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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Monday 22 January 2024

HIS MAJESTY'S GOVERNMENT

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(FORMED BY THE RT HON. RISHI SUNAK, MP, OCTOBER 2022)

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OFFICIAL REPORT

IN THE FOURTH SESSION OF THE FIFTY-EIGHTH PARLIAMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 17 DECEMBER 2019]

SECOND YEAR OF THE REIGN OF
HIS MAJESTY KING CHARLES III

SIXTH SERIES

VOLUME 744

FIFTH VOLUME OF SESSION 2023-2024

House of Commons

Monday 22 January 2024

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

LEVELLING UP, HOUSING AND COMMUNITIES

The Secretary of State was asked—

Levelling-up Funding: Economically Deprived Communities

2. **Grahame Morris** (Easington) (Lab): If he will target levelling-up funding at the most economically deprived communities. [901064]

The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Jacob Young): The Government have set clear and ambitious missions to end long-standing geographical inequality in the UK. In targeting levelling-up funding, we consider a range of factors, including levelling-up need. These metrics draw on the extensive evidence base of what matters for levelling up, as set out in the levelling-up White Paper.

Grahame Morris: I am interested in the Minister's comments about targeting. Deprivation is made worse by bad policy decisions. The bedroom tax significantly impacted and brought an end to a multimillion-pound housing renovation scheme in the village of Horden in

my constituency. Can the Minister explain to my constituents why our levelling-up bid aimed at regenerating Horden, which is ranked in the bottom 10% for the UK, was rejected?

Jacob Young: We selected the bids based on strict criteria and the methodology is set out on gov.uk. I am sorry that the hon. Gentleman is disappointed that his constituency did not benefit. We funded a project in County Durham in round 1 of the levelling-up fund, and I am happy to work with him to see what more we could do to invest in County Durham.

James Sunderland (Bracknell) (Con): The household support fund has given a lifeline to councils across the UK, including Bracknell Forest Council, and it is discretionary. Will the Minister confirm whether that fund will be extended beyond this financial year?

Jacob Young: I cannot make spending commitments today, but I can say that my hon. Friend is a fantastic champion for his constituents and I am happy to ensure that the relevant Minister is able to meet him to discuss the matter further.

Jessica Morden (Newport East) (Lab): The Secretary of State is the deputy chair of the Tata Steel transition board, so if his Department is at all serious about levelling up, will he acknowledge just how devastating Tata Steel's announcement was for Port Talbot and for families, workers and communities across south Wales? Why will the Minister not work with Business and Trade Ministers to look again with the company at a longer, fairer transition that protects our sovereign steelmaking capabilities and our communities?

Jacob Young: The hon. Lady knows how important steel is to me; my constituency was deeply affected when SSI closed in 2015. We have already provided £100 million of support, but I am happy to ensure that the relevant Minister meets her to discuss how we can provide further support.

Jack Brereton (Stoke-on-Trent South) (Con): It is very positive that Stoke-on-Trent has been included as one of the levelling-up partnership schemes. Does the Minister agree that it is vital that every part of Stoke-on-Trent gets levelling-up support so that all communities, including those in my constituency and particularly the town of Longton, can benefit from the scheme?

Jacob Young: The levelling-up partnership will be transformational for Stoke-on-Trent, building on the levelling-up investment we have already made there. I was pleased to meet my hon. Friend last week to discuss his priorities, including the town of Longton, and we hope to make further announcements about that in the coming months.

Mr Speaker: I call the shadow Secretary of State.

Angela Rayner (Ashton-under-Lyne) (Lab): I am glad that my delayed Avanti West Coast train got me here on time, with a sprint for me at the end.

Data revealed by the Centre for Cities today shows that after 14 years, towns and cities in every corner of our country have been levelled down, left behind and left out of pocket. On average, people are over £10,000 a year worse off as a result of the sluggish growth since 2010. Analysis of the country's largest cities and towns reveals that every place is out of pocket, north and south, from former industrial towns to major cities. Fourteen years after taking power, does the Minister accept that the British people are worse off now than they were then?

Jacob Young: I absolutely do not accept that. The right hon. Lady seems to forget the reality that we have had a financial crash, covid-19 and the Scottish Government failing to support cities like Aberdeen with the oil and gas industry. She can look at the evidence of what we are doing through levelling up. We have invested more than £4.8 billion of levelling-up funding directly into communities the length and breadth of the country, and we will continue to do that.

Angela Rayner: The Minister says “look at the evidence” and I am looking at the evidence—14 years of a Conservative Government, elected on a promise to level up the country, which has left working people worse off. In Manchester, the average household is over £8,000 a year out of pocket. Down the road in Burnley, the loss amounts to £28,000. Will they now listen to our proposals to reform planning, reinstate housing targets and get Britain building again, or will the country have to suffer another final year of failure?

Jacob Young: The Labour party has bankrupted Birmingham, and it would bankrupt Britain. We have made huge progress towards levelling up, including by rolling out gigabit broadband, introducing educational investment in areas, opening new freeports, increasing the national living wage, recruiting more police officers, funding regeneration and community ownership, and devolving more power to local Mayors. We will continue to level up.

Mr Speaker: I call the SNP spokesperson.

Ms Anum Qaisar (Airdrie and Shotts) (SNP): The European Union has provided greater funding support to economically deprived communities in Scotland than the UK Government have with their mismanaged levelling-up fund. If Scotland were still part of the EU, we would have been entitled to a multibillion-pound share of the €750 billion NextGenerationEU fund. Why should Scots be happy with the tiny sliver of Westminster levelling-up funding that we have been given, when Westminster has denied Scotland a share of the far greater opportunity of EU development funding?

Jacob Young: I completely reject the hon. Lady's assertion. We have invested £212 million in Scotland through the UK shared prosperity fund so far, £465 million through the levelling-up fund and £18.3 million through the community renewal fund—I could go on, Mr Speaker. If the hon. Lady wants to support constituencies in Scotland, she should back our Bill later today.

Social Rented Housing

3. **Samantha Dixon** (City of Chester) (Lab): What steps he is taking to increase the provision of social rented housing. [901065]

The Secretary of State for Levelling Up, Housing and Communities (Michael Gove): Our £11.5 billion affordable homes programme will deliver thousands of affordable homes for rent and to buy right across the country. The levelling-up White Paper also committed us to increasing the supply of social rented homes, and a large number of the new homes delivered through our affordable homes programme will be for social rent.

Samantha Dixon: Local authorities have been stripped of resources for the past 14 years, and even Conservative Members agree with that. Does the Secretary of State recognise that local authorities and housing associations need certainty and stability over time, so that they have the confidence and security to invest in affordable social and council housing stock, rather than the Conservatives' last-minute, unplanned changes that wreak chaos and instability?

Michael Gove: I certainly agree that housing associations do fantastic work in providing homes for social rent as well as shared ownership homes, and we work in partnership with them. We are aware of the many pressures they are under. The hon. Lady says that they need certainty and stability, but that is why it would be so damaging if there were a Labour Government with their £28 billion black hole, which would mean either more borrowing or tax increases, and higher interest rates for those aspiring to get on the housing ladder. That is why we should stick with the plan rather than going back to square one.

Dr Thérèse Coffey (Suffolk Coastal) (Con): In my constituency of Suffolk Coastal, Flagship is selling houses to second-home owners. That is a scandal. It tries to suggest that it is because it cannot repair them economically, but it is not offering them, first of all, to the local council. There are restrictions and covenants that could be put in place if these were council houses, but they are not; they are housing association homes. I would love to meet my right hon. Friend to discuss this

matter further to make sure that the housing that was originally given to the housing associations stays for local people.

