, including price hikes for people and their families for essential goods such as bread, milk, rice and cooking oil. Those things have shot up astronomically in price

over the past while as a direct consequence of Brexit—that cannot be blamed on the Ukraine war. That is not the cause of these price increases—there are direct correlations between the cost of basic foods that people are paying in the shops and Brexit.

Post-Brexit immigration policies have led to skills shortages, as we have heard from my hon. Friends, especially in the highlands. The health service, local services, the care sector, tourism and hospitality are all facing difficulties due to the workforce drain, yet there is to be no examination of what has gone wrong there, what could be done differently or what could be improved, because this place decides that it wants to brush all that under the carpet. The Government want to take no responsibility for that and they want to learn no lessons, because they are arrogant enough to say every time, “It is our way or the highway”. That is what they keep saying to the people of Scotland, in direct contradiction to their democratic preferences.

In the highlands, we have record unemployment and struggling industries, which are compounding the problem of a lack of the people we need to come here to work for us. Farms lack labour, resulting in less production and higher prices, increasing the suffering of communities. Rising living costs and mortgage rates have turned homes—homes that are normally the symbol of security—into symbols of anxiety, because people are worried about how they will pay their mortgages or their rent and keep a roof over their head.

Brexit was pitched as a dream of taking back control, but it has morphed into a self-inflicted nightmare. To distract people from the impacts of Brexit, we see the ignition of culture wars to try to take people’s minds off what is happening and to throw a dead cat on Brexit. The Government try to make out that Brexit is not causing harm to people, families and children day by day, but yet again, we are not to examine that. We must not look at that, because it just might expose some truths about what has happened due to Brexit and this place’s ideology coupled to that disastrous, self-inflicted harm.

What do we get from those on the Labour Benches on this matter? They are going to make Brexit great again—that is what they are saying. They say they can fix this. If they really want to do that, why not examine it in a Committee in this House so that we can look over the problems and say what went wrong and what could be done better? Instead they say, “No, let’s ignore that. Let’s not do that. It is too difficult, too challenging and it will upset the apple cart. We cannot do that because we have been told not to by our leadership.”

The promise made of an equal partnership for Scotland has clearly and demonstrably been broken by this place—not only by those sitting on the Government Benches, but by their comrades in the Labour party. They stand in the face of the Scottish people having a democratic choice over their future and being able to make their own examination of Brexit and their own investigation into what has gone wrong and what has been inflicted upon them. The Government and the Opposition are saying no to all that. This is just another example of this place standing in the face of doing what is right for people in their homes and communities.

I come back to the start of this: cost of living is the single biggest issue for people. When people are sitting at home just now, worried about everything, they are

[Drew Hendry]

also worried when looking forward towards this winter, when they know that things will get worse again. They know that the cost of energy has not gone down very much, they know that prices are still continuing to rise and they know that mortgages will continue to rise. They are looking into that abyss just now and seeing the difficulties. It is affecting not just those who have already been thrust into abject poverty by decisions taken here in Westminster, but people who would have considered themselves relatively well off just a short time ago. Now they face this calamity—this coming together. When the Government talk about all the support they are bringing forward for people in their homes across Scotland and the other nations of the UK, what they are describing may sound a big figure, but it is like pouring a watering can on the bin fire they have set in this economy.

The only way for people to escape this madness, get things looked at properly and get things dealt with in the right way is for them to take the real control that they need, which is to have their democratic voice acknowledged, to have their say on the future of Scotland and for Scotland to regain its place in the European Union as an independent country.

Mr Deputy Speaker (Mr Nigel Evans): I am anticipating a Division no later than 4.21 pm. We now come to the wind-ups, and I call the SNP spokesperson.

4 pm

Alyn Smith (Stirling) (SNP): It is a pleasure to wind up this SNP debate on the cost of living. There have been a number of excellent contributions from my colleagues and some other speeches from across the House, and surely we can all agree that the cost of living crisis is something we need to work together to solve. I am very grateful to the Clerks of the House who worked with us in drafting the motion, because it is an innovative proposal—we acknowledge that—but we are in extraordinary times and people need solutions.

I believe that politicians should work together. I spent 16 years in the European Parliament. [Interruption.] As my hon. Friend the Member for Aberdeen South (Stephen Flynn) says, I seldom mention it, but I spent a number of years working with people, putting the badges to one side and finding solutions. Usually there is 20% over here that we will not agree on and 20% over there that we will not agree on, but there is 60% in the middle where we can find a solution. Surely to goodness, the people we all serve, who are struggling in their daily lives, need to see politicians working together and finding solutions. It really has been quite disappointing to hear that described as a “crackpot idea”, which I think is unworthy of this discussion.

We are looking to find solutions, and the first step is to admit that there is a problem. The fact is that too many people are struggling with real-life problems, and we can treat those problems. We have heard a number of points relevant to Scotland on which both Governments—the UK and Scottish Governments—are helping to ameliorate the situation. However, what we are trying to do is to get to the root cause of how we got here, where these problems come from and how we can stem them. People are struggling with their energy costs, their food costs and their rent or mortgage costs. We are all

struggling with inflation, and we are all struggling with wages that are too low. Businesses are struggling with all of that, as well as with a labour shortage, a skills shortage, energy costs and finance costs. It is a perfect storm that needs brave measures and courage, and I really have been saddened to hear some of the hackery and the boneheaded, specious arguments against the establishment of this Committee.

I encourage colleagues to raise their game, because I am deeply alarmed—we will all have been having these meetings in our constituencies—at how many people are struggling and fearful right now in all our communities. Food import checks are going to be implemented from October, so food price inflation is likely to get higher, not better than it has been. As people come off fixed-rate mortgages—this point has been made—the rises they are looking at are utterly unmanageable for tens of thousands or millions of households and individuals. On top of that, we have the global instability caused by climate chaos, uncertain harvests worldwide, political instability, war in Europe and potential difficulties in south-east Asia, and the global food supply chain—the global supply chain full stop—is under unprecedented strain, so now really is the time to put the badges to one side and find solutions.

The causes of the cost of living crisis are interlinked. The hon. Member for Banff and Buchan (David Duguid) made the significant point that the motion does not, of course, deal with covid or Ukraine, but that is because covid and Ukraine were external shocks that we all needed to react to. Brexit is self-inflicted, and Brexit is also an ongoing process.

I am a Member of the EU-UK Parliamentary Partnership Assembly, and the trade and co-operation agreement that governs the relations between the UK and the EU is up for review in 2025. There is also the Windsor framework, which we supported. The SNP did not need to support the Windsor framework, but we did, because peace in Northern Ireland is too important. We supported that when we did not need to. We supported the Government in finding solutions to a problem that was brought about by the TCA, and indeed the lack of engagement and intellectual honesty that we saw from the UK Government in ignoring the problems that the Windsor framework goes a way to solve. We are going to come back to those. However, the TCA is up for review in 2025, and there are important solutions to be found.

We have heard that a committee of inquiry is an unusual thing, but actually it is not. In the Irish Parliament, the Oireachtas Éireann had a committee of inquiry into the banking crisis between 2014 and 2016. Obviously the banking crisis had deep significance in all our countries, but that was especially the case in Ireland and there were lessons to learn. The Danish Folketing had a commission of inquiry into the Iraq and Afghanistan wars in 2012, because that major foreign policy decision needed to be learned from properly. The European Parliament had the special committee on the financial, economic and social crisis between 2009 and 2011—I know because I was on it—to learn the lessons of how the financial crisis came to be, and what we needed to do to stop it happening again. The idea that Brexit can be written off as an historical thing, when our citizens are dealing with the consequences of it day in, day out, does not withstand analysis. I understand that Government

Members might be sick of experts, but I am quite a fan of them. A key provision of the proposal is that the Committee will be able to hear from experts and identify problems, so that we find solutions.

Brexit has impacted on the cost of living in a number of ways. As we have heard, there are other interlinked factors, but we believe there is a particular issue with how the UK left the European Union, which has made those things more difficult. We are willing to put our ideology to one side. We almost heard an argument that Members will vote against this Committee because SNP Members are in favour of independence. Well yes, damn sure we are. I am absolutely secure in my view that Scotland's best future is as an independent state back in the European Union, and part of a global A-team of 500 million people. I also think that if the UK cannot do that, the best future for it is to get back into the single market, but I urge colleagues to read the motion—that is not what this is about. This is a suggestion for us all to work together, put the badges to one side, and find solutions to the problems that our people are experiencing.

The impact of Brexit on all those things merits further analysis. I am not interested in hackery about the other positions or parties, or who did what when. We are all in a problem that we need to fix, and we all need solutions. I will work with anybody to improve the lives of the people of Stirling, and to improve the lives of the people of Scotland. I want to see the people of the UK do well as well. Brexit, and the way it is running through, is making life more difficult on a daily basis for all our citizens. We have heard today about the benefits on which it was sold. I never cease to be amazed at the extent to which Government Members get giddy with excitement about hypothetical upsides and the gains of trade deals with various places and far-flung bits of the world, but ignore the 4% GDP hit that we have taken. There is a real need for intellectual honesty, and we think that this cross-party Committee would allow us to get there.

SNP Members believe that Brexit has made food more expensive—and wait until October. We believe that energy, particularly electricity, is more expensive—and wait until winter. We believe that the economy is weaker, trade is more difficult and the labour force is diminished, and that has impacted on and affected all our citizens whom we all serve. We owe it to them to put the badges to one side, roll our sleeves up and work together, and this Committee is an attempt to do that. We are willing to work together to find solutions to this problem, and I hope the other parties will raise their game and join us in that effort.

4.8 pm

The Parliamentary Under-Secretary of State for Wales (Dr James Davies): I thank Members across the Chamber for their contributions to this debate on the cost of living. We have heard extensive and thoughtful contributions from those on the Front Benches, as well as from an array of Back Benchers, including my hon. Friend the Member for Banff and Buchan (David Duguid) and the hon. Members for Midlothian (Owen Thompson), for Cynon Valley (Beth Winter), for Coatbridge, Chryston and Bellshill (Steven Bonnar), for City of Durham (Mary Kelly Foy), for Kilmarnock and Loudoun (Alan Brown), for Argyll and Bute (Brendan O'Hara), for

Glasgow East (David Linden), for Motherwell and Wishaw (Marion Fellows), and for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry)—I agreed with some of them more than with others.

Although I am pleased that we are having this debate, I emphasise that the cost of living challenges faced by people across the United Kingdom are a global challenge. We are not alone, and countries across western Europe and, indeed, the rest of the world are seeing the same trends, driven largely by Putin's illegal war in Ukraine, and the aftermath of the covid pandemic—that has been acknowledged by many if not all Members.

The Conservative Government have been taking action to help people by providing cost of living payments. This year, we have provided £900 for households on means-tested benefits, £300 for pensioner households and a £150 payment for people receiving disability benefits. In Wales, those payments have supported more than 400,000 people through some challenging times. In fact, last winter, the UK Government paid almost half of household energy bills through the energy price guarantee and by providing £400 off those energy bills. In addition, last year we provided £650 for households receiving means-tested benefits, £300 for pensioner households, £150 for the disabled, a £150 council tax rebate for households in council tax bands A to D, a 5p cut to fuel duty, which has been extended to 2023-24, and a permanent increase in the amount that someone can earn before national insurance contributions are charged. That is, of course, on top of a 40% real-terms increase in the personal allowance since 2010. Going forward, the removal of the premium paid by those on prepayment meters will save 4 million of the poorest households £45 a year. All in all, the Government's cost of living support amounts to an estimated £94 billion.

Of course, we as Conservatives believe that work is the best way out of poverty. We are extending the support that our jobcentres offer to low-paid workers so that they can increase their hours and move into better paid, higher quality jobs. In the Budget, we on the Conservative Benches confirmed the biggest expansion of free childcare in living memory. That will reduce costs for parents, who can get back to work, and ensure that a career break does not become a career end. Alongside that, we will see universal credit provide childcare costs up front. We are supporting people with the largest ever increase to the national living wage.

Alan Brown: Will the Minister give way?

Dr Davies: I will have to be strict because of time, but yes.

Alan Brown: I thank him for giving way. Rather than just reading his pre-prepared speech, will he answer any of the points raised in the debate? For example, I pointed out that Energy UK has observed that post-Brexit energy trading arrangements are adding £1 billion to our energy bills. What Brexit dividends are offsetting that £1 billion that has been added to our bills?

Dr Davies: I will come to the benefits of Brexit in due course, if the hon. Member will kindly wait.

We have increased the national living wage to £10.42 an hour in recent times, which is an increase of 9.7%. We have also cut the universal credit taper rate and increased

[Dr James Davies]

the work allowance. We are supporting those on the state pension and those receiving pension credit and working age and disability benefits with a 10.1% uplift to match inflation.

What have the Opposition parties done? The SNP's motion fails to recognise the support given by the UK Government to people across Scotland and commits instead to spending almost half a million pounds of taxpayers' money every year on an unnecessary Select Committee. SNP Members say that they want to investigate matters relating to increases in prices, but while we know that global factors are at play, they seem to blame Brexit alone. That is the same Brexit that has enabled us to take back control of our laws, our money and our borders, and the same Brexit that is enabling UK fishermen to catch an additional £146 million-worth of fish a year.

David Duguid: Without rehearsing the earlier debate on whether Brexit is good or bad for fisherman, does my hon. Friend agree with the chief executive of the Scottish Fishermen's Federation who has said that "whatever issues the industry has with Brexit and labour issues"—those were mentioned earlier—

"these pale into insignificance if fishermen are banned from fishing",

as they would be through the SNP and Green Scottish Government's shambolic plans for highly protected marine areas?

Dr Davies: My hon. Friend is quite right. He champions the Scottish fishing industry, and rightly so.

The Procurement Bill, which we considered yesterday, will allow SMEs across the UK more easily to access £3 billion-worth of revenue and let us rewrite the rules on support for places and regions—including in Wales and Scotland—to deliver levelling up. The same Brexit has allowed two new freeports each for Wales and Scotland, and allowed the UK to lead the way in the roll-out of the covid vaccine, saving lives and putting the country back on track.

Dr Whitford: The hon. Gentleman must be aware that June Raine, the head of the Medicines and Healthcare products Regulatory Agency, pointed out in December 2020 that covid licensing was done under the rules of the European Medicines Agency and was nothing to do with Brexit.

Dr Davies: We will have to disagree. This country showed the way on the management of the pandemic and the development of vaccines.

The SNP wants to discuss the cost of living, but it would rather import oil and gas from overseas than support tens of thousands of jobs in Scotland.

I would also like to look at the solutions proposed by the Labour Government in Wales. They seem to think that charging people to use motorways, bringing in a tourism tax and scrapping meal deals is the way to help people. Let us not forget the money squandered by the Welsh Government on a racing circuit never to be built, an airport where barely any planes take off and £150 million on a report into the M4 relief road which was then axed. And let us never forget Labour's record on the

economy. No Labour Government have ever left office with unemployment lower than when they came to power. It would perhaps be remiss of me not to remind the House that when Labour left office in 2010, the then Chief Secretary to the Treasury wrote, "I'm afraid there's no money left."

We will take no lectures on tackling the cost of living crisis from the Opposition parties. The UK Government are delivering an unprecedented package of support across the whole of Britain. The Prime Minister has been clear that it is his priority to halve inflation, ease the cost of living and give people the financial security they want and deserve. While the Opposition play politics, we are getting on with the job and delivering for the people of the United Kingdom.

Question put.

The House divided: Ayes 43, Noes 260.

Division No. 257]

[4.16 pm

AYES

Black, Mhairi
Blackman, Kirsty
Bonnar, Steven
Brock, Deidre
Brown, Alan
Callaghan, Amy (*Proxy vote cast by Brendan O'Hara*)
Cameron, Dr Lisa
Chapman, Douglas
Cherry, Joanna
Cowan, Ronnie
Day, Martyn
Docherty-Hughes, Martin
Doogan, Dave
Dorans, Allan (*Proxy vote cast by Brendan O'Hara*)
Eastwood, Colum
Edwards, Jonathan
Fellows, Marion
Flynn, Stephen
Gibson, Patricia
Grady, Patrick
Hendry, Drew
Hosie, rh Stewart
Lake, Ben
Linden, David

MacNeil, Angus Brendan
Mc Nally, John
McDonald, Stewart Malcolm
McDonald, Stuart C.
McLaughlin, Anne (*Proxy vote cast by Brendan O'Hara*)
Monaghan, Carol
Nicolson, John (*Proxy vote cast by Brendan O'Hara*)
O'Hara, Brendan
Oswald, Kirsten
Qaisar, Ms Anum
Saville Roberts, rh Liz
Sheppard, Tommy
Smith, Alyn
Stephens, Chris
Thewliss, Alison
Thompson, Owen
Thomson, Richard
Whitford, Dr Philippa
Wishart, Pete

Tellers for the Ayes:
Gavin Newlands and
Peter Grant

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
Baillie, Siobhan
Baker, Duncan
Baker, Mr Steve
Baron, Mr John
Baynes, Simon
Bell, Aaron
Benton, Scott
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
Brady, Sir Graham
Brereton, Jack
Browne, Anthony
Buchan, Felicity
Buckland, rh Sir Robert
Burghart, Alex
Butler, Rob
Carter, Andy
Cartlidge, James
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
 Colburn, Elliot
 Collins, Damian
 Courts, Robert
 Coutinho, Claire
 Crabb, rh Stephen
 Crosbie, Virginia
 Crouch, Tracey
 Davies, Gareth
 Davies, Dr James
 Davies, Mims
 Davies, Philip
 Dines, Miss Sarah
 Djanogly, Mr Jonathan
 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
 Ellis, rh Michael
 Ellwood, rh Mr Tobias
 Elphicke, Mrs Natalie
 Eustice, rh George
 Evans, Dr Luke
 Everitt, Ben
 Fabricant, Michael
 Farris, Laura
 Fell, Simon
 Firth, Anna
 Fletcher, Katherine
 Fletcher, Mark
 Fletcher, Nick
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 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
 Graham, Richard
 Gray, James
 Green, Chris
 Green, rh Damian
 Griffith, Andrew
 Grundy, James
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Hancock, rh Matt
 Harris, Rebecca
 Harrison, Trudy

Hart, Sally-Ann
 Hart, rh Simon
 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
 Holmes, Paul
 Howell, John
 Huddleston, Nigel
 Hudson, Dr Neil
 Hughes, Eddie
 Hunt, Jane
 Hunt, Tom
 Jenkin, Sir Bernard
 Jenkinson, Mark
 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
 Knight, rh Sir Greg
 Kniveton, Kate
 Kruger, Danny
 Lamont, John
 Largan, Robert
 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
 Maynard, Paul
 McCartney, Jason
 McCartney, Karl
 McPartland, rh Stephen
 Menzies, Mark
 Mercer, rh Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Millar, Robin
 Miller, rh Dame Maria
 Milling, rh Dame Amanda
 Mills, Nigel
 Mohindra, Mr Gagan
 Moore, Damien
 Moore, Robbie

Morris, Anne Marie
 Morris, David
 Morris, James
 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
 Paisley, Ian
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Philp, rh Chris
 Prentis, rh Victoria
 Quince, Will
 Randall, Tom
 Redwood, rh John
 Rees-Mogg, rh Sir Jacob
 Richards, Nicola
 Robertson, Mr Laurence
 Robinson, Mary
 Rowley, Lee
 Russell, Dean
 Rutley, David
 Sambrook, Gary
 Saxby, Selaine
 Seely, Bob
 Selous, Andrew
 Shannon, Jim
 Sharma, rh Sir Alok
 Simmonds, David
 Skidmore, rh Chris
 Smith, rh Chloe
 Smith, Greg
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Solloway, Amanda
 Spencer, Dr Ben

Spencer, rh Mark
 Stevenson, Jane
 Stevenson, John
 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
 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.

Business without Debate

DELEGATED LEGISLATION

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

BUILDING AND BUILDINGS

That the draft Building Safety Act 2022 (Consequential Amendments etc.) Regulations 2023, which were laid before this House on 10 May, be approved.—(*Fay Jones.*)

Question agreed to.

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

CHURCH OF ENGLAND (GENERAL SYNOD) (MEASURES)

[*Relevant document: 244th Report of the Ecclesiastical Committee, HC 1412.*]

That the Diocesan Stipends Funds (Amendment) Measure (HC 1413), passed by the General Synod of the Church of England, be presented to His Majesty for his Royal Assent in the form in which it was laid before Parliament.—(*Andrew Selous.*)

Question agreed to.

Global Military Operations

4.31 pm

The Minister for Armed Forces (James Heappey): I beg to move,

That this House has considered global military operations.

It is fantastic to be able to have this debate on global military operations in Government time. Looking back in *Hansard*—as I have done on many occasions—I noted that there was once a time when the House had an annual debate on each of the three services. Those debates were well subscribed and Members enjoyed them. While of late we have had a number of opportunities to discuss Ukraine specifically, I think it is some time since we have had the chance to discuss the totality of military operations around the world. I look forward to hearing speeches which, I suspect, will range across geographies and issues. It will be great to hear defence matters considered so widely and prominently—

Mr Tobias Ellwood (Bournemouth East) (Con) *rose*—

James Heappey:—not least by my right hon. Friend the Chair of the Select Committee.

Mr Ellwood: I am sorry to intervene so early, but my right hon. Friend has raised an important aspect of the debate: namely, the mechanics of what we are discussing. I was pleased to hear him refer to the debates that we have had in the past, when there was more of a steady drumbeat. I hope that his words—which, I am sure, will be repeated by other Members, and I look to the Chair as well—will be heard, and I hope that the message that we need more debates and a greater understanding of what is going on in the world and our role in it can be sent to the usual channels, so that that can actually happen.

James Heappey: My right hon. Friend is entirely right, but he need not worry: the Ministry of Defence is a favourite of the Whips Office. Whenever the Whips come calling for us to take the opportunity to debate defence matters in the House, we are only too keen to do so, and I am delighted to have been provided with that time today.

The “Integrated Review Refresh 2023”, published in March, was clear about what we needed to do to respond to the deteriorating global security situation. It was about shaping the global strategic environment, increasing our focus on deterrence and defence, addressing the vulnerabilities that leave our nation exposed, and investing in the UK’s unique strengths. Defence is obviously at the centre of that ambition.

Ukraine has dominated defence matters over the past couple of years, so I thought I should make some mention of that, given the work that the UK has been doing in supporting the Ukrainians in their fight back against the Russian illegal invasion. Really, the update that it falls on me to provide to the House is that there is no update to give. Instead, I offer a word of caution. These are the very early stages of a necessarily complex plan, given the scale of the challenge that Ukraine faces. It will take a number of weeks until anyone can make a credible assessment of the success of the offensive. But it is under way; that much is clear. It is clear that there

have been some early gains for the Ukrainians. In some parts of the Russian line, the regiments are performing credibly and holding their ground, but in many other parts of the line there is evidence of abandonment and mutiny.

But that should in no way encourage us to believe this is some war movie that ends with a wonderful, glorious, decisive victory. That might happen; it is perfectly possible, as the Ukrainians have shown time and again that they are brilliant at exceeding what normal military laws should expect. But it is also possible that a successful counter-offensive will still bring with it the requirement to go again next year. It matters enormously to our Ukrainian friends—just as it is important that Putin hears—that the international donor community is ready to rearm, retrain and go again next year, and the year after and the year after. If Putin thinks he can wait out the west, he is wrong. This counter-offensive will be successful—of that I am sure—but whether it will be decisively successful does not matter, in so much as the international community is ready to stand by Ukraine for as long as it takes.

Alison Thewliss (Glasgow Central) (SNP): The Minister is setting out the situation facing Ukraine very accurately. The most worrying recent intervention has been the destruction of the Kakhovka hydroelectric power plant, which has caused massive disruption not only to the infrastructure but to the wider area. Is he able to say anything about the UK response to that and whether there is anything further the UK can do, given its logistics experience, to support the Ukrainians to get the plant working again and help those affected by the disaster?

James Heappey: The dam was in Russia’s control when it was damaged, so the opportunities to get in and assist with rebuilding in the immediate term are quite limited. It is probably too early to say for absolute certain who did it, but I think everybody in this House will probably have the same view on who did it and why. There is only one side that had any direct advantage in doing it at that point, and it is a war crime. The destruction of a dam like that with the impacts on the civilian population beneath it is a war crime. I cannot offer the hon. Lady the reassurance she seeks on the UK’s intent to rebuild—that would be premature—but we have been clear with the Russian Government that it is those sorts of actions that cause us to consider whether we should increase our support to the Ukrainian armed forces. What we saw was disgraceful, and her comments have been noted.

James Gray (North Wiltshire) (Con): I am grateful to my right hon. Friend for the cautious note that he has sounded. Maybe later in his remarks he will agree with what I am about to propose. If we were to have a victory—if, for example, this offensive were to remove the Russians from Donetsk or even Crimea; who knows—that would not be the end of it. They are not going to turn around and say, “Okay, fine, never mind. Sorry about that, chaps. You’ve won.” Equally, we cannot possibly let them do anything other than remain where they are, so by far the best thing we can hope for is a very long, stretched-out stasis where neither side wins. Is that not a reasonable assessment?

James Heappey: No, I actually disagree with my hon. Friend on that. If the conflict were to freeze with some sort of Russian territorial gain accepted, implicitly—

James Gray *indicated dissent.*

James Heappey: Okay, I might have misunderstood my hon. Friend's point, in that case.

James Gray: To clarify the record, I am a great friend of Ukraine and it would be quite wrong to be misunderstood. No, absolutely not; we must of course remove Russia from Ukraine if we possibly can. It must not in any circumstances be allowed to hold the territory that it has. None the less, the hope that we can remove the Russian troops swiftly or easily, and that they will somehow just go away, is a fallacious vision and we must not slip down that track.

James Heappey: I completely agree, which is why I sound caution on what success looks like this summer. It must not be assumed that there must be a decisive victory in this counter-offensive. Putin must know that the west has the patience to continue to provide Ukraine with the strategic depth it needs to win eventually; and the Ukrainians must know that they retain our support and, although they must give everything in this counter-offensive, we are also ready to support them for subsequent counter-offensives. In that knowledge, Putin will see the futility of continuing to hold the ground, because the west will not blink in its support of Ukraine.

Wayne David (Caerphilly) (Lab): The Minister is surely correct in saying that we must be prepared for a long struggle, but it is vital, of course, that the Ukrainians have a continuing supply of arms to support their war effort. Is he absolutely confident that we have the manufacturing capability and the necessary supply chains to produce the weapons required by the Ukrainians?

James Heappey: Not solely in the UK, no, which I do not think will surprise anyone. Collectively, around the donor community, yes. Bear in mind that the majority of the arms that have been provided to Ukraine by the donor community thus far have not been manufactured in or for the donor countries but are munitions and weapon systems that we have procured from the world beyond and then donated to the Ukrainians.

It is also true that, after 18 months of my colleagues and I travelling around the world to buy up all this stuff, global stockpiles are diminished and global manufacturing capacity is torn between the market for the donor community to support Ukraine and the many countries—the UK included—that want to spend more on restoring stockpiles, because we have seen the importance of stockpiles to the credibility of our conventional deterrence. There is a challenge, and it is a good time to get into the defence industry. UK-based defence companies are clearly responding to that demand signal, as would be expected.

Ukraine has been able to hold off the Russian advance and then push it back, primarily because of the courage and resolve of the Ukrainian armed forces, but also because the international economic response has constrained Russia's capacity to rearm and resupply, while the donor community, galvanised by the UK, has mobilised to do that for the Ukrainians.

As I said, President Putin thinks he can wait out the west, which is the biggest mistake he can make. He believes we lack strategic patience, but he is wrong. The United Kingdom and our allies around the world will stand by Ukraine for as long as it takes. It is that strategic patience that gives Ukraine its strategic depth. That depth, in support of a nation motivated against an existential threat, will surely be successful, whether that is this autumn, next autumn or the autumn after. It will eventually bring the Russians to the negotiating table on Ukrainian terms.

Jim Shannon (Strangford) (DUP): I thank the Minister for his resolute address to the Chamber today, and we totally support his message. There is no doubt about the determination of this United Kingdom and the west to move forward. I do not know whether it is real, made up or cosmetic, but is there a difference of opinion between the leader of the Wagner Group and Putin? Does that undermine the Russians in Ukraine? If it does, perhaps other people could make it change, too.

James Heappey: From the perspective of Putin, Shoigu and Gerasimov, who needs enemies when there are friends like Prigozhin? There appears to be an extraordinary internal struggle, but the House should be clear that the position of the UK Government, and certainly the focus of the Ministry of Defence, has never been and must never be about Russian domestic politics; it must be about ensuring that Russia fails in Ukraine and is seen to fail in Ukraine, and ensuring that our actions in support of Ukraine not only restore its sovereignty but draw a line that says might cannot be used anywhere in the world to achieve foreign policy aims and to violate the rules-based international order.

The main threat to our national security, as identified in the previous integrated review and defence Command Paper, has been significantly degraded without the UK armed forces firing a shot. We have built Ukrainian capacity, both through gifting and training. We have supported the Ukrainians in their planning and guarded against wider escalation through strengthening our commitment to NATO and increasing our defence spending accordingly. In that, the underpinning principle of the last Command Paper has been proven right. However, geopolitically, geo-economically and technologically, there is much more we have seen change and that we have learned from in the past few years. The Government have refreshed the integrated review accordingly, drawing out the necessity of hard power to deter adversaries, protect our interests and project our influence around the globe.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): I draw the House's attention to my interest. The Minister knows of the resolute support on the Labour side of the House for Ukraine and for much of what he has set out. Russia is also seeking to sow division and destabilise elsewhere, including in the western Balkans, where we have an important and significant presence with the KFOR mission in Kosovo. My hon. Friend the Member for Plymouth, Sutton and Devonport (Luke Pollard) and I visited Kosovo recently, along with the shadow Foreign Secretary. Is the Minister aware of reports in the past 24 hours of serious tensions and attacks on police officers, with the detention today of three Kosovan police officers and their removal to

[Stephen Doughty]

Serbia? What conversations will he be having with KFOR and our allies in the region to ensure that that situation is dealt with?

James Heappey: I was in Pristina just 10 days or so ago, and in Sarajevo the day before that, and I am acutely aware of the tensions building in Kosovo. I met the KFOR commander during my visit and understand the difficult line he has to walk. However, the President of Kosovo also made clear to me her belief that Kosovo has a right to govern itself as it wishes, free from interference from its neighbour. Tensions are clearly high. The UK has been and remains a strong supporter of Kosovo as an independent country. Of course, I would not want to second-guess from the Dispatch Box the work of the KFOR commander, who has an extraordinarily difficult balance to strike. We also have to be clear that Kosovo is one of the UK's great foreign policy success stories in the past 25 years. We have been patient and steadfast in our support and we must remain so.

Mr Deputy Speaker, you asked me to take about 15 minutes, and I have done that on Ukraine alone. I wish now to gallop around the world to tee up the wider debate. Within the euro-Atlantic, the joint expeditionary force, predominantly focused around a Baltic sea geography, continues to grow in prominence and is increasingly complementary to what NATO does. The UK currently has two aviation taskforces working with the JEF, alongside exercise Joint Protector. We support our Nordic allies, and over the past couple of years we have had a number of Army exercises and joint operations with Finland and Sweden, supporting their NATO accession. We look forward to continuing to work with them on that. The UK maritime, air and commando forces participated alongside JEF and NATO allies in the Swedish-led exercise Aurora. The Royal Navy ships continue to work with allies and partners in the seas north of Norway and Finland, in an important demonstration to Russia of our insistence on freedom of navigation and adherence of international law. Rivet Joint planes based at RAF Waddington continue to make regular flights into the Baltic sea area in support of NATO operations there. Typhoon jets operating from RAF Akrotiri in Cyprus continue to participate in NATO air policing over southern Europe.

I will not expand any further on Ukraine and skip instead to our persistent presence in the Baltic, which continues to be with the enhanced forward presence battlegroup. That was doubled in size to respond to the immediate moment of crisis last February when the war in Ukraine began. We have subsequently increased the size of the original battlegroup but removed the second, so the total number of troops has gone up but we have gone back to having a single battlegroup. We continue to see that as the foundation on which our contribution to the NATO regional plans will be based when the supreme allied commander launches those in the next few months.

Ships and commando forces continue to contribute to NATO exercises in the Baltic. Indeed, there is a taskforce there right now, with a landing platform dock ship as well as a number of P2000s, the smaller ships in the Royal Navy fleet, which are doing a great job alongside navies that similarly operate patrol boats.

From the very largest capital ships in the Royal Navy all the way down to the very smallest, it has been good to see them finding a role in underlying the interoperability of NATO.

In Poland, we continue to contribute to the US forward presence battlegroup as well as deploying air defence to Poland to support the logistics nodes from which support to Ukraine is launched. Although this is not an exclusively Euro-Atlantic capability, it will not surprise the House that the principal threat against which we maintain a nuclear deterrent continues to be Russia. As these crews tend to be the forgotten few in these debates, it is probably appropriate to mention that their work is the underpinning of UK sovereignty. They do not speak of what they do. In fact, most people on those boats do not even know where exactly it is that they have been. We do not say for exactly how long they are deployed, because those are matters of national security. None the less, day in, day out, 52 weeks a year, year after year for more than 50 years, our submariners crewing our nuclear deterrent have kept this nation safe and underpinned our sovereignty. They are an extraordinary group of people and the humility with which they conduct their business is probably the most amazing thing about them.

James Sunderland (Bracknell) (Con): I do not want to put the Minister on the spot in the Chamber, but can he update the House on any efforts to reward that service with a continuous at sea deterrent medal?

James Heappey: I will defer to my right hon. Friend the Minister for Defence People, Veterans and Service Families for his insight on that in his summing up. What I would reflect is that the Submarine Service takes an incredible pride in its work. Whereas Army, Air Force and surface sailors have rows upon rows of medals, all that matters to these crews is the colour of their dolphins, and they take enormous pride in that. I risk not being welcome in Faslane in case they want a medal as well, so all I will say is that what my hon. Friend has said is noted, and I will leave it to my right hon. Friend to come back to him on that specific point at the very end.

The challenge extends beyond the Euro-Atlantic. In the Caribbean, we continue to have a permanent presence both in terms of Army training teams and a Royal Navy ship. The work of that ship extends from counter-narcotics all the way through to humanitarian relief during the hurricane season.

In the South Atlantic, we continue to have both a garrison and a guard ship on the Falklands, as well as regular service from the Royal Air Force. Indeed, that Royal Air Force presence services the wider overseas territory network. In Ascension, for example, the refurbishment of the runway has been completed. Last week, I think, we saw a C-17 that had been to or from the Falklands, landing in St Helena, which was the first visit from a military plane for some time.

In West Africa, the UK has a growing role in answering the security challenges of the Sahel. I stress that that is not through the participation in a UN peacekeeping force and certainly not through any direct action on our part. That, as we have seen in Iraq and Afghanistan and through the French experience in Mali, is not the way to be doing business. Instead, it is through supporting regional solutions such as the Accra initiative where we

can develop the capacity of the Ghanaians, the Côte d'Ivoireans, the Togolese, the Beninois and the Nigerians, and work with the Burkinabès that we can get after the security challenges that exist in that region.

Similarly, in the Lake Chad Basin, we continue to support the Economic Community of African States multinational standby force to deal with the security challenges that exist both from Boko Haram and Islamic State, and that remains a major line of effort particularly through our partnerships with Nigeria and Cameroon.

In East Africa, the British Army has a permanent presence in Kenya, which is a training base that is very well subscribed year round, and from which we train in partnership with the Kenyans. We are grateful to the Kenyan Parliament for its recent ratification of the defence co-operation agreement between our two countries. However, in east Africa our principal concern is of course the ongoing instability and insecurity in Somalia and the challenge of al-Shabaab. We remain committed to that situation, not only as penholder at the UN, but through recognising that, as ATMIS, the African Union Transition Mission in Somalia, comes to an end, a new east African solution to Somalia may well be the right answer, and the UK will have a strong role to play in supporting that regional solution.

Even further afield, we have a growing presence in the Indo-Pacific, with two Royal Navy ships, HMS Spey and HMS Tamar, permanently present in the region, one tending to operate on a loop around the south Pacific—tough work if you can get it—and one working further north in and around the Korean peninsula. They are proving incredibly successful at flying the white ensign in parts of the world where the Royal Navy had not been seen for some time.

There is a chronic challenge in that part of the world from growing Chinese influence; not all of it is malign, it is important to say, but if we want to maintain our friendships and partnerships in the south Pacific, we need to be there and be sharing the burden alongside the Australians and New Zealanders, and that is exactly what we are doing. Similarly, for our partners in the Association of Southeast Asian Nations and further north in Korea and Japan, it is important that the UK is seen in that part of the world. An enormous amount of UK trade flows through the Indo-Pacific, and if we want and expect to trade freely with those countries, it is right that a country with the global reach of the UK contributes to their regional security.

Indeed, I will go further, because I think that, if we want the United States of America to remain engaged in Euro-Atlantic security, it is entirely right that the UK and other European countries with global reach contribute to Indo-Pacific security, so that we are burden sharing across both theatres and recognising that both the United States and European countries have an interest in both.

Sir Bernard Jenkin (Harwich and North Essex) (Con): I believe the Minister is going to come back to the issue of the Balkans, and the United States is somewhat disengaged from what is developing there. Apparently—maybe he can confirm this—the USA has vetoed a reinforcement of the NATO headquarters in Kosovo. That is just encouraging the Russians to carry on fomenting instability. I would not be against the UK's reinforcing EUFOR, or European Union Force Bosnia and Herzegovina, there. We are not against European

co-operation in defence, and just because it is an EU force, we should not have some religious doctrine that prevents us from co-operating with it just as we would with a NATO force—albeit we might need to make very clear that it is a bilateral arrangement.

James Heappey: It is heartening to hear that from my hon. Friend, and I agree with him. The most obvious route through which we achieve Euro-Atlantic security is NATO, but where the EU has a successful mission running, we should be perfectly willing to work with and within that mission to achieve mutual foreign policy aims. Similarly, there are plenty of parts of the world where the EU is already the framework, where the UK has no wish to be a framework in its own right but does have an interest, and again, I can see opportunity for the UK to work with and within the EU mission—take, for example, Mozambique, although I offer that as a for instance rather than any promise.

Mr Ellwood: I am grateful for the opportunity to pursue that important point. The trade and co-operation agreement, the Brexit deal, did not primarily include security. While recognising that NATO is the cornerstone of European security, the European Union plays a role in other aspects of non-state security across Europe, so would my right hon. Friend be minded to look at an opportunity for us to endeavour to strengthen our relationship and co-operation with the EU on that front?

James Heappey: Undoubtedly so; my right hon. Friend is correct. For all those countries who are on a Euro-Atlantic pathway, their aspiration tends to be NATO first, because they consider the security risks to be greatest, but for all of them that Euro-Atlantic pathway invariably means both NATO and EU membership. Whatever our views on Brexit, it is churlish to ignore that, and for countries in the western Balkans or the Caucasus who want to move away from their traditional sphere and towards the Euro-Atlantic one, we should be supportive of both their NATO and their EU aspirations.

The danger, with nearly half an hour gone, is that an awful lot of ambassadors will read *Hansard* tomorrow with concern about the absence of their country and region from my speech. I will sit down quickly so that the Opposition have the opportunity to respond and Members have the opportunity to contribute, but if time allowed, I would have gone on at length about the continued importance of the middle east and all our partners in that region—we value their friendship and partnership enormously. We recognise the role that we have to play in continuing to contribute to security there. We are concerned about the security challenge in the high north and continue to work with partners to address that. We recognise our responsibility to maintain a presence in the Antarctic. Quite frankly, I could probably have spoken for an hour and a half and still not covered the totality of global military operations, but 28 minutes is more than enough, so I will sit down.