Michael Gove: I am grateful to my right hon. Friend for raising that issue. She represents one of the most beautiful constituencies in the United Kingdom and does so with great skill. It is because it is such a beautiful constituency that demand for housing is so high. The proportion of second homes in her constituency does create challenges for local people, which I would be more than happy to discuss with her at her convenience.

Mr Speaker: I call the shadow Minister.

Mike Amesbury (Weaver Vale) (Lab): Rather than levying fines of £2,500 on the most vulnerable people sleeping rough, as is proposed in the Criminal Justice Bill, will the Minister commit to building a new generation of social housing? The current levels are pitiful and are an embarrassment, are they not, Secretary of State?

Michael Gove: No, absolutely not. Our record on building social homes is significantly better than that of the last Labour Government. It is under our Administration that local authorities have been given the chance to take 100% of the receipts from right to buy and to reinvest them in social housing. It is this Government, spending £11.5 billion through the affordable homes programme, who are capable of delivering social homes. As we are talking of billions of pounds, the £28 billion black hole in the shadow Minister's budget would devastate our housing market.

Regional Mayors: Accountability

4. **Mark Eastwood** (Dewsbury) (Con): What steps his Department is taking to ensure effective accountability of regional Mayors. [901066]

18. **Nigel Mills** (Amber Valley) (Con): What steps his Department is taking to ensure effective accountability of regional Mayors. [901080]

The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Jacob Young): The English devolution accountability framework was published in March 2023 to make it easier to understand how Mayors, leaders and institutions with devolved powers are held to account. The framework, alongside the recently published scrutiny protocol, will improve scrutiny and make clearer the outcomes and metrics that Mayors are delivering against.

Mark Eastwood: Once again, I thank the Minister for the £48 million of levelling-up funds to upgrade the Penistone line, which will significantly improve the service and bring much-needed improvements to Shepley, Stockmoor and Denby Dale stations. However, to achieve the ultimate goal of getting trains to run a half-hourly service, more investment is required, and that needs to come through the West Yorkshire Mayor and Network North. Does my hon. Friend agree that the Mayor should make that a priority, and announce the extra investment to ensure a full upgrade of the Penistone line?

Jacob Young: We were delighted to provisionally award Kirklees Council with £48 million from the levelling-up fund to upgrade the Penistone railway line. I thank my hon. Friend and others, particularly Conservative Members, for their dedicated support, and I look forward to seeing the benefits that the funding will bring to people travelling between Huddersfield and Sheffield. As my hon. Friend says, Network North will see additional devolved funding provided to the West Yorkshire Mayor. My right hon. Friend the Secretary of State for Transport and I will work with him and the Mayor to ensure that this new and unprecedented level of investment addresses local priorities, and supports towns, cities and rural areas across West Yorkshire.

Nigel Mills: In Nottinghamshire and Derbyshire, we are looking forward to electing our first Mayor in a few weeks' time, especially with the £1.5 billion of funding for transport improvements. How do we ensure that that money is spent on improving our road links, fixing potholes, improving railway lines and so on, and is not lost in the creation of a costly administrative third tier of local government?

Jacob Young: We have provided additional funding to councils in the east midlands to set up the new local authority, so any additional funding through Network North will not be consumed by that. It is a fantastic opportunity to get my hon. Friend the Member for Mansfield (Ben Bradley) elected as the East Midlands Mayor. I am sure that he will focus on exactly the priorities my hon. Friend the Member for Amber Valley (Nigel Mills) mentions.

Mr Speaker: I call the Chair of the Levelling Up, Housing and Communities Committee.

Mr Clive Betts (Sheffield South East) (Lab): One of the better aspects of devolution so far, which might actually work, is the trailblazer projects that have been rolled out in the west midlands and Greater Manchester. One of the key elements of those projects is having a single pot of money. I have repeatedly asked whether it is the intention to roll devolution deals out to the other combined authorities, and I have been assured that it is. Why, then, in the first iteration of what a new devolution deal might look like, have South Yorkshire, Merseyside and West Yorkshire been told that a single pot of money will not be included in the devolution deal? Why are the Government backtracking on the commitment to give those areas a full devolution deal, not a devolution-minus deal?

Jacob Young: We have invited the combined authority areas that the hon. Gentleman mentions to progress to level 4 devolution, which as he rightly says does not come with a single settlement. It is something that we are still considering, and when we see it in action in the west midlands and Greater Manchester we will be able to assess its value for money and whether it is delivering for people there. I assure him that this is not devolution-minus; we are giving devolution-plus to communities the length and breadth of the country.

Andrew Gwynne (Denton and Reddish) (Lab): I am a big supporter of devolution to city regions such as Greater Manchester, and I welcome a number of the

Government's proposals to shift even more powers and responsibility from this place to the combined authority and Mayor, but does the Minister understand the disappointment of Greater Manchester MPs of all political persuasions in the proposals for greater scrutiny by MPs? One question at meetings, with a supplementary at the discretion of the chair, just does not cut it.

Jacob Young: I held a session for Greater Manchester MPs on the scrutiny protocol. I cannot remember whether the hon. Gentleman was there, but I am happy to hold a further session with him. The scrutiny protocol is not yet in place; it is a work in progress, which we are trying to establish in partnership with MPs. We want to know what would work well for MPs in the scrutiny sessions.

Mr Speaker: I call the shadow Minister.

Liz Twist (Blaydon) (Lab): Last week, the Secretary of State told the Business and Trade Committee that he hoped that the long-delayed inquiry that he commissioned into Teesworks and the Tees Valley Mayor will be published soon, and that he would not "pre-empt it". The report was promised in July, then November, then December. It is now January. Where is it?

Jacob Young: The hon. Lady should know that the ministerial code means I am recused from matters relating to my constituency. However, I would simply say to her when she wants to criticise Ben Houchen that he is one of the most effective Mayors we have had. The employment rate in Teesside since Ben was elected has increased by 3.6%, compared with the rest of the north-east, which only increased by 0.1%, and the national average of 0.6%. She should focus her attention on some of the Labour Mayors like the Labour Mayor of London Sadiq Khan, who is failing on housing, failing on crime and failing on the things that matter to people.

Voter ID: Election Turnout

5. **Bill Esterson (Sefton Central) (Lab):** What recent assessment he has made of the impact of voter identification requirements on election turnout. [901067]

The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Simon Hoare): We were pleased to see, in the May 2023 elections, that the vast majority of voters in polling stations were able to cast their vote successfully. That amounted to 99.75% of those seeking to vote.

Bill Esterson: Fourteen thousand voters were turned away from polling stations at the May 2023 local elections for not having photo identification. Local councils have been cut to the bone, so they do not have the resources to ensure that everybody has photo ID. What will the Government do to ensure that nobody is disenfranchised when we get to the general election?

Simon Hoare: There is nothing novel about having voter ID. France, Germany, Austria and Canada all have it, and we have had it in Northern Ireland—part of the United Kingdom—for the past 20 years. I understand that in internal Labour party selection elections, their members also have to produce voter ID. We have a full and comprehensive list of voter IDs, which councils

have been using very well. For those who wish to vote and do not have one of those forms of ID—a tiny number—we also have the voter certificate, available free of charge, which allows them to vote. We want to see as many people as possible voting and, of course, we want to see them voting Conservative.

Mr Speaker: I call the SNP spokesperson.