Mr Deputy Speaker (Mr Nigel Evans): Maybe that reinforces Tobias Ellwood's point, but there we go.

5 pm

John Healey (Wentworth and Dearne) (Lab): The Minister has indeed made a powerful case for another defence policy debate in short order, as the Chair of the Select Committee, the right hon. Member for Bournemouth

[John Healey]

East (Mr Ellwood), said at the start. This House always welcomes a debate on defence policy, and I look forward to the contributions that we are set to hear from all parts of the House.

As the Minister recognised, this is also an important opportunity for us to reaffirm UK unity in support of Ukraine, which he did. As the Ukrainians mount their counter-offensive, they arguably need UK solidarity, NATO unity and international support more now than at any time in the 473 days since Putin first launched his brutal illegal invasion of their country. Remarkably, they have already taken back more than half the territory that Putin seized in the early days of his war, but as the Minister quite rightly said, these are early days in the counter-offensive, and although there are early signs of Ukrainian gains, they now face Russian forces that have dug in defences and have superior air power and drone technology.

There is also no sign of Putin's strategic aims having changed, and the Russian military is, despite the damage done by the Ukrainian resistance in their courageous fighting, far from a spent force. Putin is expanding his war effort and massing his troops and firepower, and his Russian industry is on 24/7 wartime production. Again, as the Minister noted, this is long term: Ukraine has now been fighting Russia for over nine years, not one year.

There may be a change in Government next year, but there will be no change in Britain's resolve to stand with Ukraine, confront Russian aggression and pursue Putin for his war crimes. Let me pay personal tribute to the Minister for his efforts on this. I am proud of Britain's leadership on Ukraine, and I want to feel the same in six months' time, so what new support is the UK sending to Ukraine now that the offensive has begun? What are the Government's aims for next week's Ukraine recovery conference in London? How have Ministers stepped up production in the UK defence industry, and what use has been made of urgent operational requirements to speed that up?

This debate is also an opportunity, four days from the start of Armed Forces Week, to celebrate the service of our forces personnel. At home or on global military operations, our forces personnel are essential to our national defence, our national resilience and our national obligations to allies. Theirs is the ultimate public service. On behalf of the Labour party, I thank the serving men and women in our armed forces for all they do to keep us safe. I also want to recognise the unsung work and essential expertise of the non-uniformed staff in defence.

However, after the Minister's speech, we have to ask: what is the Government's purpose in this debate? Why is this happening now, before and not after the defence Command Paper is published? Where is the Defence Secretary? Where is his vision for UK leadership and contribution to NATO? Where is his apology for the failure to honour this nation's pledge under the ARAP—Afghan relocations and assistance policy—scheme to those brave Afghans who put their lives at risk to work alongside our forces? Where is the action that he is taking to fix MOD procurement, which the Public Accounts Committee say is "broken" and "repeatedly wasting taxpayers' money"? Where is the 2023 action plan for Ukraine that he first promised back in August last year? What has he

been doing for the last six months? Part of the answer, of course, is leaning very heavily on his No. 2, the Minister for Armed Forces, as he is today.

Given that the Minister commands such respect across both sides of the House, we look to him to provide us with the reassurance that the new Command Paper, due this month, will be reported first to the House and not briefed beforehand to the media or to policy institutes. If he wants to intervene to give the House that reassurance, he would be very welcome to do so.

James Heappey: The right hon. Gentleman knows that the Secretary of State and I have the highest regard for Mr Speaker, who has been very clear on these matters. We will ensure that both Mr Speaker's instructions and the right hon. Gentleman's exhortations are noted.

John Healey: That is welcome indeed and noted on our side, not least because the new defence Command Paper will be a really important publication. No country comes out of a war in the same way as it went in. Ukraine will, and must, have a serious impact on how our future global military operations and our homeland defence is conducted.

Since Putin's invasion of Ukraine began last year, 26 NATO nations have rebooted defence plans and budgets. Chancellor Scholz discarded decades-long German policy and boosted defence by €100 billion. President Macron has promised the same budget increase in France. Poland will spend 4% of GDP this year. Finland and Sweden have set aside decades of non-alignment to apply for NATO membership. However, there has still been strategic inertia from British Ministers over any deep rethink of international and domestic planning.

James Gray: I am interested to hear the right hon. Gentleman's vision of the future. He believes that there will be a Labour Government in a year's time—although I personally do not agree with him—so when there is, what commitment will he make to defence spending under a Labour Government?

John Healey: I take nothing for granted—I have been around too long for that—and we will fight hard every day to make sure that we do get a Labour Government. The hon. Gentleman will also appreciate that it is right to judge Ministers by their actions, not their words. I say to him that in the last year of the last Labour Government, in 2010, Britain was spending 2.5% of GDP on defence. That level has never been matched in any of the 13 years since under Conservative Ministers.

James Gray: I am most grateful to the right hon. Gentleman for giving way, and I am so sorry to intervene twice. The figure was indeed slightly more than 2%, if not quite 2.5%, but of course, GDP was very much smaller. The amount that the Labour Government were spending when they lost power in 2010 was significantly less—billions of pounds less—than we are spending today.

John Healey: The point about the measure—counts in terms of GDP—is that it demonstrates the priority that the Government of the day give to a particular area of necessary spend. It was 2.5% of GDP in 2010. We have got nowhere near that in any of the 13 years after 2010 under the hon. Gentleman's Governments.

On the question of a necessary rethink in domestic and international strategy, I say to the hon. Gentleman that there were indeed some welcome changes in the 2023 integrated review: a new commitment to reinvigorating important bilateral ties across Europe; a declaration that the UK's Indo-Pacific tilt has been delivered; and a recommitment to NATO as our overriding priority. However, that was a rebalancing of defence plans, not a reboot. While NATO is increasing the strength of its high readiness force to 300,000, the Government are cutting the Army still further, to its smallest size since Napoleon. While Germany boosts its defence budget by over €100 billion, the Government continue with real cuts in day-to-day defence spending. While Poland is buying an extra 1,000 tanks, the Government are cutting back our UK Challengers from 227 to 148—all this in direct breach of the promise the then Prime Minister made to the British people at the 2019 election, when he said that

“We will not be cutting our armed services in any form. We will be maintaining the size of our armed services.”

All this is part of the pattern of the 13 years since 2010. There are now 45,000 fewer full-time forces personnel, one in five Navy ships has been axed, and over 200 RAF planes have been taken out of service. Satisfaction with forces life has hit a new low, and our ammunition supply has been run down to just eight days. The Defence Secretary summed it up in January when he told the House that

“I am happy to say that we have hollowed out and underfunded”—[*Official Report*, 30 January 2023; Vol. 727, c. 18.] our armed forces. While threats increase, our hollowed-out forces are working with fewer numbers and less training, and without the long-promised new kit that they need to fight and to fulfil our NATO obligations, such as Ajax.

Matt Rodda (Reading East) (Lab): My right hon. Friend is making an excellent point about the lack of investment over many years. Does he agree that today, it is particularly worth mentioning the potential capability gap with the retirement of the Hercules fleet? Given that we have quite rightly paid tribute to our armed forces, including the RAF, perhaps my right hon. Friend wants to say something about the looming capability gap—for up to two years, as I understand it—with those wonderful aircraft having been retired recently.

John Healey: My hon. Friend is right to pick up that point, and he is not the first on either side of the House to raise those questions. They have still not been satisfactorily answered by Ministers, particularly if the Government's strategy is to have our forces persistently forwardly deployed. When the Minister responds to the debate, he might like to try again to reassure those who are still not satisfied that the A400 provides the capabilities in very specialist areas that the Hercules had been able to provide for so long.

I am conscious of the time and the number of people who want to speak, but I want to pick up where the hon. Member for North Wiltshire (James Gray), who so ably chairs the armed forces parliamentary scheme—a scheme that is so highly valued on both sides of the House—set out, with the budget that defence requires. We left government in 2010 spending 2.5% of GDP. In November, the Defence Secretary told this House that “the inflationary pressure on my budget for the next two years is about £8 billion”,

but the Chancellor announced just £5 billion in the spring Budget, earmarked only for stockpiles and nuclear. That means no new money for pressures on the core defence budget or capability gaps, or indeed to deal with inflation.

It is not just how much we spend on defence: it is how well we spend it. Since 2010, we have seen Ministers waste at least £15 billion of taxpayers' money through MOD mismanagement in procurement, with £5 billion wasted since 2019 when the Defence Secretary took up his post. Those failures have implications for the defence Command Paper: it risks being a defence plan driven by costs, not threats, framed by the Defence Secretary's failure to win the funding that he has said is needed.

In the face of threats that the Government confirm are growing and intensifying, I ask the Minister these questions: will the defence Command Paper put an end to the Defence Secretary's hollowing out of our armed forces? Will it halt deeper Army cuts? Will it pick up Labour's plans to conduct a NATO test of major defence programmes to ensure that we meet our NATO obligations? Will it pick up our plans to establish a stockpile strategy to replenish UK supplies and sustain our support for Ukraine? Will it pick up our plan to renew the nation's moral contract with those who serve in our forces?

In the end, the country is best served when defence can be bipartisan. We want this defence Command Paper to be a sound defence plan for the country, not just the plan of current Conservative Ministers. If the Government are willing to take these steps, Ministers will have Labour support. If not, the big decisions will have to be taken after the next election, I hope by a Labour Government.

5.15 pm

Mr Tobias Ellwood (Bournemouth East) (Con): I pay tribute to the Minister for his opening remarks and join him in paying tribute to the valiant work that our armed forces do. He gave us a tour de force of where we are represented around Europe and around the world, doing more than our fair share of making sure that we can sleep well at night, that our backs are covered and that we can stand up to the growing threats we face. I do not want to diminish his speech, but he could have just stood up and said, “We are busy, and we are getting busier,” because by any measure our world is getting more dangerous and more complex.

Globalisation, by which I mean international co-operation and the interdependence of the world's economies, cultures and populations, is slowly dying. After the end of the cold war, Britain arguably embraced that concept of globalisation more than any other nation. As nations actively retreat, pushed forward by covid, becoming more siloed and protectionist and introducing more isolationist policies to reduce exposure and increase economic resilience, Britain's economy and security are increasingly exposed.

When global security deteriorates, our economy suffers, as has been so blatantly illustrated by Ukraine and the price of oil and gas and food. It is baffling to hear the Treasury continue to say, “Yes, we will spend 2.5% on defence when economic conditions improve,” not realising the obvious connection that our economy and international security are directly related. Half our GDP is affected by international headwinds. We need to invest now to protect our economy and to allow our economy to grow.

[Mr Tobias Ellwood]

Such is the deteriorating threat picture that the Government had to commission an update of the defence and security policy—the “Integrated Review Refresh”, as it was called. The Prime Minister’s opening paragraph said it is

“recognised that the intensification of competition between states was sowing seeds of instability.”

Paragraph 8 of the refresh stated:

“There is a growing prospect that the international security environment will further deteriorate in the coming years, with state threats increasing and diversifying in Europe and beyond. The risk of escalation is greater than at any time in decades”.

I have never seen such strong language in a Government paper before. It gives a clear warning that we are in for a bumpy decade. I therefore pose the question: why are we still stuck with a peacetime defence budget of just 2%? That is having a consequential impact on all three services.

At the time of the Gulf war in 1990, the Royal Navy had 51 frigates and destroyers and today it has just 18; the RAF had 36 fast jet squadrons and today it has just seven; and the British Army could muster three armoured divisions in Germany alone and one here in the UK. Today, we would struggle to put together one. It is not just the size of the armed forces that has diminished; the last defence review introduced ruthless cuts to equipment. The main battle tank is now reduced to just 156 and is three decades old, and upgrades will not be completed until the next decade. The armoured fighting vehicle, the Warrior, is also decades old, and it was replaced by a wheeled vehicle without a turret. The 8-tonne recce vehicle that was brought into service in 1971 was replaced by the massive 43-tonne Ajax, which should have entered service in 2017, but a dire procurement process means it is still struggling to get sign-off.

It is a grim state of affairs when our armed forces are not shaped to meet the threats, but trimmed to meet the budget. I appreciate that I am not speaking to the right Ministers here, because they understand this. It is the Treasury that needs to appreciate this, and I think we should pay tribute to the work that I know Defence Ministers are doing behind the scenes to make the case that we need to upgrade our defence posture, because the consequence of not doing so is the cuts we have seen.

The Type 32 frigate programme has been dropped completely, the E-7 ISTAR—intelligence, surveillance, target acquisition and reconnaissance—plane has been reduced from five to three platforms, the Hawk training aircraft has been cut completely, the Typhoon fleet has been reduced, and even the plans to introduce the promised 138 F-35s have stalled at just 78. The Hercules transport aircraft, which is absolutely imperative for special forces operations, has been cut in its entirety. However, the real kick in the teeth is the armed forces’ manpower, which has been reduced from 82,000 to 72,000, while our land warfare capabilities have been severely reduced by the reductions in tanks, armoured fighting vehicles and artillery systems.

Sadly, we are neither ready for war, nor any longer able to project a viable conventional deterrent to maintain the peace. The Navy and the RAF have to some extent regrouped with investment and upgrades in response to the changing character of conflict, but the British Army

has been left behind, without a clear narrative as to what it should be training for, how it should fight and, indeed, the force structure it should adopt.

Liam Byrne (Birmingham, Hodge Hill) (Lab): I am very grateful to the right hon. and gallant Member for giving way. Today is the 41st anniversary of the liberation of the Falkland Islands, and it is an appropriate moment to celebrate the sacrifice of everybody who gave their lives in that campaign. It is a good moment, however, to reflect on how our country would go about embarking on such a military operation today. What is his assessment of our capability to launch a campaign like the campaign that liberated the Falklands?

Mr Ellwood: I certainly pay tribute, as I think we all would, to our armed forces for their courage and what they did to liberate the islands, but I am actually articulating that very point in saying that we are behind the curve. This goes against the spirit of what Ministers are trying to do to step forward, as I have outlined, and the recognition in the defence review refresh that the world is getting more dangerous.

The NATO summit in Vilnius is approaching, and there will be four main themes. The first is maintaining NATO deterrence, which will mean moving from out-of-area operations such as Afghanistan towards a NATO territorial force. Secondly, there will be plans to transform the alliance into a more modernising rapid response force, rising from 40,000 to 300,000. Thirdly, there will be support for Ukraine. Finally, there will be a look at global challenges, including China. In every one of those cases, there will be a call for greater investment in our defence posture, and that will add to our overseas commitments.

We need to recognise what we have done in Ukraine, and I again pay tribute to Ministers for that. We have stepped forward, and more so than any other nation in Europe. We can be very proud of that—not just militarily, but with the political commitment. We have been an exemplar, with the training we have done with the Ukrainians, the next-generation light anti-tank weapons, the battle tanks and the Storm Shadows, and even in encouraging the F-16s to get there as well. We have become ever less risk averse, and ever more willing to look Putin in the eye and not be spooked. I also pay tribute to the Government for planning and putting together the Ukraine recovery conference, because it is critical to look at the next steps we will actually take.

I took a look at my last speech from when we debated Ukraine, and some of the recommendations I made then remain valid today. We still need to agree what the mission is. For me, it is actually the removal of Russian forces from mainland Ukraine. That should be clarified, but I believe it is what the Ukrainians want. Crimea is a separate and more complicated challenge. We must secure UN safe haven status for the port of Odesa to go back to getting grain out so that we can reduce food inflation, which is running at about 19% in this country. We must assist Ukraine to construct its own major armaments programme—for example, in Poland—so that it can manufacture, assemble and replenish its own weapon systems, rather than relying on western stocks. We must ensure that the Wagner militia is listed as a terrorist organisation, along with sanctioning Putin directly. I also emphasise the need to welcome Ukraine into the

joint expeditionary force—I still have not had an answer as to why that is not a possibility and a stepping stone into NATO. We wish the Ukrainians the very best as they move forward. There is an emphasis on saying that they can do this, but they need that continued commitment, which I hope we will see from NATO, despite what happens in the United States over the next couple of years.

As I said at the beginning of my remarks, our world is changing fast. Russia's behaviour in Ukraine will not be limited to that part of eastern Europe. Iran could soon join North Korea in posing a nuclear and ballistic missile threat, and there is increasing instability in the western Balkans. China is also challenging the norms of international behaviour. Great power rivalry is back, global tensions are increasing, and when we add the challenges of climate change, increasing competition over resources, population growth and the proliferation of the weaponisation of artificial intelligence, there is a strong argument to increase defence spending. There are many questions for the defence Command Paper, which I hope will be produced soon.

Finally, Armed Forces Day is rapidly approaching, which is a chance for a grateful nation to show its support to the men and women who make up our armed forces community. They are on duty around the world, at sea, on land and in the air, promoting peace, delivering aid, providing security, fighting terrorism, working with our allies and supporting our comrades in arms, such as in Ukraine. Armed Forces Day is the day when barrack spaces and garrisons are opened up across the country for local communities to visit on a family day out, and to learn more about what our military does, the equipment it uses and the vital role it plays in watching our backs. Those events are held up and down the country and are both informative and entertaining, involving celebrities and local businesses. They are a simple but much appreciated way to say thank you to our valiant armed forces community for all its hard work, dedication and efforts to keep us safe in the UK and across the globe. As the armed forces covenant reminds us, we have a duty of care to all our service personnel, not just in the training they receive and the equipment that is procured, but in ensuring good provision of accommodation as well as mental health support.

Our armed forces who step in harm's way for us deserve the best support we can provide. When we speak of the armed forces community, that is not just the regulars in uniform; it is the reservists, the cadets, the surrounding families, husbands and wives—it is all those directly supporting anyone who wears the uniform. I give a special mention to our veterans who may no longer be serving, but who remain very much part of the armed forces family. If hon. Members see anyone in uniform on Armed Forces Day, or a veteran proudly wearing their medals, please thank them for their service—it will make their day. Let us all support our brave military on Armed Forces Day.

5.28 pm

Dave Doogan (Angus) (SNP): It is a pleasure to speak on behalf of the Scottish National party in this important debate on defence, and the role that the people and professionals in defence play in keeping us safe. I listened intently to the Minister as he set out the interventions, support and donations that the United Kingdom has

played a key role in delivering to the Ukrainian defence forces. Today, as they always have had, the UK Government have the full support of the SNP. I pay tribute to some of the key decisions that have been made by the United Kingdom Government, not least of which was the decision on main battle tanks. That support continues and endures.

Yesterday I was pleased to have the opportunity, together with my hon. Friend the Member for Aberdeen South (Stephen Flynn), to meet the Ukrainian ambassador to underline that support, at both a political level and on behalf of the Scottish Government and the people of Scotland. The unanimity that exists in this place over Ukraine is a welcome respite. Similarly, the United Kingdom does a lot of outstanding defence work in support of the overseas territories, which is a benign activity and welcome for those territories that benefit from it. There is not much to argue with in any of that.

However, when we go a little bit further afield, the Indo-Pacific tilt has played a key role in the Government's defence ambitions in my four years in this place, and it is one with which I take some issue. It is easy to caricature it as slipping back into an imperial mindset of power mirroring trade, and how without power there can be no trade, but trade has been inexorably globalising for the last 50 years—even back as far as the second world war—and nothing will stop that. If we look at the evidence from other European manufacturing and large economies such as Germany, we see that there are many more Mercedes than Jaguars in China, south-east Asia and Australia, but I do not see the *Kriegsmarine* getting deployed in an Indo-Pacific tilt as the Royal Navy is.

It seems to me—I would be happy to be corrected—that this is a rebound from Brexit. It is about getting as far away from the European continent as possible. Obviously, I do not judge senior officers for that—they are reacting to their political masters' ambitions. Indeed, to echo the Chair of the Defence Committee, the right hon. Member for Bournemouth East (Mr Ellwood), as Armed Forces Day approaches, it is important that we all acknowledge the sacrifice and service that people in uniform make to protect us.

In terms of protection and the Indo-Pacific tilt, I am not certain what or whom will be protected in that theatre, and I do not understand what incumbency there is on the United Kingdom to play that role, other than an ambition towards arresting a decrease in relevance. I do not see India or Australia patrolling off the coast of Scotland—that said, neither do I see the Royal Navy patrolling off the coast of Scotland very often. Of course, Canada and the United States have a Pacific coast, so they have a relevance and a role.

How is this going to be done? Let us take a look at the assets. As we would expect, the United Kingdom is a very senior member of the F-35 club—it would be a scandal if it was not playing a role within that—and a significant part of every one of those aircraft is manufactured in the United Kingdom. The people working in that facility should be tremendously proud of that. The problem is, it is not the 138 F-35s that were originally vaunted but an order of 48 as yet not fully fulfilled, with a further 26 to come. Mr Deputy Speaker, if you wanted to see a strained defence procurement budget, that would be it. The F-35s are the B-variant, so they will happily operate off a carrier—unlike *Typhoon*, which cannot. France figured out that conundrum much more

[Dave Doogan]

successfully. So those F-35s will not have the mass they require as an APEX theatre weapons instrument to direct fire elsewhere.

We have nuclear-powered attack submarines and ballistic missile submarines—SSN and SSBN—which are of course part of what the UK is very keen on; I will get to that later. The Queen Elizabeth carriers are both excellent Scottish-built ships, and I look forward to HMS Prince of Wales being back on active service just as soon as possible. On support ships to support carrier strike, the Type 23s are way past their sell-by date, for want of investment. If the Type 45s have not been through the power improvement project, they will not be going to the Indo-Pacific any time soon, because they cannot make it past the Mediterranean. On fleet solid support, my goodness: we have Royal Navy warships designed by the Spanish and largely built in Spain. What on earth would Sir Francis Drake make of that?

On SSN-AUKUS, I wonder whether the Royal Navy has explained to the Australians about the 14 rotting submarines in Devonport and the seven in Rosyth, and the inability to either fund or prosecute their recycling. There is the cost of that and the scandalous cost of the refit of HMS Vanguard. Government Members are very excited about the nuclear enterprise and the SSN and SSBN, but I think they are less enthusiastic about the steel for those submarines coming from France. It is literally beyond comprehension. In terms of further defence of carrier strike, they will not have Crowsnest any time soon. Mr Deputy Speaker, you will be surprised to hear that fully 10 years after it was supposed to be available, it is still not available, costs are out of control and there is no idea when it will be in a position to protect the carrier strike. So, in essence, it is a pretty patchy picture.

On the cost of nuclear, there are eye-watering costs for: the long overhaul period and refuel, as we have touched on; keeping Vanguard boats in service for want of replacing them in time; and the delays and cost overruns to Astute. Given the through-life costs of hundreds of billions of pounds, nuclear waste disposal, rising sea levels potentially affecting all seven nuclear sites in the United Kingdom, and Scotland forced to host nuclear submarines, it is quite clear that of all the peoples of the world, Scotland's have the most to fear from the UK's nuclear deterrent.

The cost of nuclear is an opportunity cost, as well as in cash terms. What many will not know is how stretched the United Kingdom defence enterprise is. If you want evidence of that, it is manifest in the fabric of the defence estate. I encourage anybody to go to a local defence establishment in their constituency, if they have one, and see that some of them look like they were abandoned at the end of the cold war. That is because, in terms of maintenance and repair, they were abandoned at the end of the cold war. Our accommodation offer for our service personnel is risible. We have talked about ageing platforms of Type 23 and Vanguard. Vanguard's unplanned maintenance means it has gone beyond its 2024 retirement date, beyond 2028 and is now into the early 2030s at extraordinary extra cost. There are four Dreadnought boats at a cost of £31 billion, plus £100 billion for through-life support. That £131 billion is 6% of the defence budget for 30 years of service. It is

simply eye-watering. And of course, of the paltry £5 billion extra for defence this year squeezed out of the Chancellor, £3 billion has to go on nuclear.

UK defence policy is in crisis. We can see that from the dropping of orders for F-35s and E-7 Wedgetails. We can see it in the recruitment crisis, with poor pay, poor retention and unacceptable conditions. We can see it in the damning results of the armed forces personnel attitudes surveys; the unaffordable obsession with nuclear; conventional capabilities pared to the bone; no armoured fighting vehicles; geriatric main battle tanks, combat air pilots who only do air policing; cutting corners; fitting for but not with; 10 years to train fast jet pilots; binning perfectly good C-130Js; losing fast jet pilots after two tours, at extraordinary cost to the taxpayer; and in the budget of 2.5% of GDP

“as fiscal and economic circumstances allow”,—[*Official Report*, 15 March 2023; Vol. 729, c. 837.]

That is fooling nobody.

Then there is the big one: Germany. Germany's 2% commitment, notwithstanding its extra €100 billion, means that its defence budget will outstrip the United Kingdom's defence budget. The UK will be reduced to playing second fiddle on the defence stage within the European arena. If it is not careful, without serious investment in defence, France will overtake the United Kingdom too.

The title of the debate is “Global Military Operations.” My contention is that it is difficult to be taken seriously as a global military power when you can no longer command primacy in your own region of the world.

Several hon. Members rose—

Mr Deputy Speaker (Sir Roger Gale): In addition to the Front Benchers, there are 10 Members seeking to take part in the debate. I am putting on an immediate time limit of six minutes on speeches. If Members take too many interventions and attract injury time, that may have to come down still further.

5.38 pm

Sir Bernard Jenkin (Harwich and North Essex) (Con): I very much welcome this debate on defence, in Government time. That is an exceptional thing these days. Ever since the implementation of the Backbench Business Committee, that has not been the case, so the Government are taking their responsibilities very seriously. I appreciate that it is about global military operations. The debate I asked for was one devoted solely to Ukraine. I hope we will still have a debate about Ukraine.

Much of the discussion has actually been about defence policy, which ironically was the original title of the debate. Defence policy tends to be a term that either covers everything in defence, or is treated as theory which the rest of the Government confine to policy wonks and the Ministry of Defence. In today's world, however, defence policy needs to be about delivery and delivery across the whole of Government, and that is lacking at this time. The war in Ukraine has been a wake-up call to the democratic countries of the world. We can no longer take for granted the peace and freedoms we have enjoyed since the end of the cold war. All is threatened by belligerent states, of which Russia is just one.

The UK Government's leadership—admirably supported by the Opposition parties—in providing state-of-the-art military assistance to Ukraine has been exemplary. But this has also exposed the inability of the Government and the MOD to rebuild relevant military and industrial capability. I very much welcome a great deal that was said by the shadow Secretary of State, the right hon. Member for Wentworth and Dearne (John Healey), but I think it has a price tag on it, and if he ever becomes Defence Secretary, I suspect he would have as much difficulty as have my right hon. Friends on the Government Front Bench in getting money out of the Treasury. Perhaps there should be an honest bipartisan discussion about that problem.

There is a very real possibility that war could spread to our NATO allies. The UK cannot wait for that to happen before implementing a different and far more dynamic defence policy. The ability to ensure our own national security and that of our allies demands a transformation of effective cross-Government collaboration. There should be a new national body for co-ordinating the use of all forms of power, underpinned by a strategic mindset, as well as a process of implementation and of constant reviewing and learning. Government and Opposition should agree to lead a national conversation about the nature and danger of war in today's rapidly changing world. This must be supported by a robust intellectual effort to assess how to restructure our forces so that they remain the very best and most effective.

This is not about being able to put an overwhelming number of boots on the ground. War is no longer confined to military conflict. Instead, we need to strengthen our intelligence system to give us better warning of impending threats, whether armed, cyber or informational, and there must be a much greater political appetite for challenge and for hearing unwelcome truths from our intelligence services. We also need a civil service that has established defence expertise from the bottom to the very top. The idea that generalists in the civil service can run anything was tackled in the 1960s by the Fulton report, but that culture has become even more prevalent in today's Whitehall.

We need a military that has the ability to adapt to rapid and drastic changes in warfare, and the flexibility to expand and contract rapidly, dependent on our need. Importantly, we need an acquisition system—everybody talks about defence acquisition these days—that can effectively support the military system in all its aspects, under direct state control to ensure fluid supply chains and protecting itself from espionage.

The MOD must develop armed forces that are capable of dealing with threats both immediate and in future. The MOD's intention is to focus on the need to prepare for wartime effectiveness, but it has become imbued by a peacetime mentality and a lack of urgency, and it is preoccupied with a misplaced notion of cost control, which tends to add to project risk and to cost. The MOD ties up too much of its resource in trying to build and maintain a fixed arsenal of weaponry. It should spend perhaps substantially more on the ability to expand any capability rapidly, so that we can neutralise new threats quickly, when they arise. The MOD is too reliant on a few defence prime contractors. More of that capability should be brought back in-house, where acquisition risk can be better understood and managed. Nor should we be so dependent on offshore supply chains for crucial capability, which can be choked off at times of crisis.

This new defence policy, which I look forward to the Government bringing forward, should be co-ordinated with an effort to bring to our population a greater understanding of defence, security and international affairs. Working with our higher education institutions, we must support defence and security-related courses and educate more graduates in the disciplines essential to our collective defence.

I will reiterate the point I made in an intervention. We should be prepared to co-operate bilaterally with EU forces in order to carry on the work that we need to do in the Balkans at this particular time.

If I could add one further point, we must look after our veterans. I am joining the campaign to get certain documents released from the Ministry of Defence and the National Archives at Kew, concerning the Sir Galahad and Sir Tristram disaster during the Falklands war. It is now 40 years since that conflict. The veterans, the survivors and their families desperately need closure. Why is the issue still being hidden? What is the purpose of hiding the truth? Maybe there are truths that people will not want to hear, but—

Mr Deputy Speaker (Sir Roger Gale): Order. I am sorry but I have given the hon. Gentleman as much time as I can.

5.45 pm

Wayne David (Caerphilly) (Lab): I believe the United Kingdom needs to have a military presence across the globe. I am particularly thinking about the South China sea and the threat presented by China, which has been alluded to already. I am conscious of the situation in that area, which is called the East sea by the Vietnamese, and I am acutely aware of the threat to Taiwan, which is apparently escalating. I welcome the fact that the Navy has two ships permanently in the region and that the aircraft carrier HMS Queen Elizabeth has recently visited the area. I recognise that things have moved on since the integrated review, which heralded the Indo-Pacific tilt, but still there needs to be concern about that important part of the world, well into the future, given the increasing influence of China and the importance of the area for Britain's trade.

Equally, it is important to say that today Europe has to be our main focus. NATO is, and will remain, the cornerstone of our defence, and we must be resolute in our support of Ukraine. It may well be a long struggle, but it will be necessary. However long it takes, we must stand four-square behind the people of Ukraine and its Government, and take note of the increasing threat. For example, we note that Russian nuclear weapons have now been moved into Belarus. It is incumbent upon us all to watch the situation very carefully.

We must also be mindful of two things. When we look across the globe, we look to the United States of America. There is the possible re-election of former President Trump. We all know what happened when he was President last time: concern was caused by his comments about NATO, and about Montenegro in particular. Who knows—dare I say, God forbid—President Trump might be in the White House again.

We also have to bear in mind the long-term desire of the United States to have a greater focus on the Pacific, and its wish for Europe to be collectively more proactive

[Wayne David]

in its own defence. Therefore, the debate about how much money we and our European allies spend on defence is extremely important, and something we cannot and should not avoid.

A few weeks ago, I visited Estonia, along with my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell) and two other senior figures from the Labour movement. We had a series of wide-ranging meetings with fellow social democrats, trade unionists, the national defence committee of the Estonian Parliament and many others. The visit was extremely worth while. I was struck by the absolute unanimity among everyone we met and spoke to about the concerns they had about Russia's activities, the war in Ukraine, and the potential and actual threat it could pose to Estonia.

In 2016, the United Kingdom's enhanced forward presence was agreed for Estonia and since 2017 the UK has deployed an armoured infantry battalion to Estonia, with 800 to 900 personnel, which was doubled in size in 2022. Our presence in Estonia, in conjunction with that of our NATO allies, is extremely valued. That was another clear message that was given to us by a whole range of people whom we met in Estonia during our visit.

Looking to the future, we are in no doubt of the UK's resolute support for NATO, but we should recognise that we need to be much stronger in developing foreign policy and military co-operation with our close allies in the European Union. Intergovernmental co-operation must be increased, and also at the very least there needs to be a dialogue with the European Commission so that there is coherence between our approach and that of our allies.

Again looking to the future, we ought to focus our minds on the nature of our future military equipment and how it is manufactured. Of course the US is our closest ally and will remain so, but we need to be prepared to develop our own specific sovereign capability and from time to time, if necessary, also co-operate more closely with our European allies. In this country we are developing the sixth-generation aircraft that will eventually succeed the F35, and we have, for instance, the Tempest programme, but the European Union has the Future Combat Air System initiative. There needs to be the possibility of consideration. Nothing is certain about the future—

Mr Deputy Speaker (Sir Roger Gale): Order. The hon. Gentleman's time is up.

5.51 pm

James Sunderland (Bracknell) (Con): Clausewitz famously wrote that war was a continuation of policy by other means, so it is entirely appropriate that we are debating global military operations in this place.

Over the past 30 years, the UK has had a pretty proud record of military performance overseas on a large, medium and small scale. From 1991 we had Gulf war I, Rwanda, Angola, Bosnia, Kosovo and Northern Ireland. Blair's Chicago speech in 1999 set the case for international intervention beyond that: we had Gulf war II, East Timor, Afghanistan, Sierra Leone, and other expeditionary operations. There is, of course, no truth in the supposition that the UK forces deploy only in wars that they can

win, but past performance is not necessarily indicative of future success, and in this era of global instability and competition, it is essential that we maintain sufficient forces to do the job in all five domains.

The integrated review gives the framework doctrinally while the defence tasks provide the direction, and I think that three of those are relevant to this debate: the first, "defence, security and resilience of the UK",

the fifth, "overseas defence activity", and the seventh, "direct defence". Back in my day, at Northwood Permanent Joint Headquarters, defence held the joint operational estimate of capability and readiness, otherwise known as JOECR. I think that today it is called the capability readiness assessment framework, or CRAF. It is classified secret, but I suspect that I know broadly what it says.

Intuitively, RAF and Navy capabilities are probably equipped to do the job with which they are tasked. Yes, we need more of everything—quantity has a quality of its own—but our ships, submarines and aircraft are good, supportable and modern. The elephant in the room is the land domain. My instinct, therefore, is that the CRAF is probably flashing red for land capability. Indeed, when we discuss defence in the House, operational capability is ultimately what truly matters. Yes, the Army has been bent out of shape for the support and gifting of capability to Ukraine—is this "a" war or "the" war?—but we must still hold at readiness the full suite of land capability for contingent purposes, and we must be ready for what comes next. If the MOD is required, under the defence tasks, to hold an armoured division at readiness, that is what this country must still be required to do. If it has not already been done, the MOD must first carry out a detailed estimate of exactly what is required now to get the 3rd (United Kingdom) Division out of the door. If it is necessary to increase the defence budget to 2.5% or 3% of GDP, then so be it.

The strategic defence and security review and the Army 2020 programme structurally altered the Army, moving it away from large-scale divisional deployments, so if we cannot deploy a division under the current construct, we need to put it back in place. We also need to get back the strategic enablers lost during the Army 2020 programme, not to mention the need for the full suite of strategic air and sea lift to be fully deployable worldwide.

Beyond increasing available manpower, equipment and capability within the field Army, we also need to enhance the logistic tail. We therefore need contingent stocks to be at readiness, including weapons, ammunition, spares and all supply natures, and not just training stocks. Supply lines need to be kept open with our suppliers and commercial partners, even when legacy equipment stops being made. As for equipment procurement—yes, let us purchase the best available, preferably made or integrated in the UK, but it needs to be affordable and scalable to meet the requirements. Exquisite exclusivity is fine but as an operator I would much rather have enough to satisfy all structures. Modular platforms that we can build for export must also be factored in.

Lastly, a fully equipped, manned, supported and sustainable Army costs money. If Defence tasks are serious about having a deployable division at readiness, the path to get there is non-discretionary. It is also clear that both NATO and the US allies expect that of us in this place. The world remains a dangerous, unpredictable

place and the primary role of any Government, as we know, is to defend their people and their allies. It would be unwise to forget that.

5.55 pm

Samantha Dixon (City of Chester) (Lab): It is a great pleasure to speak in today's debate. Keeping the nation safe and protecting our citizens are the main priorities of any Government. From deployments abroad to deployments at home, our armed forces are essential to our national defence. Next week will mark Armed Forces Week, a time when we reflect on the commitment and sacrifices of the brave service personnel in our armed forces, and I would like to express my sincere appreciation to them for their unwavering commitment and dedication to protecting our nation. It is their effort that ensures our safety and upholds the values we hold dear. They deserve our utmost respect and gratitude.

Chester, the constituency I represent, has long historic links with our armed forces. The Dale barracks are currently home to the 2nd Battalion the Yorkshire Regiment, and the reserve unit C Squadron, the Queen's Own Yeomanry, is based in the Fox barracks, next to the Dale. Long may the barracks remain as homes to our forces. HMS Albion, which has a long affiliation with the city of Chester, is currently busy in the Baltic on a three-month deployment as part of a series of joint exercises with NATO allies and international partners across northern Europe. I am honoured to represent a city with such strong military connections.

The Labour party has always understood, and always will understand, the importance of our armed forces and defence. However, despite increasing threats, the Government are still cutting day-to-day MOD spending in real terms, which means less money for troops, housing and forces families. Our armed forces deserve support and proper funding, especially in the current climate, but I worry that the threat of hollowing out our armed forces remains present. As global uncertainty continues to rise, the fundamentals of supplying our Army, Navy and Royal Air Force with the correct equipment are paramount to our defence. We have witnessed Type 45 frigates being unable to cope with warm water and Ajax light tanks harming our service personnel more than enemy action. That is despite a lack of active deployment, six years behind schedule.

Sadly, Putin's war in Ukraine continues and there is no question but that UK military support for Ukraine has had and will continue to have Labour's fullest backing. As this awful war continues, we must continue to stand with Ukraine and its people and support them in defending their freedom and their home. The threat posed by Russia and other hostile powers is not limited to the battlefields in Ukraine. On this I agree with the hon. Member for Harwich and North Essex (Sir Bernard Jenkin). Future military operations in Europe and across the world will also be fought on the digital battlefield. A vital part of the UK defence infrastructure is that of cyber-security. When we speak of cyber-security, we think of the events of 2017, with the NotPetya cyber-attack on Ukrainian infrastructure and the Wannacry ransomware attack that highlighted the vulnerabilities of crucial organisations such as our NHS.

In 2012, former CIA director and US Secretary of Defence Leon Panetta warned of a "cyber Pearl Harbor". While the threat of that can never be underestimated,

it seems that the more effective methods being deployed by hostile powers involve microscale disinformation campaigns. With the emergence of deep fakes and the threat of quantum computing seemingly round the corner, it is vital that our armed forces receive the support they need for the 21st-century battleground. The fog of war now extends to the digital realm, with conflicting reports and misinformation weakening western support for this conflict. If we are to have a truly resilient Ministry of Defence, we need to ensure that victories on the battlefield are not portrayed as losses by those who wish to undermine our solidarity with our allies.

5.59 pm

Robert Courts (Witney) (Con): It is a great pleasure and honour to speak in this timely debate. We probably all agree that we face perhaps the most dangerous and concerning time for global security since the end of the cold war. There is a period of extreme danger coming up, with the ongoing conflict in Ukraine and the possibility of Chinese action in Taiwan, and the west's attention is split between those two theatres.