Ms Anum Qaisar (Airdrie and Shotts) (SNP): The Government's voter ID requirements, which allow travel cards for older people but not the young person's equivalent, are unfair at best, but the reality is that this is political opportunism. As has just been said, analysis by the Electoral Commission following England's 2023 local elections found that 14,000 people were unable to vote due to voter ID requirements. There is real concern, based on that data, that there will be a potential impact in the forthcoming general election. Voters at local elections are often a smaller group of more politically informed people, whereas the larger group of voters who wish to cast their vote at a general election may be less aware of the requirements. Does the Minister agree with the words of his former Cabinet colleague, the right hon. Member for North East Somerset (Sir Jacob Rees-Mogg), that

"Parties that try and gerrymander end up finding their clever scheme comes back to bite them, as... we found by insisting on voter ID for elections"?

Simon Hoare: I do not agree with that, and nor will I take any lessons on political opportunism from the SNP. I am tempted to say that I would WhatsApp my answer to the hon. Lady, but she would probably delete it before she read it. A lot will depend on whether the identification has the relevant hologram. I also point out to the hon. Lady that—[*Interruption.*] She chunters from a sedentary position without wanting to listen to the answer, but of the 14,000 who did not have the right identification, 7,000 came back.¹

Council Budget Deficits

6. **Richard Foord (Tiverton and Honiton) (LD):** What assessment he has made of the causes of council budget deficits. [901068]

23. **Wera Hobhouse (Bath) (LD):** What assessment he has made of the causes of council budget deficits. [901087]

The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Simon Hoare): The Department works closely with the local government sector and other Departments to understand specific demand and cost pressures. The provisional local government finance settlement for 2024-25 makes available over £64 billion—an increase in core spending power of almost £4 billion or 6.5% in cash terms. We stand behind councils up and down the country to deliver the services that their communities look for.

Richard Foord: It was recently revealed that Devon County Council is using its broadband clawback money to close its deficit. That £7.8 million was intended for improving broadband across rural areas. Countryside connectivity is key to boosting businesses so that they can pay their taxes, so what does the Minister plan for

1.[*Official Report, 23 January 2024, Vol. 744, c. 4MC.*]

next year, when Devon County Council's finance minister puts his hand down the back of the sofa, only to find he has spent the millions intended for broadband on paying day-to-day direct debits?

Simon Hoare: If the money from that Department is ring-fenced, it is not at the discretion of the county councillors where they use it; they have to use it for that purpose. I would take the hon. Gentleman's concern a little more seriously if he had taken part in the parliamentary engagement, as 97 colleagues across the House did, including the hon. Member for Bath (Wera Hobhouse), or attended the Westminster Hall debate about Mid Devon Council funding, secured by my hon. Friend the Member for Bridgwater and West Somerset (Mr Liddell-Grainger).

Wera Hobhouse: I appreciate the time that the Minister took to answer my questions at the drop-in session. We will not cut NHS waiting times without good, well-resourced social care. My Liberal Democrat council colleagues in Bath are on track to bring social care back in-house, which means better care that is better delivered locally and long-term savings. However, even Bath & North East Somerset Council, as he knows and as I have already pointed out, is under severe financial strain. Will he therefore commit to extra funding to allow it to deliver the vital social care that my constituents so desperately need?

Simon Hoare: Adult social care is a demand on all upper-tier authorities. I commend BANES Council on the work it is doing; that is precisely the demonstration of flexibility and innovation in local government that we look for to deliver quality services in a cost-efficient way, and it deserves our approbation for that. With the Department of Health and Social Care, we keep under review precisely those policies relating to adult social care, to make sure that those who are most in need receive the services that they need in a timely fashion.

Mark Pritchard (The Wrekin) (Con): Would the Minister like to put on record that he shares my thanks to Councillor Lezley Picton, the leader of Shropshire Council, who has done a fantastic job despite the challenges in trying to get down the deficit there? The council has found significant efficiency savings, but there is still more to do. Ahead of the local government finance settlement announcement, could the Minister look at the rural services delivery grant and see what more can be done for large rural counties such as Shropshire, which he will know is the largest landlocked county in England?

Simon Hoare: I am grateful to my hon. Friend and for the work that Councillor Picton does as the leader of his council. He is absolutely right to point to the continued importance of innovation, change and reform to ensure value for money—that is key—and to highlight the importance of the rural services delivery grant. My right hon. Friend the Secretary of State and I remain committed to that and we hope to be able to make that announcement in due course.

George Freeman (Mid Norfolk) (Con): Rural councils face a disproportionate triple whammy from the rising cost of energy due to the Ukraine war, with rural councils and rural public services having to pay higher

heating, energy and labour costs. Could I have a meeting with my hon. Friend to talk about the fair funding formula, to make sure that rural councils are properly funded in this next settlement?

Simon Hoare: As a rural Member of Parliament, I am tempted to tell my hon. Friend that he will be preaching to the choir, but of course I am happy to meet him. He points to the challenges that rural councils face in delivering services in areas that are wide in geography and sparse in population.

Mr Speaker: I call the shadow Minister.

Jim McMahon (Oldham West and Royton) (Lab/Co-op): The reality is that more and more councils are being pushed to the financial brink. It stands as a fact that more councils issued bankruptcy notices last year than in the previous 30 years combined. Those councils were Conservative, Liberal Democrat and no overall control, but the one thing they have in common is the Conservative Government in Downing Street. The Local Government Association reports that councils face an immediate £2.6 billion funding gap. Now that the deadline has passed, can the Minister confirm how many councils have applied for exceptional financial support, and whether pressures in adult social care, children's services and homelessness will be fully met in the financial settlement?

Simon Hoare: It is not policy for us to comment individually on councils that are seeking advice from or engagement with officials, but I am grateful to the hon. Gentleman for his question, because it gives me the opportunity to put on record that my Department and I stand ready to engage with all those councils who wish to discuss their financial circumstances. We want to make sure that we have a well-funded, professional local government sector, delivering for those people in our communities who look to them for the services that they require for their daily lives.

Public Green Spaces

7. **Maggie Throup** (Erewash) (Con): What steps he is taking to protect public green spaces. [901069]

The Minister for Housing, Planning and Building Safety (Lee Rowley): Through the levelling up parks fund, taxpayers are providing more than £9 million to create new green spaces or significantly refurbish existing ones. The Department-owned green flag award scheme, which is currently operated under licence by Keep Britain Tidy, sets the national standard for public green spaces and encourages local authorities to ensure that parks and green spaces are welcoming, safe and well maintained.

Maggie Throup: Behind the closed doors of the town hall, Labour-controlled Erewash Borough Council is plotting to sell off large swathes of green open space, including the former Pewit golf course in Ilkeston, which had previously been designated as a nature reserve. Will my hon. Friend take steps to prevent local authorities from selling public land without first carrying out full public consultations, and will he join me on a visit to the Pewit site to discuss how we might save it from the hands of developers?

Lee Rowley: By law, local authorities are required to publish a notice and advertise it before disposing of any open space. This is exactly why it is so important that my hon. Friend is and continues to be the MP for Erewash. She can call out all the disasters of the Labour Erewash Borough Council which, as a fellow Derbyshire MP, I see Derbyshire Labour doing regularly all across my county. It has the wrong priorities and outcomes, and it makes the wrong decisions.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): The Minister might know that we have wonderful public green spaces in our country—many of them are around London and in West Yorkshire—but is he aware that the decline of education departments in many local authorities owing to the policies of successive Conservative Governments means that today the ability to organise school trips to green spaces is minimal? Could we have a policy that allows all our children, of whatever background, to go to and enjoy those beautiful green spaces?