This means that we in Europe have to take a very close look at our capabilities. The fundamental point, looking at what has changed over the last year or so, is that the big assumption under which we operated for 20 or 30 years has now gone. Peer-on-peer conflict and great power rivalry are back, and the assumption that our forces will be able to operate under an umbrella of air supremacy, without fear of substantial attack from the air, is now over.

This means we have to take a close look at how our Air Force and the air forces of our NATO allies are set up. For years we have engaged in operations in low-intensity conflicts, doing air policing or close air support operations without an air-to-air or significant surface-to-air threat. That will now change, of course, which means the Air Force will have to do a number of things, such as building up the number of spares.

Secondly, training will have to change. The training necessary for high intensity peer-on-peer conflict is much different from that required for air policing operations, and personnel can get only a limited amount from sims. Sims are useful because they can engage in scenarios they cannot do for real, but nothing can recreate the psychological and physical stresses of operating multiple aircraft in complex air scenarios.

Much as the Air Force will be thinking about these things and adjusting its training accordingly, it is relevant for us in terms of policy because, if we are looking at the need to build up spares and to fulfil a much more intense training requirement, space is needed to do that. We need to have enough aircraft and enough pilots to make sure the Air Force is not constantly stretched. If the Air Force is stretched all the time, we will not be able to build up either of those things.

That is before I even start talking about the simple factor of mass. As can be seen with the conflict in Ukraine, we can expect that any peer-on-peer conflict will need mass because of the inevitable attrition. For years we have operated in a world in which we could do more with less. Each fast jet we have now is incomparably more capable than what existed during the cold war, and they are light years ahead of anything that existed during the second world war, but we still need the number of platforms to be able to cope with attrition and the training requirement.

[Robert Courts]

Fundamentally, this means either we will have to start doing less discretionary conflict and more high-end training to face the threat, or we will have to scale up the number of people and aircraft to be able to do both. I suspect that the House, the Government and the country will want to do the latter, because we will probably want to take part in the discretionary operations that are so important to the rules-based order and how we see ourselves as a country, but that has a cost.

I have mainly spoken about fast jets, and much of it also applies to air mobility, which is based at RAF Brize Norton in my constituency, so I have a particular interest, but some of the points are common. For example, the concept of main operating bases, in which all our assets are concentrated in two or three large bases, has cost savings. In peacetime, that is of course helpful, but it is a danger when we face a peer adversary. Perhaps the Minister will elaborate in due course as to what consideration is being given to the dispersal of forces, to ensure there is resilience in the event of a peer-on-peer conflict.

We have touched on the C-130 today, so I will not go into that in great detail. I know the Minister will say that the A400M Atlas can fly twice as much, twice as far and twice as fast, which is true, as it is generationally significant; it is a step change as an aircraft. However, concerns remain, first, about its reliability and whether it is where we need to be. Secondly, not all of the capabilities from the Hercules have yet been transferred and they need to be. Thirdly, and above all else, however capable an aircraft, it cannot be in two places at once. We cannot expect the limited number of crews and platforms to be able to do everything if the number of airframes available is decreasing. The important thing that the House must consider is the availability of task lines. Perhaps the Minister will address that in due course, but there is a capability gap there and we are going to have to address it. On air mobility, the other lesson from Ukraine is that no matter how important our capability, we have to get it there. So the logistics are essential and important as never before.

In the last few seconds I have, I shall talk about housing. Our armed forces do crucial work, but it is no good telling them that their work is crucial and that we will rely on them if their showers are cold and there is mould on their walls. We have to make sure that we have the homes we need if we want to be able to undertake global military operations. The sun is outside but the skies are darkening, and we need to remember that.

6.6 pm

Catherine McKinnell (Newcastle upon Tyne North) (Lab): First and foremost, in the name of keeping our nation safe and protecting our citizens, which is a duty we all share, I want to pay tribute to those who serve in our armed forces, whether here in the UK or around the globe, and to the vital work they do to that end. I also want to say clearly how important it is that we stand with our allies in support of Ukraine. Unfortunately, we have in the past been too slow to see the dangers to our security and that of our allies. Russia's illegal invasion of Ukraine has brought a destabilisation of peace in Europe, it has deepened the famine in east Africa and it has fuelled energy and food price rises that we are now all feeling. It is a wake-up call to us all.

I recently joined an Anglo-German fact-finding delegation to Estonia, with my hon. Friend the Member for Caerphilly (Wayne David), who also mentioned it. It was a telling visit, because, as many Members will know, Estonia is a country painfully aware of the threat Russia poses. Estonia is a proudly independent nation, but because it has not always been independent it has suffered much in the last century. It had a narrow escape from the Russian Bolsheviks, when it was supported by the Royal Navy, but it then faced occupation under the Soviet Union and the Nazis, and decades of suppression under the Soviets after the war. The occupation stretched for 50 years, from 1940 to 1991, and the daily atrocities that the Estonians faced are well documented in Tallinn's museum of occupations and freedom—my visit there will stay with me always. That is why Estonia's support for Ukraine is so steadfast, but it is also why it must think about its own defence; the costs of losing freedom are understood all too well. Indeed, the Estonian Prime Minister's grandmother was sent to Siberia as a baby during that brutal occupation.

Estonia lies between Scandinavia and Russia. It is a vital strategic position on the gulf of Finland, at NATO's eastern edge. As my hon. Friend said, during that visit we spoke to politicians from all parties, as well as meeting the country's defence select committee. Their analysis of today's Russia was bleak but unanimous: they see a ruler lumbered with a lethal mindset of brutality and conquest, and an outlook that is deeply embedded in the wider leadership of the country and unlikely to change soon. We also visited the NATO centre of excellence on cyber-defence, an interdisciplinary hub set up shortly after Russia launched its damaging digital attacks against Estonia in 2007. But Estonians do not fear Russia. They stand supported by NATO allies and they have a powerful will to resist. Ukrainian flags fly everywhere in Tallinn. The two countries are intimately linked, and both need our unequivocal support.

As the NATO Secretary-General has repeated, Labour wants to see Ukraine on a path to join the alliance, but, to achieve that end, we need to support Ukraine's fight for sovereignty now. I am proud that Labour has been unshakeable in supporting NATO members in their contributions to Ukraine.

Estonia may be small, but its determination to defend its hard-won independence is compelling, and it highlights the best of what we can achieve when we work with our partners and our allies. Today, Members have pointed out many of the shortcomings in our defence capabilities, which means, I think, that some of that partnership working is the way forward to ensure that we can meet the growing challenges that we know the world poses.

The Government must answer the growing clamour of questions surrounding the UK's ability to meet our NATO obligations. The delays to the new defence Command Paper are frustrating, because many want to see how things will look going forward. The stakes are simply too high for any wavering in our commitment and any weakening of our capabilities.

Estonia is on NATO's frontline, working alongside allies on training operations as part of NATO's UK-led multinational battle group work—operations that are part of our crucial bilateral commitments with Estonia. While I was in Estonia, Exercise Spring Storm was under way, with more than 1,500 UK troops joining military personnel from 11 NATO countries in an important

demonstration of our joint defensive strength. This readiness is vital both in Estonia, on NATO's frontline, and here in the UK. I am proud of Labour's ongoing commitment to NATO and to our obligations to our partners. The Government have my full support in standing up with our allies for the values that we all hold dear. We know that this is a long-haul struggle for freedom, peace and security in Europe and around the globe, and we must stay the course.

6.11 pm

Richard Drax (South Dorset) (Con): It is a pleasure to follow the hon. Member for Newcastle upon Tyne North (Catherine McKinnell). I wish to thank our armed forces for what they do both here at home and in many countries across the world. They are a credit to our nation. Bearing in mind that the defence of our island must be any Government's top priority, these debates are important, not least when we face a world that is as unstable as it has ever been in my lifetime.

I note that the heading of this debate is "Global Military Operations". Those operations are set: first, by the Government's priorities; secondly, by what we can afford; and, thirdly, by our obligations, not least to NATO. Having served in the armed forces for nine years, and been in this place for 13 years, four of which have been with the Defence Committee, I have seen Prime Ministers and some Ministers struggle to clarify the scope and structure of our armed forces and to fund them properly. I exclude the current set of Ministers who are doing an outstanding job. My criticism goes straight to the Treasury in the main. To be fair to the Government, world events have a nasty habit of changing, as yet another defence review—a "refresh" of the previous one—highlights, and this while the world stands on the edge of an abyss with another murderous war taking place in Europe and, worryingly, on NATO's borders.

Since the end of world war two, we have not faced a top-tier opponent, but that threat is very real today with both China and Russia raising the threshold. I quite accept that conflict on this scale would be fought with allies, not least the US. But as the right hon. Member for Birmingham, Hodge Hill (Liam Byrne) mentioned the Falklands war—let us hope we never have to go back there again. Many of my friends served when I was in in 1982—let me say that, as the Falklands is one of our main dependants, the question for this or any Government is: can we retake the islands in the event that they are invaded? If we cannot, clearly, we are failing in our duty.

While the US gears up for major conflict, I do not detect the same sense of urgency here. To deter war, one needs to prepare and train for it, with sufficient mass to sustain a lengthy conflict. On that point alone, we must reverse the decision to cut the Army by 10,000. Everywhere the Defence Committee has gone—although I can speak on my own behalf—I have heard that our armed forces are stretched to breaking point.

I said at the start of my speech that a Government's top priority must be the defence of our island nation. That is essential, of course, but this debate is about our global reach, which requires more funding for more planes, more ships and more soldiers. It is clear from the Committee's evidence sessions that the pitiful 2%—or just over—of GDP that is spent on defence is not

enough. It clearly is not. It was more than 5% in my day, and since then the kit has become more expensive and our requirements and obligations even greater.

If we are to play our part globally, along with our allies in most cases, we must fund our armed forces to allow them to do the job that we in this place send them to do. It is our responsibility. We cannot ask them to do things without the kit, the manpower or whatever they need to do the job. If we do, we are failing in our duties.

Global reach and influence are of huge significance, as China is showing. Too few politicians, regrettably, have understood the significance of a military presence around the world and the diplomatic and economic benefits that flow from it. An effective presence costs money—money that politicians all too often divert to other priorities. I mentioned China, whose economic and military reach around the world are expanding at an alarming rate. China appreciates that the world's resources are not limitless and that, to ensure its security, those resources need to be identified, secured and protected.

The war in Ukraine is a wake-up call, if ever there was one. I pay tribute to the Prime Minister, to his predecessor and to Members on both sides of the House who have stood together on this issue; long may that be the case. Many European countries, not least Poland, Germany and France, are increasing their defence budgets. Political leadership is what we badly need if we are to fund our armed forces sufficiently to meet the inevitable rise in our global responsibilities. To be fair, our brave men and women are already operating in many countries, as we have heard, and very effectively. That is to their great credit, but greater mass is needed for the reasons I have stated.

Looking back in history, we have a rather poor record on being prepared for major conflict. The peace dividend that followed the end of the cold war saw a major disarmament, to the extent that we now struggle to find one fighting division where it is needed, as my right hon. Friend the Chairman of the Defence Committee stated.

Liam Byrne: Will the hon. Gentleman give way on that point?

Richard Drax: May I not? I have little time left and I know others on the right hon. Gentleman's side of the House particularly want to speak.

At the start of world war two—

Mr Deputy Speaker (Sir Roger Gale): Order. Perversely, the debate is under-running slightly at the moment. Having admonished hon. Members earlier, if the hon. Gentleman does wish to give way, I think the House would understand.

Richard Drax: In that case, may I reverse my decision? I would be delighted to hear from the right hon. Gentleman.

Liam Byrne: I am very grateful. I wanted to underline the point the hon. Gentleman is making so eloquently to the House. The risk is even greater than he has set out, because global defence spending is now rising by between \$200 billion and \$700 billion a year. If we want to keep pace with that, defence spending is going to have to rise.

Richard Drax: I hear the right hon. Gentleman, and of course it is true. To be fair to our Government, it is down to the economy, how much money we have and everything else, but at the end of the day, where we spend our money is about political priorities.

History shows, as I have said already, that for many years we have underfunded the armed forces, to our detriment. At the start of the second world war, thank heavens, we had a Royal Navy with more than 1,000 warships, which played a huge part, with the RAF, in preventing the Germans from invading our country. To under-invest in our armed forces at times when we think we do not need them is short-termism of the worst kind. As history again shows, on many occasions when a war breaks out, it comes from nowhere and many countries are taken by surprise. Alternatively, MPs and others warn of conflict and nothing is done. In either case, surely we have to learn from history.

At the start of world war two, we had over 1,000 warships; I think the figure now is 17 or 18, and the RAF has been similarly emasculated. Talk of the global reach of military operations is one thing, but funding them is quite another. Will I be refreshed after the refresh? I am sure the narrative and ambition will be along the right lines, but those are easy. It is the political will, the funding and the sense of urgency that are the challenge, if we are to take our global responsibilities seriously.

6.19 pm

Liam Byrne (Birmingham, Hodge Hill) (Lab): I will make three very quick points about focus versus spread, the need to prepare for economic warfare and the importance of expanding our soft power.

The beginning of the debate was pretty illuminating. The Minister eloquently set out the stark reduction in our capabilities since 2010. The reason why we need the defence Command Paper was well illustrated. On the one hand, the spread is getting bigger, but on the other, the capability that we have on hand is much reduced. We desperately need to bring a sense of focus to our priorities.

For me, that must start with the re-containment of Russia, which has a nasty habit of invading and invading its neighbours. Down the course of history, Russia invades its neighbours over and over again. That is why we have to complete the rebuilding of NATO. Nobody has said anything today about President Erdoğan's commentary on keeping Sweden out. That is something that this House should deprecate.

We have to strengthen our capabilities in the Arctic. China and Russia's "no limits" partnership creates the risk of a new polar silk road through the Arctic that will halve China's journey time for transiting goods around the world. Russia is re-equipping bases in the Kola peninsula, where, of course, it stables its second strike capability. We will need to strengthen our deployment and our weaponry in the Arctic if we are to keep the Arctic safe.

We have to bring greater attention to central Asia. We have to ensure that we do everything we can to support the multi-vector foreign policy ambitions of countries such as Kazakhstan, Uzbekistan and others along Russia's southern boundary.

We have to do more in Africa, not least because the Wagner Group is now raping Africa, exploiting 14 countries there. We already know that something like \$250 million

has been extracted from Africa to help fund Prigozhin and his dogs of war. We must bring a sense of focus and priority, and that is why we need a Command Paper.

There are also new opportunities to consider, of course. Defence spending is rising: NATO partners are committed to raise defence spending by something like \$55 billion, and our allies in Japan are committed to raising theirs by something like \$60 billion—that is \$100 billion extra in defence spending among our allies. We should have an intelligent conversation about who should be spending what and where. I suspect that one of the conclusions would be that we should focus much more aggressively closer to home.

Secondly, we have to ensure that we are prepared for economic warfare. The alliance structure has been transformed over the last two to three years. We now have not just a rules-based order but the hardcore of a rights-based order—AUKUS, NATO, the North American free trade agreement, the EU, the Quad, us, Korea, Switzerland and Israel. Together, those countries make up two thirds of global GDP—\$61 trillion—but we do not co-ordinate critical supply chains across that great arc of the globe, and we do not co-ordinate strategies for critical minerals. In fact, we co-ordinate very little.

Part of the problem is that we have still to define precisely what a critical supply chain is. I put that question to the Foreign Secretary on Monday. Frankly, he struggled to answer it. He could not tell the Committee whether our dependence on China was going up or down, despite the fact that imports from China have doubled to £73.4 billion in the last decade. We have to get a grip on that; we have to think through, strategically and forensically, where we are economically vulnerable and how we can deepen our alliances, particularly with the United States and the EU, to ensure that our critical supply chains are safe from foreign interference. Our allies in Europe and America are spending \$1.5 trillion on supply chains, the transition to domestic energy and their respective Chips Acts. We are currently shut out of those dialogues. We simply cannot afford to have that vulnerability in the future.

Finally, I underline the importance of a whole-of-Government approach—as was mentioned by the Chair of the Liaison Committee, the hon. Member for Harwich and North Essex (Sir Bernard Jenkin)—and that includes transforming our soft power around the world. On the Foreign Affairs Committee, when we talk to ambassadors we tend to hear four or five common themes. First, we should see English as a strategic enabler, stop the cuts to the British Council and expand the provision of English teaching around the world. Secondly, we should think radically about how we expand the BBC World Service. The truth is the best stratcom we have available, so we should stop underfunding it. Thirdly, we should think about how we expand education links, whether that is through Chevening scholarships, university-to-university links or technical assistance programmes. Fourthly, we should expand the incredible work of our military attachés. Fifthly, we should get a well-functioning visa service and a Foreign Secretary who is travelling an awful lot more.

This has been a welcome debate, but it underlines the point that there is an awful lot more to do if we are to step up to the responsibilities that, across the House, we believe that we share.

6.25 pm

Richard Foord (Tiverton and Honiton) (LD): The Liberal Democrats fully support the apparent consensus in the House in relation to Ukraine and the restoration of Ukraine's sovereignty, but that is not what I would like to focus my remarks on today. I will focus on deterrence in two domains: the maritime domain and the land domain. In relation to the land domain, I want to talk about munitions stockpiles and the size of the Army, and to suggest that the Government are mistaken in boosting the number of warheads that we have in our nuclear stockpile while simultaneously permitting our conventional munitions stockpiles to run low.

The Liberal Democrats recognise that the full-scale invasion of Ukraine has changed the security environment, so we support continuous at-sea deterrence. That is a dividing line between the Scottish National party and my party. While the strategic environment is as it is today, we need to see the maintenance of continuous at-sea deterrence, as we have for more than 50 years. However, we cannot support the increase in the stockpile of nuclear weapons that was first announced in the integrated review of 2021.

When the Liberal Democrats were in government, we achieved a commitment to reduce the nuclear stockpile by 65%, yet the 2021 integrated review announced that the cap on that stockpile would be raised and that information on the operational availability of warheads, deployed warheads and deployed missiles would no longer be made available. That is contributing to the atmosphere of secrecy, rather than transparency, in a very sensitive area. I have nothing but disdain for what Russia and Putin have done in relation to START—the strategic arms reduction treaty—but we need to set an example in this space through our transparency around nuclear.

On conventional munitions, £3 billion of the additional £5 billion of funding that was announced in March was for the nuclear enterprise, whereas less than £2 billion of the funding will go towards replenishing conventional stockpiles. That is the wrong priority, and it sends the wrong signal to industry. Industry wants a signal that there will be sustained production into the future, and it will ramp up production on that basis. The EU has already called for a million artillery rounds a year to be made available to Ukraine, and the UK could contribute to that effort.

I also want to talk about the size of the Army. This reiterates what other Members have said, but it is common in such debates for us all to pay tribute to the bravery of our armed forces personnel. Of course, that is entirely appropriate, but while the Government are cutting the size of the Army, we can be sure that British soldiers are not reciprocating those warm words. They will not be talking about the wisdom of their political representatives; they will be talking in terms that are far less complimentary.

We need only look at the online Army Rumour Service—essentially, the soldier's answer to *Hansard*—to see that service personnel are not impressed by this Government's plans to reduce the size of the Army. The Army was 103,000 strong in 2004, when I was training recruits as a platoon commander at Basingbourn, which is now the Mission Ready training centre near Bedford. It currently stands at 76,000 full-time trained strength regulars, and we can anticipate a further cut of 3,000,

making 73,000 by the end of 2024. The former Chief of the Defence Staff, General Sir Nick Carter, argued that the size of the Army should be in the order of 80,000, to ensure that the UK can deploy a full division of troops as part of a combined NATO force. We have to think about not only the physical component of fighting power, but the moral component—that is, the ability to get people to fight.

To summarise, I would like to know whether the Minister or, indeed, the Government plan to take the UK's deployable nuclear weapons stockpile back to levels that we have seen previously, or that we saw announced before the integrated review in 2021, when the strategic environment allows. I would like to see how the UK's conventional ammunition stocks can be knitted into wider European responses to the invasion of Ukraine in the way that NATO and EU members have responded, by upping production and giving a clear signal to industry that we plan to do that over the long term, and I would like to know when the Government will stop hiding behind the false choice between a sufficiently large Army and a properly equipped one.

6.31 pm

Jim Shannon (Strangford) (DUP): May I say how pleased I am to be involved in this debate, and thank all right hon. and hon. Members who have made such pertinent and worthwhile comments and speeches?

First, I commend the Prime Minister and the Secretary of State for Defence on taking a lead among allies in supporting Ukraine. I believe we must do all we can to assist Ukraine, now and in the future, and that commitment is clearly there. In the inevitable peacebuilding and reconciliation efforts that must surely follow Ukraine succeeding in its efforts to oust Russia from the illegally held occupied territories, Northern Ireland has invaluable experience in conflict resolution and peacebuilding that should be shared with Ukraine, to help it with the challenging task of rebuilding communities deeply fractured by the conflict.

While I recognise that the use of advanced defence technology is prevalent in the conflict in Ukraine, such as new missile systems, drones and social media warfare, that conflict is still fought in a manner that we should recognise from the first and second world wars. Tanks and troops are fighting the war: taking and holding ground, digging in, digging trenches and defending. I gently remind the Minister that those are precisely the capabilities that our British Army has had over the years, and—as other Members have referred to—those capabilities have been shredded in many ways. We have an Army crippled by cuts to battle-winning manpower and battlefield warfighting kit. The old Russian military maxim that quantity has a quality of its own still holds true, so I call on the Minister and the whole of the Ministry of Defence to reverse the decline in combat arms, regrow the infantry and the armoured corps, and give Britain back the capability to deploy two warfighting divisions, a capacity that more accurately reflects the current threats we face.

Northern Ireland remains the best place in the UK to recruit men and women to join the military and fight for King and country—the data emphasises that. Northern Ireland's contribution to the defence industry is immense. I pay tribute to the work done by the likes of Thales,

[Jim Shannon]

whose NLAW missile system is making such a positive difference to Ukraine's ability to defeat the Russians on the battlefield. I visited that factory last year and was very impressed, and I understand that many of the people who work there are from my constituency of Strangford. I am very pleased to see good, constructive and positive work coming from Northern Ireland. Defence shipbuilding contracts have recently been awarded to Harland and Wolff—how good it will be to see ships once again going out from Belfast to defend the nation's interests, at home and abroad.

I cannot speak highly enough of the work being done by many other Northern Ireland-based companies and of their contribution to defence, so ably supported by Northern Ireland's Aerospace, Defence and Security Group. We had a meeting last night where we met some of those businesses and some of the small SMEs that feed into that. It is impressive to see such capability, such skill and the workforce there to fill the gap.

The recent report from the Royal United Services Institute, "The Defence Industry in Northern Ireland: Leveraging Untapped Potential", highlights how much more of a contribution Northern Ireland companies can make to defence. When the Secretary of State was a Minister in the Northern Ireland Office, he would have been exposed to this issue, so he should know what an asset we are. He must take note of the RUSI report's conclusion, which stated:

"In all, NI exhibits considerable defence potential, with three prominent businesses at the top of the supply chain that can, together with the extensive range of SMEs in the region, create an opportunity to promote NI, not as part of the problem set of UK defence and security, but as a valued contributor to its management and solution. The MoD should be monitoring the situation and looking for further opportunities to support local stakeholders, as the current UK government ambition that the whole of the UK—

that is Northern Ireland as well—

"should benefit from defence activity is clearly not being met."

We want to do more, we can do more, and we need the opportunity. This issue should be of particular concern to those in the MOD focused on prosperity and in the consciousness of all involved with defence spending in the private sector.

I will say a quick word about nuclear power, to which the hon. Member for Tiverton and Honiton (Richard Foord) referred. I agree with those who say that we must never use nuclear armaments, but the fact is that we must have it and it must be a working deterrent. That may not be the feeling of everyone in this House, but it is certainly that of us in the DUP and I think of the majority of the House. Can the Minister send me details on capability and the future role of the nuclear programme and how that will impact on our current budgetary plans? I also invite the Minister to visit Northern Ireland and see at first hand the good work being done. Will he give Northern Ireland companies the chance to be at the Defence and Security Equipment International expo in London in September? That would be to everyone's benefit.

I wish to conclude by thanking members of the armed forces for their service to our constituents across this great nation of the United Kingdom of Great Britain and Northern Ireland. Every night away from home and every missed graduation ceremony or birthday

is not forgotten by us in this House. Although we cannot give the armed forces all that they deserve, we in this House give them our loyalty and sincere thanks from a grateful nation.

6.37 pm

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): This has been a serious debate, reflecting darkening times, uncertain times and the growing confidence of our adversaries. The warnings from the most senior Conservative Back Benchers were carefully worded, but behind that precision is deep worry. The right hon. Member for Bournemouth East (Mr Ellwood) rightly said that the cuts to our defence have been "ruthless" and the Ajax procurement process "dire", and he was right to say that we are in "a grim state of affairs".

The hon. Member for Harwich and North Essex (Sir Bernard Jenkin) set out a mandate for transformation. It was a lot of home truths and hard thinking from him, and it is worth reflecting on his words. My friend the hon. Member for Witney (Robert Courts) spoke about the era of peer-to-peer conflict being back, and he is right. The hon. Member for South Dorset (Richard Drax) yet again made the case for halting the 10,000 cuts to the Army, which we on this side of the House agree with and share his view on.

I also thank my hon. Friends who contributed to this debate. My hon. Friend the Member for City of Chester (Samantha Dixon) set out clearly Chester's keen defence links, including with HMS Albion, a proud Devonport-based ship in my constituency. It serves Chester and Plymouth well. My hon. Friends the Members for Newcastle upon Tyne North (Catherine McKinnell) and for Caerphilly (Wayne David) spoke about their trips to Estonia. Having visited last year, I know just how seriously the people of Estonia take their commitment to NATO and how much they value the United Kingdom's support. The Minister sketched over the departure of the second battle group from Estonia, and I hope that any discomfort that may have been created with our Estonian friends has now been patched up, because we need to make sure that we have a clear presence there with no chance of Putin putting an inch between us and our allies.

The delay to the defence Command Paper, as set out by my hon. Friend the Member for Newcastle upon Tyne North, is frustrating, and I hope that will be rectified shortly. I am grateful for the contribution from my right hon. Friend the Member for Birmingham, Hodge Hill (Liam Byrne), who spoke passionately about the importance of soft power, which is something I hope we can all reflect on further.

The continuous at-sea deterrent was mentioned a number of times by Members on both sides of the House. It is really important that we thank the people who serve on the submarines, but also the people who support the submarines, including those who refit and service the Vanguard class submarines, again in Devonport in my constituency. As a proud Plymouth MP, I am proud to represent a military city and proud to represent those people who serve supporting our armed forces. I would like to agree with the hon. Member for Angus (Dave Doogan) about the need to recycle the old nuclear submarines. There are very few Members on their phones at this point—it warms my heart that they are listening

to what I am saying—but for those who want to have a look, please do zoom in on the western side of Plymouth and see the submarines lined up against each other. It is a sure sign that as a nation we are not dealing with our legacy in the way we ought to, and we must do so.

A bonus point goes to the hon. Member for Bracknell (James Sunderland) for mentioning the five domains. In a debate about global military operations, the inclusion of space and cyber is absolutely vital. All-domain warfare is there, and having been to and spoken at the Space-Comm expo in Farnborough last week, it is very clear to me that the UK needs to take further steps to ensure that we are fully integrating space and cyber into all our work.

This debate takes place on the eve of Armed Forces Week, and as the son of a Royal Navy submariner and as an MP who represents a proud military community, I want to say thank you to and recognise the sacrifices of our armed forces and their families in the defence of our nation. They are the best of British, and I echo the thanks that have been mentioned on both sides of the Chamber for their work and sacrifices. As many other Members have stated, I look forward to celebrating Armed Forces Day and Armed Forces Week in my own community, and I look forward to seeing the Secretary of State—or whichever Defence Minister it may be—in Falmouth for the national celebrations.

This debate is taking place under the long shadow of Ukraine, and the support that has been offered by the United Kingdom should make all of us proud. We need to ensure that we continue that support, because this is a long-term fight. On UK military support, the Government have had, and will continue to have, Labour's continued backing. The UK should be stepping up to support Ukraine now, as the long-awaited counter-offensive has begun. That means setting out a clear plan, as was promised by the Secretary of State in August last year, as to what a 2023 action plan for Ukraine will mean, what the implications and consequences for the industry are, and how we can best prepare. The continued absence of that plan is telling.

The war in Ukraine has had a profound effect on how future global military operations will be conducted. Our allies in NATO and Europe—the likes of Germany, France, Poland, Estonia and Lithuania—have all rebooted their defence plans and their budgets. We also need to have a strategic rethink of the UK's defence plans, but so far this seems to be lacking from the Government. Labour has argued for defence plans to be rebooted since March 2022. Why are we still waiting? Ministers must reboot defence plans, looking again at and halting their cuts to the Army, ensuring that our NATO obligations are met in full and renewing Britain's contract with our forces.

As the shadow Defence Secretary, my right hon. Friend the Member for Wentworth and Dearne (John Healey), rightly highlighted at the beginning of this debate, we are meant to be debating the new defence Command Paper about now. The delay in that paper coming forward is disappointing. I would be grateful if the Minister, when he gets to his feet, could set out when that paper will be published, and whether it will contain more Tory cuts to our armed forces. In the words of the Defence Secretary earlier this year, the Government had “hollowed out and underfunded” our armed forces. That degree of honesty was welcome at the time, but honesty should come with consequences in

the adjustment of the strategy, and we all look forward to seeing whether that has taken hold in the defence Command Paper.

When we talk about global military operations, we must also talk about the morale of our forces. It is the duty of any Government to make sure that those on the frontline do not have to worry about the home front, but the reality right now for many of our service personnel is very different. Many members of our armed forces are living in, frankly, appalling service accommodation, putting up with damp and mould, broken boilers and endless waits for repair. The hon. Member for Witney was right to raise that in his remarks. Poor military accommodation has a direct impact on forces morale, and on recruitment and retention. Satisfaction with service life in the UK armed forces has fallen from 60% in 2010 to 42% this year. Four in 10 UK military personnel have stated that poor morale is increasing the likelihood of their leaving the armed forces. That is why in March this year Labour launched Homes Fit for Heroes, a campaign to highlight the poor state of our armed forces accommodation, and make it clear that when in government it will be a priority to sort that out. The truth is that Ministers could have made that a priority; this could have been sorted out over the past 13 years if they had wanted to do that, and it is important that it is fixed.

Under successive Governments since 2010 the Conservatives have wasted at least £15 billion of taxpayers' money through MOD mismanagement and defence procurement mistakes, with £5 billion wasted since 2019 alone, while the current Defence Secretary has been in place. How much money is in the budget is as important as what we spend it on, and the certainty of what we spend that money on is important. As someone who grew into defence policy from a passion for the Royal Navy, I would be grateful if the Minister confirmed the future for Royal Fleet Auxiliary ships Wave Ruler and Wave Knight. At the weekend it looked as if they would be decommissioned by the Government because of a lack of service personnel. Will the Minister set out whether an accurate assessment has been in the media, and say what will happen to the RFA's tanker capability without those ships being held at readiness?

In conclusion, this debate has set out clearly that the world is more uncertain than it has been for some time. It has also set out why a reboot of the UK's military plans is necessary and required. Let us not look back on these debates in future years and see a Parliament squandering precious time. Let us back our armed forces, rearm by filling our stockpiles, and ensure that the Government look again at their plans to cut 10,000 soldiers from the Army, and look again at the year in, year out defence cuts. I hope we have more debates such as this, in which there are more difficult challenges, and hard thinking and constructive criticism. Our defence and security depends on getting this right, and on a cross-party basis it is essential that we do that.

6.46 pm

The Minister for Defence People, Veterans and Service Families (Dr Andrew Murrison): I thank the hon. Member for Plymouth, Sutton and Devonport (Luke Pollard) for his remarks and for the support he has given to our current operations and the men and women of our armed forces. I am pleased he cited Albion. I have visited Albion twice in the recent past, once in Plymouth

[*Dr Andrew Morrison*]

and once overseas. He was also right to support the men and women of our Submarine Service; I would expect nothing else from a Devonport MP. They are unsung heroes and do an extraordinary thing. He hinted at the NATO defence model, which is important at the moment as we consider Vilnius and what follows from that.

It is reasonable to say that the UK will remain a trenchant supporter of NATO and what it does, and its ask. It is the cornerstone of our defence, notwithstanding the remarks that were made, quite reasonably, by right hon. and hon. Members about forming alliances wherever it is expedient to do so. Indeed, I was particularly heartened in that respect by the comments made by my hon. Friend the Member for Harwich and North Essex (Sir Bernard Jenkin) about the European Union. We have to be pragmatic about our alliances and where we form them, in order to promote our shared and common interests. The men and women of our armed forces are extraordinary. They do things that the vast majority of our fellow citizens are not called on to do. Particularly as we approach 24 June, Armed Forces Day, it is right that so many Members took the opportunity to pay tribute to them.

This has been a good debate—discursive on occasion, off the point from time to time, but in general a thoughtful contribution to Britain's place in the world, and specifically to what part defence plays in that. A year after I was born, US Secretary of State Dean Acheson, who was no fan of the United Kingdom, quipped that Great Britain had

“lost an empire but has not yet found a role.”

If that was true then, I do not think it true now, and recent events have confirmed that.

Put simply, our role today is to safeguard and improve the lives of those whom we represent. Most hon. Members in the Chamber would agree that defence is central to that—we are among friends—but it is right that we are challenged on whether the £50 billion we now spend on it might be better deployed elsewhere. After all, the Almighty provided us with a quite adequate natural defensive position in the form of the channel, which is a bit like the Alps in respect of Switzerland. Why not shelter and cower behind that? Why not announce that the UK will henceforth simply be patrolling its Euro-Atlantic backyard and take a dividend that could be used to give public services a welcome shot in the arm? We are all facing re-election next year, and that would surely be quite appealing, would it not?

Well, first there is Ukraine. Some nations in the global south may try to convince themselves that Russia's neo-imperialistic war of conquest is no more than a little local difficulty. Less enlightened jurisdictions may even revel in a challenge to a stable democratic and liberal world order. They are wrong. Putin's behaviour has had global consequential with the pain falling on ordinary people everywhere through food shortages, the energy crisis, the cost of living and opportunities forgone: their hopes, their dreams and their future. In a thoughtful contribution, the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) made that point well.

What has happened has real-life consequences, not just for those individuals caught up in the immediacy of that terrible conflict but for people right across the world,

and those who are affected the most are the poorest. Meanwhile, China watches and waits, inscrutably. How we respond to Putin today will determine what happens in the Indo-Pacific tomorrow. Get it right in our Euro-Atlantic backyard today and we may yet avoid conflict in the South China sea.

Britain's global contribution buys us influence that benefits all our constituents. I have seen it myself, serving in the Navy and at the MOD and the Foreign, Commonwealth and Development Office. Whether it is a carrier visiting the Indo-Pacific, our Air Force evacuating citizens from earthquake-hit Turkey or our Army working with Kenya to strengthen regional security, the signal that we send to a transactional world is that Britain is a serious player; one to be reckoned with and one that can be relied on. Tangible examples of that reliance are AUKUS and the Global Combat Air Programme. The US, Australia, Japan and Italy chose to work with us because they knew that we could deliver. Look at what those partnerships mean for our country: thousands of jobs and the creation of a long-term skills base that will give a generation of young people cutting-edge skills to succeed in the decades ahead.

There is a further reason why the UK should retain its global presence. It is about values and the sense that the UK is a force for good in the world. We have seen in recent times that whenever adversaries detect liberal democracies weakening, they move to fill the gap. The UK, as the world's oldest democracy, a member of the UN Security Council and a nation with global reach, has a responsibility to show leadership, stand up for values that make chaos and conflict less likely and promote peace and prosperity.

In the time available, I will attempt to do some justice to the points raised. First, I turn to the hon. Member for Strangford (Jim Shannon), because the first shall be last, and the last shall be first—that is Luke 13:30. I agree with him that continuous at sea-deterrence is a necessary evil. I wish that we did not need it, but we do, and we will. In the spring statement, £3 billion was announced for the nuclear enterprise. That is a big commitment and a vote of confidence in those who undertake this vital task. I thank him for his invite to Northern Ireland and will very much take him up on that in the near future.

My hon. Friend the Member for Harwich and North Essex is always thoughtful and, as always, I agreed with much of what he had to say. He is right to point out that, in this country, our military workforce has always expanded and contracted. That has been in the nature of how we have done defence for all time. That is perhaps by virtue of the fact that we are blessed with quite a lot of water between ourselves and those who have historically been our adversaries, but the crucial thing is that we need to be able to scale up quickly when the time demands it. He was also right to point out that we need agility—particularly in relation to equipment—and sovereign capability. That is one of the lessons of the recent past.

Of course, none of this defence is cost-free. If I may be ever so generically critical of the debate, very few of us have really bent our minds to what it costs, although I have hinted at it in suggesting somewhat rhetorically that there is an opportunity cost to it all: we could spend more on defence, but we would have to find that from somewhere else. I can assure the hon. Member for

Caerphilly (Wayne David) that there is an active dialogue with all those supporting Ukraine right now. I am very pleased to say that at all levels—politicians, officials and members of the military—the United Kingdom is taking a lead. I think the facts bear that out. He should be proud of the leadership role we are taking, and I say that to him in all sincerity.

I cannot do justice to the detailed points made by my hon. and gallant Friend the Member for Bracknell (James Sunderland). As a logistician, I expect him to make a number of forensic points, but he is quite right to say that we should not be matching the good against the exquisite. Never let the excellent be the enemy of the good. I think he mentioned a medal for CASD. Of course, all medallic recognition is kept under continual review. I cannot give him a commitment. I would just point out, although I know it is second best, that the deterrent patrol pin was produced in 2009, the 50th anniversary of CASD, which I know a lot of submariners wear with pride.¹

I thank the hon. Member for City of Chester (Samantha Dixon) for her support in backing the UK's efforts to support Ukraine. That is much appreciated. She spoke about digital and cyber. However, she did seem to be committing her party to more defence spending. I will come on to that in a minute.

My hon. Friend the Member for Witney (Robert Courts) understandably focused on the Royal Air Force. I look forward to being in his constituency very soon indeed. He made a point about dispersal, which took me back to world war two. From my memory of a number of films from that time, dispersal is very much an RAF thing. I agree with him, but there is, again, a cost in terms of money and, probably, efficiency and delivering effect, but the point is extremely well made. He also made a point about the importance of logistics, which is not glamorous.

The hon. Member for Newcastle upon Tyne North spoke about Estonia, which was music to my ears. I have been there on a number of occasions, including very recently. I agree with her that our enhanced forward presence there is impressive. I visited Tapa Camp and the headquarters in Tallinn, and saw our RAF in action at Amari. I am particularly pleased that it is an amalgam of all three of our armed forces working together. She was also right to cite Exercise Spring Storm, which I witnessed while I was there.

My hon. Friend the Member for South Dorset (Richard Drax), a trenchant advocate of all things to do with the armed forces, argued for an uplift. There's a funny old thing; I have never heard him do that before. He called the 2% pitiful. Well, okay, but—I am sure he would agree with me—as we aspire to do better than that, we must take others with us, too. That is vital. Our efforts

on their own will not be sufficient in facing down some of the threats we face. I was interested in the 5% figure he cited. I think we joined up more or less at the same time. I have to say, though, that the effect we are able to project these days is way greater than what he and I would have been used to at that time. Our kit today is in a completely different league. To compare the two is like comparing chalk and cheese.

The right hon. Member for Birmingham, Hodge Hill (Liam Byrne) mentioned, in a thoughtful speech, the central Asian republics—the Stans—where, interestingly, Russia's influence is on the wane. It is axiomatic to say that Russia is extending its influence pretty much everywhere, but we have to understand that in some parts of the world, particularly in Russia's backyard, that is not necessarily the case. The current war and Putin's behaviour has turned off almost as many as it has enlisted to his particularly unpleasant cause. The right hon. Gentleman also mentioned defence engagement. I am very pleased he mentioned that, because when I was in Defence previously I had some hand in increasing the defence engagement activities we undertake. We have recently recruited six new Defence attachés.

The hon. Member for Tiverton and Honiton (Richard Foord) made spending commitments on behalf of his party. I have noted those.

I really must come back at the hon. Member for Angus (Dave Doogan). I mean, to say that the Royal Australian Navy does not patrol off Scotland is clearly not right. I am afraid he was not listening to the previous exchange on the Navy's most lethal platforms and I know the Submarine Service will be upset with his comments.

My right hon. Friend the Member for Bournemouth East (Mr Ellwood) worried about headcount and equipment. He is right, but I gently point out to all contributors today that we spend at 2% consistently. We have done for many years and we will continue to do so, hopefully with an uplift to 2.5%.

I am sorry that I have not left sufficient time to deal with the remarks made by the right hon. Member for Wentworth and Dearne (John Healey). May I, however, address his point about a plan? Plans are great, but President Zelensky is not too troubled, apparently, because he said:

“If everyone in the world—or at least the vast majority—were steadfast and courageous leaders...as Britain, I am sure we would have already ended this war and restored peace throughout our liberated territory for all our people.”

That, I have to say, is the best endorsement for our armed forces that I can possibly find.

7 pm

Motion lapsed (Standing Order No. 9(3)).

1. [Official Report, 15 June 2023, Vol. 734, c. 4MC.]

Coventry City of Culture Trust

Motion made, and Question proposed, That this House do now adjourn.—(Julie Marson.)

7 pm

Taiwo Owatemi (Coventry North West) (Lab): The collapse earlier this year of Coventry City of Culture Trust, the arm's length body tasked with continuing the legacy of our city's time in the national spotlight, shocked and infuriated many. Millions of pounds of public money may never be recovered and the plans for an ongoing legacy are having to be rewritten from scratch.

That is not to say that the city of culture celebrations themselves were a mistake. The year-long pageant of art, music, drama and poetry enthused our community and drew visitors from all over Britain. I am proud to represent a city whose heritage and present are both alive with vibrancy and humanity. Coventry was a perfect choice for city of culture, and the celebrations went a long way to restore our spirits as life finally reopened after the pandemic.

That said, lessons must be learned. Future cities of culture, including Bradford in 2025, should not have to face the financial and reputational losses. Throughout the process, local communities were left without a voice. It is deeply worrying that a vast amount of local talent, advice and involvement was simply ignored, leaving many of my constituents with an uneasy feeling of alienation from an initiative that should have been rooted in the community. Communication was poor. My constituents were not even informed what events were taking place on which dates until after the fact. It is very clear that something went deeply wrong with the management of an organisation that time and again rebuffed and ignored local knowledge and offers for help, thinking instead that it knew better and bringing in so-called experts who knew nothing about our city.

I believe in the city of culture programme and want it to succeed in the future, but unless the lessons from Coventry's experience are heeded, I fear that those issues will keep recurring, starting with Bradford in 2025. Better central Government oversight is essential in order to avoid the shameful failures of governance that allowed the trust to implode so quickly. People in my community were beyond appalled to see big players walk away from the trust with honours galore, despite leaving in their wake a dismal record of failure and broken promises. How on earth can it be justified that Martin Sutherland, the former trust chief executive officer, was granted an OBE for his work leading the organisation?

The sums involved are staggering. West Midlands police alone are owed half a million pounds. The arts organisation Assembly Festival is £1.5 million out of pocket. Coventry City Council, after receiving guarantees from the trust's then CEO that it could meet its obligations, may now have to write off £1.6 million of public money. The Albany Theatre Trust, a local charity of which I am a trustee, is named in the administrators' report as being owed £34,000. Like so many other Coventry-based creative bodies, it was initially prevented from participating, only for the trust management to do a complete 180° turn when the lack of any real links to the community became glaringly obvious. In total, administrators have revealed that the city of culture trust will leave a black

hole of more than £4 million in its wake. Coventry was promised a programme to enlighten, educate and entertain our city. What we received was a leadership without any interest in local people, and incompetent money management, with dire consequences. I have been calling for an investigation since the bankruptcy was announced, so I welcome the ongoing review by the National Audit Office, which I hope will be a step on the way to understanding what went so badly wrong behind the scenes.

Oversight is key. Although local authorities bid for city of culture status, the award is made by the Department for Culture, Media and Sport here in Westminster. The programme is then drawn up and implemented by arm's length bodies, controlled by neither local government nor national Government directly. That approach proved fatal for Coventry City of Culture Trust. Those responsible for creating the disaster have been free to hide the truth from the press and public throughout. Only the administrators appear to have ever been given the full picture of the organisation's financial situation, but by the time they were compiling their report, it was too late to salvage much from the wreckage.

As sorry as this tale of mismanagement and financial loss has been, I do not wish to discourage future applicants from bidding for city of culture status. The benefits of a cultural festival extend far beyond the celebrations and performances themselves, but it is clear that deep-rooted reform is a must. Whole areas of arts and heritage are made accessible for the first time to untapped audiences, from every possible background and walk of life. The research and creative projects inspired by a city of culture should keep giving back for decades. Our duty is to ensure that the serious flaws revealed in the last festival's governance do not hang over the city of culture programmes to come and to ensure that the legacy of Coventry's year is secured.

Coventry What's Next, a grassroots organisation made up of various stakeholder organisations, including Coventry cathedral, Coventry City Council, Talking Birds and the Albany Theatre, hopes to secure the funding that was previously promised to the trust, by rebidding for the money that was already set aside for the legacy programme. Will the Government share the contents of the original bid with those stakeholders and ensure that money is automatically transferred to those organisations, so that the legacy project can continue?

The Department for Culture, Media and Sport must keep a much closer eye on the finances of any arm's length body tasked with implementing city of culture programmes. What steps is the Minister taking to ensure this level of financial mismanagement will not occur again? Will the Minister commit to including an independent representative of the Secretary of State as a voting member of the governing body heading any such bodies in the future? Or will he look at ensuring that the Culture, Media and Sport Committee is able to audit the leadership and delivery of organising bodies on an annual basis?

Finally, will the Government commit to holding a full investigation into how this maladministration and bankruptcy has been allowed to occur, so that lessons can be learned for the future management of the city of culture programme?

7.7 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Stuart Andrew): I am grateful to the hon. Member for Coventry North West (Taiwo Owatemi) for securing this important debate on Government support for Coventry City of Culture Trust, on behalf of her constituents.

I start by offering my sincere regret that Coventry City of Culture Trust had to enter administration, with local job losses and wider negative implications for those businesses that work closely with the trust. It is never easy for those who are affected by such events. My thoughts are with those who are struggling as a consequence of those events, and I am grateful to the hon. Lady for raising that issue.

Before I turn to discuss the particular circumstances surrounding the Coventry City of Culture Trust, I would like to take a moment to set out how the Government view the UK city of culture competition and its positive impacts, because it is important that we remember those, as the hon. Lady did in her speech.

DCMS established the UK city of culture competition in 2009, following Liverpool's immensely successful term as European capital of culture in 2008. The competition is a proven model for place-specific, culture-led regeneration. Derry/Londonderry, the first winner of the UK city of culture competition, received £160 million in capital investment associated with the title. That funding secured major improvements to the public realm along the River Foyle, forming part of Derry/Londonderry's regeneration legacy. Hull, which was the city of culture in 2017, received £15 million of direct Government funding, which in turn attracted more than £600 million of public and private investment, with nine out of 10 Hull residents saying that they thought the programme had had a positive impact on the city.

As UK city of culture in 2021, Coventry enjoyed huge successes. It secured more than £170 million of investment, facilitating regeneration across the city valued at over £500 million. The Government invested more than £18 million to support Coventry directly in that year. Over £8 million of that funding supported the redevelopment of key cultural assets such as the Daimler Powerhouse, which saw the major transformation of one of the first car factories built in Britain into a £2.5 million creative hub. The Belgrade Theatre has seen a refurbishment of the main stage, auditorium and foyer, while Drapers' Hall, a music hall that was closed for 30 years, has now opened its doors to the public thanks to city of culture funding.

We should not lose sight of Coventry's excellent cultural programme. For instance, it has hosted the Turner prize, grassroots festivals, concerts such as Radio 1's Big Weekend, and a spectacular drone light show watched by thousands. Cultural activity took place in every ward, and just under two thirds of the programme was co-created with local residents. The model of co-creation promoted the bottom-up, hyper-local production of events within communities, but I do note the points that the hon. Lady raised in her speech.

Taiwo Owatemi: When it comes to events organised by the city of culture trust, does the Minister recognise the importance of giving local organisations the support

that will enable them to create programmes that are tailored to local people, and does he recognise that when that does not happen, many of those people are left feeling disengaged and undervalued?

Stuart Andrew: Absolutely. That is an important point. I was pleased to be able to go to Bradford not long ago, and it was great to see how much it was engaging young people in particular in the creation of projects.

We should also remember that Coventry's programme had to be reimaged to comply with covid restrictions at short notice. Sadly, the pandemic, the energy crisis and cost of living issues have all played a part in the challenges faced by the trust and contributed to its eventual administration. The circumstances in which Coventry had to stage its year as city of culture were therefore unprecedented. Indeed, the administrator's report states that covid had an adverse impact on the business's finances.

Nevertheless, following the trust's administration, I do not dispute that there are lessons to be learned by all parties, and, as the hon. Lady knows, wider work is being undertaken to understand the circumstances in which it entered administration. As she said, the National Audit Office has elected to conduct a review of the trust, which is focused in scope and is examining the issues of central Government funding and oversight of the trust. The report is due to be published in the summer, and I can give the hon. Lady a commitment that we will consider it and apply the lessons learned from it to the future of the programme. We continue to engage with the NAO as it proceeds with the review. The Charity Commission has opened a regulatory concern case examining the governance of the trust, and we will continue to look at that as well.

I can give a personal commitment that the Department and I are keen to learn our own lessons from the past. The Department has already co-hosted a discussion with the Arts and Humanities Research Council and Warwick Business School to consider how best to ensure effective legacy delivery for the UK city of culture programme. I was pleased to attend that event, and it was good to have representatives from cities that had hosted it in the past and those hosting it in the future, so that we could all share our experiences. We are actively working with Bradford Culture Company, Bradford Council and Arts Council England to ensure that robust governance and accountability for Bradford 2025, as well as—crucially—a sustainable legacy programme, are all there in the planning.

Taiwo Owatemi: Accountability is key, and in the situation of Coventry City of Culture Trust, there has been no accountability. What steps will the Minister be taking to reassure my constituents that those who mismanaged the trust will be held accountable?

Stuart Andrew: As I said a moment ago, we are awaiting the report from the National Audit Office. I think that it will be doing the sort of detailed work that the hon. Lady talks about. I assure her that as soon as we get that report, if there are any lessons to be learned in terms of oversight, we will look at them carefully. It is important that we learn those lessons, because I do not want us to damage this excellent programme. People need to have great confidence in it, and we will also need to apply those lessons to the launch of the 2029 competition.

[Stuart Andrew]

We know that the UK city of culture designation is transformative. It drives economic growth and regeneration, and it promotes lots of social benefits and gives a real pride in place. Winners such as Coventry have seen significant regeneration to much of the public realm and cultural assets, and we are keen that Bradfordians can enjoy change of a similar scale in their city too. We know that Bradford's enthusiasm for and commitment to the programme is clear from its excellent bid and planning, and I have confidence that it will be able to deliver a successful year and, most importantly, to secure a continuing legacy. That really is critical. We will continue to work closely with Bradford to ensure that it meets its stated goals, and we will certainly learn all the lessons that we have experienced from Coventry. We will also work closely with the city, as I know it is currently considering what that legacy programme will look like.

Taiwo Owatemi: I know from speaking to many of the local arts organisations in Coventry that they are concerned about what is going to happen to the money allocated to the legacy trust. For many, their key concern is that they will have to rebid for that money. Many of the smaller organisations do not have expert bidders to draw up those bids, so what commitment can the Minister give that that money will still be accessible to local organisations that do not have the funding for a bid person?

Stuart Andrew: I know that officials in the Department are in regular discussions with Coventry City Council, and I understand that they are working with many of those local organisations on building up the legacy programme. We are looking forward to receiving the proposal from Coventry City Council and as soon as we get it, we will of course consider what help and support the Government can give.

My door remains open and I would be keen to continue this engagement with the hon. Member so that she can highlight some of these specific points. She is clearly representing her constituents extremely well here today, and I would be happy to do that. We need to learn lessons from this. It is a great programme that brings about many benefits, lots investment and lots of regeneration. When it is done well, it really engages the local community, but it is important that as we go through this, we learn the lessons. We look forward to seeing what the NAO report says and we will learn from that. In the meantime, I am happy to meet the hon. Member and representatives of Coventry City Council to explore what more could be done, and I thank her very much for raising this important issue.

Question put and agreed to.

7.19 pm

House adjourned.

Deferred Division

ANIMALS

That the draft Animal By-Products, Pet Passport and Animal Health (Fees) (England) (Amendment) Regulations 2023, which were laid before this House on 18 April, be approved.

The House divided: Ayes 284, Noes 14.

Division No. 256]

AYES

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
 Baron, Mr John
 Baynes, Simon
 Bell, Aaron
 Benton, Scott
 Beresford, Sir Paul
 Bhatti, Saqib
 Blackman, Bob
 Blunt, Crispin
 Bone, Mr Peter
 Bottomley, Sir Peter
 Brady, Sir Graham
 Braverman, rh Suella
 Brereton, Jack
 Brine, Steve
 Bristow, Paul
 Browne, Anthony
 Buchan, Felicity
 Burghart, Alex
 Butler, Rob
 Cairns, rh Alun
 Campbell, Mr Gregory
 Carter, Andy
 Cartlidge, James
 Cash, Sir William
 Cates, Miriam
 Caulfield, Maria
 Chalk, rh Alex
 Chope, Sir Christopher
 Churchill, Jo
 Clark, rh Greg
 Clarke, rh Sir Simon
 Clarke, Theo
 Clarke-Smith, Brendan
 Clarkson, Chris
 Cleverly, rh James
 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
 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
 Donelan, rh Michelle
 Double, Steve
 Dowden, rh Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, Sir James
 Duguid, David
 Duncan Smith, rh Sir Iain
 Dunne, rh Philip
 Eastwood, Mark
 Edwards, Ruth
 Ellis, rh Michael
 Elphicke, Mrs Natalie
 Eustice, rh George
 Evans, Dr Luke
 Everitt, Ben
 Fabricant, Michael
 Farris, Laura
 Fell, Simon
 Firth, Anna
 Fletcher, Katherine
 Fletcher, Mark
 Fletcher, Nick
 Ford, rh Vicky
 Foster, Kevin
 Fox, rh Dr Liam
 Frazer, rh Lucy
 Freeman, George
 Freer, Mike
 French, Mr Louie
 Fysh, Mr Marcus
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gibson, Peter
 Gideon, Jo
 Glen, rh John
 Goodwill, rh Sir Robert
 Gove, rh Michael
 Graham, Richard
 Gray, James
 Green, Chris
 Green, rh Damian
 Griffith, Andrew
 Grundy, James
 Gullis, Jonathan
 Halfon, rh Robert

Hall, Luke
 Hammond, Stephen
 Hancock, rh Matt
 Harris, Rebecca
 Harrison, Trudy
 Hart, Sally-Ann
 Hart, rh Simon
 Hayes, rh Sir John
 Heald, rh Sir Oliver
 Heappey, rh James
 Henderson, Gordon
 Henry, Darren
 Hinds, rh Damian
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holmes, Paul
 Howell, John
 Huddleston, Nigel
 Hudson, Dr Neil
 Hughes, Eddie
 Hunt, Jane
 Hunt, Tom
 Jack, rh Mr Alister
 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
 Leigh, rh Sir Edward
 Levy, Ian
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Sir Julian
 Loder, Chris
 Logan, Mark
 Longhi, Marco
 Lopez, Julia
 Lopresti, Jack
 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
 Mercer, rh Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Millar, Robin
 Miller, rh Dame Maria
 Milling, rh Amanda
 Mills, Nigel
 Mitchell, rh Mr Andrew
 Mohindra, Mr Gagan

Moore, Damien
 Moore, Robbie
 Mordaunt, rh Penny
 Morris, Anne Marie
 Morris, James
 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
 Paisley, Ian
 Patel, rh Dame Priti
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Philp, rh Chris
 Pow, Rebecca
 Prentis, rh Victoria
 Pritchard, rh Mark
 Quin, rh Jeremy
 Quince, Will
 Randall, Tom
 Redwood, rh John
 Rees-Mogg, rh Sir Jacob
 Richards, Nicola
 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, Royston
 Solloway, Amanda
 Spencer, Dr Ben
 Spencer, rh Mark
 Stephenson, rh Andrew
 Stevenson, Jane
 Stevenson, John
 Stewart, rh Bob
 Stewart, Iain
 Streeter, Sir Gary
 Stuart, rh Graham
 Sunak, rh Rishi
 Sunderland, James
 Swayne, rh Sir Desmond
 Throup, Maggie
 Tolhurst, rh Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Trevelyan, rh Anne-Marie
 Trott, Laura
 Truss, rh Elizabeth
 Tugendhat, rh Tom

Vara, rh Shailesh
 Vickers, Martin
 Vickers, Matt
 Villiers, rh Theresa
 Walker, Sir Charles
 Walker, Mr Robin
 Warburton, David
 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
 Young, Jacob

NOES

Buckland, rh Sir Robert	Hobhouse, Wera
Chamberlain, Wendy	Jardine, Christine
Cooper, Daisy	Moran, Layla
Davey, rh Ed	Morgan, Helen
Farron, Tim	Olney, Sarah
Foord, Richard	Stone, Jamie
Green, Sarah	Wilson, Munira

Question accordingly agreed to.

Westminster Hall

Wednesday 14 June 2023

[CAROLINE NOKES *in the Chair*]

Hospice Services: Support

9.30 am

Paul Holmes (Eastleigh) (Con): I beg to move,

That this House has considered support for hospice services.

It is a pleasure to serve under your chairmanship, Ms Nokes. You are intrinsically linked to the Mountbatten hospice, which I will speak about this morning, in your role as the Member of Parliament for Romsey and Southampton North.

I thank the all-party parliamentary group on hospice and end of life care and its chair and co-chair, my hon. Friend the Member for Darlington (Peter Gibson), who is here today, and Baroness Finlay, for their work in promoting and championing the hospice sector. They have a lot of experience in the sector and I am grateful to them for lending me their support in this important debate.

The hospice sector in this country does incredible work for thousands of families and individuals every day. It is a fact of life that we all experience a bereavement at some point, and some of my colleagues know that we recently had the very sad task of saying goodbye to my office manager, Sue Hall. Sue was not just an employee of mine; she was my friend, confidante, an incredible wife and mum, and a friend to all. She was a magnificent woman—a local hero who helped people every day. She never baulked at a challenge or missed an opportunity to show people how much she cared. I am sure many, if not all, of those here have had that special support in their lives from someone they rely on. For me, that person was Sue. I never thought I would have to make do without her by my side.

Sue left us peacefully, surrounded by her family and friends on 30 March. She was comfortable and well looked after, and for that I will ever be grateful to Mountbatten hospice in my constituency, which cared for her at the end of her life. It made her final days and moments a special time for her family and friends. We can all hope at the end of our time on this earth to have an opportunity to say, “Thank you, I love you, and goodbye.” That is a truly special and incredible moment for everyone—one that the hospice Sue stayed in provides for people every day.

Sue’s journey had a profound impact on me as I spent time with her in the hospice learning about the work that it does and the struggles it faces. In a moment of weakness, her son-in-law, Miles Rogers—a good friend of mine—and I agreed to do a charity skydive for Mountbatten hospice on 24 June. The fundraising page is available on my Facebook page if anyone wants to contribute.

Mountbatten Hampshire is a hospice in my constituency that provides 24/7 in-patient and community domiciliary and palliative end of life care services to people across Southampton city and large parts of Hampshire. It also provides rehabilitation and enablement services, as well

as psychological and bereavement support to parents and their families. Sue’s family and I will forever be grateful to it for its kindness during Sue’s last days. Having had the pleasure of meeting the hospice’s chief executive officer, Nigel Hartley, and the fantastic staff who work there, I know that their passion and commitment to providing the best possible care for all their patients is their top priority, and they give that care with skill, tact and grace every day.

Alan Mak (Havant) (Con): I thank my hon. Friend for securing this debate. Rowans Hospice does great work in the Havant constituency, and as a result it engenders a lot of loyalty, including from fundraising and support groups. Will he join me in thanking such groups for their contribution alongside the full-time staff at hospices?

Paul Holmes: I pay tribute to Rowans Hospice and to all the hospices that we will no doubt hear about this morning, given the number of people attending this debate.

As I say, I had the pleasure of meeting the CEO of Mountbatten hospice. Its work does not come without cost, but, as a charity, its services are provided free of charge to all who need them, thanks to the generosity of its amazing community and incredible volunteers, who give their time to support the best possible care for local people during the last years and months of their lives. Mountbatten currently supports around 1,000 families every day, and demand for its services is predicted to rise by 40% in the next 18 months. It costs £11.5 million a year to keep the services running, and the hospice relies on charitable support to fund its 24/7, 365 days a year services to people who need them.

Ellie Reeves (Lewisham West and Penge) (Lab): St Christopher’s Hospice in my constituency is widely regarded as the first modern hospice, and it is still pioneering today, but it has to fundraise £15 million a year. The cost of living crisis means that its costs are going up and its donations are at risk of going down. Does the hon. Member agree that the Government must review the current funding model?

Paul Holmes: The hon. Lady tempts me to come to content that I will cover later in my speech, but for now she can take it that I wholeheartedly agree, as do many Members here, I suspect.

No one will contest that our health and care staff deserve to be well paid for the incredible work they do, and in an ideal world we would see our life savers and carers never have to worry about their finances and pay, but it would be deeply irresponsible to facilitate pay rises without giving due consideration to the dramatic impact that rising wage costs have on these essential services. To give some specific context, Mountbatten Hampshire took over management of the hospice from the NHS in 2019. It has a contract with the NHS for roughly 35% of its costs, of which about £3.8 million comes from the local NHS commissioners in the form of an outcome-based contract. The hospice follows the NHS pay award each year to remain competitive and to retain and hire staff for its services, which means that the hospice has seen a 4.8% rise in costs this year and will see a further 5% next year, with no corresponding

[Paul Holmes]

change in its NHS contract, leaving an increasing and worrying financial gap that the charity will find very hard to reconcile without public funding.

Dame Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): Will the hon. Member give way?

Several hon. Members *rose*—

Paul Holmes: I am spoilt for choice! I give way to the hon. Member for Hackney South and Shoreditch (Dame Meg Hillier).

Dame Meg Hillier: It is interesting to hear about the Mountbatten, which I spent many years at when it opened, when I was a child. The hospice in my constituency, St. Joseph's Hospice, is really cutting-edge, but the retrospective payment for nurses will cost it £470,000, and it cannot apply that yet because it has no certainty from commissioners about its funding. To keep it up will be another half a million a year, and it cannot afford that without certainty of funding. I am sure the hon. Member agrees that we need to press the Minister for some clarity on this.

Paul Holmes: I agree with the right hon. Lady; we do. In my experience, the uplift that has been given to local NHS commissioning groups is simply not making it through to those end of life services. I hope we will see some recognition of that from the Minister, and I am sure she will enforce this, to ensure that the funding to local commissioning groups gets through to these services.

Andy McDonald (Middlesbrough) (Lab): Will the hon. Member give way?

Several hon. Members *rose*—

Paul Holmes: I do not want to be harsh, but I have been warned by the Chair that I should get through my speech. I will make some progress and then give way shortly.

Written evidence submitted to Parliament by Hospice UK records that hospices across the UK employ 12,000 nurses, with 8% of the nursing workforce drawn from bank or agency, which make up a 9,400 full-time equivalent nursing establishment, but they are struggling to recruit registered nurses. A clinical survey in 2021 found that there was an 11% vacancy rate in community-based hospices and a 7% vacancy rate in hospice-based nursing roles in adult hospices, with 16% vacancy rates for hospice-based nursing associate and community-based healthcare assistant roles. The written evidence states:

“Since this data was collected, between March and May 2021, the sense on the ground is that these figures have increased and workforce shortages in UK hospices and across other providers that deliver palliative and end of life care have worsened.”

This is clearly the tip of the iceberg, and further pressures are to follow. Hospices are desperate for more support from the Government. The Mountbatten will end the year with a £1.4 million deficit, with no foreseeable change in the financial forecast with the current funding arrangement. The impact will be felt not only in the care sector but throughout the whole NHS.

Mrs Flick Drummond (Meon Valley) (Con): My hon. Friend paid a fantastic tribute to his office manager, Sue. Rowans Hospice in my constituency is thinking about increasing its number of beds from 19 to 22, but that will cost an extra £130,000 a year, and the trust is nervous about making that commitment. What he is saying is very important. Does he agree that the Government need to give more money to this valuable service?

Paul Holmes: I suspect that I will be in constant agreement with interventions this morning. My hon. Friend and constituency neighbour makes an astute point, as usual, and she is right to pay tribute to the hospice in her constituency.

Communities such as mine in Eastleigh will suffer as hospices such as Mountbatten have no choice but to reduce their services and the extraordinary high-quality care they offer, and this comes at a time when demand is only growing. As if that were not enough, staffing costs are but one consideration that care providers are having to take into account. As we all know, the soaring price of energy has hit businesses, families and individuals all over the country, and none more so than those in the charity care sector.

Wendy Morton (Aldridge-Brownhills) (Con): Acorns Children's Hospice in the Walsall borough supports families and children in my constituency. Does my hon. Friend agree that, in these challenging times when energy prices are on the rise, we want any additional help to include the hospice sector?

Paul Holmes: I thank my right hon. Friend for her intervention. She tempts me to talk about issues that I will come to later in my speech—it is only a couple of pages away, I assure you, Ms Nokes. She is right that hospices have not been included in the energy support given to other charities, even though their services are energy intensive due to the equipment they use. Her point is well made and will be recognised in her constituency.

The energy bill for Mountbatten has risen by an eye-watering £250,000—a fivefold increase—and there has been no additional financial support. One might think that that is surely as high as prices can go, but a London-based hospice has forecast that its energy costs will increase by almost £300,000 a year due to inflation pressures. A north London hospice told Civil Society Media that it faces an energy bill of £433,000 in 2023-24, based on predicted energy costs.

Adult hospices are not the only ones affected by this issue. As my hon. Friend the Member for Winchester (Steve Brine) said in his letters to the Department of Health and Social Care, there is also uncertainty about the children's hospice grant—a vital source of funding that represented an average of 15% of children's hospices' income in 2021-22.

Stephen Hammond (Wimbledon) (Con): My hon. Friend is absolutely right about the pressures on the sector, which also affect St Raphael's in my constituency. The Government have been generous with the children's hospice grant, but it runs out next year, and the lack of certainty is the problem. We would really like the Minister to stand up and say that she will renew the grant after 2023-24, which would provide a huge amount of certainty for the sector.

Paul Holmes: My hon. Friend, who is my past employer, makes a good point—although not as good as when I wrote his speeches. He is absolutely correct that there is uncertainty about that grant, and about how it is handed out by local commissioning groups. It is not getting through to children's hospices, and I hope the Minister will have something to say about tweaking the way that grant is allocated to local areas.

Jim Shannon (Strangford) (DUP): Sixty-six per cent. of adult hospice income and 80% of children's hospice income is raised through fundraising—bake sales, charity shops and marathons—and Marie Curie depends on that more than others. Does the hon. Gentleman agree that we should put on the record our thanks to the volunteers who make the effort and get the money in?

Paul Holmes: The hon. Gentleman is absolutely correct. I only have to see Mountbatten local networks of fundraising and charity supporters, whether in charity shops or in fundraising roles. I am honoured that I may become part of that community—if I land on the ground safely, alongside Miles—but it will not end there. I will carry on fundraising for a fantastic cause.

When Mountbatten hospice wrote to me in January to outline those extraordinary energy costs, I was happy to write on its behalf to the Secretary of State. Unfortunately, the energy bill relief scheme and the later energy bills discount scheme did not ease the pressures, as the hospice was not eligible. Mountbatten still faces unsustainable pressure, as do hospices across the United Kingdom.

Of course, there are some people who ask whether a charity should not take the majority of its funding from its local community—from donations and contributions, rather than from Government funding. That is a fair question, but unfortunately it does not provide a solution, especially considering that community donations already support 70% of Mountbatten's funding, which it has calculated to be the limit of what it can ask from people.

Andy McDonald: The hon. Gentleman is making an excellent speech. He is right about donations, but my local hospice, Teesside Hospice, is really struggling. I congratulate the hon. Member for Darlington (Peter Gibson) on his work in that respect. Is the hon. Member for Eastleigh (Paul Holmes) not describing a perfect storm? There is a statutory obligation on the NHS to fund hospices for medical care, but the NHS is entirely strapped. Can I divert him away from the solution of asking members of staff to tighten their belts even further? That is not an option. When we cannot recruit and retain, that is not the solution. We need a fundamental reset of the economic settlement.

Paul Holmes: I hope the hon. Gentleman has not taken from my speech that I am suggesting that staff tighten their belts. In fact, I am advocating that hospices be allowed to follow the NHS pay settlement model, and be funded properly to do so. I would say to the hon. Gentleman that the Government have put their hand in their pocket through the £1.5 billion uplift, although that is simply not getting through from the Department of Health and Social Care and local commissioning boards to the hospices. That is where the Government need to step in to a greater extent. Therefore, I ask the

Government to take the issue seriously and to continue to treat the charity care sector with the priority it deserves.

Hospices do incredible work, and they represent spectacular value owing to the services they provide. We cannot allow that vital link in the care chain to be broken, or even weakened, particularly at this time. Evidence submitted to the all-party parliamentary group on hospice and end of life care's report detailed how the covid-19 pandemic made fundraising even more challenging for hospices. Hospices experienced a massive decrease in income while facing unprecedented demand for their services. One hospice's overnight sitting service had to end due to lack of funding to sustain it, which highlights how dependent those services are on charitable donations.

It is important to highlight the fact that the sustainability of the hospice sector continues to be tested due to the cost of living crisis. Some sort of long-term funding settlement for hospices would be in the interests of all concerned because 160,000 more people each year are expected to require palliative care by the end of 2040. Having sufficient staff and volunteer resourcing in the specialist palliative care field is essential. An ideal outcome would be the Government and the NHS working with the hospice sector to provide an ongoing financial settlement, with regular contractual reviews to ensure that the support that hospices receive is at least the minimum they require to keep services running. That should be directed to cover both staffing and energy cost rises.

Doing that would be in the best interests not only of hospices, because hospices play a vital role in reducing pressure on NHS services by providing bed space and crucial care capacity. The NHS can scarce afford to lose such space and capacity, particularly in the light of the current waiting lists, but lose them it may if action is not taken.

Several hon. Members rose—

Caroline Nokes (in the Chair): Order. Members will see that a lot of colleagues want to get in. I will do my best to call as many Members to speak as possible, and that will require a three-minute time limit from the start. I call Kate Hollern.

9.47 am

Kate Hollern (Blackburn) (Lab): It is a pleasure to serve under your chairmanship, Ms Nokes, and I congratulate the hon. Member for Eastleigh (Paul Holmes) on securing this important and timely debate.

I begin by paying tribute to East Lancashire Hospice, and the staff and volunteers who deliver exceptional services to people in difficult family circumstances. You will excuse me if I get a bit emotional, Ms Nokes, because my family benefited greatly from East Lancs Hospice, and I could not have come through a very difficult time without its support.

Sadly, many hospices are facing an existential crisis. Unlike big business, as energy and food prices rise, hospices cannot pass the cost on to their customers. In fact, the opposite is true, because as the cost of living increases, donations invariably decrease as individuals on whose generosity hospices rely feel the pinch. As a result, hospices have less money available for paying staff, who themselves are struggling to make ends meet.

[Kate Hollern]

It is vital that the Government address that unsustainable situation because the care provided by hospice services cannot be replicated elsewhere within the NHS. Indeed, hospices take a burden off the NHS. Let us be honest: a reduction in hospice services would result in increased hospital admissions, higher costs and bed shortages, all of which would further stretch our already overwhelmed health system.

According to Hospice UK, hospices are collectively budgeting for a deficit of £186 million. Therefore, Hospice UK is calling for the Government to take action to help hospices with rising costs, and asking for £30 million of Government funding for hospices to offset the cost of increased energy bills in the year ahead, as well as £102 million for hospices in England to help them to keep pace with NHS pay rises.

In April, I visited East Lancs Hospice. I met the chief executive and staff, and I had the pleasure of observing the remarkable care provided by this wonderful team every day. I was in awe of the diligence with which staff supported patients and their families, but I was also reminded me of the support and care given to John, my partner, in the last days of his life.

Back to business. The hospice does not receive full funding from the NHS; apart from its core grant, it must fundraise in order to make ends meet. Like most hospices, it is very creative in that fundraising. The turnover of the East Lancashire Hospice is £4 million, but the core grant is only £1.6 million. That means that they must find £2.4 million. I beg the Minister to address the funding for hospices urgently.

9.50 am

Peter Gibson (Darlington) (Con): I congratulate my hon. Friend the Member for Eastleigh (Paul Holmes) on securing this important debate, and I extend my condolences to him on the loss of his office manager. I draw the attention of the Chamber to my entry in the Register of Members' Financial Interests, particularly as a trustee of North Yorkshire Hospice Care, and to my co-chairmanship of the APPG on hospice and end of life care. I put on record my thanks to everybody in our hospices—the nurses, the doctors, the trustees, the volunteers and the fundraisers—for all that they do.

As my hon. Friend mentioned, the APPG recently published a report entitled “The Lasting Impact of COVID-19 on Death, Dying and Bereavement”. I know that the Minister has received a copy of that report, because I personally handed it to her. One of the key points in it was about sustainability of funding for end of life care and bereavement services, and about the need for funding to them to provide their care confidently, commissioning for the years ahead, not just the year ahead.

I recently convened a meeting of all the MPs and hospices in the Tees valley, and there is a very sad picture. In Darlington, St Teresa's Hospice is posting a £541,000 deficit this year. Teesside Hospice is posting a deficit of £400,000 this year, and Alice House Hospice in Hartlepool has had to close a unit. It does not have to be this way. Ask anyone where they want to die; they will tell you that they want to die at home, surrounded

by their loved ones. Our hospices provide support to enable that to happen. Given a choice between a hospital and a hospice, people will choose a hospice.

We know that deaths in hospital are costly, blocking beds and often giving people a less than good death. I want to see everyone have access to a good death, and I want the NHS to save money and unblock beds. That can be achieved with proper commissioning and support for palliative care, as required by the Health and Care Act 2022, not just in Darlington, Teesside or North Yorkshire, but right across the country. We would not, in this day and age, fund maternity care by running bake sales, skydiving or wing-walking, but it seems perfectly acceptable to many that that is how we should fund palliative care. It is not right and it is not fair, and the time for dealing with it is now.

UK hospices are budgeting for a deficit of £186 million this year. Our integrated care boards must step up to the plate, commissioning and paying for the hospice care that their community needs and, at the same time, safeguarding these institutions that are so integral to our communities, saving the NHS money and reducing bed blocking. It really has the potential to be a win-win situation. I implore the Minister to do everything in her power to get this sorted, once and for all.

9.53 am

Samantha Dixon (City of Chester) (Lab): It is a pleasure to speak under your chairmanship, Ms Nokes. I congratulate the hon. Member for Eastleigh (Paul Holmes) on securing this important debate.

As we have heard, hospices provide compassionate care and support for more than 300,000 individuals a year who are facing life-limiting illnesses. They offer a place of comfort, dignity and peace not just for their patients, but for families and loved ones. May I take this opportunity to pay tribute to the incredible staff at hospices around the country, in particular the Hospice of the Good Shepherd in Backford in my constituency, where members of my own family have received care in the past? We should also thank the wider palliative care workforce, who work extremely hard to provide good care for so many.

Unfortunately, as we have heard, the reality for so many hospices is becoming increasingly bleak. Collectively, they are budgeting for a deficit of millions due to rising costs, with high energy bills and rising staff costs hitting hospices at a time when donations have dropped as a result of the cost of living crisis. I applaud the trustees at the Hospice of the Good Shepherd, who have taken the decision to match NHS workforce payments—an important step to establish the workforce and continue as a going concern. However, they are facing energy consumption that is going through the roof. They cannot reduce it, because they need to keep machines running and keep the in-patient unit warm or cool for those who need care.

As we know, the majority of hospices rely on charitable funding for a significant part of their finances. When I visited the Hospice of the Good Shepherd, the staff told me about the brilliant ways people raise funds. They include the corporate challenge, where local businesses grow £50 into £20,000, the Chester Sparkle Walk on 16 June, and local people holding individual events—my friends Steve and Zena held a garden party on Saturday and raised £800.

Those imaginative initiatives are essential for hospices to keep a good connection with their communities, but with costs increasing, Government must do more to lend support to hospices and their staff so that they can continue to provide their essential work.

9.56 am

Robin Millar (Aberconwy) (Con): It is a pleasure to serve under your chairmanship, Ms Nokes. I thank and congratulate the hon. Member for Eastleigh (Paul Holmes): judging by the attendance at this debate, he has struck a chord.

I would like to pay tribute briefly to two hospices in my constituency, St David's and Tŷ Gobaith, which is Welsh for "Hope House", and particularly to the clinical teams there. The UK has a reputation for having some of the best palliative care in the world, but it is not appreciated as much as it might be. I thank healthcare workers, the volunteers, who have such a critical role to play, and those who donate: donations provide up to 70% of Tŷ Gobaith's income.

It is true indeed that hospices play a key role: 90 children a year are looked after by Tŷ Gobaith, which has the effect of reducing pressure on the NHS and delivering end of life care within homes across north Wales, as my hon. Friend the Member for Darlington (Peter Gibson) mentioned. The hospice faces record numbers of referrals, as increasing numbers of babies and children in Wales are living with complex life-limiting conditions. It forecasts a deficit of £1.3 million this year and will not be cost-neutral in 2026.

As the chief executive of St David's has said, part of the problem is that awareness of the role and value of the hospice does not come until the point at which it is needed. My point is not to talk about how we have a perhaps fading Christian message in our society of a God who walks with us through troubles—through that valley of the shadow of death. It is not about a fading tradition in which the body of the deceased was once laid out at home, or about the trend in science where we are now able to extend the life of the body beyond sentience. It is more that it is the hospice that is in that space, very often helping us and walking through it with us. That role and the excellence of palliative care are crucial and must not be neglected. Beyond the care itself, it is about research into and understanding of that support.

On the point about finance, it is clear that across Wales £4.4 million is needed from the Welsh Government. The pressures on finance from that most pernicious of taxes, inflation, are incredible, but staffing is the biggest cost: 71% of hospice costs are related to staffing. In Wales in particular, there is pressure through the NHS pay deal. Hospices must compete for the staff that they have in their care homes. If I had time, I would talk about the challenges of energy supply costs: St David's has had an extra 50% on its heating and energy bill as a result of price rises.