Mr Speaker: I call the Minister.

Mr Sheerman: Because if they cannot get there to visit them, they cannot love them.

Mr Speaker: Order. Mr Sheerman, please do not take advantage of the Chair. I am trying to bring the Minister in, and I have to get many others in. You are important, but so are other people.

Lee Rowley: The hon. Gentleman should look at the Conservative party's record on education in over 40 years in government. There have been substantial improvements in education and teaching, and our children are better readied for the challenges ahead as a result.

Local Authorities: Four-day Week

8. **Peter Dowd** (Bootle) (Lab): What assessment he has made of the potential merits of a four-day working week for local authority employees. [901070]

The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Simon Hoare): The Government have been crystal clear that we do not support any attempt from local authorities to implement part-time work for full-time pay. Removing capacity to deliver services to residents is not acceptable. The Government have taken steps to deter councils from operating such practices, and we will take further steps if necessary.

Peter Dowd: The Minister only earlier extolled the virtues of devolution. In fact, page 29 of the 2019 Tory manifesto said that the

“ambition is for full devolution across England, building on the successful devolution of powers to city region mayors”

and others. How does that laudable aim fit with the Government's shocking attempts, through threats and bullying tactics, to strangle the ability of local councils such as South Cambridgeshire District Council to trial a four-day week and other money-saving initiatives?

Simon Hoare: If the hon. Gentleman can construct an argument for hard-working families across the country—many of whom will be working two or three jobs to

keep a roof over their heads—that five days' pay and benefits is commensurate with four days' work a week, I would be interested in hearing it. I invite him in all seriousness to consider the impact on the public's perception of the public sector if it is given out that we can afford to work four days a week but still expect and receive five days' pay.

First-time Buyers

9. **Sir David Evennett** (Bexleyheath and Crayford) (Con): What steps he is taking to help first-time buyers. [901071]

The Minister for Housing, Planning and Building Safety (Lee Rowley): Getting on the property ladder is everything that is important about being a Conservative. The Government have a range of schemes available to first-time buyers, including the first homes scheme, shared ownership and right to buy. So far, nearly 900,000 people have been helped on to the property ladder by this Government.

Sir David Evennett: Does the Minister agree that while Labour Members actively block the building of new homes for first-time buyers, the Conservative Government have increased the numbers to a 20-year high and helped almost 1 million households through Government-backed schemes?

Lee Rowley: I absolutely agree with my right hon. Friend. I hope he heard some of the chunters of “Come on!” from the Opposition Benches when he raised the absolutely correct point that, when the opportunity was there for Labour Members, they flubbed it. They have blocked 100,000 houses that could be used for first-time buyers, people who need help, and the most vulnerable. It is all down to the right hon. Member for Ashton-under-Lyne (Angela Rayner).

Jim Shannon (Strangford) (DUP): I thank the Minister for that answer. What discussions has he had with large UK banks, such as Danske Bank in Northern Ireland, to ensure mortgages are made as accessible as possible for first-time buyers, encouraging them to buy, not rent, when they have a steady income? Further, are there any plans to reintroduce the help to buy ISA?

Lee Rowley: I am grateful to the hon. Gentleman for his important question. Getting people on the housing ladder is absolutely vital: that is why we introduced the mortgage guarantee scheme, which extends the number of mortgages that are on the market for those people who need it, including first-time buyers. I am happy to talk separately to the hon. Gentleman about other ideas that he may have.

Leasehold

11. **Chi Onwurah** (Newcastle upon Tyne Central) (Lab): What steps he is taking to reform the leasehold system. [901073]

The Minister for Housing, Planning and Building Safety (Lee Rowley): Right now, the Government are taking action with the progression of the Leasehold and Freehold Reform Bill through this place, which delivers on the Government's manifesto commitments on leasehold reform.

Chi Onwurah: Leaseholders in Leazes Park in Newcastle are having their lives ruined because their supposedly charitable freeholder, the St Mary Magdalene and Holy Jesus Trust, refuses to allow them to extend or buy their leaseholds. Across the constituency, in a cost of living crisis, my constituents face exorbitant management fees, high costs for fire safety and ever-increasing ground rents. Can the Minister tell my constituents why, when the Labour party is committed to comprehensive and fundamental reform of the leasehold system as set out by the Law Commission, he has brought forward a leasehold reform Bill that does not actually reform their leaseholds?

Lee Rowley: The Leasehold and Freehold Reform Bill, which is going through Parliament at the moment—going through in a very constructive way so far, with contributions from Members of all parties, presumably because they recognise the value of the clauses it contains—will make substantive changes for those who have leaseholds at the current time. We look forward to its continued progress through the House.

Mr Speaker: I call the Father of the House.

Sir Peter Bottomley (Worthing West) (Con): There will be agreement on both sides of the House that reform is needed. For my part, I welcome the introduction of the Leasehold and Freehold Reform Bill to get people on to modern leasehold and commonhold, and through the Minister, I invite those who are suffering—the hon. Member for Newcastle upon Tyne Central (Chi Onwurah) explained that her constituents are suffering—to put their points through MPs to the Department, so that when amendments to the Bill are tabled, as many as possible can be discussed and accepted.

Lee Rowley: I am grateful to my hon. Friend. As I and the Secretary of State have said, we are keen to improve the Bill where we can, but it is a substantial Bill that will make substantial changes for people who have needed reform of leasehold for a long time.

Local Government Transparency

14. **Simon Jupp** (East Devon) (Con): What steps he is taking to promote transparency in local government. [901076]

The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Simon Hoare): Steps are always being taken to improve transparency. The local government accountability framework and transparency code sets standards for transparency; it mandates the publication of certain information, such as spend. The Office for Local Government will promote transparency further by providing authoritative local government performance data on the local authority data explorer.

Simon Jupp: Being a cabinet member in a local council should require the highest level of transparency. However, I fear that is not always the case when relevant previous criminal and custodial convictions remain hidden. What advice would my hon. Friend give council leaders about how to ensure cabinet members are fully transparent about their previous convictions where relevant to their role as a cabinet member?

Simon Hoare: My hon. Friend raises an important question. At the time of appointment, all council leaders should be aware of existing disqualification criteria barring councillors who have been given a custodial sentence of three months or more, or who are registered sex offenders. If the council leader is not aware, those people who are due to be appointed should make their group leader aware of those circumstances. They have a legal obligation to declare as election candidates—this is an important issue. The Nolan principles are there for a reason: to maintain transparency and standards. If my hon. Friend wishes to write to me with the details of the case he has mentioned, I would be happy to receive his submission.

Private Rented Sector

15. **Clive Efford** (Eltham) (Lab): What steps he is taking to reform the private rented sector. [901077]

The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Jacob Young): The Renters (Reform) Bill will soon enter its Report stage in the House of Commons. That Bill abolishes section 21 evictions, moves the sector to a system of periodic tenancies and introduces a private rented sector property portal and ombudsman, improving the system for responsible tenants and good-faith landlords.

Clive Efford: In my casework, I have seen an alarming rise in the number of no-fault evictions. This is leading to families being moved a long way from my borough, with children having to travel tens of miles to get to school every day. The Government have said that they are going to remove section 21 evictions, but they have not given the criteria under which they are going to do so, and it seems that this is going to be in the hands of the Minister. Opposition Front Benchers have offered to work with the Government to eradicate section 21 evictions. The Government said they would do it four years ago. According to the Government's own figures, 80,000 families have been threatened with no-fault evictions. When are the Government going to co-operate and get this resolved?