Hospices have earned our respect. There is no doubt that their staff and teams have also won our deep gratitude. Now they must have our support.

9.59 am

Yasmin Qureshi (Bolton South East) (Lab): It is a pleasure to serve under your chairmanship, Ms Nokes. I congratulate the hon. Member for Eastleigh (Paul

Holmes) on securing today's important debate. It is personal to me, as I know it is to many parliamentary colleagues here. My mother died recently, and then my brother died about 11 months ago: the very least we can do for those who have been given a terminal diagnosis is to ensure that they die with dignity, surrounded by loved ones. Hospices are there to help and to alleviate physical, emotional and psychological suffering. Their work ensures that a dying person's final days are made as peaceful as possible.

Bolton Hospice, which serves my constituency, has a reputation for providing outstanding care to its patients, but it is expensive to run and gets minimal Government support. A constituent recently wrote to me to praise its work, telling me that her husband had been given just months to live:

"The 'hospice at home' team supported me and the girls to make unforgettable memories from the comfort of our living room...later he was admitted to the inpatient unit at Bolton Hospice where he passed away with his loved ones at his bedside." Even beyond his death, the hospice continued to support her and her young daughters through those very difficult times.

Bolton Hospice needs to raise over £4 million each year to be able to provide its specialist services. It is an independent charity; it relies solely on the generosity of donations and fundraising from the people of Bolton. The cost of living crisis has tipped its financial difficulties from a challenging position to crisis point. In the current climate, it is £457,000 worse off than in 2008. Hospice care, as we have heard, is an intensive user of energy, because of the need to maintain temperatures as well as extensive electrical equipment, from oxygen pumps to ventilators. Rising food prices have also meant that the cost of feeding patients has increased by 10%, while the cost of transporting patients has gone up by 44%.

Like other hospices, Bolton Hospice has worked hard to improve its fundraising, but it is running at an operational deficit of £1.2 million. Unless the Government intervene with an uplift of funding for 2024, it will have to reduce beds by 40% and reduce its care or end other vital services. The Minister must acknowledge that if hospices have to reduce or close down, that will place pressure on the NHS and our hospitals. At this time, because of the rising cost of living, the local community is not able to give as much money. I ask the Minister to make an exception in the case of hospices, and grant them the money.

10.2 am

Chris Green (Bolton West) (Con): It is a pleasure to serve under your chairmanship, Ms Nokes, and to follow my constituency neighbour the hon. Member for Bolton South East (Yasmin Qureshi), who champions the cause of Bolton Hospice so effectively. I congratulate my hon. Friend the Member for Eastleigh (Paul Holmes) on securing this timely debate; the fact that it is so well attended demonstrates how important the hospice movement is, right across the land.

The service that Bolton Hospice, Wigan and Leigh Hospice and Derian House Children's Hospice provide to my constituents is an immensely important part of the community. The charitable and fundraising aspect represents their importance to so many people in the community. When we are going through very difficult economic times, whether they are caused by war in

[Chris Green]

Europe, by covid or by lockdown restrictions, that makes it very difficult to fund hospices, so they have relied for many years on simple things such as sponsored walks and other events and activities. They value that relationship with the community. I have never had a sense from the hospice movement that it wants to be dependent on the national health service. They need that healthy relationship, but they also need certainty of funding from the national health service.

My principal question to the Minister, because so many of the key arguments have been made so compellingly, is what she can do with the integrated care systems and integrated care boards, as well as with the national health service, to maintain and shore up their relationship with their local hospices. That point is not necessarily recognised, because the hospice movement is independent of and separate from the national health service. When the NHS is going through a difficult squeeze, it is perhaps those other services, which are so important to the local community and which have such fantastic staff and so many superb volunteers doing amazing work, that are not necessarily recognised by the local system in the way they should be. The Minister must encourage and support integrated care systems and integrated care boards to deliver.

Several hon. Members *rose*—

Caroline Nokes (in the Chair): Order. I will reduce the time limit to two minutes after the next speaker.

10.4 am

Cat Smith (Lancaster and Fleetwood) (Lab): I congratulate the hon. Member for Eastleigh (Paul Holmes) on securing this debate and on volunteering to join the community of those of us who do daft things to fundraise for our local hospices.

Lancashire and South Cumbria hospices have been informed that our ICB has offered them a 0% uplift on their 2022-23 funding. Following on from last year's 1.7% uplift, that results in significant pressure, with the cost of living crisis and the need to retain doctors and nurses and be competitive with the NHS.

People often do not realise that our hospices rely on the good will of local communities and on fundraising. On average, two thirds of adult hospice income and four fifths of children's hospice income is raised through fundraising. St John's Hospice in Lancaster costs more than £5.1 million a year to run, and only about a third of that is provided by Government funding. That is why I decided two months ago that I would run the 26.2-mile London marathon to try to plug that gap, but I only managed to raise £1,500.

Hospice funding has never been a sustainable model. The crisis, rising energy costs and inflation are creating a perfect storm. The cost of living crisis is putting pressure on charitable donations. Hospices cannot simply reduce their energy use, and they need to remain competitive with NHS pay to recruit and retain staff.

Trinity Hospice in Blackpool's hospice-at-home service directly supported 70% of all those who died at home on the Fylde coast last year. The Minister will also be aware of Brian House Children's Hospice, which is part

of the Trinity service. For many years, it has served families on the Fylde coast who have the joy, but also the challenges, of raising and loving a child with a life-limiting diagnosis.

I want to press the Minister on the issue of children's hospices. I have visited the hospice on many occasions and have seen the amazing work to support so many of my constituents living in the most unimaginable circumstances, yet Brian House has seen a huge challenge to its funding, with its grant cut by £50,000. It is already one of the children's hospices with the least Government and health authority funding in the country: only 14% of its expected £1.6 million annual operating costs. A further loss of £185,000 next year is unimaginable.

I thank the Minister for meeting my constituency neighbour, the hon. Member for Blackpool North and Cleveleys (Paul Maynard), and me. Unfortunately, the hon. Gentleman cannot be here today, but he shares my concerns about the funding for Brian's House Children's Hospice. Can the Minister reassure him and me that this issue is on her radar and that she is doing all she can to ensure that no children's hospice loses out on funding because of changes to formulas?

10.7 am

Kevin Foster (Torbay) (Con): It is a pleasure to serve under your chairmanship, Ms Nokes. I congratulate my hon. Friend the Member for Eastleigh (Paul Holmes) on securing this debate.

Like many Members in this debate, I have seen at first hand what it means to be supported by hospice services. Back in January 2014, my mother Linda was entering the final stages of her battle with bowel cancer when she was cared for by St Luke's Hospice Plymouth. The staff there helped create some very special memories, which made her passing easier for all of us, especially my mum. Similarly, the support for my family from the local hospice and palliative care teams in Tameside two years ago as my stepdaughter Anne approached the end was significant to us all.

Colleagues have expressed and described the challenges facing the sector, but I also want to add a note of optimism to the debate. Rowcroft Hospice in Torquay marked its 40th anniversary last year not just by looking back over those 40 years, but by firmly looking to the future, unveiling a multimillion-pound investment and development programme that includes a new 60-bed specialist nursing home centred around a village green. A village hall, restaurant and allotments would also be part of the development, as well as a children's nursery and estate workshop. The plans are very welcome, as they will be a boost not only for Rowcroft but for Torbay's entire health and social care sector, with the hospice facility at its centre.

I am conscious that time is limited, but I have a couple of specific points on which I want to hear the Minister's thoughts. First, even though it is clear that the hospice movement does not wish to become a fully publicly funded healthcare service, what further options may be provided for support with some of the costs they face? Secondly, what support will be provided to hospices that are looking to expand their services and develop new integrated care offerings, as Rowcroft Hospice seeks to do?

Hospices are a unique place where life is added to days when days can no longer be added to life. They provide a service not just to in-patients, but to a whole community. I hope we can support them to continue doing so.

10.9 am

Mary Kelly Foy (City of Durham) (Lab): I thank the hon. Member for Eastleigh (Paul Holmes) for securing this important debate. I extend my condolences to him for the loss of his manager Sue.

I start by giving my heartfelt thanks to all those who work in hospices. Ensuring that people can pass away in comfort and dignity is an extremely honourable profession, and it means a great deal to people, as we have heard. The cost of living crisis is affecting hospices up and down the country, and we need to take it seriously. Even before the cost of living crisis began, working in a hospice was challenging. The Government should not be making it harder.

The Minister should be concerned by what hospices such as the brilliant St Cuthbert's Hospice in my constituency are saying. Inflation, for one, is a real concern. What St Cuthbert's is receiving from the integrated care board does not even come close to either wage inflation or general inflation. It is seeing a massive rise in its energy costs, by tens of thousands of pounds. As we have heard, a care home cannot reduce its energy consumption.

The marketplace for specialist staff is currently extremely competitive. The absence of a proper workforce plan from the Government is not helping. It should be noted that despite the challenges it is facing, St Cuthbert's Hospice continues to run at 100% satisfaction. I know the Minister will mention the £100 million announced in the spring Budget, but that falls short of what is really needed. Hospices are collectively budgeting for a deficit of more than £180 million this year.

Where is the support for energy bills? Hospices need to be able to offset their costs. After all, it does not reflect well on a society when the Government do not prioritise end of life care. Patients require the utmost dignity, and the Government should be ensuring that their dignity is prioritised.

10.11 am

James Wild (North West Norfolk) (Con): I congratulate my hon. Friend the Member for Eastleigh (Paul Holmes) on securing this important debate. It is timely for me, as on Friday I visited the Norfolk Hospice Tapping House in my constituency to talk to the staff and volunteers who provide the care, comfort and compassion for people living with life-limiting illnesses.

Tapping House is rightly a valued part of the west Norfolk community, supporting more than 1,000 families each year. At the heart of that hospice, and all hospices, are the incredible staff who provide high-quality care and go above and beyond to make people's final days as comfortable and memorable as possible—even, I heard, providing virtual reality headsets so that patients can imagine being on a tropical island and enjoying a cocktail from their bed. The brilliant team at Tapping House is supported by hundreds of volunteers, and it is testament to the great care provided there that many of the volunteers and fundraisers are family members of people

who spent their last days in the hospice. We have heard about the escalating costs in Tapping House, as energy costs have risen by 36% in the past year alone.

That brings me to funding. Only 30% of Tapping House's services are funded from the NHS, with the rest coming from donations. Despite the challenging economic backdrop, Tapping House just held one of its most successful events, Tulips for Tapping, at which people could go into tulip fields near Sandringham and experience their great beauty. That event raised more than £140,000. However, the NHS funding received for in-patient units has not increased for the past two years, and community-based services have not seen an increase for several years.

I would be grateful if the Minister could say how much of the £1.5 billion for additional costs has actually flowed through to hospices. Along with other MPs, I have previously called for additional support for hospices, and the Government responded positively. The sector needs urgent support now; I hope the Government will carefully consider the requests that have been made and provide that additional support.

10.13 am

Tim Farron (Westmorland and Lonsdale) (LD): It is a pleasure to serve under your chairmanship, Ms Nokes. I pay tribute to the hon. Member for Eastleigh (Paul Holmes) for securing this important debate.

St Mary's Hospice at Ulverston, St John's Hospice at Lancaster and the Eden Valley Hospice at Carlisle provide tender, professional and specialist care for people with life-limiting conditions and their loved ones—something we are so grateful for. They prove that life has dignity from beginning to end. Hospitals, however marvellous they are, do not have the resources to replicate the care that is provided by hospices.

The costs of running a hospice have gone through the roof in recent times. Val Stangoe, the chief executive of St Mary's, one of our three local hospices, said to me:

“The recent settlement by the NHS Lancashire South Cumbria ICB of 0.0%”—

as pointed out by the hon. Member for Lancaster and Fleetwood (Cat Smith)—

“has left our hospices in a state of financial deficit, with potential loss of hospice beds and services.”

She went on:

“Your local hospices”—

our hospices—

“are now operating on a deficit budget, have received the lowest settlements in England. The proposed 0.0% uplift equates to almost 10% in cuts, significantly impacting delivery of services. This stands in contrast to other regions, where hospices have received an average uplift of 2.7%”—

which is not enough. She continued:

“The disproportionate treatment faced by hospices in Lancashire South Cumbria is unfair and must be addressed.”

My fundamental ask of the Minister is this: will she directly involve herself in that situation to stop our hospices in Cumbria suffering? I have been asking the Government for months to come up with a scheme to help hospices that are struggling with their energy costs, which have gone up three times in recent months. There are lots of promises and no action.

[Tim Farron]

There is a cost to meeting the NHS pay settlement. There is a cost to ensuring that hospices are paid properly so that they can pay their staff, keep them, and recruit them in the first place, and so that they can pay their energy bills. But the cost of not doing that is far greater, not only in terms of the health damage and people's pain and suffering, but for the hospitals that have to pick up the pieces when hospices are not able to meet people's needs.

Caroline Nokes (in the Chair): Because one speaker has dropped out, I am going to increase the time limit back to three minutes.

10.15 am

Mr Robin Walker (Worcester) (Con): I congratulate my hon. Friend the Member for Eastleigh (Paul Holmes) on securing this debate, and everyone who has spoken. We have heard some fantastic speeches.

Hospices provide a vital public service, but it is important to recognise that they are not, and do not want to be, part of the publicly funded NHS. Their flexibility as independent organisations helps them to meet the many and varied needs of people at the end of their life and with life-limiting conditions. They do a fantastic job of fundraising to support their activities so that they can deliver impact way beyond the value of the small public contributions they receive.

I am fortunate to have two brilliant hospices in my patch—St Richard's Hospice and Acorns Children's Hospice. I remember the first time I visited St Richard's, and there was a sense of trepidation. It is a place where people go to die; would it not be a sad and depressing visit? Not a bit. I was amazed at how uplifting and positive it was. A few months later, I sadly got to know the hospice much better. Just a month after I was elected, my father was admitted to St Richard's Hospice, and it provided amazing care and incredible support to my family. I echo the hon. Member for Bolton South East (Yasmin Qureshi), who talked about people dying with dignity with their loved ones around them. That is what the work of adult hospices should be, and is, all about.

St Richard's tells me that only about £700,000 of its £12 million income comes from the NHS and the public purse. It has been offered an uplift of 1.8% by our local ICB, which would be worth about £40,000. A 1% pay rise for its staff would cost about double that, and matching the NHS 5% increase would cost about 10 times as much. I will not ask Ministers to take over funding for hospices, or the NHS to take a much larger share of hospice funding, but it is fair to ask them to provide help when inflation and the Government's own pay increases are driving up costs for hospices. The ask from Hospice UK is for £30 million of Government funding to offset the increase in energy bills and £102 million for hospices in England to help them to keep pace with NHS pay rises in the next year. That is not unreasonable.

Children's hospices also do an amazing job. They are also uplifting and inspiring places, as we have heard from many Members. I am fortunate to have Acorns in my patch, which has already been mentioned by my right hon. Friend the Member for Aldridge-Brownhills

(Wendy Morton). It has a new CEO and it is about to celebrate its 20th anniversary. I want that to be a successful moment, and certainty about the children's hospice grant would be incredibly helpful in that respect. The grant has sustained children's hospices—it has kept them going year after year—but its short-term nature has become a problem for them.

We recently saw some welcome news from the Government about sports funding in schools—they have finally provided a multi-year settlement after many years of not being able to do so—and I hope they consider doing the same for children's hospices. A multi-year settlement would make a massive difference, and giving some certainty that the grant will be renewed is essential.

10.18 am

Stephanie Peacock (Barnsley East) (Lab): It is a pleasure to serve under your chairmanship, Ms Nokes. I pay tribute to the hon. Member for Eastleigh (Paul Holmes) for securing this important debate and for his incredibly powerful speech; I pass on my condolences. I also pay tribute to Barnsley Hospice and Bluebell Wood Children's Hospice in South Yorkshire, which I want to focus on.

Six-year-old Daniel from Darfield in Barnsley has been receiving care at Bluebell Wood for mitochondrial disease and cerebral palsy. He struggles to sit, eat and stand, and his family simply do not know how long they have left, but they treasure every day despite facing many challenges. Daniel has received excellent care, and his family are grateful to Bluebell Wood for all that it does, but they want greater security for hospices and they want to speak directly to the Government to ask for it, because they do not know whether Daniel will be able to receive the end of life care that he might need at Bluebell Wood. I have raised this issue at Prime Minister's questions and I was grateful for my discussion with the Minister when I met her a few weeks ago.

Last year, Bluebell Wood hospice was forced to close because of staffing pressures. It is now open again, but only to 90% of its capacity. When I visited a few weeks ago, the staff spoke about not only how they are of course there to provide end of life care, but how they do so much more. They provide respite care and support for parents, siblings and families. They try to provide fun and happiness, to make memories at what is an incredibly difficult and traumatic time. I saw that work at first hand. It was incredibly moving also to see at first hand the hospice's end of life suite. The staff took me into what they call the cold room, which is where families will spend their final time together at the very end of the life and after passing. Often, it is where the larger family can say their goodbyes.

The staff told me that there is nothing they can do to prolong a child's life at the worst moment in a family's life, but what they can do is do everything they can to support families, which is often so important to the grieving process. That is the most powerful case for the provision of greater support and security for hospices—for all the different things we have spoken about today, including the continuation of the energy support grant, particularly for children's hospices, and of course the provision of a longer-term and more secure model.

I conclude by thanking the amazing staff, medics and volunteers who continue to do all the work that they do at Bluebell Wood, at Barnsley Hospice and at hospices

across the country, so that Daniel and all the children and young people in a similar situation receive the care they deserve when they need it.

10.21 am

Rachael Maskell (York Central) (Lab/Co-op): It is a pleasure to serve with you in the Chair, Ms Nokes, and I thank the hon. Member for Eastleigh (Paul Holmes) for securing this timely and important debate.

For children in York, hospice care is provided by Martin House, and for adults by St Leonard's. I pay tribute to all the staff at both hospices for their services and their love, care, professionalism, sacrifice and dedication for their patients and the families they serve. Where would we be without them? I will never forget the doctor, who had experience right across the NHS, who told me that before she came to St Leonard's she had never seen care like it. That is what people across this country experience as they pass from this world.

Hospices are special places, as we have heard at lot in this debate, but they are also important places whose funding we cannot just leave to the rattling of tins. That is why it is so important that we focus on their funding, which is the call from today's debate that the Minister must hear loud and clear. It is not good enough just to say that ICBs have the money and it is their decision, because ultimately hospices need funding from the Government. Now that the Government have put it on the statute book, thanks to the Lords, they need to make sure that they put the money behind this service.

Let me talk about St Leonard's, which this year faces a £1 million deficit. It has not received the increase in funding to cope with the pressures of inflation. It received just £340,000 from the better care fund, which is the same amount as in 2016. There has been no increase, despite the fact that there has been an increase in the number of patients, moving from 200 back then, with the hospice-at-home service, to 700 patients a year now. St Leonard's provides excellent care in the home, allowing people to choose where they die and the support they receive when they die.

The hospice faces fuel costs that are up by 180% for that hospice-at-home service. Of course, the in-patient service has seen energy costs rising, alongside the rising cost of food and so many other things. Indeed, staffing costs have also increased and are up by 31% over the last three years. We cannot just keep rattling tins when the cost of living crisis is impacting on everyone; we need to find a secure, assured and long-term funding solution for the services we are talking about.

Less than 30% of St Leonard's funding comes from statutory sources. That situation cries out to this Government: "Surely, ensuring that people have a good death is worth finding the money for." That is why I call on the Minister to think about what this means not just for NHS budgets but for families, carers and all the people who depend on hospice services. We need to move urgently to find that security, just as people find that security at the end of life.

10.24 am

Jim Shannon (Strangford) (DUP): This is one of those occasions when being called last means I gain a minute, so I am pleased to have the opportunity to do just that—thank you, Ms Nokes. I thank the hon.

Member for Eastleigh (Paul Holmes) for setting the scene so well, and for giving us the chance to participate in a debate that moves us all. Some Members have told very personal stories.

I put on the record my thanks to all the charities, groups and staff who give hospice care, and give families, and us in this House, so much across this great United Kingdom. Our NHS is under immense strain, and we completely understand that there is a finite budget, but questions have to be asked about the use of funds when we look at those at the end of their lives living in conditions that are not acceptable. Rising costs from energy, food prices and staff costs, which are required to meet expected NHS pay rises, mean that hospices across the United Kingdom of Great Britain and Northern Ireland are collectively budgeting for a massive deficit of £186 million this year. Unless we are going to understaff, under-feed, under-medicate or under-heat our dying patients, more money is needed—that is the bottom line.

It is always a pleasure to see the Minister in her place. She grasps the situation very well. She is a lady well known for her compassion and understanding, and I look forward to her response. I agree with Hospice UK, which says that hospices need financial support to continue to offer their essential services. Government funding of £30 million for UK hospices to offset the increased cost of energy bills in the year ahead needs to go beyond the energy bills discount scheme. Additional funding for hospices from the Department of Health in Northern Ireland is also needed; I do not know whether the Minister has had a chance to consider that. The fact is that funding for hospice care is unsustainable. By the end of the year, 86% of hospices will be impacted by increasing energy prices. They need to keep medical machines running and their in-patient units warm for those in their care. Some 71% of hospice expenditure is on staff, which is a massive issue. As I referred to in an intervention, charities and volunteers run 66% of adult hospices and 80% of children's hospices.

Over the next few years, I and others, as we often do, will help those hospices. Marie Curie, based in Knock Road in Belfast, is a hospice that I have visited to see people who have now passed away. I understand what such hospices do. The facts are clear: savings can always be made with improvements, but on nowhere near the scale that is needed. I therefore believe, with respect, that the Government and the Minister must man the breach. We regularly prioritise human rights in other nations, and the most basic right to a good death must be prioritised in the United Kingdom. That is what we want. It is a very simple request, and I hope the Minister can answer in a positive fashion.

Caroline Nokes (in the Chair): That brings us to our Front Benchers. I call Patrick Grady.

10.27 am

Patrick Grady (Glasgow North) (SNP): It is a pleasure to serve under your chairmanship, Ms Nokes. I, too, congratulate the hon. Member for Eastleigh (Paul Holmes) on securing the debate, and echo the tributes and condolences that have been paid to his chief of staff, and all those who knew her.

Many, if not most, people will know, or know of, someone who has passed away in the care of a hospice. The hon. Members for Blackburn (Kate Hollern), for

[Patrick Grady]

City of Chester (Samantha Dixon), for Bolton South East (Yasmin Qureshi), for Torbay (Kevin Foster) and for Worcester (Mr Walker) all spoke of their personal experiences. I have spoken previously of Liz Quinn, a long-standing activist in Glasgow Kelvin SNP, who spent her final days in the Marie Curie Hospice in Glasgow shortly before the 2017 election. In a debate in March I spoke about my good friend Melanie, who at that point was receiving care from the wonderful and dedicated staff at the Highland Hospice in Inverness. That care continued right up until the end, about a month or so later.

In many ways, that care provision has not stopped, because the hospice is still there to support Melanie's husband, their son, and other family and friends. The compassion and support shown by the hospice movement, both before and after bereavement, is another of the aspects that make it such a special and valuable service. For that, we thank all those who work and volunteer for our hospices. The wraparound care—from the respite, which is beneficial to both the patient and their family, to ongoing support for their emotional wellbeing, practical advice for families dealing with finances, and signposting to other more specialised services, especially helping younger people and children to come to terms with trauma and loss—is all part of the service.

As we have heard, that incredible work is mostly done without reliance on public funding. Hospice UK estimates that up to two thirds of adult hospice income, and four fifths of children's hospice income, derives from fundraising. Much like the hon. Member for Eastleigh, I hope to contribute in a small way by running the Loch Lomond 10K on Saturday for the Highland Hospice in memory of Melanie—perhaps we can swap JustGiving pages. We can aim to the heights of the hon. Member for Lancaster and Fleetwood (Cat Smith) by running a marathon eventually.

As the hon. Member for Strangford (Jim Shannon) said, we ought to express our thanks to all the people who have raised funds in so many ways; whether that is through runs, bungee jumps, skydives or marathons, it is admirable and inspiring. But increasingly it is not enough. The cumulative impact of energy, food, staffing and other price rises have left the hospice sector across the UK budgeting for a deficit of around £186 million this year. It is becoming a literally existential crisis for many individual hospices. In particular, we should recognise the work of the all-party parliamentary group on hospice and end of life care. I pay tribute to the hon. Member for Darlington (Peter Gibson) for the report that was produced early this year.

Perhaps in some areas of the public sector, maybe even in health or wider services, there are possibilities to cut costs, but that is much more difficult for hospices. Medical machinery must be able to run 24/7 and 365 days a year. Temperature control—usually that means heating, although in the current season it may mean a little bit of cooling—is vital because maintaining comfortable temperatures for patients is a key aspect of palliative care, as is the provision of wholesome nutritious and tasty food.

The Government may have a target of reducing energy and food inflation, but that does not mean prices reducing; lower inflation just means prices rising a little slower.

All that is driving wage inflation. Of course hospices want to be able to keep up with NHS pay rises. The better pay and conditions are for staff, the better level of service they in turn will be able to provide for those in their care.

We must acknowledge that there are staff shortages across the health and care sector as a result of the Government's decision to force through a hard Brexit. We will never know how many trained and talented health and medical workers arrive here on small boats because the Government refuse to ask them—they would prefer to put them up in hotels or deport them to Rwanda than let them put their skills to use in hospices or hospitals.

The risk of all those challenges is a reduction in a service that everyone who has spoken in this debate agrees is of immense value on so many levels, but reduced provision is not going to mean that there is reduced demand. In fact, Sue Ryder has calculated that demand for palliative care in England is likely to rise by 55% in the next 10 years. If the hospice sector cannot provide the care, the costs will still have to be met from somewhere, either by the NHS directly, by other social care providers, by local authorities or ultimately by the families of the people who need the care themselves. They will have to take time out of the workforce to become full-time carers or pay emotional, psychological or even physical costs to their own wellbeing as they try to cope without professional support. That in turn simply increases costs for social security or the NHS. Therefore, in a way, providing adequate support for palliative care now also has longer-term preventive effects in the future.

The sector has made its funding requirements clear to the UK and Scottish Governments. Those include at least £30 million to offset energy costs above and beyond what is provided through the energy bills discount scheme. Sue Ryder sees the need for a step change in the funding approach, saying a commitment to fund 70% of total palliative care costs is the minimum required to ensure the sustainability of the sector in the medium term. In his intervention, the hon. Member for Wimbledon (Stephen Hammond) made an important point about budgeting certainty.

The Government must take this seriously. Access to care and compassion at the end of life should not have to be fought for or seen as some kind of luxury. If Westminster Hall debates are to have any kind of impact, it should be to give notice to the Government of the challenges that lie ahead and an indication that our constituents are paying attention. Sixteen Back Benchers in a Westminster Hall debate—it is a pretty good show these days. That is to say nothing of the eight different interventions. That suggests the seriousness with which the Government must take this issue.

Many people in Glasgow North are thankful for the support that the hospice sector has provided to their loved ones. I hope the Minister, when she responds, will agree that a cost of living crisis should not be allowed to turn into a cost of dying crisis.

10.34 am

Liz Kendall (Leicester West) (Lab): It is a pleasure to serve under your chairmanship, Ms Nokes. This has been a really important and good debate; we do not

always say that about debates in this place. I thank the hon. Member for Eastleigh (Paul Holmes) for securing it. He spoke with great passion and personal insight, and I am sure Sue's family and friends will thank him for what he said. I also thank all hon. Members who spoke about their personal experiences. It is not always easy to do that here, but they have shown great courage.

Many Members thanked the amazing hospices in their constituencies. I hope they will forgive me for also paying tribute to LOROS Hospice in Leicester West, which I have visited many times. I am blown away by the care and compassion there, and the complete humanity shown to others. I am very grateful for that.

The argument I want to make today is that we need a much bigger, more serious debate about what makes for a good death, in the words of the hon. Member for Strangford (Jim Shannon). Policy really needs to change across the board. When the welfare state and the NHS were created, average life expectancy was 63. Now it is over 80, and one in four babies born today is going to live to 100. Back then, most people died of infectious diseases or accidents. Now, it is long-term chronic conditions. That means we are now experiencing death in a very different way. Often, death is not sudden; it may be long and difficult, both physically and emotionally.

Hospices—including hospice at home, because that is where many people want to die—need to be seen as an essential part of our health and care system, not an optional extra, a luxury or an add-on, as part of that much bigger debate about what makes for a good death. “A good death” is not perhaps a great campaigning slogan for any political party to focus on, but it is the truth of what we face, and politics needs to keep up with the changes in society. We need to start looking at that. The vital role of hospices and the need to properly plan a funding system, our workforce, training and how we link services and support is the context within which I see today's debate. Quite frankly, people do not want to die in hospital. They want to die in the community and at home, with integral support for family and friends. That is our vision; that is what we need to deliver.

Abena Oppong-Asare (Erith and Thamesmead) (Lab): I thank the shadow Minister for giving way. I completely agree with the points she has raised. I thank the hon. Member for Eastleigh (Paul Holmes) for bringing the debate forward and for sharing his personal story, as have others in this room. It is not easy to share those stories, but it is important that we do.

I have seen first hand how hospices play a vital role in communities. They go over and beyond, and are truly heroic. I am patron of Greenwich and Bexley Community Hospice in my constituency; I have seen how they provide compassionate end of life care. Does my hon. Friend agree that it is vital that the Government recognise the issues hospices face, particularly during the pandemic and with the cost of living crisis?

Caroline Nokes (in the Chair): Order. I remind the Member that interventions should be short.

Liz Kendall: I absolutely agree with my hon. Friend and will come on to many of the points she raises.

I want to touch on about five issues, as part of shifting us to a different position on how we ensure people have a good death in the 21st century. The first

issue, which I hope the Minister will comment on, and which all right hon. and hon. Members have spoken about, is the real need to review how hospices in England are funded, so that this absolutely critical sector has certainty and security in the months and years ahead. That was a key recommendation of the all-party parliamentary group for hospice and end of life care.

Many Members have spoken about the huge financial pressures on hospices: food prices, energy costs, the costs of NHS pay settlements. As Sue Ryder says, most hospices have seen a 10% increase in their costs, but only a 1% increase and in some cases no increase at all in NHS funding from integrated care boards, creating a perfect storm. ICBs have a statutory requirement to meet palliative care and end of life needs of their populations, but where is the funding? I hope the Minister will say whether the Government will institute the review because, without that, we will not have security for the future.

My second point, which has not been discussed in this debate but which I care passionately about—I would like to hear the Minister say something about this—is inequalities in access to hospice, end of life and palliative care. We know from the Parliamentary Office of Science and Technology that the pandemic exacerbated inequalities in accessing good palliative and end of life care for minority ethnic groups, and there are also socio-economic inequalities in access to hospice care. We know from Sue Ryder that there are also inequalities in access to bereavement support. We want to see everybody have fair access. Will the Minister say something about that?

The third issue relates to help to die at home, something I have campaigned on for many years as a Member of Parliament. There are still at least 10,000 people a year dying in hospital when they want the choice of dying at home. They are not getting the fast track NHS continuing healthcare support that they are supposed to get within 48 hours so that they can die at home. Our brilliant hospices have all sorts of support that they want to give, so I ask the Minister: why is that still a problem and what are we doing about it?

My next issue, which has been raised by many Members, concerns children's hospices. Rainbows, the sole children's hospice in the east midlands, wrote to me to express its concern about the children's hospice grant potentially being wound up. As recently as 22 May, the Government replied to a written question:

“Funding arrangements for children's hospices beyond 2023/24 have not yet been agreed.”

We cannot have children's hospices not knowing what is happening to their grants. We have to be able plan ahead better.

Fourthly is something that my hospice, LOROS, has raised with me, but also lots of care homes. Bear with me on this. Many care homes are now essentially providing a lot of end of life care because the level of need that people have when they go into a care home is so great that that is what they need. But the staff might not be properly trained, and LOROS has said that it could work with care homes to make sure the staff are trained. That is one specific ask, so perhaps the Minister could meet me and LOROS to look at what hospices could do to better support our care homes.

Last but by no means least is workforce shortages. Sue Ryder stated:

“The Government must plan for the workforce as a whole system across health and social care”

[Liz Kendall]

and charitable providers. That is really important. We have to stop seeing all those different bits of the system as separate. We Labour Members have set out our plans for the biggest expansion in the NHS workforce's history and for fair pay agreements and for social care staff. We urgently need to see the Government's workforce plan, and I would like to see that covering all the issues.

In conclusion, we have heard today about the manifold pressures on hospices. I do not think I have ever been in a debate where so many Members have spoken so powerfully and positively about a part of the health and care system and what it does. It shows the strength of feeling and support, but I ask everyone here to think about how we as a Parliament can put achieving a good death as a big thing that we can make progress on and continue this campaign in future. I look forward to hearing the Minister's comments.

10.44 am

The Minister for Social Care (Helen Whately): It is a pleasure to serve under your chairmanship, Ms Nokes. I thank my hon. Friend the Member for Eastleigh (Paul Holmes) for securing this debate on hospices, and I thank all hon. Members who have contributed. Both the number of colleagues in the room and the passion of so many contributions show the strength of feeling and level of support for hospices in all our communities.

We have heard from so many colleagues this morning: my hon. Friends the Members for Darlington (Peter Gibson), for Aberconwy (Robin Millar), for Bolton West (Chris Green), for Torbay (Kevin Foster), for North West Norfolk (James Wild) and for Worcester (Mr Walker), and the hon. Members for Blackburn (Kate Hollern), for City of Chester (Samantha Dixon), for Bolton South East (Yasmin Qureshi), for Westmorland and Lonsdale (Tim Farron), for York Central (Rachael Maskell), for Barnsley East (Stephanie Peacock), for Lancaster and Fleetwood (Cat Smith) and for Strangford (Jim Shannon). In addition, many other hon. Members have contributed by intervening. In the course of today's debate, many fantastic local hospices have rightly been praised for what they do for our communities.

My hon. Friend the Member for Eastleigh spoke about the Mountbatten hospice in his constituency and how it cared so wonderfully for his friend and colleague Sue Hall. Many hon. Members spoke about their personal experiences, which often involved family members, and the amazing ways that hospices have helped family members and themselves through difficult times. I, too, remember the amazing care that my granny received in her local hospice in Dorset when I was in my twenties. I still hold in my head the experience of visiting her there—the tranquillity of the hospice and the amazing care that she was clearly receiving, which made the last weeks of her life as bearable as possible. I remember the kindness and peace that I felt there in that hospice. I, too, have that personal experience and appreciation of what hospices do.

A theme of this debate has, rightly, been the importance of dying well—dying with dignity and dying with the right care in the place where a person wants to die, which is very often at home. Dying well depends on good end of life care, for which we in this country rightly have a good reputation. Most end of life care is

provided through NHS services, but hospices are an important part of end of life and palliative care in our communities. As we know, hospices provide care in their facilities, but increasingly and very importantly they provide care to people in their own homes towards the end of their lives, and also support families through those difficult times and through bereavement.

Stephanie Peacock: The end of life care that I spoke about in my contribution, which is so important, remains closed at Bluebell Wood Children's Hospice; it is the one part of the hospice that has been unable to reopen. Will the Minister commit to doing everything that she can to support the hospice to reopen, so that it can continue to provide end of life care, and not just all the other services it provides to families that need them so much?

Helen Whately: As the hon. Member mentioned earlier, we have indeed met and spoken about the hospice to which she refers. I have also met with several other hon. Members. I am grateful to them for coming to me to talk about the specific difficult situations faced by some of the hospices serving their communities.

That brings me to exactly what I was coming to talk about: the financial pressures on hospices, which have been a strong theme of the debate. I know very well, not just from this debate but from conversations with hospices, about the financial challenges that hospices are facing. In fact, financial challenges are being faced by many organisations that provide care in our communities, whether NHS organisations or care homes, as the hon. Member for Leicester West (Liz Kendall) mentioned. In particular, there are the extra pressures of energy costs—such organisations often use substantial amounts of energy—and the higher costs of staff pay. We know that many hospices pay their staff in alignment with the NHS agenda for change pay scales.

An additional difficult context for hospices at the moment is fundraising. That was clearly hard during the pandemic, but since then many households have been affected by the higher cost of living and therefore have found it harder to contribute to fundraising efforts in their communities, including those organised by hospices. I know how hard that context is for our hospices.

On energy costs, many hospices have been able to benefit from the Government's energy bill relief scheme, which ran to 31 March. Eligible organisations, including hospices, will continue to get baseline discount support for gas and electricity bills under the energy bills discount scheme, which is running from 1 April 2023 to 31 March 2024. In addition, last year NHS England released £1.5 billion of extra funding to integrated care boards in recognition of the extra costs arising from inflation in the services they commission. ICBs have been responsible for distributing that funding according to local need, including to palliative and end of life care providers in our communities, whether they are NHS organisations or hospices.

Tim Farron: Of course, ICBs are not elected, but the Minister is. She heard what the hon. Member for Lancaster and Fleetwood (Cat Smith) and I had to say about the 0% increase that the Lancashire and South Cumbria ICB has granted—or not granted—our hospices. Will she directly get involved in that to fix it so we do not have to have the 10% cuts that St Mary's Hospice thinks we will have to deliver?

Helen Whately: I will not commit to getting involved in a specific conversation between a hospice and an ICB. That would not be the right thing for me to do as a Minister. The hon. Gentleman and I have had several conversations over the years that I have been a Minister, so he will not be surprised to hear that I have been seeking transparency about the extent to which the funding has or has not gone to hospices. I have been seeking data on whether the rates being paid to hospices have or have not gone up so that we have transparency about the extent to which the funding that has gone to integrated care boards to support with inflation is getting through to the services that need support.

Peter Gibson: Although I acknowledge and appreciate everything the Government did to support hospices during covid, it is simply not the case that every ICB across the country is passing the right amount of money to the hospices from which it commissions services. Will the Minister commit to publishing information about which ICBs are stepping up to the plate and fulfilling their statutory obligations, and which are not?

Helen Whately: I commit to continuing to dig into getting visibility on the extent to which extra funding is going through to hospices. Of course, there is a balance to be struck when giving integrated care boards the freedom to do what we want them to do, which is to understand fully the needs for care in their populations, and make good decisions about how they fund care for their populations. None of us believes that a Minister in Westminster has the answers about what should happen and exactly how funding should be distributed in every single one of our communities. I will continue to get that visibility, because it is important that we know the extent to which our hospices are getting support for the extra financial pressures that we have been discussing.

Rachael Maskell: Will the Minister give way?

Helen Whately: I will make a bit of progress, because I am conscious that the clock is ticking.

Integrated care boards are responsible for ensuring the provision of the end of life and palliative care that is needed in our communities across England. In addition to the funding, I am working with NHS England to ensure greater visibility relating to what that means in practice and what is being commissioned.

The shadow Minister's point about inequality of access was very important. We know that there is inequality of access to palliative and end of life care. Some communities are much better served than others, in part due to the fantastic legacy of our hospices: where there is a really good hospice, there is often much better access to end of life and palliative care around it. We want to improve equality and reduce some of the disparities in access to end of life care. As part of that, people should be able to do what most people want—to die at home with the right support in place.

I want to talk about the funding for children's hospices, which several hon. Members brought up. Recognising the importance of palliative and end of life care for children and young people, NHS England provided £25 million specifically for that, via the children's hospice grant during this financial year. I have, of course, heard the calls for that grant to be continued, and for greater

continuity and visibility of funding further out. I cannot say more on that today, but I can assure hon. Members that I have been speaking to NHS England about that funding beyond this year. I do expect further news to be communicated about that shortly, appreciating the level of concern among hon. Members and children's hospices in their communities.

Rachael Maskell: I am grateful to the Minister for giving way. The Health and Care Act 2022 put a responsibility to fund palliative care on the statute books. Will the Minister set out what has changed, to enable that funding to come forward? We know there are people in our communities who are not receiving that care, although they need to now under the law. The funding needs to be in place for them to receive the care that they need at the end of life.

Helen Whately: That alludes to exactly the point I made a moment ago. As flagged in that 2022 Act, ICBs have responsibility for commissioning that care, using the budgets they receive through NHS England. I am working to ensure the visibility of the commissioning, to be assured that that is taking place, so that we can be assured about the availability of end of life and palliative care for our communities.

I want to make a final point as I close; I am looking at the clock ticking. Against the backdrop of financial concerns, which I of course recognise and which we are discussing, is the strength of hospices in their communities, and the importance, as mentioned by hon. Friends, that they are not solely financially dependent on the state and the NHS for funding. They receive some NHS funding, but it is important that hospices are successful in fundraising and gaining support from our communities. That is one of the strengths of their model, and I want to continue to support that.

I pay tribute to all the volunteers and those involved in fundraising, including many hon. Members this morning who mentioned the fundraising efforts that they are personally making for hospices in their communities. I wish very good luck to my hon. Friend the Member for Eastleigh for his forthcoming skydive. All credit to him for having the courage to jump out of an aeroplane. I sincerely hope that he is successful.

Paul Holmes: Thank you!

Helen Whately: I wish him very good luck; it is fabulous that he is doing that for his own hospice. I also commend the efforts of many other hon. Members. I conclude by thanking all hon. Members for coming today and for their contributions to this important debate.

10.58 am

Paul Holmes: Thank you, Ms Nokes. I will briefly wind up by saying thanks to all hon. Members for the heartfelt contributions that they have made. It has been incredibly humbling sitting here. If my career does end on 24 June with my skydive, and this is the one thing I have managed to do, it will be entirely worth it. I thank the Minister for responding. I also thank Sue's family—her husband Jerry and her girls Rosie and Phoebe—who have been immensely strong over the past year or so.

[Paul Holmes]

I hope the Minister has recognised that there are serious concerns about the funding of hospices. In the environment she set out of the ICBs being given the money, she should take credit for the uplift they have been given. I hope that after this morning's debate she will take a stronger line in holding those ICBs to account because, frankly, that money is not getting through when it should.

Question put and agreed to.

Resolved,

That this House has considered support for hospice services.

Bank Closures: Stoke-on-Trent North

11 am

Caroline Nokes (in the Chair): I will call Jonathan Gullis to move the motion and then the Minister to respond. As this is a 30-minute debate, there will not be an opportunity for the Member in charge to make a winding-up speech.

Jonathan Gullis (Stoke-on-Trent North) (Con): I beg to move,

That this House has considered bank closures in Stoke-on-Trent North constituency.

It is a pleasure to serve under your chairmanship, Ms Nokes. I am grateful to Mr Speaker for permitting the debate, and I thank right hon. and hon. Friends, including the Minister, for attending. There is one Member who would like to be here—my hon. Friend the Member for Newcastle-under-Lyme (Aaron Bell), whose constituency is also suffering a closure—and he is hoping to join us later, and I place on the record my thanks for my hon. Friend's support.

Banks are at the very heart of local communities, and they provide the most vulnerable people in society with vital services and support with their money. Banks have been at the centre of high streets up and down this great country for generations, drawing people to the local area, which has the added benefit of increasing footfall for local businesses. In Stoke-on-Trent North, Kidsgrove and Talke, we have a Lloyds in Tunstall and a Barclays in Kidsgrove, but constituents tell me that they feel there is already a significant lack of access to in-person banking services, which impacts the most vulnerable in our communities—the elderly and the disabled—disproportionately.

According to Which?, 86% of banks have closed in Stoke-on-Trent North, Kidsgrove and Talke since 2015, which in my opinion justifies my constituents' concerns. At the national level too, there has been a significant number of closures: between June 2015 and January 2023, 5,391 bank branches closed in the United Kingdom, which is a shocking 54 per month. This year, regrettably, the pace of closure has not relented, with 114 HSBC, 95 Barclays, 52 NatWest and 23 Lloyds branches closing their doors, leaving gaping holes in local high streets and local communities.

Jim Shannon (Strangford) (DUP): I thank the hon. Gentleman for bringing this matter forward. My constituency has had 11 banks close, which is similar to the experience in Stoke. When it comes to closing banks and the effect that has, does he agree that there never seems to be any consideration given to elderly people who depend on the old system of using cash and cheque books, face-to-face interviews and talking with bank staff?

Jonathan Gullis: The hon. Gentleman is absolutely right not only about the elderly, but about people who do not have online access, or have no desire to have it, or who do not understand the modern technology about which we have the benefit of learning in this day and age. Such people have a natural mistrust of online banking because they are fearful of scammers and the online hoaxes that have sadly become all too apparent

in our criminal justice system. If the Barclays closure goes ahead, Stoke-on-Trent North, Kidsgrove and Talke will be left with just one high street bank, which is simply not good enough.

I am pleased to have secured the debate given the terrible news that Barclays has announced its intention to close the Kidsgrove branch on 11 August. That decision will leave that great town without a single bank and leave the community isolated from vital in-person banking services, which provide local people with reassurance and confidence with respect to their money, particularly during a cost of living crisis.

It is right to point out that digitalisation has transformed the way that families and businesses deposit, withdraw and save their money, and in Stoke-on-Trent we have been rolling out brand-new 5G broadband, which is increasing our connectivity, and which will undoubtedly make online banking more effective. The digital revolution means that banks are innovating, and Barclays points out in its argument for closing the branch that

“the way people bank today is unrecognisable from 50 years ago”.

However, it is of paramount importance that we do not let digitalisation exclude people in our community from banking services.

The services that bank branches provide are most important for vulnerable members of society, and closures impact them the most. One of my constituents, Dawn from Kidsgrove, told me that her father, who is an elderly customer, would find it “impossible” to travel to Crewe or to Hanley to visit a Barclays branch, that his deafness means he cannot use telephone banking, and that he is not confident enough to use internet banking.

As the Chief Secretary to the Treasury pointed out in the 2020 access to cash call for evidence:

“exclusion from banking services can have a detrimental impact on people’s lives. Whilst card payments and other payments services are becoming increasingly popular, the evidence shows that a significant proportion of the UK population continues to rely on cash in their day to day lives.”

The Financial Conduct Authority states that banks are expected to carefully consider the impact of planned branch closures on the everyday banking and cash access needs of their customers, and to take particular care for their most vulnerable customers.

I have launched a petition to save Barclays branch from closure, and it has nearly 450 signatures already. That shows the strength of local feeling that Barclays is not upholding its responsibility to look after its most vulnerable customers.

Sir Gavin Williamson (South Staffordshire) (Con): I congratulate my hon. Friend on securing the debate. We are also facing the closure of a Barclays branch in Wombourne, which is going to have a devastating impact on the village, and on the access to banking facilities for many elderly people, as well as for businesses. Does my hon. Friend agree that it is time for Barclays to rethink? It is often the last bank in town, and we need that in order for our communities to thrive.

Jonathan Gullis: My right hon. Friend and Staffordshire colleague has been a fantastic champion for that great country for many years. He is entirely correct that there needs to be a rethink. It is starting to feel, albeit unintentionally, like Barclays has something personal

against Staffordshire, with Kidsgrove, Newcastle-under-Lyme and Wombourne all facing branch closures. This has not been well thought through, particularly as residents may have to travel to Crewe or Hanley. That is not an easy journey for the constituents of my right hon. Friend the Member for South Staffordshire (Sir Gavin Williamson), as I am sure public transport connectivity is not what he would desire.

A journey to Crewe is a significant one even from the place I am proud to serve, particularly if households do not own a vehicle and rely on public transport that is not well connected to the surrounding north Staffordshire area and the Cheshire boundary. I hope that common sense will prevail here, and that Barclays will engage with my right hon. Friend, my hon. Friend the Member for Newcastle-under-Lyme and myself to talk about what can be done to help protect its customers in these difficult times.

One of my constituents, Ms Green, told me that “many disabled people and pensioners will suffer”.

That makes me question whether Barclays is even complying with the FCA’s guidance. Crucially, 40% of over-65s—over 4 million people—do not manage their money online. That is because online banking is difficult to navigate and automatic telephone responses are monotonous and impersonal. A constituent wrote to me to say that they found telephone banking

“confusing and difficult to hear.”

A recent survey by Accenture illustrates that point, finding that 44% of over-55s would rather visit their branch. It also showed that in-person banking was also popular among over 20% of younger people.

Alongside the impact the branch closure will have on vulnerable people, it is impossible to underestimate the financial security implications of a lack of in-person banking. Since Barclays announced its closures, I have been inundated with correspondence from local people outraged that Kidsgrove is losing its last remaining bank. One constituent told me that they are “appalled” at the announcement, and that it will put the elderly “at greater risk of getting scammed.”

Dr Daniel Tischer of the University of Bristol noted that,

“the danger of mass cyber-attacks... looms ominously”.

He also noted that there is a genuine risk of cyber-crime, scams and fraud. I am certain that the precedent set by bank closures will put people at greater risk, especially the most vulnerable in our society, who lack the digital awareness younger people have to spot clear signs of illicit financial activity. For those people, in-person banking with specialist advisers is crucial. By closing the branch, Barclays is putting people whom it has an obligation to support and protect at a much greater risk.

Aaron Bell (Newcastle-under-Lyme) (Con): I apologise for being a little late. I congratulate my hon. Friend and neighbour on his campaign for the Kidsgrove Barclays branch. As he knows, Barclays has closed the branch in Newcastle-under-Lyme as well, and I too have been inundated with correspondence. My constituents have the option to switch, and I am encouraging them to do so. That option is there because of Government measures that were put in place to make switching easier. My hon. Friend is a superb champion for the people of Kidsgrove

[Aaron Bell]

in the north of the borough, but they do not have the option to switch. Barclays should think again about both closures—but especially about his.

Jonathan Gullis: I congratulate my hon. Friend on his campaign and petition, and on guiding those customers of Barclays to other local banking providers that are proudly remaining in the centre of Newcastle-under-Lyme. It is a shame that the decision was made to close both the Kidsgrove and the Newcastle-under-Lyme branches within a two-week period. Ultimately, had a decision been made just on Kidsgrove, at least there would have been some justification for residents of Kidsgrove, Talke and Newchapel to go to Newcastle-under-Lyme, Hanley or Crewe—but Barclays took both branches out.

Local transport is not necessarily the best and not everyone has access to a motor vehicle. The longer journeys make in-person banking services simply not accessible for many. It is therefore wholly appropriate that customers vote with their feet and that people are made aware. There is a Lloyds bank branch available in Tunstall and there are other banking providers in my hon. Friend's local town of Newcastle-under-Lyme, and I will join him in directing customers to places where they can still access that face-to-face service within a five-mile radius of where they live. My constituent Ms Birchall told me that she feels that older generations are being marginalised. Barclays' decision undermines its commitments to the Financial Conduct Authority's guidelines, and it does not do enough to care for the most vulnerable, as the closure clearly increases their exposure to fraud.

Small and medium-sized businesses rely on local banking services to deposit their cash and rely on in-person infrastructure to deposit their earnings and savings. One local business owner told me that they were devastated by the proposed closure of Barclays in Kidsgrove. They said that the queues are so long because some customers had difficulties in using online facilities, and that it will now be far more difficult for those businesses to deposit their cash and earnings, especially after NatWest, TSB and Britannia's closures.

Not only will Barclays' decision to close its branch have an impact on local businesses that use the local bank's services, but the closure may drive people away from the local high street. Over the past 10 years, 10,000 shops, 6,000 pubs, 7,500 banks and more than 1,100 libraries have closed. The impact of closures has been felt especially in areas such as Stoke-on-Trent North, Kidsgrove and Talke. Without doubt, the covid pandemic exacerbated some of the problems local high streets face, with more people than ever before turning to online shopping. Local bank branches incentivise people to visit high streets, with constituents telling me they shop, eat and drink after going to the bank. If the local branch goes, people will be less likely to visit small businesses and help the local economy to grow.

I am passionate about fighting for the health and vitality of the local high streets I am proud to serve. They are the focal point of local communities and a source of immense civic pride. That is especially true in Kidsgrove. With the £17.6 million Kidsgrove town deal—a once-in-a-generation investment in our local community—

the new BMX pump track at Newchapel Rec, the 3G astro turf pitches at The King's Church of England Academy, the newly reopened Kidsgrove Sports Centre and the plans for the shared services hub in the town centre, as well as investment in Kidsgrove railway station, we are attracting more outsiders to visit our local area.

I accept that digitalisation is transforming the way we access banking, but we should do more to explore how we can incorporate banking hubs into our system and into local communities, such as in Kidsgrove. Banking hubs are shared services where customers from almost any bank can visit their local post office and withdraw cash from the counter. Both the Access to Cash action group—CAG—and LINK argue that banking hubs are extremely popular, and their use has doubled since they opened. However, we need to roll out far more of those hubs more widely if they are to negate the demonstrable impact of bank branch closures.

Shared service banking hubs have the potential to be highly valued facilities at the centre of a thriving town centre. I am certain that having banking hubs with specialist advisers from all major banks present in a new and permanent feature on our high street, such as the shared services hub in Kidsgrove we propose to build in the not-too-distant future, would go a long way to not only delivering on the levelling-up agenda that is so important to my constituents, but giving them the reassurance they rightly deserve about having that access.

The Barclays bank closure in Kidsgrove threatens to limit the local community's access to cash. More than 10 million adults in the UK need access to cash, and this is especially pressing since our most vulnerable constituents rely on cash more and more for things such as budgeting. The independent 2018 access to cash review found that as many as 8 million adults would find a cashless society difficult, and Barclays' decision to close its branch in Kidsgrove will exclude many people in the local community even more from getting the cash they need to get by on every day.

The impact of irresponsible closures of local bank branches is exacerbated by the decline in the total number of ATMs. A report by Which? found that between January 2018 and September 2019, the number of free-to-use ATMs went down from 54,500 to 47,500, representing a 13% reduction in the size of the free network. As of 2023, there are 3,431 ATMs in the west midlands. The great town of Burslem was the first in the UK with a population of more than 20,000 without either a bank branch or an ATM. We tested an access to cash scheme run by Sonect in Burslem in 2021. While the pilot found that local people were largely supportive of the cashback services in convenience stores, the free educational services offered over a significant period, aimed at people with poor digital skills, were deeply unpopular and failed to give people the confidence to transition to online banking.

It is undeniable that Barclays' decision to close its branch in Kidsgrove will leave a gaping hole in our local community, but I want to take the time to point out the measures that Barclays is taking to help the community transition. Barclays has assured me that face-to-face banking continues to play an important role for some of its customers in Kidsgrove through a continued presence in the community via new alternative physical touchpoints in retail outlets and community spaces. I believe that one is planned for the local library. Barclays is introducing

specific, targeted support for vulnerable and elderly customers who have been identified as needing additional help. The offering includes one-to-one “tea and teach” sessions to support digital skills capabilities, alongside sharing the services available at the nearby post office and, in due course, at the alternative community banking presence we are seeking to put in place.

Yesterday, Barclays informed me that it will have a team at Kidsgrove Sports Centre for three days a week, offering face-to-face financial support on Mondays, Tuesdays and Fridays. However, that fails to match the services offered from its traditional branch and, crucially, the access to cash pilot in Burslem demonstrated that the educational services were deeply unpopular, with low attendance figures. As such, I am sceptical of the precautions that Barclays has put in place to support local people in the community in Kidsgrove to transition from a physical branch.

Bank closures have a demonstrable impact on local communities like Kidsgrove. My constituent, Ms Leake, wrote to me saying that her mother visits the branch religiously, and I know that Ms Leake’s mother is not alone. As we have discussed today, the closures have a disproportionate impact on the most vulnerable in our society, with the elderly and disabled facing financial exclusion, as it is far harder for them to use online banking services or travel further afield. Leaving Stoke-on-Trent North, Kidsgrove and Talke with just one bank on the high street will also put my constituents at greater risk of fraud. Lack of access to in-person banking will put more people at risk of cyber-crime and, once again, the impact will be felt more by our most vulnerable constituents.

Bank closures also disincentivise people from visiting high streets in places like Kidsgrove, which will lead to decreased footfall and have a knock-on impact on small businesses. Banks are at the very heart of communities, and we need to explore how we can expand banking hubs more widely to ensure that people still visit the high street.

With more than 10 million people in the UK needing regular access to cash, further bank closures such as those we are seeing in Kidsgrove exclude my constituents from their money. Given that those from disadvantaged backgrounds rely more heavily on cash, Barclays’ decision impacts our most vulnerable constituents. Ultimately, we need banks in our local communities, and the people who make communities like Kidsgrove great need banks. I urge the Minister to do whatever he can to support areas like Kidsgrove to keep banks on their high streets, as they are so important for economic vitality and as a focal point of support for our most vulnerable constituents.

11.17 am

The Economic Secretary to the Treasury (Andrew Griffith): It is a pleasure to see you in the Chair, Ms Nokes. I congratulate my hon. Friend the Member for Stoke-on-Trent North (Jonathan Gullis) on securing this debate on a very grave matter that faces his constituents and many others across the country. I thank the hon. Member for Strangford (Jim Shannon), my right hon. Friend the Member for South Staffordshire (Sir Gavin Williamson) and my hon. Friend the Member for Newcastle-under-Lyme (Aaron Bell) for their contributions, which shows the depth of concern about this significant change.

There is strong feeling here. My hon. Friend the Member for Stoke-on-Trent North talked about his incredible 450-strong petition from local residents, which demonstrates the real concern of people in Kidsgrove, as well as his formidable capability in representing them and bringing the issue to the national stage. As a fellow local Member of Parliament, I have also focused on helping small high streets in my constituency. I understand the real concern that when an amenity such as a local bank branch closes, there is more jeopardy for the high street. My hon. Friend is quite right to highlight that. It is a credit to him and to Members who have supported him that he has secured that commitment from Barclays for a Barclays Local, which will be just a three-minute walk away from the current branch, offering the face-to-face service that people value so much, three days a week at Kidsgrove Sports Centre. That comes on top of the three free-to-use ATMs at which his constituents will continue to have free access to their cash, and the Post Office, which is doing a valiant job. As consumer patterns change, we often see the Post Office stepping in, and that is one of the things underpinning the continued fortunes of our post office network.

Although it is uncomfortable and difficult, we are seeing a very rapid change in consumer patterns. Local bank branches across the nation are getting fewer and fewer visitors. That does not mean that face-to-face banking is not vital, which is why there are so many regulations in place, administered by the FCA. It is also why it is so important that we all remain vigilant to ensure that the FCA does its job of challenging and pushing back when communities such as Kidsgrove are threatened by the loss of a bank branch, and why it is imperative that adequate alternatives are in place. I fall short of the Government stepping in and making commercial decisions for firms, and I think Members broadly understand why that might be the case.

Sir Gavin Williamson: My hon. Friend the Member for Stoke-on-Trent North (Jonathan Gullis) set out the interesting idea of hubs working together, which is already being trialled. The Minister rightly says that there is commercial pressure on banks, and they are looking at a different model, but Government have a great ability to act as a convening power, bringing the major high street banks together to look at how they can co-operate and work together to ensure that communities such as those in Kidsgrove, Wombourne and Newcastle-under-Lyme are not excluded.

Andrew Griffith: My right hon. Friend, who exercised his great convening power and delivered great service to the nation, makes a very good point. This agenda is never far from my mind. Only last week, I visited the new banking hub in Acton to see how the Government and the sector are working together to bring forward viable alternatives, and it was impressive to see the range of services offered in a new community hub. I wish my hon. Friend the Member for Stoke-on-Trent North all the best with the regeneration project, and perhaps there could one day be a banking hub. For the time being, Barclays is seeking to mitigate the change that is happening.

Members may know that the Financial Services and Markets Bill, which has had its final day of debate in the House of Lords, will shortly be coming back to the

[*Andrew Griffith*]

Commons for a final time before being put on the statute book. I hope, that will happen within a matter of weeks, if not days. The Bill enshrines for the very first time a statutory right of access to cash—free cash, no less—working with the LINK network and with UK Finance, convened by the Government. That is one of the ways that we seek to underwrite this, and I understand that it is underwriting; it is not the full provision that every colleague seeks.

As my hon. Friend the Member for Stoke-on-Trent North said, we have to be very mindful of the vulnerable. The Government are committed to cash. It is not the Government's policy to seek to extricate cash entirely from the system. It is very important to underwrite it for those who are vulnerable, those who have some sort of impairment or simply those who manage their finances through cash.

We have made significant interventions through that Bill—the great clunking force of law—to ensure that our constituents can continue to have access to free cash and, potentially more importantly, although it does not show up as much in our inboxes, that businesses can continue to have access to deposit cash. If they do not have that really important part of the supply chain, businesses will find it more onerous to accept cash, and we will not have the ability to pay with cash.

There is a range of alternatives in place. My hon. Friend is right to have secured this debate on behalf of his constituents and others.

Jonathan Gullis: I am pleased with the Minister's kind words about the importance of this debate. Before the bank is closed, there is due to be a Kidsgrove town deal board meeting, where we will discuss the planning for the shared services hub we hope to create. Could the

Minister find time—perhaps just five minutes—to pop in to hear about how this could be a building that fits in with the banking hub being created, and whether, as my right hon. Friend the Member for South Staffordshire said earlier, he is convening power to encourage those banks to consider moving into the new facility being created?

Andrew Griffith: I will give that due consideration. I do not want to make a commitment from the Dispatch Box today, in part because we operate a federated tapestry in financial services regulation. The FCA has the primary duty of regulating the banks, and that includes regulating the conduct of bank closures, but it is also the case that there are organisations such as LINK and Cash Access UK, which recently opened the excellent banking hub in Acton—the model to which my hon. Friend perhaps aspires. Rather than the Minister trampling incautiously into that tapestry, I will give consideration and write to my hon. Friend with my suggestions for the best course of action he can take on behalf of his constituents. If a banking hub is the course he seeks, I will of course try to do all I can to support him and his constituents on that journey.

These are not easy matters. We are seeing a significant transition, but I reassure my right hon. and hon. Friends—and you, Ms Nokes—that this remains a point of intense focus for us. It is something we have taken action on, even in legislation going through Parliament right now. I wish my hon. Friend the Member for Stoke-on-Trent North and all his constituents, whom he represents so ably in this House, the very best as they seek to do everything they can for their community.

Question put and agreed to.

11.26 am

Sitting suspended.

Insolvency Law and Director Disqualifications

[MR SPEAKER *in the Chair*]

2.30 pm

Rebecca Long Bailey (Salford and Eccles) (Lab): I beg to move,

That this House has considered insolvency law and director disqualifications.

It is a pleasure to serve under your chairmanship, Ms Fovargue. Thank you for making time for this important debate.

Five years ago, Carillion collapsed in one of the biggest corporate scandals seen in recent years. Millions were racked up in debt, tens of thousands of workers lost their jobs and pensions, and thousands of supply chain businesses were put at risk, all because the auditors failed to hold Carillion's board to account and a blind eye was turned to poor corporate behaviour. Five years on, have changes to the UK corporate governance regime been made to ensure that such a scandal cannot happen again? The answer, sadly, is not encouraging.

As the Unite the union has stated,

"In the end, four Carillion executives were fined £870,000 in total – a mere slap on the wrist given the hundreds of millions of pounds the company lost and the thousands of lives they ruined."

Former BBC investigative journalist Bob Wylie, who wrote the *Financial Times* book of the year "Bandit Capitalism: Carillion and the Corruption of the British State", summed up the present position perfectly when he said:

"The sad truth is they get away with it because they know they can."

The most recent figures by the Insolvency Service for 2022-23 show that almost half of disqualifications were because of misuse or abuse of the bounce back loan scheme, rather than more robust action being taken against directors for unfit conduct prior to insolvency. I suggest that that is because the bar for disqualification for unfit conduct is very high and often difficult to prove, particularly where a director can claim to have relied on the advice of external advisers when making decisions. Further, the law surrounding whether directors have acted inappropriately in an insolvency situation, and specifically the point at which directors should begin to consult on redundancies and prioritise payments to creditors prior to insolvency, is ambiguous to say the least.

The Supreme Court recently affirmed that ambiguity in the case of *BTI v Sequana*, noting that company directors are only required to begin prioritising creditors if it is probable that their company will plunge into insolvency. The problem is that no one knows what "probable" actually means. As the London Solicitors Litigation Association noted,

"the precise point in time at which the duty will be triggered and how to balance creditors' interests with other competing interests of the business remains relatively elusive."

It is that elusiveness that continues to allow some directors to act in a way that is detrimental to workers and other creditors.

The Bakers Food and Allied Workers Union highlights the cases of Dawnfresh Seafoods and Orchard House Foods, which it says

"raise significant concerns about the ability of business owners to abuse the process around administration and insolvency, leaving workers in the lurch and denying them the full value of their outstanding pay and redundancy monies owed—whilst Directors walk away with impunity, often with enormous levels of wealth intact."

In the case of Dawnfresh, the union reports that the director allowed workers to carry on overtime shifts in full knowledge that he was about to bring in the receivers. He also took the opportunity before insolvency to rescue his own private art collection from company premises. The workers were left waiting for weeks without any source of income, obliged to depend on family and friends or use food banks in the resulting emergency, and they included one who was fighting leukaemia. A not dissimilar instance occurred at Orchard House Foods in Gateshead, with redundancy negotiations over the site's closure seeing the company fail to pay workers ahead of the Christmas period.

Sadly, that practice does not just plague the food sector; it is increasingly evident across the wider economy. Thomas Cook, for example, also failed abjectly to consult over redundancies prior to insolvency, when it was known for some time that the company was in trouble. In a more recent case, journalists at Vice UK faced statutory redundancy terms, with many having to leave with almost nothing because the company filed for bankruptcy, while its recent global CEO was on an annual salary of \$1.5 million. It is not just workers who lose out in these situations. Figures disclosed in response to written parliamentary questions tabled by my hon. Friend the Member for Ellesmere Port and Neston (Justin Madders) indicate that over the last two years alone statutory redundancy payments cost the taxpayer around £300 million.

If the law is not clear enough on the point at which creditors' interests in an insolvency should be prioritised, what other mechanisms are there to sound the alarm?

Jim Shannon (Strangford) (DUP): I commend the hon. Lady for securing this debate. I would like to be here for the whole debate, Ms Fovargue, but I have another event to attend at 3.30 pm. I apologise for not being here for the whole debate. Nevertheless, I would like to make a contribution.

There is another factor as well, which I would just like to outline for the record. Does the hon. Lady agree that in many situations the big businesses that she is referring to have the ability to use accountancy in their favour, by going insolvent and trading under different names, which too often has left those on the bottom of the ladder, such as suppliers and sole workers, with no option other than to swallow the pill and even go bankrupt themselves? Some of my constituents have experienced this. It is difficult to watch directors move on with impunity, while other people have to sell their homes to cover their costs. In other words, the small person at the bottom or the back of the queue always suffers and the big boy gets away.

Rebecca Long Bailey: I thank the hon. Member for his comments and I agree completely. There are huge issues surrounding the area of pre-pack administrations and the issue of phoenix companies, whereby directors

[Rebecca Long Bailey]

are allowed to reappear in another form with the same kind of company structure with complete impunity. This certainly needs to be addressed by the Government.

Other mechanisms exist to sound the alarm on poor corporate governance. That is usually when the role of auditors should be key, but in recent years the unhealthy structure of the industry has been widely criticised, as well as the market dominance and conflicts of interest of the big accountancy firms. In this dysfunctional culture, firms must win and retain engagements from companies in order to generate revenue, but simultaneously they must objectively scrutinise the company reports of the very people they are trying to win business from. Indeed, the symptoms of this flawed culture are clear. The Financial Reporting Council has stated that 29% of the audits delivered by the seven biggest accounting firms fail to meet UK standards. It is abundantly clear that the UK corporate governance regime is in urgent need of reform.

What actions have the Government taken so far? In his response to the debate, the Minister will no doubt refer to the Government's White Paper on reforms to the UK corporate governance code, which the FRC is consulting upon as we speak. However, it is important to note that although the code is underpinned by listing rules that require premium-listed companies to "comply or explain" if they have not complied with a code provision, there is no strict legal requirement to comply with the code at all. It is merely a guidebook, and the lack of legal enforceability is clear. The *Financial Times* reported only last month that the FRC has reported falling levels of compliance since 2020, suggesting that boards are willing to risk avoiding the "comply or explain" requirements, particularly as the ultimate threat is simply to register dissatisfaction in a non-binding shareholder vote, or one that historically the company has a vanishingly small chance of losing.

Secondly, what is glaringly absent from the Government's White Paper proposals so far is a statutory and enforceable Sarbanes-Oxley equivalent, which would make directors legally responsible for financial reporting governance. Instead, the White Paper opts for the fluffier "encouragement" of boards to include in their annual reports declarations about whether internal risk management and internal controls are effective or not. Similarly, the provisions that recommend that certain minimum clawback conditions or "trigger points" are included in directors' remuneration arrangements are welcome in principle, but the reality is that these employment contracts are not publicly available so as to enable enforcement, and annual financial reports rarely provide comprehensive information.

Sadly, even the chief executive of the Institute of Chartered Accountants in England and Wales believes that the Government's White Paper proposals on reform of the audit industry do not go far enough, stating:

"Taking these measures as a package with the draft audit reform Bill outlined, the government's approach has a half-hearted and lopsided feel to it... Lessons from Carillion and other recent company failures have been ignored, with little emphasis now on tightening internal controls and modernising corporate governance."

A further five years on from Carillion, we are no closer to the creation of the Government's long-promised audit, reporting and governance authority, or the passing

of the Government's promised audit reform Bill. When we can expect legislation on audit reform and the creation of ARGAs?

Given these glaring deficiencies in the law, I will be grateful if the Minister considers some simple legislative changes that would provide much-needed clarity and protect workers, creditors, and the long-term health of companies. First, will he widen the scope of directors' duties in section 172 of the Companies Act 2006, so that a duty is not owed solely to shareholders, as at present, but is owed to workers and other stakeholders as well? That must sit alongside a clear duty to prioritise the long-term welfare of a company, rather than simply the short-term maximisation of shareholder dividends.

Secondly, with regard to the duties of directors prior to insolvency, will the Government legislate to set clear definitions and parameters for when insolvency is deemed to be a "probable" event? That would provide much-needed clarity on when a duty to consult on redundancies is triggered, and when payments to workers and creditors need to be prioritised over shareholder dividend extraction.

Thirdly, will the Minister comment on why the Government proposals made in recent years to introduce workers on boards have been shelved? Will he commit to examine and develop policy in the light of the experience of other European jurisdictions, where direct representations of employees on both unitary and two-tier boards has actually helped to improve corporate performance and success, for the benefit of all stakeholders? Last, will he introduce clear Sarbanes-Oxley-equivalent legislation that would finally make directors legally responsible for financial reporting governance? If not, can he explain clearly the Government's reasons for avoiding that in favour of more diluted and legally unenforceable guidance?

It is clear that the current UK corporate governance regime has become dysfunctional, ambiguous and unenforceable. Despite numerous scandals, it still has no room for the protection of employees and other stakeholders. I hope the Minister can reassure me today that things will change. Thank you for the opportunity to hold this debate, Ms Fovargue.

Yvonne Fovargue (in the Chair): I call John McDonnell.

2.42 pm

John McDonnell (Hayes and Harlington) (Lab): Thank you, Ms Fovargue—I always find the pronunciation difficult. That is my fault, not that of the spelling. I do not have a lot to say, other than to compliment my hon. Friend the Member for Salford and Eccles (Rebecca Long Bailey) on her speech. To be frank, I am here to listen to the Minister's report on progress to date.

I believe that in 2018-19, my hon. Friend was involved in work with Lord Prem Sikka on the development of a report on regulatory structures and standards overall. Having identified that my hon. Friend had obtained this debate, I looked back to her work with Prem Sikka on that regulatory regime. To be frank, I am looking forward to the Minister's response, because it seems not an awful lot has moved on.

That report came out of Carillion and a number of other cases. The hon. Member for Strangford (Jim Shannon) made the point that a number of companies went into

insolvency and left behind large-scale debts, large numbers of workers laid off and contracts not fulfilled. In Liverpool, the collapse of Carillion meant that a hospital would not be built in the required timescale, causing considerable distress at the time.

Prem Sikka produced a comprehensive report. So that people are aware of Prem Sikka's background, he is a professor of accountancy. He became an adviser to Select Committees and Government about 30 years ago and went on to advise on the appalling Bank of Credit and Commerce International banking scandal. He demonstrated his expertise and as a result was regularly called to advise Select Committees when different issues arose. He then set up a group of lawyers and accountants to examine and explore corporate abuse. They published a book about 10 years ago, if I remember rightly, and I brought together his group to take advice on where we went from here. That is how the connection was made. When Carillion happened and we desperately needed someone to advise us—he was already advising Select Committees—he came on to advise us.

What was startling about Prem Sikka's report was his description of a maze of regulatory bodies—the chaos of the regulatory bodies. They all had a particular role to play, but none of them played the role effectively, and those who had committed what I think were economic and financial crimes during that period walked away without any loss to themselves. The report identified extraordinary and bizarre issues. Among the financial sector regulators, he identified 41—I think he gave up after No. 41—different agencies involved in financial regulation, which bizarrely included the Faculty Office of the Archbishop of Canterbury, which had a notarial professional role.

All of those bodies failed to address the real issue, which was inadequate supervision and accountability in the operation of the individual companies, particularly with regard to insolvency, where the audit companies seemed to be asleep at the wheel, particularly with regard to Carillion. The audit companies consistently produced audits that could be described as not just inaccurate, but almost deceptive in the way that they portrayed the state of the company, which allowed it to keep operating and employing contractors and so on while knowing that there was an issue. Prem Sikka went on to look at the role of the audit companies in advising companies and selling them products on tax avoidance as well. That is why he argued that there needed to be a reform of audit, possibly introducing a form of public audit into the sector.

On the insolvency role, Prem Sikka has consistently argued that there are no supervisory committees for the companies, as there are in the German economic system, where representatives supervise the decision making of companies. There are representatives in the workforce, as well as the recipients of particular services, or the consumers. Because we had no supervisory committees, companies became reckless in their endeavours. We had almost a moral hazard developing because a large number of the companies were often able to walk away from the liabilities that they had incurred.

One issue that Prem Sikka raised in his report was the offloading of pensions. We saw that with Carillion and elsewhere, when pensions were offloaded on to the public and the taxpayer had to step in to protect the rights of

the workers who held pensions with those companies. Yet again, no one seemed to be held liable for the way in which they had either deliberately or recklessly put the companies into a situation where they were offloading their responsibilities.

I am particularly critical of the Financial Conduct Authority. I have said this publicly in debates before. I was critical of the FCA during the period in which Andrew Bailey was its chief executive. Before he was appointed Governor of the Bank of England, I urged the Chancellor of the Exchequer to delay his appointment because we were awaiting a number of reports of scandals with regard to investment bodies that should have been properly investigated by the FCA. What was generally identified, by not just me but other commentators, was that the FCA under his directorship was consistently asleep at the wheel on a number of individual instances.

Going back to Prem's report, what he was identifying was a huge panoply of regulators, all of which seemed to be failing. Secondly, a large number of them were subject to corporate capture by the very sectors that they were meant to be regulating. As the hon. Member for Strangford said, the small people lost out badly as a result of that. They always lost out, and the people responsible often gained. As yet, I have not seen radical proposals from the Government to address that.

Prem Sikka did two reports. One was on the regulatory architecture of the financial sector overall, and the other was on audit. He put forward the establishment of an overall business commission, which brought together the various regulatory bodies under one structure. That included supervisory committees that would enable all stakeholders to be involved in the development of regulatory rules and the implementation of regulation much more effectively. That would at least be more open and transparent than the existing system.

I hope that the Minister will tell us, but I cannot see what has changed between now and back in 2018-19 when Carillion and other scandals were happening. I fear that those vulnerabilities still exist because we have not seen the radical reform that is needed. We need to integrate the whole process of regulation and to make it more independent, open and transparent. I hope the Minister will tell us that is the direction of Government.

We have had reports on this particular issue for a long time; I think the Cooke report was in the 1960s. It brought forward proposals but never really established independent regulation and handed it back to the industry itself. There has been a long history of corporate capture when it comes to financial regulation over successive Governments; I am not particularly blaming this one. The basic questions asked by my hon. Friend the Member for Salford and Eccles could provide us with more clarity on the Government's sense of direction on some of these issues.

I feel there needs to be a sense of urgency about action. I understand why the Government want to consult thoroughly, but consultation is beginning to result in delay as far as I can see. Vulnerabilities still exist; we will be back here again, maybe in six or 12 months' time, with yet another scandal, asking why action was not taken and why redress was not available to people who suffered as a result.

2.53 pm

Richard Thomson (Gordon) (SNP): It is a pleasure to serve under your chairmanship, Ms Fovargue. I congratulate the hon. Member for Salford and Eccles (Rebecca Long Bailey) on securing the debate. Given its title, it could have gone in many directions, but I think we are coalescing around a theme.

Directors clearly have important duties to their companies and their shareholders, whether in good times or bad. They have legal duties, including the duty to promote the success of the company for the benefit of the shareholders. However, when a company is in financial difficulty and there is a risk of insolvency, another set of responsibilities kick in. There is a duty to creditors to minimise losses.

As each speaker has highlighted, the regime appears to be letting far too many people down, and it is often those who can afford to lose out the least who end up losing out the most. Our view is quite simple. The UK Government must ensure robust supervision. Proper deterrents should be in place to ensure that those responsible in cases of negligence, or where economic crime has been committed, can be held to account.

The organisation openDemocracy estimates that fraud costs the UK about £290 billion a year in total and, in recent years, high-profile corporate scandals such as those at British Home Stores and Carillion raised serious questions about the level and quality of corporate governance in the UK and about the ability of those charged with supervising that governance to spot the obvious danger signs. In particular—I think it bears repetition—the collapse of Carillion in 2018 led to the loss of thousands of jobs and delay to many hundreds of infrastructure projects, while the directors walked away with their pay and bonuses intact. Those who had worked for them were left to suffer without.

Jim Shannon: Not only that, but a number of small companies suffered. People with their own businesses had to sell their properties and businesses, because they honoured the debt while others did not.

Richard Thomson: The hon. Member makes an extremely powerful point, which gets to the heart of the issue: those responsible for the waves of financial chaos that result from a corporate failure are not the ones who pay the price. Often, those who can afford to lose the least end up losing the most, whether that is their homes or their livelihoods. In 2020, two years on from the collapse, the assistant general secretary of the trade union Unite said that the UK's accounting and audit system was clearly "not fit for purpose" and accused the Government of failing, even then, to demand reforms, because of their "many friends" among the major accountancy firms.

While the recent launch of the Financial Reporting Council consultation on its proposed changes to the UK corporate governance code was welcome, serious questions need to be asked about why that has taken so long so far. Frankly, the Government must get a move on with the reforms to ensure that they lead to a prompt, substantive and enforceable change of the landscape, so that the culture of corporate backscratching—if I may put it that way—that led to the Carillion collapse is left as a dim, distant and not-too-pleasant memory.

Robust deterrents are also required to ensure that where criminality is involved, those responsible—whether they are company owners or directors—and enablers are caught and receive proportionate sanctions for their actions. Culpable directors, senior managers and other enablers of economic crime need to face proportionate sanction, and the rules on anti-money laundering supervision need to be applied consistently.