Jacob Young: That is exactly why we are bringing forward the Renters (Reform) Bill. However, as we set out on Second Reading and in Committee, we will not be able to do that until the court system is able to cope with the increased number of cases. We heard evidence in Committee about the huge increase in cases that we will find. We are introducing these reforms in a phased way so that courts and the sector have time to adjust. [Interruption.] I would say to the hon. Gentleman, and to the right hon. Member for Ashton-under-Lyne (Angela Rayner), who is chuntering from a sedentary position, that it serves no one to leave tenants or landlords in limbo in a court system that is not functioning properly.

Vicky Ford (Chelmsford) (Con): Chelmsford is a brilliant city and lots of people want to go there to live, but that does mean there is huge demand for properties, especially affordable properties, both to buy and to rent. At the moment, when we build new houses the local authority can put a quota of affordable homes on those new build properties, but they cannot do that when large office blocks are converted into flats. Will my hon. Friend

arrange for me to meet the Housing Minister, so that I can discuss how to make progress with my private Member's Bill on affordable housing in conversions of commercial to residential properties?

Jacob Young: I will ensure that the Housing Minister is able to meet my right hon. Friend.

Housing Developers: Information on Associated Infrastructure

16. **Andrew Selous** (South West Bedfordshire) (Con): What assessment he has made of the reliability of information on associated infrastructure provided to buyers by housing developers. [901078]

The Minister for Housing, Planning and Building Safety (Lee Rowley): It is absolutely vital that buyers have correct, up-to-date and accurate material information on their purchase before they make a decision to buy a home.

Andrew Selous: I am very grateful to my hon. Friend the Minister. He will know that promotional documents put out by major house builders such as Barratt Homes, Taylor Wimpey, David Wilson Homes and so on to prospective purchasers on large-scale housing estates commit absolutely to the building of health infrastructure, which very often does not turn up. Just allocating a piece of land simply is not good enough. Can he please make sure that we do not mislead purchasers and that, frankly, the doctors' surgery is the first building to be built on many of these new estates?

Lee Rowley: My hon. Friend makes a hugely important point, and I am grateful for the time he has spent with me in my first couple of months in the job to highlight this issue, to articulate the problems and to show the real-life examples of where there is an issue. He is such a good champion of this issue for his constituency. A substantial amount of infrastructure has been built all across the country, but where there are gaps it is hugely frustrating, and we will continue to work with assiduous Members such as my hon. Friend to try to close them.

Kerry McCarthy (Bristol East) (Lab): A recent freedom of information request revealed that only a third of the housing infrastructure fund has actually been spent, which leaves £2.9 billion unspent. The National Audit Office says that successful delivery of the housing infrastructure fund "appears to be unachievable", so what is going to happen to that £2.9 billion?

Lee Rowley: The housing infrastructure fund continues to transform very difficult, challenging and unviable areas of the country. It is being spent at pace, and it will continue to be so. We expect it to be able to transform more parts of the country over the years ahead.

National Planning Policy Framework: Neighbourhood Planning

19. **Dr Luke Evans** (Bosworth) (Con): What assessment he has made of the role of neighbourhood planning in the national planning policy framework. [901081]

The Minister for Housing, Planning and Building Safety (Lee Rowley): The Government recognise the time and commitment that communities put into neighbourhood plans. Our recent updates to the national planning policy framework mean that neighbourhood plans meeting their identified housing requirement are now better protected from speculative development, including through the additional reforms coming in the Levelling-up and Regeneration Act 2023.

Dr Evans: My Lib Dem-run borough council still does not have an up-to-date local plan. Every day that passes means that we are open to speculative housing developments without the right infrastructure such as GP practices and roads and those kind of things. My communities are fantastic at producing neighbourhood plans, but they are ridden over roughshod in places such as Desford, where housing has been put in where the community does not want it. Will the Minister look at increasing the priority given to neighbourhood plans when communities and local planning authorities do not have an up-to-date local plan?

Lee Rowley: It is hugely frustrating when local plans are not in place. As my hon. Friend indicated, in his area the Lib Dem council has failed to do that, which is letting residents down. There have been changes as a result of the national planning policy framework giving additional protection through neighbourhood plans, but district councils and those with planning responsibilities need to get their plans in place.

Permitted Development: Urban Homes

21. **John Penrose** (Weston-super-Mare) (Con): If he will make an assessment of the potential merits of a permitted development right for urban homeowners to increase their property to four storeys where that complies with the local authority's design code. [901085]

The Minister for Housing, Planning and Building Safety (Lee Rowley): We have introduced national permitted development rights to allow a wide range of existing residential and commercial buildings to extend upwards by up to two additional storeys. We have also recently consulted on proposals to apply local design codes to those rights and further announcements will be made in due course.

John Penrose: May I urge the Minister to go further and faster on this? The permitted development rights would create beautiful urban townscapes and unleash the biggest wave of housebuilding in half a century, which would in turn cut housing costs to rent or buy, be greener by allowing people to live within bicycling or walking distance from work and protecting rural landscapes from urban sprawl and, by increasing the development potential of almost any urban building, be the biggest single act of wealth creation in decades. What's to dislike?

Lee Rowley: There is absolutely nothing to dislike, as my hon. Friend indicates, about speeding up the planning system to ensure we get the houses we so badly need. As I know my hon. Friend will appreciate, however, there is always a balance to be struck: we must ensure that we take local people with us, but we are committed to building more houses, and doing so in the right places.

Topical Questions

T1. [901088] **Ian Byrne** (Liverpool, West Derby) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Levelling Up, Housing and Communities (Michael Gove): Earlier this month we launched the consultation on Awaab's law, which insists upon time limits for repairs in the social rented sector. In the shaping of this law and many other initiatives and interventions to help people in social housing, the example of Tony Lloyd, the late Member for Rochdale, is in all our minds and hearts. Awaab was one of his constituents, and Tony Lloyd could not have been kinder or more supportive of the efforts of my Department and others to see justice for Awaab's family.

Ian Byrne: The household support fund has supported 330,000 households in Liverpool since its introduction. The focus needs to shift from crisis support to prevention but in the short term the demand for local welfare is rising. Like many other councils, Liverpool City Council says the household support fund will need to continue beyond March 2024 to keep residents well supported to stay in and enter work and prevent an escalating crisis, reducing pressure on public services including local authorities. What representations has the Minister made to the Treasury and the Department for Work and Pensions to ensure the continuation of the fund after March?

Michael Gove: The hon. Gentleman is absolutely right: the fund has helped many communities in need, particularly in Liverpool. He and other Liverpool MPs have been assiduous in making the case for its continuation and I have passed that on to colleagues.

T4. [901092] **Dr Luke Evans** (Bosworth) (Con): Leicestershire MPs had plenty of time last week with two Ministers from the Department—the levelling-up Minister and the local government Minister—to discuss the funding and structure of our county council. To follow up, will the Minister for local government commit to meet the county council leadership to ensure that the funding and the formula that goes with it are improved for the future?

The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Simon Hoare): I thank my hon. Friend for his positive engagement, alongside that of my right hon. Friend the Member for Charnwood (Edward Argar) and my hon. Friends the Members for Loughborough (Jane Hunt) and for South Leicestershire (Alberto Costa), who came to see me to discuss this issue last week. I would of course be delighted to meet the leadership of Leicestershire County Council with my hon. Friend the Member for Bosworth (Dr Evans) and his colleagues. Through the good offices of our hon. Friend the Member for South Leicestershire, I met informally with Councillor Louise Richardson, the cabinet lead on health, last week.