John McDonnell: The hon. Member mentions criminality. I am flicking through Prem Sikka's report, and I forgot to mention the section on Companies House. Previously, in the exposure of Magnolia Fundacion UK, an Italian fraudster who was one of the directors had registered himself—hardly fraudulently—as the "chicken thief", with his occupation as "fraudster", while another officer gave his address as the "Street of the 40 Thieves" in the town of "Ali Babba". The issues at Companies House need to be addressed. I am interested to hear how much that will be addressed by the Minister.

Richard Thomson: I thank the right hon. Member for highlighting a particularly egregious example of hiding in plain sight. I will come on to mention some of the reforms that need to take place at Companies House.

To go back to the anti-money laundering supervision, there are clearly some significant holes in the AML framework, as well as a pretty patchwork approach to supervision, which varies significantly across companies and sectors. The non-governmental organisation Spotlight on Corruption noted that some 22 industry bodies oversee anti-money laundering compliance across the legal and accountancy sectors, which seems far too many to be doing the job effectively. With 22 supervisory organisations, a few gaps are bound to creep in somewhere.

In 2021, the Office for Professional Body Anti-Money Laundering Supervision, or OPBAS, found that only 15% of supervisors were effective in using predictable and proportionate supervisory action. OPBAS also found that only 19% had implemented an effective, risk-based approach to supervision, so the system is clearly not working. In the UK, an estimated £88 billion of dirty money is cleaned by criminals every year, compared with £54.5 billion in France and £51.3 billion in Germany. I know money launderers are consistently evolving their practice and that pace needs to be kept, but trying to supervise it across 22 bodies with those low levels of effective frameworks in place does not seem to be making the best impact possible on that trade and the other criminal activities that it promotes. Putting adequate resources into tackling economic crime not only pays for itself, it provides additional resources for public spending and reduces criminality across a broad spectrum of activities.

On Companies House specifically, Transparency International recently found that 14% of all LLPs incorporated show money laundering red flags. The Economic Crime and Corporate Transparency Bill had the opportunity to be a strong first line of defence in tackling that at the earliest opportunity, but unfortunately it did not provide the scale of reforms needed to ensure that the registrar could effectively tackle economic crime. Low registration fees in the UK and the quick turnaround clearly do not lend themselves to robust scrutiny by the registrar, as we heard in the example given by the right hon. Member for Hayes and Harlington (John McDonnell).

It is exemplified by the inclusion of a warning at the top of the Companies House website that states that it does not

“verify the accuracy of the information”

filed. Well, it seems to me that that is something it very much should be doing.

The SNP tabled amendments to the Economic Crime and Corporate Transparency Bill that would have introduced more stringent requirements for company directors, including one to limit the number of directorships that an individual could hold. We put forward amendments for directors in breach of duties, which would prevent directors who failed to comply with their tax obligations from being able to receive public funds, except for the purpose of paying staff. We were vocal on the issue of phoenixing, where directors of companies that go insolvent then open up a new company that is effectively the same as the one that went under.

We are used to amendments to Bills falling flat on their face. That seems to be the fate of Opposition parties who table amendments, whether they are the third party or the official Opposition, but it was particularly disappointing that nothing to pick those ideas up was reflected in what came through in the Bill, because ensuring that information is correct at that early point would ultimately help to prevent companies from engaging in money laundering, other forms of economic crime and other dubious activities or from evading their corporate governance responsibilities, which causes the damage we have heard about. With adequate resourcing, that is a task that Companies House is more than capable of fulfilling.

To draw my remarks to a close, we need robust supervision of directors and proper deterrents in place against negligence and malfeasance. We need further reform and increased resourcing for Companies House. Above all, we need to create a culture of honesty, transparency and compliance, which in good times and especially in bad is as fair and beneficial to all as it is possible to be. I very much look forward to what the Minister has to say about those points when he takes to his feet.

3.3 pm

Seema Malhotra (Feltham and Heston) (Lab/Co-op): It is a pleasure to serve under your chairship, Ms Fovargue. I also congratulate my hon. Friend the Member for Salford and Eccles (Rebecca Long Bailey) on securing the debate and on her excellent opening speech. I thank my right hon. Friend the Member for Hayes and Harlington (John McDonnell) and the hon. Member for Gordon (Richard Thomson) for their important contributions on the chaos of regulatory bodies, and what really came through was the ongoing lack of a culture of challenge, and the links to the Economic Crime and Corporate Transparency Bill, which—I will speak to this later—we were keen for the Government to move much further on to tackle some of the weak areas, particularly phoenixing.

It is worth referencing that rising insolvencies, if we are talking about insolvency law and director disqualifications, also show an environment in which businesses are being hit hard. Many businesses are under strain due to the way in which they have been hit by the cost of doing business crisis, the supply chain crisis, the cost of living crisis, late payments and rising inflation and interest rates, with a Government that many businesses tell me is not on their side.

Monthly insolvencies hit record levels earlier this year in February and March. In March, there were almost 2,500 insolvencies, setting new records. However, alongside companies and directors who find themselves subject to insolvency despite their best efforts to survive, we know that there are business owners who abuse the process around administration and insolvency, with poor governance and stripping of assets. They incur high levels of debt and then dissolve the company, leaving workers and creditors in the lurch, and even denying workers the value of their outstanding pay and redundancy.

I thank the Bakers, Food and Allied Workers Union for its briefing and the caterers of Dawnfresh Foods and Orchard House Foods, which my hon. Friend the Member for Salford and Eccles also spoke about.

John McDonnell: We have had several representations from the bakers union over a period of time. It looks as though it is a sector where the strategy of insolvency has been used consistently. I wonder whether there could be a specific examination by the Government of this particular sector, because over the past eight or nine years we have had a pattern of behaviour, and it is one that is becoming almost endemic in the baking industry.

Seema Malhotra: I thank my right hon. Friend for his contribution. I agree with putting that question to the Minister and asking for a specific response.

The other issue is that rogue directors are able to walk away with seeming impunity. Some Government steps have been brought forward, and they have been important, but clearly they have not been enough—certainly not for the scale of the challenge. Recent public cases have highlighted the need for urgent action, but where steps have been taken by the Government there seems to be a lack of will to really grasp the challenges. I make reference to insolvency powers and audit and corporate governance reform here.

As one example, in 2021, clauses 2 and 3 of the Rating (Coronavirus) and Directors Disqualification (Dissolved Companies) Act 2021 introduced powers to enable the Insolvency Service to investigate directors of dissolved companies—measures that were first proposed in 2018. The Government’s main policy objectives were, first, to ensure that public concerns that rogue directors who abuse a company and insolvency law can be investigated and held accountable and, secondly, to provide a deterrent for company directors who may use the dissolution of the company to evade their responsibility to repay bounce back loans. Since the Bill became an Act, data showed to the Insolvency Service has focused mainly on the second policy objective, a point made effectively by my right hon. Friend the Member for Hayes and Harlington. In December ’21, the Insolvency Service gained powers to disqualify directors of dissolved companies, and, since 2022-23, just 25 directors of dissolved companies have been disqualified.

Many of the issues being talked about today were laid bare for all to see during the Carillion collapse in early 2018. Carillion had ostensibly been financially healthy. Its collapse saw more than 3,000 jobs lost, 450 public sector projects, including hospitals, schools and prisons, plunged into crisis and a company in billions of pounds of debt. In Hounslow, our leisure

[Seema Malhotra]

services were affected, and saved only by the council stepping in. Approximately 11,000 employees lost their jobs at British Home Stores, with a pension deficit of £571 million. These issues not only affect those close to the cases but cost the taxpayer, too. The National Audit Office reported that the Carillion affair cost the taxpayer at least £148 million, including £65 million in redundancy payments. Since the Government promised action on reforming corporate governance in the wake of the Carillion collapse, it took until May 2022 for a White Paper to emerge, and only in the past few weeks has the Financial Reporting Council issued its own consultation in response to the White Paper.

Let me say a few words on audit and corporate governance reform. This is an important policy space, in which reforms need to be robust for red flags to be seen early. An annual audit is a statutory requirement for listed and large companies. The purpose is to provide assurance to shareholders that financial statements give a true and fair view of a company. Good audit protects not just shareholders, but employees, pension holders, suppliers, customers and the wider community. At the broadest level, it serves the public interest by underpinning transparency and integrity in business.

Reform of the audit sector is clearly necessary and long overdue. The scandals we have heard about have damaged the reputation of the audit sector and the professionals who work in it. The Financial Reporting Council's finding in December 2020 that over 80% of audits reviewed in the previous two years required improvement indicates the scale of the challenge. It also raised the issue of the importance of a challenge culture. Despite some improvements, there is still huge urgency, and it seems that the Government are dragging their feet. We are still waiting for legislation. The accounting and audit professions, the business community and the trade unions are all clear that change must come, and that the new audit, reporting and governance authority, which will step in when directors breach their duties, must be put on a clear statutory footing and given new powers that can only be conferred through legislation. I would be grateful for the Minister's response to questions about plans for reform of section 172 of the Companies Act 2006 and directors' duties.

I have some final remarks on the effectiveness of insolvency law and the director disqualification framework. R3 members note that for many years, regardless of the number of insolvency appointments and the number of reports submitted highlighting director behaviours that could warrant disqualification, broadly the same number of directors seem to have been disqualified each year, though there was a notable drop post pandemic. Are those numbers driven by resourcing constraints in the Insolvency Service, rather than assessment of director conduct?

Secondly, the annual enforcement statistics published this year indicate that there have been no disqualifications for phoenixing or insolvent trading. I would be grateful for the Minister's view on enabling greater use of section 216 of the Insolvency Act 1986, so that it can be applied not only to companies in liquidation, but also to those that enter insolvent administration or are dissolved while the balance sheet is insolvent. That would accord with the Government's recent extension of the director disqualification regime to dissolved companies.

During the recent passage through the Commons of the Economic Crime and Corporate Transparency Bill, we tabled amendments that would have improved the insolvency regime, including by tackling the practice of phoenixing, but the Government voted against them all. I hope that we can come back to some of those measures.

There is not just a failure to take this issue seriously, but a broader pattern of failing working people, who are so often left in the lurch. For too long, our economy has been ravaged by dire productivity, insecurity and stagnant pay. Government and business need to work together on a proper, pro-business, pro-worker, long-term plan for industry and the economy. Labour is committed to creating jobs that provide security, treat workers fairly and pay a decent wage through our new deal for working people—the biggest upgrade to workers' rights in a generation. I would welcome assurances from the Minister that there will be progress on audit and corporate governance reform, and a further strengthening of the insolvency and director disqualification regime—two vital tools for keeping enterprise, employment and the economy protected from rogue directors, and for preventing the huge scandals that we have seen from ever happening again.

3.13 pm

The Parliamentary Under-Secretary of State for Business and Trade (Kevin Hollinrake): It is a pleasure to serve under your chairmanship, Ms Fovargue. I add my grateful thanks to the hon. Member for Salford and Eccles (Rebecca Long Bailey) for bringing forward this important debate. Members may know that I spoke out on this subject a lot from the Back Benches, and my appetite for change in this area—when parliamentary time allows—remains the same.

There is no doubt that the Government absolutely believe in strong corporate governance and an effective insolvency regime. The hon. Lady rightly referred to the demise of Carillion. Years have passed since that happened, but it is very important that we do not forget the lesson learned from the impact that had on all stakeholders, including employees and small and medium-sized enterprises in the supply chain.

I have great sympathy for those affected when companies declare themselves insolvent or go through insolvency in any circumstances, including the SMEs in those companies' supply chain. The hon. Lady referred to the case in her constituency of Orchard House Foods; the redundancy protection service stepped in rapidly after the insolvency to make sure that people were properly compensated. Nevertheless, it was a worrying time for many people. Clearly, it would not be appropriate to talk about any ongoing investigations, but it is important that the Insolvency Service follows through on these matters and ensures that proper procedure is followed.

Given the comments made in the debate, it is important to say that most directors and businesses are bona fide and do the right thing. Of course we are concerned when companies go into insolvency, for all the reasons that have been outlined in the debate. The hon. Member for Strangford (Jim Shannon), who is no longer in his place, commented on cases in his constituency. Such cases have immense knock-on effects for stakeholders in our constituencies. Indeed, this is one of the issues on which I get the most letters from colleagues.

We must consider any changes we make to the regime in the light of the fact that most directors and businesses do the right thing. It is important to recognise that our economic system is not a zero-failure system. Failure is part of the process, and unfortunately many bona fide businesses that seek to do the right thing and invest their hard-earned money enter insolvency—in many cases through no fault of their own. We need a regime that reflects that context.

I think that most people accept that the FRC has significantly improved its oversight of the sector in recent years, particularly under the stewardship of Jon Thompson. There have been significant improvements. The right hon. Member for Hayes and Harlington (John McDonnell) referred to the regulator as being asleep at the wheel. That may have been a fair accusation years ago, but it is probably inappropriate now. However, when parliamentary time allows, it is right to replace the regulator with a new one—the audit, reporting and governance authority.

The hon. Member for Salford and Eccles referred to the US's Sarbanes-Oxley system. Should we adopt that kind of system? We believe that there is a balance to be struck. We do not want anything that would be counter-productive to our economic system, in which competition is ultimately the best outcome for consumers. High competition drives down prices for consumers and drives up service. It is therefore important that we do not move to a system of a new generation of professional directors. It is important that our system is entrepreneurial, encourages investment, and encourages people to start up and expand businesses. We are, however, planning new corporate governance rules, which I will talk about in a second.

A number of hon. Members asked whether we will reform the Companies Act 2006 duties. The Act already requires all company directors to have regard to employee, consumer, environmental and other interests while pursuing the success of the company. Since 2019, large companies have been required to report annually on how those wider interests have been taken into account in boardroom decision making. I think the hon. Member for Feltham and Heston (Seema Malhotra) made a point about reform of those duties. It is important that we parliamentarians are cognisant of the burden on businesses; I applaud her for referring to that. Many businesses are under significant pressure right now from a number of angles, and it is important that we do not add to the burdens on them.

The right hon. Member for Hayes and Harlington raised the issue highlighted by Baron Sikka. I have worked very closely with Baron Sikka on economic crime and money laundering, and on the fact that there are 41 regulators in the financial system. It is important that we have straightforward corporate governance reform, so that we can hold people to account on their duties under the Companies Act 2006 and other requirements.

The Government response in May 2022 to our consultation on the “Restoring trust in audit and governance” White Paper confirmed plans to require very large companies to provide targeted new annual reporting on their management of risk and certain other matters. The new reporting will apply to UK-listed and private companies with more than 750 employees and an annual turnover of more than £750 million. Crucially, it will consist of four new statements in those companies’ annual reports: a resilience statement setting out how the company is managing significant risks over

the short, medium and long term; confirmation that the company has sufficient realised profits to pay out any proposed dividends, and a statement about the company’s approach to profit distribution; a statement on the directors’ actions to prevent or detect material fraud; and an audit and assurance policy setting out how the company is assuring the quality of non-financial information that largely lies outside the statutory audit.

The new reporting requirement responds to concerns identified followed the sudden collapse of Carillion and other very large companies. Shareholders and other stakeholders need more information to understand the steps being taken by directors to ensure the future prospects of the company. We are developing secondary legislation, which we hope to lay before Parliament soon, to implement those new measures.

I often spoke about insolvency reform from the Back Benches; indeed, I co-authored a report called “Resolving Insolvency” on behalf of the all-party group on fair business banking. That relates to a point raised by the hon. Members for Feltham, and for Strangford, about insolvency reform. The Insolvency Service primarily investigates company directors and corporate misbehaviour. That includes investigating trading companies, and taking court action to wind them up when they have been acting against the public interest—for example, when there is evidence of fraud or corporate abuse. About 150 companies are investigated each year for that reason. The Insolvency Service also works collaboratively with other enforcement agencies to ensure the public are protected.

The bulk of the Insolvency Service’s enforcement work relates to investigating the conduct of directors of companies that are subject to formal insolvency, such as liquidation or administration. If an investigation finds evidence of misconduct by a company’s directors, the Insolvency Service may bring disqualification proceedings where that is in the public interest. Disqualification can be for a period of up to 15 years, and breach of a disqualification order is a criminal offence. Disqualification is therefore a significant interference with a person’s rights, and the courts take it very seriously. High standards of evidence are required. If a disqualification order is made, in certain circumstances there is the option to seek a compensation order against the disqualified director, who is personally required to pay back the losses they caused.

Having said that, we can go further on insolvency reform. It is the Government’s intention, when parliamentary time allows, to move towards a system of regulation with a single independent regulator, and away from the recognised professional bodies that we see today. I am very keen to take that forward when parliamentary time allows.

The hon. Member for Gordon (Richard Thomson) spoke about money laundering, the number of supervisors who act in that space, and the need to streamline that regime. His Majesty’s Treasury is looking at that, and is due to report on how we do that more effectively. I do not recognise his comments about the changes we are making as a consequence of the Economic Crime and Corporate Transparency Bill. That is the most significant change to Companies House in 170 years, and I look forward to the Scottish Government introducing a legislative consent motion so that Bill is fully effected in Scotland. Some of the hon. Gentleman’s comments, such as those

[Kevin Hollinrake]

on verification, were about the situation today, rather than the situation as it will be. We are all on the same page on the need to replace the dumb register with a database with integrity. That is one of the registrar's four main objectives.

On fees, we are keen to make sure that it is quick, easy and affordable to start up a company in this country, but we recognise that fees need to increase to make sure that Companies House, and potentially the Insolvency Service, have the resources to do their work. We will therefore bring forward plans to make sure that those resources are there, through increases to the incorporation fee and the annual fees for registration.

On the hon. Member for Gordon's points about directors' limits, we do not feel that is a key issue. Setting an arbitrary limit on the number of directorships would not be the right way forward. I was the Minister responsible for taking the Economic Crime and Corporate Transparency Bill through the House, and if I remember rightly, the SNP suggested a limit of 20 directorships. I had more than 20 directorships at any one time in my past business life, so that limit would have restricted me from making some investments in the economy that created jobs and raised taxes. I do not think those kinds of arbitrary limits are right; instead, we see the regime working on the basis of red flags. If a high number of directorships is connected with other potential issues, we expect the registrar to investigate.

The hon. Member for Gordon raised an important point about phoenixing. That has certainly been of concern to many hon. Members, and we are keen to act on it. We have made significant changes around phoenixing. Individuals who have acted as a director of an insolvent company at any time in the preceding 12 months are prevented from forming, managing or promoting any business, including a company with the same name as, or a similar name to, the liquidated company for a period of five years from the date of insolvency. There are both criminal and civil penalties for a breach of that restriction, including director disqualification proceedings.

The Government strengthened the law in that area in 2021 by introducing changes to the disqualification regime to make sure that directors cannot avoid investigations by simply dissolving their companies. That point was also made by the hon. Member for Feltham and Heston. Twenty-five directors have been disqualified under that legislation. None of those disqualifications would have happened without the Government's legislation in that area. We want to make sure that legislation goes further, and more investigations are ongoing. I will not specify the numbers, but it is fair to say that when the IS looks for cases of phoenixing, that is not the only misconduct identified. Often, those cases are dealt with as more serious offences that it is more important to prosecute. The hon. Lady gave a figure of 25, but that does not reflect some of the detriment and misconduct that we have identified.

We absolutely think there is a case for reform, and we are determined to take reforms forward quickly, as soon as parliamentary time allows. We also want to make sure that the UK is the best place in the world to do business, and that we do not interfere with people's ability to start up and scale their business; however, we also want to maintain proper fiduciary responsibilities

and have a system that properly oversees the conduct of directors. We will bring forward the legislation that strikes that balance as soon as parliamentary time allows.

3.28 pm

Rebecca Long Bailey: I thank everybody for taking part in the debate, which has been wide-ranging; a lot of interesting points were raised. I thank the Minister for his lengthy response. I welcome a lot of the comments he made, and I followed his work as a Back Bencher on this issue, so I know we are on the same page on many issues, but I am saddened that he did not go into the level of detail that many of the questions asked by myself and colleagues required.

The vast majority of directors do the right thing—we wholeheartedly agree on that point—but the problem is that when the minority do not and it goes seriously wrong, the Insolvency Service and the UK corporate governance code only work to a certain point, because the enforceability just is not there. I applaud the work of the Insolvency Service, but it can only examine conduct as determined under the current law. Take a situation where directors could have consulted on redundancies prior to an insolvency event but did not. The law is very weak and ambiguous on that, which is the point I was trying to make in my opening remarks.

As the Sequana case clearly shows, the point at which an insolvency becomes probable is not defined in law. There is a point in time when directors should be, on a sliding scale, prioritising the interests of creditors prior to a probable insolvency. Defining that is crucial to providing the protection that workers and creditors deserve in situations where some of the money they are owed could be paid back to them.

On the issue of Sarbanes-Oxley, the Minister said that there is a balance to be struck, and he implied that by introducing legal requirements on directors in the style of Sarbanes-Oxley, we would in some way restrict entrepreneurship. That has certainly not been the case in the United States. I was reading a Harvard law report this morning that suggested the opposite—that providing certainty to shareholders and investors would actually encourage future investment. Directors should be able to say, "Yes, all the financial statements we are making are 100% correct. We are categorically supportive of the work that our auditors have done, and we're happy to provide those reports to our shareholders." If they cannot do that, we have a serious problem with our UK corporate governance regime. I do not think it is unreasonable to expect directors to have that legal liability.

Finally, on the audit system, the Minister has not provided any clarity about when ARGA will be set up, when audit reforms will be forthcoming or how extensive they will be. We got a taster in the Queen's Speech, but as I am sure he agrees, reforms need to go a lot further than what the Government have put forward, because issues arise time and again. If we look at the dysfunctionality of the audit industry, KPMG was fined £14 million for not auditing Carillion's company accounts correctly, and that was not a one-off. Prem Sikka referred to the case of Silentnight, in which KPMG—again, in the pursuit of a coveted client—did a pre-pack administration and sold a company to that potential client at an undervalue. It was fined £13 million for its role in that. That shows the dysfunctionality and the unhealthy nature of the audit industry as a whole.

John McDonnell: I worked for Silentnight as a youngster, but one of the other issues is the distressing of assets by the accountancy firms, so that they can get sold on. We have seen case after case of that.

Rebecca Long Bailey: My right hon. Friend is 100% right. I hope the Minister will come back with plans for more detailed reforms of the audit industry in due course.

I will finish on the point about the three reports that my right hon. Friend the Member for Hayes and Harlington (John McDonnell) mentioned. Lord Sikka provided three incredibly detailed reports a few years ago: one on the reform of regulatory architecture, one on reform of the audit industry and one on reform of the UK corporate governance regime. He did that along with a whole team of accountants and industry experts. The points made in those reports are as valid today as they were then, and they are non-partisan. I hope the Minister will take time to read those reports when he is bored over the weekend, and will take some pointers from them that he can take forward in Government policy.

Question put and agreed to.

Resolved,

That this House has considered insolvency law and director disqualifications.

3.34 pm

Sitting suspended.

Publication of Claimant Data in County Court Judgments

4 pm

Yvonne Fovargue (in the Chair): I will call Janet Daby 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 in 30-minute debates.

Janet Daby (Lewisham East) (Lab): I beg to move,

That this House has considered the publication of claimant data in county court judgments.

I begin by informing the House that one of my first jobs as a young person, before attending university, was at the Mayor's and City of London county court, as an administrative officer. During that time I handled many thousands of claims, so I bring some knowledge and experience to today's debate.

Turning to the debate, I want to make it clear how easy the solution to this problem can be. My ask is simple and straightforward: will the Minister agree to rectifying an omission in the Register of Judgments, Orders and Fines Regulations 2005, so that claimant data is published? I am not asking the Government for funding, and there is no need for primary legislation. Instead, the issue I am raising today requires only a small adjustment, which will have a big impact, thereby underpinning the principles of justice, which are rightly celebrated in our country, tackling inequalities that are too often shouldered by those who have the least, and saving resources in our already stretched justice system.

Peter Gibson (Darlington) (Con): The hon. Lady is making an excellent speech. I rise simply to express my full support for the proposed change for which she calls. This is a sensible tidying up of the legislation, and I urge the Minister to crack on.

Janet Daby: I thank the hon. Member, and I absolutely agree with him.

The regulations were created in 2005. They allow for the sharing of specific civil court information with the registrar. However, that information does not include the name of the claimant in a judgment. That means that a defendant can obtain every other piece of information they might need, but not the name of the claimant who took the judgment out against them. That is a problem for several reasons.

Our justice system is world renowned. One of its key principles is that individuals should know who is taking them to court. That is a fundamental principle of natural justice—one that I am proud to champion, and one that I hope the Minister is, too—so it is ludicrous to discover that defendants in these cases do not know who is taking them to court. Indeed, it seems unreasonable and unjust that the claimant's name is not published in county court judgments, and it creates something of an unbalanced system. It goes against the fundamental principles of natural justice that underpin our justice system. Again, I hope the Minister shares that concern.

To look at this on a more practical level, the omission of claimant data can have negative consequences for some of the most financially vulnerable in our society—for example, those wishing to settle and repay debts, or to

[Janet Daby]

come to an agreement with their creditor, who are unable to obtain the information they need about who is pursuing a claim. Instead, they must embark on the lengthy and convoluted process of seeking the judgment case number, via TrustOnline, and then making phone calls or writing letters to the courts to access claimant information.

The average waiting time for income inquiries to the courts often peaks at approximately one hour. That makes it likely that individuals will have to make repeated attempts to reach the courts, which further swells an already bursting administrative system. These delays in getting their calls or correspondence answered put individuals at risk of passing the 30-day window that they are given to settle their debt. If they miss the 30-day deadline, the judgment can be left to sit on their credit file for up to six years, at which point people will no longer be eligible for mortgages and may have further rent applications rejected, and insurance policies may lapse. That creates many problems.

Publishing claimant data would eliminate that. It supports both the claimant and defendant by making it easier to settle their debt, and it gets rid of an unnecessary layer of bureaucracy, which stacks the system against those who fall into debt. It seems archaic, ineffective and inefficient that individuals have to make endless calls or continually write to the courts to find out such a small but important piece of information. Neither side of this House would disagree with the assessment that our court system is currently beset with severe backlogs, and the Minister, alongside his departmental colleagues, has said repeatedly in the House and elsewhere that the Department is committed to cutting those backlogs. Therefore, it is in everyone's interests that they succeed.

Today I offer the Government an easy win. Every week, it is estimated that the courts field 2,000 inquiries related to claimant information, which adds up to 100,000 inquiries a year—a colossal and unnecessary figure. Imagine what court capacity might be freed up if our courts were handling 100,000 fewer inquiries every year. Publishing claimant data will do just that: free up capacity and help to cut the court backlogs. I remind the Minister that that is without additional Government spending and without the need for primary legislation.

If I have not yet been persuasive enough, let me share with the Minister some of the other potential benefits of making this change—I think I probably have, as I can see some nodding in the Chamber.

The Parliamentary Under-Secretary of State for Justice (Mike Freer) *indicated assent.*

Janet Daby: I will share a bit more anyway. Policymakers would be better able to understand what is driving problem debt and so would be able to develop better policy solutions. Regulators such as the Financial Conduct Authority or Ofwat would be better able to identify which firms are treating customers fairly by proactively supporting those who fall into difficulty. The Government would also be able to better target funding for debt advice services exactly where it is most needed.

Analysis by the Registry Trust, an organisation that I will talk about in more detail as I bring my speech to a close, found that 25% of all claimants in county court

judgments are utility companies or parking companies. Unfortunately, in recent months Members of this House have become all too familiar with some of the poor practices deployed by energy companies in relation to the forced installation of prepayment meters. I know that is something that the Minister has engaged on with various Select Committees. Rightly, the actions of those energy companies have been condemned on both sides of the House.

Nevertheless, the fact that claimant data is not ordinarily published means that those energy companies can remain anonymous. Meanwhile, the people who the companies have registered a claim against are left blindfolded in terms of knowing who has taken out a judgment against them. That is wrong and a clear imbalance of justice, whereby our society's most financially vulnerable people come second to energy giants who rush warrants through the courts, break into people's homes and force-fit prepayment meters without proper regard for their customers' welfare. Surely the Minister is not satisfied with this situation and wishes to rectify this inequality.

Let me reassure the Minister that I am not here to point the finger; I am here to help him put a solution in place that will actually work out in practice. The register of judgments, orders and fines has been run by the Registry Trust on behalf of the Ministry of Justice since 1985. The data managed by the trust supports millions of lending and credit decisions across the UK and Ireland every year. The Registry Trust provides services to Government bodies, regulators, credit reference agencies and many other organisations. On average, it processes over 130,000 records each month—vital work that helps our economy to keep moving. Before this debate, I shared with the Minister the news that I have been liaising with the Registry Trust for some time on this matter. The Registry Trust could not be clearer: it has the capacity to manage the addition of claimant data to the register.

If the Minister takes on board the arguments that I have laid out, goes back to his Department after this debate and drafts a statutory instrument so that it can be laid before Parliament at the first opportunity, I can assure him that he would not face opposition from the Registry Trust. Quite the opposite—the Registry Trust is leading the campaign for the publication of claimant data. If the Minister wants reassurance from the trust, I know that it would be only too happy to meet him and put their case forward.

Let me conclude by saying to the Minister: please do not look a gift horse in the mouth. This proposal requires no primary legislation, as I have already said. It does not add to Government spending. It promotes fairness and efficiency in our justice system. It is even being asked for by the organisation responsible for administering it. I therefore hope that the Minister will confirm the Government's intention to update the 2005 regulations and publish claimant data.

4.9 pm

The Parliamentary Under-Secretary of State for Justice (Mike Freer): It is a pleasure to serve under your chairmanship today, Ms Fovargue.

I am grateful to the hon. Member for Lewisham East (Janet Daby) for securing this debate. I am tempted to say, "I agree", and sit down again. Sadly, there are a few things that I have to put on the record first.

I genuinely welcome the hon. Lady's focus on this issue. I have heard her set out how enhancing the data that the Registry Trust holds could help protect households facing financial difficulties. I can confirm that the Government are considering whether we can support the proposal by the Registry Trust to allow claimant data to be included on the register of fines, orders and judgments in England and Wales, as articulated so clearly by the hon Member.

I want to commend the Registry Trust for the valuable service it provides to consumers, businesses and the wider economy. Access to data it holds supports millions of lending and other business decisions each year. The register holds more than 6 million records of fines, orders and judgments. Ordinarily, if a debt is not paid within one month of the court order, an entry will remain on the register for six years, as the hon. Lady set out.

Currently, entries on the register in England and Wales include the name and address of the judgment debtor, the amount owed and whether the debt has been satisfied. Every day, His Majesty's Courts and Tribunal Service provides the Registry Trust with a secure data feed of new or amended entries to the register. Once the Registry Trust has reviewed and processed the data, it is uploaded to TrustOnline, which provides members of the public and businesses with access to search the public registers. TrustOnline has enabled more than 100,000 customers to check county court judgments registered in the courts. It also provides organisations or individuals with bulk data, which is typically used to support lending and other types of business decisions.

The hon. Lady clearly set out the benefits of including the name of the claimant on the register in England and Wales, as happens in Scotland and Northern Ireland. Reflecting on the proposal, I note that that could benefit households in two ways. First, it would provide greater transparency about the use of the county courts by creditors. It would shine a light on the businesses and institutions that most frequently bring county court claims against consumers.

When we first started to discuss the topic of the debate, I tasked officials to see how we could start publishing the top 10 or 20 users of the data, so that we could shine that light as fast as possible. Because the data could help regulators to monitor how firms treat their customers in vulnerable financial positions, and it would help to identify which firms are the most aggressive in using enforcement action. The data could also be used by the regulators of utility and telecom providers to monitor the effectiveness of policies intended to support consumers in financial difficulty. Data could also provide an indication of the credit controls that lenders have in place to prevent irresponsible lending.

Secondly, the Registry Trust states that the addition of claimant data on the register could help academics and debt advice providers obtain better insights into the

source of problem debt in the economy. As the hon. Lady said, the Government do provide a lot of support to debt advice. If this would make debt advice more effective, she is quite right that we should proceed.

There is a benefit to HMCTS, as well, as the people and businesses who find out that a court order has been made against them. Often they find they are in default without having received the claim, and transparency would help in that case. That can happen sometimes because, although the court rules require claimants to take reasonable steps to ensure that they have served the claim to the right address, they are not required to prove that the claim forms have been received. These rules seek to balance the rights of claimants to recover debts and the rights of debtors to be informed of the claim against them. As the hon. Lady said, that lack of transparency as to who is making the claim, sometimes means that people do not find out in time or are unable to satisfy within that 30 days. That is an incredibly powerful point. As she said, it could save the courts time, and lead to a quicker resolution of the debt, which would help restore the person's business credit rating.

As the hon. Lady set out, the change would require the Government to amend the Register of Judgments, Orders and Fines Regulations 2005. It would also require HMCTS to update its existing digital systems to implement it. I would like to reassure the hon. Lady that we are carefully considering Registry Trust proposals. We agree it could bring several benefits to consumers.

We also want to ensure it does not expose consumers to any risks. For example, we are aware that criminals seek to exploit publicly available data to extort money from vulnerable people, for example by impersonating enforcement agents. We also need to consider where to focus the Department's efforts to modernise many of the back-office systems that we are currently grappling with. I can reassure the hon. lady that this is, as she says, a gift horse, and something that I am keen to deliver as fast as I can.

In conclusion, I am grateful for the opportunity to support and respond to this debate, to the hon. Member for Lewisham East for securing it, and to my hon. Friend the Member for Darlington (Peter Gibson) for his support. I have found the debate and reading around the subject in preparation incredibly helpful in finding out how we can address what sounds like a simple solution, for the benefit both of businesses and of those who find themselves in difficulty. I give my commitment that I will do my best to move this forward at pace.

Question put and agreed to.

4.15 pm

Sitting suspended.

Williams-Shapps Plan for Rail

4.31 pm

Martin Vickers (Cleethorpes) (Con): I beg to move,

That this House has considered progress on delivering the Williams-Shapps Plan for Rail.

It is a pleasure to see you in the Chair, Ms Fovargue. Reform of our railways has long been a contentious issue. There are countless opinions on the best way to run the rail system—from 100% nationalisation to 100% privatisation, with a plethora of views in between—but one thing the House can agree on is that rail is a good thing. Passenger rail can unlock economic growth across Britain's regions; it connects communities, and is the greenest form of public transport. There is an ambitious growth target to treble rail freight by 2050, which will deliver huge economic and environmental benefits to Britain. The rail sector is a force for good. It ought to be obvious to anyone that we need more of it, not less.

We can also agree that the status quo is not working. We have an unhappy halfway house between privatisation and nationalisation, which clearly is not working as intended. Across much of our rail network, fares are high, services are poor and passengers are unhappy.

Some elements do work well. One example is open access: on the east coast main line, a public sector operator is competing with private sector open access operators on full revenue risk, which are able to make the best offering to the customer. That has boosted competition, lowered fares, increased the quality of services and created greater innovation. Operators on the east coast main line have recovered beyond pre-pandemic levels, proving that competition, not over-centralisation, is in the customer's best interests. If we had open access across the network, I am confident that we would be in a much stronger position.

However, open access alone is not a silver bullet that will solve all the problems. Unfortunately, as the Secretary of State for Transport illustrated in his Bradshaw address in February, Britain's railways operate on

“a broken model...unable to adapt to customer needs and financially unsustainable.”

That is sadly true. The modelling produced during the pandemic was appropriate in a crisis, but is now stalling recovery and pleasing no one. The key to creating a successful railway is correctly diagnosing the problems that the industry currently faces, and prescribing the right solution.

Opposition Members would attribute the woes that the railway faces to the fact that it is not entirely in public ownership. However, that is simply not the case. A perfect storm of factors has converged to create the levels of turbulence that we have become used to. The pandemic disrupted long-established travel patterns, causing passenger numbers to drop as low as 4% at one time. In 2023, they have recovered to around 90% of pre-pandemic levels. However, revenue levels are at around 85% of pre-pandemic levels, with costs fixed at 100%. That is financially unsustainable and needs to be changed.

The temporary contracts introduced during the pandemic are blunting operators' abilities to attract passengers back, with such contracts making the railway effectively quasi-nationalised, with operators' hands tied. The Department for Transport has never been so involved in

the running of the railways, not even in the British Rail days. The operator of last resort now commands four former franchises, as well as a rolling stock company. Those services are afforded significant freedoms in comparison with normal franchises, and they compete with open-access operators on full revenue risk.

Then there are the Department for Transport-contracted operators, which are on a quasi-nationalised contract with their hands tied and must look to DfT officials to get the most basic things approved. There is also an unacceptable lack of transparency around OLR funding, which ensures that organisations are not operating on a level playing field. The OLR has stated that it

“maintains constant readiness to take responsibility for other train companies...as required”,

but we must implement the reforms required to ensure that that is not necessary. The last thing we need is nationalisation by stealth.

I reiterate that we have a broken rail model with unsustainable finances and restrictive contracts. Further to that, we have industrial action on certain routes, with the public left feeling frustrated and rightly demanding improvement. What is to be done? The nationalised models are supposedly a panacea, where high-quality trains run at cost price for the greater good, never cancelled or delayed, and tying together communities that would otherwise rely on gas-guzzling cars to keep connected.

So we are told, but the reality is the opposite. Bean counters at the Treasury keep a hawkish eye on operations. Their chief concern is the revenue produced by the network. At the first sign of difficulty, revenue has flatlined at around 85% of pre-pandemic levels. Remember: they order the Department for Transport to make savings. They, in turn, have little option but to cut services, staff and customer benefits. This further reduces revenue, compounding the problem, which then spirals out of control. If hon. Members do not believe me, they need only look at a real-world example, not from some far-flung socialist country but from here in the UK. What was the result of British Rail's reign over our railways? Huge operating deficits, lines starved of investment, and dire need of modernisation, culminating in the Beeching cuts of the 1960s. I fully accept that privatisation is not entirely perfect, but I will not take lectures from the Opposition about the fairy tale of nationalisation.

John Penrose (Weston-super-Mare) (Con): The other thing everybody hated about British Rail was that it was monumentally disliked by its staff. Staff morale was at rock bottom and industrial relations were not great. It was not a worker's paradise either, even while it was awful for customers.

Martin Vickers: I entirely agree.

I concede that even under the current system, the separation of cost and revenue across two departments creates perverse incentives. No business that wanted to grow would structure itself in that way. Only with major reform can we break a cycle of decline.

I hope we can agree that the solution will utilise a public-private partnership to bring train and track back together and provide strategic leadership of the railways. The Conservatives, the Labour party and the Liberal

Democrats have all identified the need for a body to oversee track and train, and the rail industry has long called for a guiding mind to co-ordinate the network. That is why the Government are creating Great British Railways, which will be responsible for both track and train, as well as revenue and cost.

Stephen Hammond (Wimbledon) (Con): My hon. Friend's analysis of what the Government are creating is correct, in that it would be very good if Great British Railways were to be the guiding mind. The trouble is that it looks as though there will be centralised control of the system, driving out private sector initiative, driving out investment and underpinning the underperformance of Network Rail, to which at least 78% of the current delays on our railways are directly attributable.

Martin Vickers: My hon. Friend the former Minister identifies some of the downsides, although, as I mentioned earlier, there is no perfect solution. My next sentence was going to be that creating a big, monolithic public body will not solve all the problems unless there is a mix of public and private working together. The private sector has more than doubled passenger numbers in the past two decades, has increased services by more than a third since 1997, and has increased jobs by 27% since 2011. The private sector must have a role.

I recognise that the private sector has not got it all right. There are significant concerns today around particular services linked to industrial action and rest-day working agreements. I was a keen advocate for TransPennine Express to lose its franchise and for the service to be taken under the wing of the OLR until a new private operator could be found. But colleagues across the House must look to pragmatic solutions to fix the railways, with the private and public sector working together. We need to create a market in which the private sector can deliver for customers. We need to let customer-facing operators act in the interests of the customer, not constantly seek permission from the centre. That is not an ideological argument, but one based on reality: command and control from the centre is not helping the sector to bounce back after the pandemic. If we get the balance right, a public-private partnership will enable operators to deliver for customers.

As chair of the all-party parliamentary group for rail, I hear from all manner of stakeholders in the rail sector, including operators, trade associations, those involved in the supply chains, community action groups, industry journalists and, of course, passengers. It is clear that the vast majority agree that legislation is required to make the public body a legal entity and give it the powers necessary to be truly effective. In November 2019, the all-party group published a report, "Rail Reform: A Guiding Mind", which called for a similar body. The report was presented to the then Rail Minister. I recognise that the next parliamentary Session will be tight, but a Bill to establish GBR would be relatively thin and ought not to be controversial. I urge the Minister to lobby within his Department to ensure that a Bill appears in the King's Speech.

Having said that, and without wanting to give the Minister the impression that anything other than a Bill is the preferable way of underpinning the long-term success of the railways, some important reforms can be done in the meantime without legislation. The national

rail contracts are one of the last vestiges of the pandemic. They were right in a crisis, but now they need to evolve to provide operators with more flexibility to use their commercial nous and attract customers back. That would restore some financial sustainability and allow the Government to spend more on other priorities.

The independent economic expert body Oxera estimates that the Treasury is missing out on as much as £1.6 billion over two years because of restrictive contracts for operators. That reduces operators' ability to drive the recovery of passenger numbers. Money is also being lost through the lack of ticket checks on board. Many commuters will be aware of journeys on which their tickets are checked once in a blue moon. That means they could travel for free, knowing that if they did happen to be caught, the savings they would have built up would vastly outweigh any fines they might have to pay. However, at present there is no incentive for rail operators to ensure the collection of fares.

Beyond reforms to the current National Rail contracts, we must look ahead to the end state, as envisioned by Keith Williams, and the passenger service contract, which must be flexible enough to reflect the varying rail market. The public instinctively understand that when they book a flight earlier, the ticket should be cheaper than if they were buying it closer to when they travel. That approach needs to apply to longer-distance rail journeys.

For shorter commuter journeys, we need to introduce more turn-up-and-go services with tap-in, tap-out technology and some degree of flexibility for operators to entice customers on quieter days. I was delighted that in the George Bradshaw address, the Secretary of State signalled that this anti-one-size-fits-all approach is being adopted for future contracts. As a key principle, the future passenger service contracts should be developed to reflect the geography and markets that they serve. They should incentivise operators to use all their creativity and capability to deliver the best possible outcomes for taxpayers by growing revenues and reducing costs.

The Government also need to drive forward fares reform, which the public rightly and understandably care greatly about. Why has it been 18 months since the Government announced the tender for the consolidated online retail solution to deliver radical and long-awaited fares reform? Can we get on and start the tender process? As the Minister knows, it does not need legislation. The prior information notice for CORS was published in December 2021.

The Government have announced one measure relating to fares: a single-leg pricing trial extension on LNER. That is something that should be rolled out more widely to private sector operators. The use of single-leg pricing removes the anomaly of some single tickets being almost as expensive as a return ticket. It means passengers can more easily choose when to travel in the knowledge that the fare offers value for money. For example, if someone commutes in at peak-time in the morning, but then attends an event after work and comes back off-peak, why should they pay for a peak-time return? This is a good step forward that ought to be utilised more widely.

Moving on to freight, I had the pleasure of hosting a cross-party parliamentary reception on this issue in March. Freight makes sense for the environment and the economy. The longest freight trains can ease road congestion by removing up to 129 heavy goods vehicles

[*Martin Vickers*]

from the road. If the Government set an ambitious target to treble rail freight by 2050, the sector would deliver nearly £5.2 billion in economic benefits as a minimum. The freight sector would flourish by setting a supportive policy environment and also by opening the east-west freight corridor, which, as I have pointed out on numerous occasions, would be beneficial to industry and the development of the Humber freeport, and would take a significant number of HGVs off the M62.

I want to highlight the Luxembourg rail protocol, which is making progress internationally and is expected to come into force towards the end of the year. However, the UK is yet to ratify it. There has been extensive engagement with the DFT and the Great British Railways transition team, with the DFT including it as part of a consultation last year. Will the Minister confirm today the Government's position on the protocol? Is he still supportive in principle, and when will the Department issue a response to the consultation? Is there a particular legislative vehicle envisaged to see it implemented? Those involved in the protocol from the UK perspective would appreciate clarification.

The rail model is broken, and both legislative and non-legislative reform is crucial. Misdiagnosing the problem will not make it any better; it will make it worse. Over-centralisation is not in the interests of passengers, the economy or the environment. All parties have identified the need for a public body, but it is important to get the design right and ensure that the private sector is allowed to do what it does best with the package of reform I have outlined today. Along with much-needed changes to ticketing and fares, the Government can deliver rapid and much-needed improvements for passengers, trade customers and the taxpayer.

I know the Minister would be disappointed if I did not raise a couple of local issues, which I have spoken to him about on many occasions. One such issue is the return of the direct train service from Cleethorpes to London King's Cross. Perhaps he could update us on that. Another issue, which I have not raised with him previously, but perhaps he could look into for me, is that for the past 30 years there has been a Saturday-only train from Sheffield via Gainsborough and Brigg to Cleethorpes, with three trains each way. A few weeks ago, Northern announced that it would make that a daily service, which on the face of it is welcome, but it appears to be more for the convenience of the operator than the passengers, because the one train to Cleethorpes arrives at 11.14 am and the return train is at 1.20 pm. An hour and a half in Cleethorpes is simply not good enough; people need at least a week there to enjoy all the facilities. More seriously, one train arriving mid-morning with a return train at, say, 6 pm would be sensible, but allowing people 90 minutes in Cleethorpes or Grimsby is not ideal if they want to do some shopping.

Yvonne Fovargue (in the Chair): I will move to the wind-ups at 5.9 pm.

4.49 pm

Iain Stewart (Milton Keynes South) (Con): It is a pleasure to serve under your chairmanship, Ms Fovargue. I congratulate my hon. Friend the Member for Cleethorpes (Martin Vickers) on securing this timely debate. I concur

with much of what he said. The desirability of the amount of time to spend in Cleethorpes I will leave to him to determine, but otherwise it was a powerful speech. He referenced the Bradshaw lecture that the Secretary of State for Transport, my right hon. Friend the Member for Forest of Dean (Mr Harper), delivered a few months ago. That was very well received and warmly applauded by the industry as a direction of travel from, not the paralysis, but the uncertainty that the covid period delivered. That appreciation has waned and has been replaced by a deep concern that what is happening with GBR is starting to drift.

There is a strong call for the legislation to be included in Parliament's next Session. I understand that the Bill is drafted and has been consulted on. It is a small Bill, so it could be introduced fairly quickly, however as a former Government Whip and Minister I know that it is not necessarily in the gift of the DFT to set the legislative slots, and that all sorts of considerations must be taken into account. I urge the Minister to argue as strongly as he can for that Bill to be included, because it would provide the certainty that we need.

In the absence of that legislation, there is a lot that could be done to give reassurance and certainty to the industry. As my hon. Friend the Member for Cleethorpes has pointed out, there are simply too many decisions that have to be made by the DFT and the Secretary of State himself on the day-to-day operations of the railways and that they should not be making. That level of command and control is not conducive to developing the railway. The single biggest problem, as has been identified, is this split of responsibility between cost and revenue, with the Department for Transport responsible for cost and the Treasury getting the revenue. No business would operate that way, and it has to be ended as quickly as possible.

Industry needs certainty to invest for the long term. That applies not just to the operators, but also the supply chain for engineering and procurement—all the different parts of industry need certainty. They also need the flexibility to respond to post-pandemic patterns of travel, which have not settled down. I do not think that the business world has yet settled on a final mix of home and office working. Just in the last couple of weeks, we heard Google urging more and more of its employees back into work. We will probably not get back to the traditional levels of commuting into the office in the morning and the going home peak in the evening, but the industry needs to have agility to respond to the changing demands.

What can be done in the interim, in the absence of legislation? I strongly urge the Minister to look at the suggestion made recently by Nigel Harris, editor of *Rail Magazine*, that GBR could be set up in shadow form, in the same way the Strategic Rail Authority was set up back in 2000. It could do work such as developing new passenger service contracts itself, with the Secretary of State only coming in to do the legal bit—the signing—and then it can proceed. I think that is worthy of consideration. Similarly, it could progress with the ticketing reform that is much overdue. It is a thorny issue, because as soon as we reform something we create winners and losers in that model, but it is long overdue. I am not just looking at ticketing reform within rail itself, but rail as part of the wider transport ticketing strategy, so that multimodal tickets can be more easily introduced.

GBR must also not become a heavy command and control body. It has to be the guiding mind, but in a light-touch way. It needs to work with the sub-national transport bodies, the mayoral combined authorities and others so that there is flexibility geographically as well as in the types of service. There is not a plan B. For this work to happen in the absence of legislation, there needs to be a will in DFT and more widely in Government, at both ministerial and official levels. There is an appetite there. I met recently with Lord Hendy and others from the GBR transition team. They want to get on with the work, and they can do it, so I hope the Minister can give me some assurance that that work will progress and the industry can get the certainty it needs.

4.55 pm

Chris Loder (West Dorset) (Con): It is a pleasure to take part in this debate; I congratulate my hon. Friend the Member for Cleethorpes (Martin Vickers) on it. I am delighted to follow the chairman of the Select Committee, my hon. Friend the Member for Milton Keynes South (Iain Stewart), and I am even more delighted to have the Minister here, so that we can have this discussion.

The Great British Railways initiative emanated from what was nothing short of a timetable disaster in May 2018. It affected large parts of the country significantly, and it led my right hon. Friend the Member for Epsom and Ewell (Chris Grayling) to take that first step and say, “Actually, this does not work. This system does not click together, and it needs proper reform.” Of course, that led to the Williams review. If I recall, that piece of work commenced at the beginning of 2019, and we are now four years on. Admittedly, we have had covid in the middle, which has made things more difficult, but the progress has been unclear.

In the Bradshaw lecture mentioned by the Chair of the Transport Committee, the Secretary of State described the railway system as broken, and I agree with him. There are many reasons why it has become so fractious. We have allowed the trade unions to have much more influence than they should have. During covid, trade unions told train companies they would not allow the training of train drivers. That generated a deficit in the manpower requirement, and it meant that many train companies—including TransPennine Express, I suspect, and many others—have to cope with fewer train drivers than they require, and therefore have a requirement on overtime. That has meant that the influence and power was with the trade unions, particularly the train drivers’ union. We know that that is the case even today.

Having been a member of the Transport Committee since 2020—indeed, under the then chairmanship of the Minister—we have had much debate and discussion about this with successive Ministers, commencing in May 2021, March 2022 and October 2022, and with senior officials, including the permanent secretary. We have got to a place where the industry, as well as the passenger and taxpayer, now needs to see real progress on what can and will happen to improve our railways rapidly. We have talked a little this afternoon about the need for legislation. That is one way, but—not to be too sceptical—I do not think we will see the legislation immediately. Even if we did, with the timescales we have to contend with before the end of this Parliament, its impact would be limited.

I will focus my remaining remarks on what is actually feasible to do, rather than being concerned too much with what is unfeasible or unlikely to take place in what remains of this Parliament. We know very well that the DFT is able to specify the core timetable that operators run today. That is part of the contractual arrangements. I am a huge advocate of releasing some of that specification to allow the private sector to bring back to our railways the innovation and commercial capabilities that we have seen previously. We see it currently; I recall reviewing the statement by FirstGroup that its open-access operations, such as Hull Trains and Lumo, have performed very well. I am a huge advocate of enabling that to happen because my great concern, as someone who worked in the railways for 20 years before I was elected to this place, is the enormous uncertainty in this huge industry, which affects both the economy and the passenger experience.

In my own constituency, I have two operators, South Western Railway and Great Western Railway, both of which have had extended management contracts from the Department to deliver train services. It is of great regret to me and my colleagues locally that there was no consultation about the needs of the community when those contracts were leased. When the current contracts come to an end—if it is in this Parliament—I hope we might have that discussion.

However, in the absence of that consultation, I have an ask for the Minister to consider. Once upon a time, we ran summer Saturday trains, as my hon. Friend the Member for Cleethorpes mentioned, from the Salisbury-Sherborne-Yeovil line down to Weymouth. That service was removed without consultation, and I would be very appreciative if the Minister would ask his Department to consider putting it in the service specification for South Western Railway.

The county town of Dorset—Dorchester—has suffered terribly over the last two or three years. The whole county has been cut off from London on numerous occasions for a number of reasons, whether it was covid or otherwise. The journey time to London from Dorchester is almost three hours; if I recall correctly, it used to be two hours and 15 minutes in years past. I would very much appreciate it if my hon. Friend the Minister would consider such improvements to the railway and ask Network Rail to consider them.

5.1 pm

Jack Brereton (Stoke-on-Trent South) (Con): It is a pleasure to speak with you in the Chair, Ms Fovargue, and I congratulate my hon. Friend the Member for Cleethorpes (Martin Vickers) on securing this much-needed debate. It is also a pleasure to follow my hon. Friend the Member for West Dorset (Chris Loder).

I very much supported the enthusiasm of the former Secretary of State for Transport, my right hon. Friend the Member for Welwyn Hatfield (Grant Shapps), when he launched the Williams-Shapps plan. I particularly supported the commitment to ensure that we saw a reversal of some of the damage done by the Beeching mindset. That was why I was somewhat concerned that a Beeching-esque mindset could see some revival under William-Shapps, although it is not inevitable that that will happen.

The Beeching mindset is that where there is a bus, there is no need for a train, and that where there is a train, there is no need for another train in competition.

[Jack Brereton]

Beeching called competition duplication, as though a competing service and consumer choice were redundant or inefficient. He was wrong, and the nationalised railway continued to decline. However, thanks to privatisation, we have seen competition return, and record numbers of passengers with it. For example, Birmingham New Street to London Euston faces excellent competition from Moor Street to Marylebone, which has helped to keep fares low on those routes, while other places—such as Stoke, unfortunately—face disproportionately higher fares. On the road, there is also the National Express service from Digbeth to Victoria and of course the soon-to-open service from Curzon Street to Euston or at least Old Oak Common.

That is competition, convenience and choice, not duplication; it puts passengers first, and we need more of it. As my hon. Friend the Member for Cleethorpes said, it is noticeable that, where we have seen more effective competition, with open access on the east coast, performance has been better and fares have remained more competitive. Unfortunately, following the pandemic all risk and reward now rests with the Government. With our railways put on life support, they are more nationalised than ever before, with zero incentive for operators to grow revenues or deliver for passengers.

Our railways are facing an acute revenue crisis, but not really a passenger numbers crisis. The Office of Rail and Road's estimate of 1.4 billion journeys for the financial year 2022-23 is historically high—it is not back to the 2018-19 peak but, mainly due to increased leisure travel, it is well above 2010 levels, and it has increased to where it has been for all but half a dozen years in the post-war era.

Season ticket sales unfortunately plummeted with lockdown and have not recovered. People who previously would have travelled at peak times, paying the highest fares for business meetings, now find it far more convenient to move to Zoom or Teams. It is good, then, to see operators such as East Midlands Railway introducing a new form of season ticket that allows eight days of travel within a four-week period. I just wish that EMR would restore all the services it cut during the pandemic, particularly on its route through Stoke-on-Trent, and add more to serve revived passenger numbers, which, on EMR, are now at 101% of pre-pandemic levels. There is certainly a demand that is not being effectively met by the barely hourly service throughout the week between Crewe and Derby, with only an afternoon service on a Sunday.

Across the national network, the latest quarterly figures, published last week, show that passenger numbers are 88% of what they were in the same pre-pandemic quarter four years ago, but revenue is only 70%. The rail plan needs to inspire innovation and incentivise operators to win back fares. It also means our railways need to up their game in winning an increased number of lucrative freight contracts.

When it comes to the make-up of GBR, there must be the flexibility for operators to provide services over and above the contracted minimum in response to consumer demand. It would be a mistake for the whole timetable to be decided centrally and inflexibly by the Department in London. As my hon. Friend the Member for Wimbledon (Stephen Hammond) said, we cannot

just see a transfer of all the bad practice and cultural problems we have seen in Network Rail. The headquartering of GBR in Derby is therefore welcome, as is the commitment in the plan for more regionalised management. We must see a much lighter-touch and decentralised GBR that allows the needs of local economies and communities to be properly reflected.

However, those regions must be got right. Currently, Stoke-on-Trent endures being split over two Network Rail areas, in a farce that has forced us to seek intervention from the ORR and No. 10 to compel Network Rail to engage with the transforming cities fund projects as a single organisation and to stop dragging its heels over the TCF infrastructure works that had already been agreed. Even now, I await the unacceptably overdue progress on improving access to Longton station in my constituency. At the very least, having GBR in Derby would put it on the same line as Longton—the Crewe to Derby line—which would hopefully focus minds on improving services in stations through north Staffordshire, including reopening a station in Meir, in my constituency. Indeed, it would be a great commuter base for GBR staff working in Derby, adding urgency to getting the TCF programme delivered.

GBR will need to make serious studies of the Crewe to Derby route and the impact of High Speed 2. Unfortunately, current designs for Crewe threaten to take away capacity for local trains rather than opening up the promised capacity for more local trains. More capacity was supposed to be the rationale for the whole upheaval that HS2 is causing. What is the point of having HS2 services that no one can get to or use if local and regional services are completely hollowed out as a result? We should use the pause of phase 2 to look again at whether money could be far better invested in upgrading existing rail infrastructure to better provide the enhanced connectivity that is needed.

In conclusion, delivering the rail plan urgently requires more detail of what the plan actually is. It needs opportunities for open access to be prioritised. It needs to enable tangible benefits for passengers and to bring back the intangible glamour of rail travel that helped make it the preferred mode of transport, adding to revenue by adding consumer value. The focus has to be more competitive services to drive up standards for passengers, support economic growth and put our railways on a much more stable footing for the long term.

5.9 pm

Gavin Newlands (Paisley and Renfrewshire North) (SNP): It is a pleasure to see you in the Chair, Ms Fovargue. I congratulate the hon. Member for Cleethorpes (Martin Vickers) on securing this debate. We have heard from colleagues, and indeed a former colleague, on the Transport Committee. I agreed with much of what they said, but not necessarily the conclusions they drew.

We are two years on from the publication of the Williams review, and in that two years we have seen any prospect of high-speed rail serving north of Manchester removed completely. Even the remaining parts of HS2, when opened, will now terminate near Wormwood Scrubs rather than travel into central London to Euston. That is a boon for prison visiting, but hardly useful for connecting to the centre of the city, which was one of the original points of HS2.

Cities such as Leeds and Bradford have been kicked off the HS2 map and offered trams in return. Like Scotland, they will be stuck at the end of what, in high-speed rail terms, will be branch lines. Even the crown jewel in the review—the formation of GBR—has been kicked into the long grass, as if the Government here have an exhaustive and time-consuming legislative programme to get through in this place, and days were not collapsing early, which we frequently have.

Answers to my written questions published this week show that £64 million has been spent over the last two years on the GBR transition. If GBR is being mothballed until after the election—if there is a change of Government, we will be looking at long after that for any action—those costs will continue to accrue and we will be left with a bill into the hundreds of millions for an organisation that, essentially, or officially, does not exist.

The former Secretary of State intervened at the last minute to slap his name on the front of the report. Given that he is now firmly in the sidings and stuck with no route in sight, I wonder whether he regrets his burst of self-publicity, although I think we all know the answer to that. It has been left to his successors to pick up the pieces and make the case for the review and its recommendations, but No. 10 and the Chancellor are clearly not listening, because by their actions—and inaction—they are showing just how low down rail and transport more generally is on their list of priorities. I feel for the Minister because his Department is being targeted by the Treasury for swingeing cuts. The Williams review called for a 30-year strategy for the rail network, but that simply cannot happen when the Treasury sees transport as an easy target for cuts.

Williams ruled out public ownership and public control, yet as we have seen with ScotRail and the Caledonian Sleeper, the Scottish Government disagree. The UK Government insist that the private sector railway works efficiently, but it clearly does not. The review said:

“Simplification is more important than nationalisation”,

but while the rest of the UK continues to have passenger services under private operation, that simplification cannot happen. Those who receive the new passenger service contracts envisaged by Williams will still extract profit from the system, and the profit will still come from the public one way or another, whether it is from unregulated fares or direct via the DfT contracts. It is not simplification; it is just a tweaked continuation of the present system.

Scotland was the last part of the UK to see its railways privatised and the first to bring them back under full public control. We have heard many times in recent years that Scotland’s railway and the partnership between ScotRail and Network Rail in Scotland has provided much of the template for the GBR operation—if indeed it comes to pass. However, the semi-integration of track and train is despite Westminster, not because of it. Transport Scotland and the Scottish Government are, as per, trying to operate with one arm tied behind their back, with the operator being fully devolved but the track and infrastructure network still reserved.

What is needed now to complete the integration in Scotland is for Network Rail to be brought under the control of the Scottish Parliament, with a Government that are committed to rail in the long term, regardless of the mindset of the Treasury. That is in part being driven

by the target to decarbonise Scotland’s railway by 2035—a target that we are well on the way to meeting, showing how a Scottish Government with control over services are marrying their policy objectives with that of the railway.

Thirty years after the Railways Act 1993, which began the privatisation of the system, we are still seeing the same mistakes repeated and the same political ideology standing in the way of a real plan for our rail network over the next 30 years. The truth is that, while Williams-Shapps may have offered the possibility of a sea change on the network down south, we are now likely to see its demise by a thousand cuts, with its core ideal delayed for who knows how many years.

To conclude, we have GBR on the back burner, possibly indefinitely; HS2 curtailed; the north of England bearing the brunt of cuts yet again; a Treasury on the warpath ahead of any election promises; and no end to the fragmentation and profit-driven structure that has demonstrably failed over the decades. It is time the Government went back to the drawing board, looked again at Williams’s integrated rail plan and their 13-year track record of cuts and more cuts to improvement programmes—cuts that never seem to affect Greater London to the same extent as they affect everywhere else—and started building a railway fit for the future, rather than patching up the work of the great engineers of the Victorian era who built our railways.

5.15 pm

Mr Tanmanjeet Singh Dhesi (Slough) (Lab): It is a pleasure to serve once again under your chairship, Ms Fovargue. I am grateful to the hon. Member for Cleethorpes (Martin Vickers) for securing this important debate on the future of our railways. He eloquently explained that the status quo is not working: fares are high, services are not running, and passengers are not happy. The rail model is broken.

Whenever someone puts their name to something and is then no longer there to lead it, the project is usually destined for failure, as was the case when the then Transport Secretary, the right hon. Member for Welwyn Hatfield (Grant Shapps), decided to append his name to the long-awaited Williams review, calling it the Williams-Shapps review, and was then unceremoniously moved out of office to be replaced by another Transport Secretary. I knew straightaway that the review was doomed to be discarded and dumped, which is the situation we now find ourselves in.

It has been two years since the Williams-Shapps plan for rail was published, promising the biggest shake-up of our railways in three decades. We certainly have seen a shake-up, including three Prime Ministers and as many Transport Secretaries, two failing train operating companies put under the operator of last resort, endless strikes, and nearly one in 20 services cancelled in the third quarter of 2022-23. As the hon. Member for Paisley and Renfrewshire North (Gavin Newlands) remarked, the Government are ideologically opposed to taking rail back into public ownership, as the Labour party has proposed. Great British Railways was hailed by the Government as the solution—a guiding mind with clear, central accountability. That means nothing if the status quo remains and progress continues to stall.

As the hon. Member for West Dorset (Chris Loder) explained, the path ahead of us is unclear. There is enormous uncertainty in an enormous industry. If Great

[*Mr Tanmanjeet Singh Dhesi*]

British Railways is the Government's flagship rail policy, it has certainly run aground. As explained by the Chair of the Transport Committee, the hon. Member for Milton Keynes South (Iain Stewart), there is Government drift on GBR, especially on the legislation. Just a few weeks ago, it was reported that officials were told that it would not be a priority and would not appear in the King's Speech. GBR has been taken out of the transport Bill, and it may have only a fraction of the powers first proposed. A new headquarters has been announced amid much fanfare and videos produced at taxpayers' expense, but concrete proposals for it are nowhere to be seen.

I look forward to the Minister providing some clarity. Perhaps he can tell us whether the Government even remain committed to delivering Great British Railways in full. If they are, will he use this opportunity to outline exactly what non-legislative steps will be taken by his Department to move forward with Great British Railways, and when? It cannot become an expensive vanity project, with taxpayers footing the bill. They have spent £50 million and counting on the transition team, and £20 million on consultants alone.

Worse still, the Government forced local authorities into a protracted competition for the opportunity to host Great British Railways' headquarters, on a promise that it would bring jobs and opportunities. Now, after spending its precious time and resources, Derby is stuck in limbo—a fitting metaphor for the Government, who cannot help but over-promise and under-deliver. I urge the Government to get on with it. As the hon. Member for Stoke-on-Trent South (Jack Brereton) highlighted, the Government must stop dragging their heels, but they have been too busy lurching from crisis to crisis, while rail operators' poor performance has gone unpunished or, even worse, been rewarded. In April, the Transport Secretary authorised a £65 million reward payout for First Group, the company that ran two of the worst-performing operators last year. It is absolutely absurd. Passengers deserve better.

We have years of missing annual updates on the rail network enhancements pipeline, which is vital to industry stakeholders. We have had consistent industrial action, which Ministers admit is costing much more than if they had agreed the pay rises for rail workers. We were promised simpler fares; instead, we get a 5.9% increase. We were promised net zero; instead, we got only 2.2 km of rail electrification in 2022. We were promised centralised timetabling; instead, we got service reductions and cancellations. We were promised devolution; instead, we got disparity, with the north left in the lurch.

Our railways are on a downward turn, despite journeys returning to pre-pandemic levels. Passengers and the industry feel as though they have been abandoned. Unity, vision, leadership—that is what our railways need, and what stakeholders and passengers want, not this broken system under this broken Government.

5.20 pm

The Minister of State, Department for Transport (Huw Merriman): It is a pleasure to serve under your chairship, Ms Fovargue, and to reply to this debate secured by my hon. Friend the Member for Cleethorpes (Martin Vickers). I thank him for his work as chair of the all-party group for rail.

Given my former role as Chair of the Transport Committee, it is also a pleasure to be surrounded by former Committee colleagues, including the shadow Rail Minister, the hon. Member for Slough (Mr Dhesi), who cannot stand to be Chair. We also have two former Transport Ministers. I welcome all continued liaison with the Transport Committee—a great Committee with great members.

In his Bradshaw address in February, the Transport Secretary set out his vision for rail: a customer-focused, commercially-led industry with Great British Railways as the guiding mind for the sector. I welcome the supportive comments of my hon. Friend the Member for Cleethorpes about the Bradshaw address and the need for a guiding mind. I agree and, to answer my shadow, we still support it and will still deliver it.

The case for rail transformation is now stronger than ever. As many have said in the debate, the railways are not delivering the services that customers deserve. The industry remains fragmented, which limits effective decision making. The existing commercial model is not sustainable, with the cost to the taxpayer remaining too high, and the structure does not provide adequate opportunity for private sector investment or initiative. Like my hon. Friends, I fully support the private sector in what it does and what it has done in the past; we need it now more than ever, following the pandemic and the reduction in passenger numbers. We need to put customers at the heart of what we do.

By establishing Great British Railways, we will enable a single guiding mind to co-ordinate the network, bringing infrastructure and operational decisions together, and planning coherently for the future with robust levers of accountability. It will develop local partnerships to bring decision making closer to the communities that the railways serve. Importantly, Great British Railways will enhance the role of the private sector, developing a new commercial model that focuses on operators competing to deliver high-quality, punctual services and excellent customer service.

New passenger service contracts will balance the right performance incentives with simple, commercially-driven contracts. Those will not be one size fits all. I want the private sector to play its part in reinvigorating the rail sector, driving innovation and attracting customers to rail. We are now working with industry on how we can introduce more private sector risk and reward into existing contracts.

On the points made by my hon. Friend the Member for Cleethorpes about open access, I too want to see more open access where it benefits passengers and taxpayers, with a more level playing field in track charging. As part of rail reform, we want more competition to drive up quality and choice. We look forward to working with existing open access operators, as well as new entrants to the market such as Grand Union Trains, which will shortly introduce new services between London and Carmarthen, to maximise benefits for passengers. Legislation is needed to take forward some of the structural elements of reform, but we will ensure that customers feel the benefits as soon as possible, ahead of the introduction of such legislation.

My hon. Friend mentioned the Luxembourg rail protocol. The Government signed it in 2016 and remain committed to unlocking the benefits of greater private sector financing of rolling stock, which the protocol

aims to support. The Government intend to implement the protocol, and we will continue to explore all suitable legislative opportunities to do so.

Let me turn to the point made by my hon. Friend the Member for Cleethorpes about lowering barriers to entry to create a more competitive retail market. As set out in the plan for rail, we recognise that there is a multitude of train company websites with different standards of service, which is confusing to passengers. We are looking and working closely with industry partners to review the best way to address that. Reform is not something that can be completed overnight, but delivery is well under way. We have launched national flexi-season tickets, as mentioned by my hon. Friend the Member for Stoke-on-Trent South (Jack Brereton), and over 700,000 have been sold since launch. We have delivered on our commitment to extend single-leg pricing to the rest of the LNER network from 11 June. That delivers simpler, more flexible tickets that are better value. In March, we announced Derby as the winner of the GBR HQ competition.

The accessibility audit of all 2,572 railway stations in Great Britain is complete and work is under way to ensure that data is kept up to date and made available to the public. In response to the points on rail freight, the rail freight growth target call for evidence will be published shortly, and we remain committed to introducing a long-term rail freight growth target towards the end of this year.

The transition team at Great British Railways has analysed hundreds of responses to the first-ever long-term strategy for rail call for evidence. The plan will be published later this year. In response to the complex rules and industry processes, the Great British Railways transition team, with the support of the Office of Rail and Road, will identify and recommend such rules and what can be done.

We continue to press ahead to deliver reforms and tangible benefits, including publishing the Department's response to the rail reform legislation consultation this summer, taking forward workforce reform, developing the new commercial model, and continuing to simplify fares and roll out pay-as-you-go ticketing, ahead of legislation. I was asked many questions about legislation in the debate; I can only say that we will deliver legislation when parliamentary time allows. Such decisions are made collectively across Government and can be confirmed only during the King's Speech in autumn.

I heard the call from my hon. Friend the Member for Milton Keynes South (Iain Stewart), Chair of the Transport Committee; Nigel Harris is indeed an influential figure who has a lot of good ideas. With regard to the suggestion of a shadow body, I am working with my Department—I had meetings in the last week—to try to escalate and set up more of the teams, so that rather than waiting for matters to be transitioned over, they can take those

matters and come up with ideas. I am not saying that our idea is exactly the same as the one put forward, but we are looking to create the very same culture. My hon. Friend is absolutely right: so much can be done without legislation, and so much is being done. Since the end of last year, I have met weekly with the team that is transitioning everything to Great British Railways to ensure that whatever can move without legislation does move. The reality is that this change project is more about getting the change delivered than, ultimately, about legislation; legislation delivers paper and powers—it does not actually deliver the change, which is what I am working on.

To the point made by my shadow, the hon. Member for Slough, it is deeply regrettable that today ASLEF has balloted its members to continue strike action. It has balloted to ask for a continuation of strikes, but it has not asked its members whether they would like to take up the fair and reasonable pay offer put forward by industry, which would take average pay from £60,000 to £65,000 for a 35-hour week. That is on the table, but it is not being put to members. We remain committed to that offer, but we ask the unions to do their part and ask their members to give their view on it. I hope that the hon. Member would join me in welcoming that stance, which could bring an end to strikes rather than seeing the unions continue to put this country and rail passengers through absolute misery.

To conclude, nationalisation is not the answer. We need simplification and modernisation. I agree with my hon. Friend the Member for Cleethorpes: privatisation has been a success story. The new model will take the very best of the private sector—innovation, an unrelenting focus on quality and outstanding customer service—and fuse it with a single guiding mind to drive benefits and efficiencies across the system as a whole. I look forward to working with all my colleagues across the House to make this reform work.

5.29 pm

Martin Vickers: I think it is fair to say that it has been a lively debate, with contributions from many colleagues. That shows how rail issues always arouse the passions of hon. Members. In contributing, they highlight the interests of their constituents. It has been a helpful debate. I thank the Minister for his response, which I think continues the debate. I hope that as we move forward, the guiding mind, which of course is the Minister, will produce some results.

Question put and agreed to.

Resolved,

That this House has considered progress on delivering the Williams-Shapps Plan for Rail.

5.30 pm

Sitting adjourned.

Written Statements

Wednesday 14 June 2023

BUSINESS AND TRADE

UK-Switzerland Agreement on Recognition of Professional Qualifications

The Secretary of State for Business and Trade (Kemi Badenoch): On 14 June 2023 the UK and Switzerland signed the UK-Switzerland agreement on the recognition of professional qualifications (RPQ).

The UK and Switzerland are two global leaders in services trade with deep links between our economies. In 2022, Switzerland was the UK's third largest partner for services trade, with £23.7 billion in total services trade (imports and exports).

Interim arrangements on RPQ were concluded with Switzerland ahead of EU exit. The "UK-Switzerland citizens' rights agreement" among other things rolled over the existing (EU-based) processes for recognising qualifications until 2024.

Given the strength of both our services economies, and the importance of the RPQ in facilitating trade, it is vital that we establish longer-term arrangements for such recognition to replace these interim arrangements when they expire. Professional services businesses and stakeholders have also made clear the value that they place on smooth and transparent processes for RPQ with Switzerland.

This agreement provides such arrangements, establishing long-term:

Easier access for UK qualified professionals who want to practise in Switzerland, requiring regulators to provide a route to recognition.

Smoother processes for assessing applications—requiring reasonable decision times, reasonable application fees, and clear and transparent guidance on requirements.

Bespoke access for the world-leading UK legal profession, an important export market adding £29 billion gross value to the economy annually.

This agreement will provide certainty for UK and Swiss professionals regarding the arrangements for recognition of their professional qualifications. It will bring tangible, long-term benefits to the UK, simplifying processes for UK professional services businesses that trade in Switzerland.

The agreement also safeguards regulators' autonomy to set and maintain professional standards, to assess against these, and to decide who is fit to practise the profession.

Securing this agreement is an important step in establishing a new long-term trading relationship with Switzerland, alongside the UK-Swiss FTA negotiations which I launched with my Swiss counterpart last month.

The ambition is for this agreement to enter into force on 1 January 2025, following the completion of domestic processes by both parties.

[HCWS850]

CULTURE, MEDIA AND SPORT

Creative Industries Sector Vision

The Secretary of State for Culture, Media and Sport (Lucy Frazer): Our creative industries are a true British success story. They drive economic growth at home—contributing £108 billion in 2021 to the UK economy—and are a brilliant global advert for our creativity and values.

This Government are determined to build on their world-class excellence and I am today publishing a creative industries sector vision that will make sure we do that. This vision is about maximising growth, nurturing young people's talent and delivering on the creative potential that exists right across the country. By 2030—working with industry—we plan to grow these industries by £50 billion of gross value added and support a million extra jobs with a pipeline of talent and opportunity for young people.

This vision is a blueprint for how we support creatives from their first day at school to their last day at work. It comprises a range of measures for young people to help them discover and nurture their skills at school. The plan has targeted investments to help people when they are ready to start their own creative endeavours—with investment for early-stage games studios, grassroots music venues and other creative pursuits. For those businesses, entrepreneurs and artists who are ready to mature, they will find support to help them break into new markets, develop their products from prototypes and access mentoring expertise.

We also plan to build on the status of culture as one of the main drivers for levelling up and spreading growth across local economies. Among the centrepieces of this vision are more funding for creative clusters to stimulate local growth, and providing opportunities for creative education and training people to support creative careers. We have already seen how clusters of excellence—from video games in Dundee to TV in Leeds—have helped draw in investment and nurture talent, and we want to replicate this success in more towns and cities across the UK.

I would like to thank industry for its invaluable help in shaping and delivering the vision, particularly the Creative Industries Council, whose support and advice has been indispensable.

I will place a copy of the creative industries sector vision in the Libraries of both Houses.

Goals and actions in the sector vision

Goal 1: Grow creative clusters across the UK, adding £50 billion more in gross value added (GVA).

We will:

deliver the next £50 million wave of the creative industries clusters programme to support research and development (R&D) in at least six new clusters.

provide £75.6 million to set up four new R&D labs and an insight foresight unit across the UK as part of the convergent screen technologies and performance in real time (CoSTAR) programme.

increase the create growth programme's (CGP) budget by £10.9 million to a total of £28.4 million to support businesses in another six English regions.

provide an additional £5 million for the UK Games Fund to invest in early-stage games studios, bringing its total value to £13.4 million.

Extend and increase funding for Arts Council England's (ACE) supporting grassroots live music fund with an additional £5 million over the next two years.

triple the funding for the music export growth scheme (MEGS) to £3.2 million over 2023 to 2025 to enable emerging artists to break into new international markets.

in partnership with the Royal Anniversary Trust, launch a challenge designed to encourage innovation and growth in the creative industries.

welcome the recommendations of the pro-innovation regulation of technologies review and make rapid progress to develop a code of practice on text and data mining to ensure creator rights are appropriately protected.

Goal 2: Build a highly skilled, productive and inclusive workforce for the future, supporting one million more jobs across the UK.

We will:

publish a new cultural education plan (CEP) in 2023, deliver the national plan for music education (NPME) including £25 million for musical instruments, and explore opportunities for enrichment activities as part of the Government's wraparound childcare provision.

improve creative apprenticeships, with regards to small and medium enterprise (SME) engagement, training provision, relevance of standards and the effectiveness and sustainability of the flexi-job model.

support the roll-out of T-levels, and complementary high-quality, employer-led level 3 qualifications that focus on good progression outcomes.

work with industry so that they can take advantage of skills bootcamps at national and regional levels, and benefit from new local skills improvement plans (LSIPs) and the forthcoming lifelong loan entitlement.

set out, with industry, an action plan in response to the independent review of job quality and working practice in the creative industries. The CIC will launch a charting progress tool to track the effectiveness of diversity and inclusion interventions.

Goal 3: Maximise the positive impact of the creative industries on individuals and communities, the environment and the UK's global standing.

We will:

deliver on the Government's commitment to creative excellence—supporting and promoting the very top end of our cultural and creative output to enhance soft power and boost exports. The Government will provide new funding of £2 million to London fashion week to support five fashion weeks from 2023 to 2025 and £1.7 million to the London film festival 2024.

deliver the £80 million "Research infrastructure for conservation and heritage science" (RICHeS) programme to secure the UK's reputation for excellence in conservation and heritage science.

support the Music Venue Trust to deliver its £3.5 million "Own Our Venues" pilot.

implement the broadcasting White Paper, "Up Next".

introduce an industry-led creative climate charter.

support Bradford to deliver the next UK city of culture in 2025.

[HCWS849]

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