Mr Speaker: I call the shadow spokesperson.

Justin Madders (Ellesmere Port and Neston) (Lab): First, Mr Speaker, may I echo the comments made by the Secretary of State in relation to the late Tony Lloyd, who will be greatly missed in all parts of the House?

As we have heard from the shadow Secretary of State, the whole country has been levelled down since 2010 at an average rate of £10,200 per person. That is a damning indictment of this Government, but with about 1,300 projects funded by the future high streets fund, the towns deals and levelling-up funds, that decline should, in theory, not have happened. How many of those projects have now been completed and what evidence does the Department have that those projects have contributed to reducing regional inequalities?

Michael Gove: The evidence of the reduction in regional inequalities is perhaps most marked in Teesside and the Tees valley where the Conservative Mayor Ben Houchen has been responsible for overseeing an economic renaissance, renewed foreign direct investment, and improvements in public health and education. The message is clear: if we want levelling up to work, we need to elect Conservative mayors in May.

T5. [901093] **Alexander Stafford** (Rother Valley) (Con): The Minister will be aware that Labour-run Rotherham Metropolitan Borough Council has recently given the go-ahead for developers to build hundreds of new homes at Highfield Park in Maltby on land that has always been greenfield. What he might not be aware of is that the developer has given thousands of pounds to the local Labour party, which none of the councillors voting on the issue declared. What can he do to ensure that such greenfield sites are not wantonly given over to developers?

The Minister for Housing, Planning and Building Safety (Lee Rowley): I am sorry to hear about the challenges that my hon. Friend has seen in Rother Valley. It is one reason that more Conservative councillors need to be elected on to Rotherham Metropolitan Borough Council for the future. We are absolutely aware that there are challenges. We need to build more houses and in the right place, and the best way to do that is by getting a local plan in place, and by the councils that are responsible for that engaging properly with their communities about it.

T2. [901089] **Clive Efford** (Eltham) (Lab): My local authority is bending over backwards to try to build social housing and is committed to building 2,000 new homes, yet the Government are still standing in the way by placing restrictions on reinvesting right-to-buy money in building social housing. Why will the Government not assist local authorities to build those houses? We have had 14,000 fewer homes a year since 2010. Does the Minister accept that that is a disgraceful record for the Government?

Michael Gove: We always stand ready to work with local authorities of whatever stripe or colour to ensure the delivery of new homes. As the hon. Member knows, London is the region of the United Kingdom that has performed worst against its housing targets. Principally, that is down to the Mayor, not to individual local authorities, so I look forward to talking to him about what more we can do together.

T8. [901096] **Andrew Jones** (Harrogate and Knaresborough) (Con): There is a powerful community campaign to stop an asphalt plant being built in countryside in my constituency. The application has dragged on for years.

Will the Minister look at how applicants and councils can be compelled to provide and process information in a more timely manner, so that such applications do not blight the lives of local people for so long?

Lee Rowley: My hon. Friend is absolutely right that we need decisions at the earliest possible opportunity. Sometimes that is not possible, but it is important that things are done as quickly as possible. That is one reason that we announced a few weeks ago that we were monitoring local authorities' planning application performance, so that can see where they are, and are not, doing the right thing.

T3. [901091] **Kerry McCarthy** (Bristol East) (Lab): Leaseholders at Orchard House in my constituency are in an unsafe building with known defects. They have been issued with a remediation order, but the freeholder is simply not co-operating. Does this not suggest that the feudal freehold system should be abolished for flats, as well as for houses? What assurances can the Minister give my constituents that they will get help from somewhere?

Lee Rowley: It suggests to me that the freeholder is doing the wrong thing, and where the freeholder is doing the wrong thing, they need to be held to account through the court system, as they are, and they will eventually be forced to do the right thing. On the specifics, I am happy to talk to the hon. Lady, if that would be helpful.

Dehenna Davison (Bishop Auckland) (Con): We have £72 million for Bishop Auckland through the levelling-up fund, the future high streets fund and the towns fund, £20 million for Spennymoor through the long-term plan for towns and a £1.4 billion investment fund through the north-east devolution deal. It really is the Conservatives who deliver for the north-east, is it not?

The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Jacob Young): I completely agree with my hon. Friend, and I thank her for her work in this role in the Department and all that she has done to help level up in her constituency.

T6. [901094] **Dan Carden** (Liverpool, Walton) (Lab): There are 14,000 families waiting on Liverpool's housing register. We are facing a housing and homelessness crisis, and the cost of providing temporary accommodation has gone from £250,000 to £19 million in the past three years. The leader of the council has written to the Secretary of State twice. When will the Secretary of State wake up to this emergency?

Michael Gove: I appreciate the advocacy of Liverpool MPs on behalf of those in temporary accommodation, and I appreciate the scale and nature of the problem. I have been working with the Mayor of Liverpool city region and others to look at a strategic futures advisory panel report that we believe will unlock not just additional housing, but additional investment in Liverpool and the Liverpool city region. I look forward to discussing that with the hon. Member and, indeed, the new leader of Liverpool City Council.

Paul Howell (Sedgefield) (Con): Over the weekend, the *Express* ran a story about Ferryhill in my Sedgefield constituency being a dumping ground for rapists and

paedophiles. My constituents believe that has been driven by housing groups advertising in the south to people that they have houses in places such as Ferryhill where no checks are required. Can the Minister meet me to discuss how we can stop the degeneration of places such as Ferryhill?

Jacob Young: I am very sorry to hear of my hon. Friend's concerns. I will meet him and discuss how our antisocial behaviour action plan can help in Ferryhill.

Rachel Hopkins (Luton South) (Lab): I refer the House to my entry in the Register of Members' Financial Interests. Today, more than 40 of the Government's own MPs have written to the Prime Minister with their concern about the financial situation facing councils and the need for emergency funding. The Local Government Association says that there is likely to be a £4 billion funding gap over the next two years. If there are to be these council shortfalls and many people will not see the essential services they rely on, what will the Secretary of State do to ensure that people still have access to the vital services they so desperately need?

Michael Gove: I think that of the 40 MPs who wrote that letter, one was the hon. Member for Cambridge (Daniel Zeichner) and one was the hon. Member for Somerton and Frome (Sarah Dyke), so I look forward to their joining our ranks as part of the swelling tide of Conservative support that I see across the country. On the specifics of the hon. Member's point, we have been listening carefully to colleagues in local government and will respond in due course.

Andy Carter (Warrington South) (Con): Local council tax payers in Warrington quite rightly expect high levels of governance and transparency when councillors are using public money to invest in commercial businesses, which carries a high level of risk. Does the Minister agree that the decision by Labour-run Warrington Borough Council to reduce the number of opposition councillors on its audit committee flies in the face of good governance and that questions need to be asked about how it is managing its £1.8 billion debt?

Simon Hoare: I recognise the concerns regarding Warrington's debt. Of course, the Levelling-up and Regeneration Act 2023 provides new powers for the Government to step in and take action to protect the public purse. My experience is that where important scrutiny chairmanship roles are held by opposition parties, those who take the decisions take better decisions, and the scrutiny is much better as a result.

Janet Daby (Lewisham East) (Lab): Does the Secretary of State think it is acceptable that leaseholders of Lee Court in my constituency should be without heating and hot water, as well as experiencing multiple problems in the communal area? If he does not think that is acceptable, how and when will he strengthen the Leasehold and Freehold Reform Bill to stop these injustices from happening?

Michael Gove: I absolutely accept that, and I believe that I wrote recently to Lewisham council to draw attention to its responsibilities in the area.

Peter Gibson (Darlington) (Con): On Metro Mayors, may I draw my right hon. Friend's attention to the decision of Ben Houchen to deliver the £250 million Darlington northern link road using Network North funds? Does he agree that that is a fantastic example of Ben delivering for Darlington and the Tees Valley?

Michael Gove: It is just another example of Ben Houchen as Metro Mayor using all the powers at his disposal and the resources released by this Conservative Government to ensure that, at last, Teesside and the Tees Valley gets the investment it needed. One reason he attracts so much criticism from the Labour party is that he is a Tory who delivers for Teesside in a way that no one has ever delivered before.

Mr Speaker: Come on, Jim.

Jim Shannon (Strangford) (DUP): Will the Minister commit to further levelling-up funding for the devolved institutions for local sports clubs across Northern Ireland, instead of funding Casement Park to the detriment of every other sport looking for funding in Northern Ireland, so that all traditions and all sides of the community can benefit from the funding?

Michael Gove: I take the hon. Gentleman's point seriously. It is important that we support grassroots sport and other civil society organisations in Northern Ireland. We are working hard to try to ensure that we can do that with our partners in a restored Executive. In the meantime, I should say that I am grateful to Ulster rugby for ending its relationship with Kingspan, which means that we can unlock additional funding for grassroots rugby across Northern Ireland.

Jonathan Gullis (Stoke-on-Trent North) (Con): While I am deeply disappointed that Stoke-on-Trent Labour refuses to make the necessary terms and conditions changes to help save Stoke-on-Trent City Council funding, there is a united view across the political divide in Stoke-on-Trent that the legacy in children's social care is causing huge financial strain on the local authority. Will the Secretary of State do everything he can to work with Councillor Jane Ashworth to ensure that that gap is funded and those children—the most vulnerable in our society—are protected?

Michael Gove: Absolutely. I hope that the House will note that my hon. Friend, who fights incredibly hard for his principles and for Stoke-on-Trent, is taking a typically statesmanlike approach in putting his constituents first. Come the next general election, people should remember that he is someone whose big heart reflects their good values.

Andrew Selous (South West Bedfordshire) (Con): Road safety is put at risk by roads that are not adopted, because speed limits cannot be enforced and often they do not get gritted. There are serious worries that people will get injured. What more can the Department do to ensure that key service roads on big, new housing estates get adopted more quickly?

Michael Gove: My hon. Friend is absolutely right. We need to ensure that developers live up to their responsibilities to provide appropriate infrastructure. It has been the case that a number of fleecehold—for want of a better word—developments have unadopted roads, where children are at risk.

Speaker's Statement

3.30 pm

Mr Speaker: Before we proceed to the next business, I would like to make a brief statement. The link between Members of Parliament and our constituents is special and fundamental to the democratic life of the country. As we enter the general election year, many hon. Members are expecting boundary changes. Some will contemplate standing for constituencies that they do not currently represent. I have received a number of representations from hon. Members from all parts of the House about colleagues involving themselves in their constituencies. I thought it would be helpful to remind the House of some important rules and conventions regarding constituency representation.

First, Members usually deal with individual cases relating only to their own constituencies. When a Member is contacted by someone seeking assistance who is not her or his own constituent, the normal expectation is that the person should be referred to the relevant constituency Member. Secondly, when a Member intends to visit another constituency other than in a private capacity, they should make every reasonable effort to inform the Member representing that constituency before they do so. That applies equally to ministerial visits. The ministerial code states that the Ministers intending to make an official visit in the United Kingdom must inform, in advance and in good time, the MPs whose constituencies are to be included in the visit. I should add that, although the ministerial code does not apply to shadow Ministers, they should adhere to the same protocol if visiting constituencies.

Thirdly, when issues relating to another constituency are raised in the House, the Member concerned should, where possible and when time permits, inform the other Member involved in advance. That applies equally to the tabling of written questions.

Hon. Members have a duty to look after the constituents who elected them to this place. Boundary changes do not take effect until the next election. We must observe the convention of not involving ourselves with another Member's constituency until that time. More generally, I understand that the political temperature will rise as we get closer to an election. I urge all hon. Members to continue to treat each other with courtesy and respect in the remaining months of this Parliament. The election seems to have started a little too early.

Funded Childcare

3.33 pm

Bridget Phillipson (Houghton and Sunderland South) (Lab): (*Urgent Question*): To ask the Secretary of State for Education if she will make a statement on her Department's plans to roll out 15 hours of funded childcare to 2-year-olds in working families from April 2024.

The Parliamentary Under-Secretary of State for Education (David Johnston): The Government are rolling out the single largest expansion in childcare in English history. By September 2025, we will provide working parents with 30 hours of free childcare a week from when their child is nine months old, all the way until they start school. By 2027-28, this Government expect to spend in excess of £8 billion every year on free hours in early education—double the amount we are currently spending.

We are introducing that in phases. From April, eligible working parents will be able to access the first 15 hours of free childcare each week for their two-year-olds. In September, they will be able to access the first 15 hours each week for nine-month-olds. A year later in September 2025, they will be able to access the full 30 hours for all eligible children aged nine months upwards.

We want parents to be able to access the new offer as soon as they can. Delivering that ambition includes increasing childcare funding rates, with an additional £204 million in this financial year and an additional £400 million in the coming financial year. We are providing grants to help new childminders enter the sector and, to make it easier for the sector, making changes to the early years foundation stage that it has asked us to make.

We hear every day from families how significant this policy will be for their finances. Once the roll-out is completed, eligible families will save up to £6,500 per year. It will help parents to return to work or increase their hours, and tens of thousands of parents have already successfully applied for their codes, ready to take up their places in April. Parents should visit childcarechoices.gov.uk to see the full range of support they are entitled to.

Regarding tax-free childcare, we will be issuing letters with temporary codes to any parents whose tax-free childcare reconfirmation date falls on or after 15 February and before 1 April. That will ensure that any eligible parent who needs a code to confirm their funded childcare place with their provider will have one, and that no parent should worry that they will lose out.

I welcome this opportunity to correct some misleading stories about the childcare roll-out, and to hear from the hon. Member for Houghton and Sunderland South (Bridget Phillipson) about whether she supports our childcare policies, and, if not, what her childcare policies would be. I am sure Members on the Labour Benches would like to know as much as we would.

Mr Speaker: In which case, it would have been good to have come forward with a statement, rather than me granting an urgent question. So, please bear that in mind before you make a comment.

Bridget Phillipson: Thank you, Mr Speaker, and thank you for granting the urgent question.

Crumbling school buildings, botched school budgets and now the hat trick: a childcare pledge in tatters because of Conservative bungling. It is not Ministers, but families across the country paying the price for Tory incompetence. How did we get here?

A litany of failures: a pledge without a plan and a Department without a grip, led by Ministers without a clue; families without the certainty of a childcare place they were promised by the Chancellor last March; and meanwhile the Department is facing a further £120 million shortfall because of yet another miscalculation. How are they going to make up that shortfall?

Families are facing a rolling wave of Conservative chaos which wrecks all before it: for providers it is an utter fiasco, where their income after April is still a state secret. When will providers be told about their funding rates? How many families does the Minister estimate will now not be able to access new hours because of this shambles? The Prime Minister's official spokesman this morning said:

"We are confident that the provision and capability is there, we are confident in the strength of the marketplace."

But the market is telling them that their plan is simply not deliverable. The chief executive of the Early Years Alliance said that signing up to the new system was "financial suicide" for providers. Mr Speaker, this is not a market, it is an almighty mess and Ministers know it. Government sources are briefing the papers that there will be

"parents that just don't get their places."

Let me explain to Ministers in words of one syllable. That is no good. That will not work. They must do more. They need to fix it. If providers cannot price places now, how on earth can they be expected to offer more in September? Can Ministers guarantee to parents now that the roll-out will be delivered on time, yes or no?

It need not be this way. Sir David Bell is leading Labour's early years review to ensure that childcare is about life chances for children, as well as work choices for parents. Up and down this country families are fed up with this Government, their broken promises and their incompetence. It is time for a general election to end this Tory shambles once and for all.

David Johnston: I will try to pick out the questions from the bluster.

On the £120 million, this is a specific issue that affects September 2024 onwards, where we allocated to local authorities 22 weeks of funding because that is the period from September to March. Some then said that they pay 26 weeks to their providers, so we have that money in order that they can provide 26 weeks of funding where that is what they do.

On the funding rates, we announced the funding rates for three and four-year-olds in April last year, and for two-year-olds in November.¹ Given that local authorities have to pass on 95% of the money that we give them, providers have a pretty good idea of what they will receive. However, while the vast majority of authorities will confirm their rates in the coming weeks, a small number leave it until 31 March. We are encouraging them not to do that, and to confirm their rates as early as possible in the same way as the others.

1. [Official Report, 30 January 2024, Vol. 744, c. 9MC.]

The hon. Lady asked how many families would not be able to access the childcare offer as a result of those two issues. The answer is none. As she knows, we have increased funding rates significantly. Neil Leitch, to whom she referred, is in our stakeholder group, and we value his input. However, I think it will be clear to people watching these exchanges that while we get on with the biggest delivery of childcare ever, the Labour party has no plan, no policy, and no idea how to help families with childcare costs.

Kit Malthouse (North West Hampshire) (Con): The expansion of childcare is extremely welcome, and I have every confidence that the Minister and the excellent team at the Department for Education will deliver this current expansion on time and that the funding will reach all the families who need it. To be fair, however, the Minister is dealing with a system that has become remarkably complicated over the last 15 or 20 years. Would he be interested in discussing with the Chancellor the notion of rolling up all the various funding streams that we provide for childcare, and indeed for family support, and instead of taking money from people in taxes, losing some of the administration and returning it to them in the form of mandated childcare, thus giving every family with children a generous tax break to allow them to make choices for themselves?

David Johnston: My right hon. Friend has written some articles, which I have read, proposing that very idea. We think that our present system is the best way of achieving what we want to achieve, but I am of course happy to continue my discussions with him.

Karin Smyth (Bristol South) (Lab): Good-quality childcare is a crucial economic infrastructure issue for parents now and the education of children in the future, which is why we need it, but the system is too complex, and we cannot access it in my constituency. Providers are collapsing. When will the Government think about drawing up a workforce plan to try to stabilise the system before adding more and more complexity for parents?

David Johnston: I am not sure what the hon. Lady means when she says that people in Bristol cannot access the system, but if she sends me the details, I shall be happy to look at them, because, I have said, tens of thousands of parents have already accessed it. I should also point out that while there has been a fall in the number of providers, there has been an increase in the numbers of both staff and places, so we are confident that we will deliver the roll-out as planned.

Anna Firth (Southend West) (Con): I welcome the Minister's statement, and working parents across my constituency welcome this expansion and the biggest ever investment in childcare in England. Today, however, I received a letter from Victoria Morris, a very experienced childminder who has worked in Leigh-on-Sea for more than 20 years, pointing out that someone who owns a nursery can claim the funding for children to whom they are related, including their own children, but that does not apply to childminders. She simply asks whether the Minister would consider lifting that ban so that childminders are on the same footing as other childcare providers.

David Johnston: The current legislation states that people cannot access Government money for looking after their own children, although it can happen in a larger setting. We have no plans to change that at present, but I should be happy to have a discussion with my hon. Friend.

Justin Madders (Ellesmere Port and Neston) (Lab): We know of the challenge that many parents face in trying to find an appropriate nursery for their children, but it is even harder when a child has special educational needs. According to messages I have received, some nurseries are refusing to take such children on. Can the Minister say without equivocation that that is unlawful?

David Johnston: The hon. Gentleman has made an important point, and he is entirely right. We have heard from great organisations such as Dingley's Promise that providers have not given places to children with special educational needs, and the team and I are looking into that to ensure that it is not the case.

Siobhan Baillie (Stroud) (Con): Parents asked for support with childcare and the Treasury and the Government have delivered it, but the system does need to be simplified. I have been following the analysis of the codes, and receiving the codes, by Pregnant Then Screwed, which announced today that a fix had been found and thanked the Department. It would be helpful to hear a little more about that. Will my hon. Friend meet, for instance, the New Deal for Parents group, which is looking for long-term simplifications? Will he also tell us how he is working through the different local authority areas to show that there will be places available now and also in September, because so many parents are looking forward to that?

David Johnston: My hon. Friend has been campaigning on this issue since she arrived in this place. The tax-free childcare code issue was a specific issue caused by parents needing to reconfirm their eligibility every three months to prove that they were still eligible. If they did that quite late last year, they were concerned that they might not be able to get the place they needed in time for the 31 March deadline. As my hon. Friend says, Pregnant Then Screwed has fixed that issue. I would be happy to meet the groups that she mentioned. On the sufficiency of places, we are in monthly contact with local authorities to ensure that they have sufficient places, and only a very small number are reporting any concerns at this point.

Helen Morgan (North Shropshire) (LD): A report from the Early Education and Childcare Coalition last November found that only 17% of nursery managers said they could offer the extended entitlement, because of the crisis in recruitment in the sector, and 35% said they would limit the number of places they offered unless the Government helped with recruitment. More than half of all nursery workers have said they are planning on leaving the sector in the next 12 months. What will the Minister do to address the crisis in recruitment and retention in the sector so that nurseries can provide the extended entitlement that parents want?

David Johnston: We have seen a 4% increase in the number of staff in 2023, compared with 2022. None the less, part of the reason why this is a phased implementation

and expansion of childcare is to ensure that we have the number of staff we need, and in a couple of weeks we will be launching a big recruitment campaign to get more people into the sector.

Sir Desmond Swayne (New Forest West) (Con): Will the Minister name and shame those authorities that are being dilatory in publishing their rates?

David Johnston: I reserve the right to do that, but we hope that if we ring them up first and ask them to publish—with the threat of doing that if they do not—they will do so.

Julie Elliott (Sunderland Central) (Lab): The current system of childcare support is not working: IT problems are causing parents to be locked out of the system; codes are not working; there are no timescales to sort problems; there is no response to complaints; and people are waiting weeks for moneys to be paid to providers. If the current system is not working, how does the Minister expect to reassure parents that the new system, which will rely on the same codes and systems, is going to work?

David Johnston: I simply do not accept what the hon. Lady says—[*Interruption.*] If she wants to send me details, I will be happy to take them up with any local authority that is not doing what it is asked to do. On the two particular issues with the roll-out, we have moved quickly and provided solutions for them.

Vicky Ford (Chelmsford) (Con): This is the biggest ever expansion of childcare and it will be transformational for many working parents, so it is bound to be really complicated to implement. The Minister has just said that only a tiny number of local authorities are reporting that they think they will not have sufficient places, so does that mean that the vast majority of local authorities say that they will have sufficient places? What is he doing to encourage more people to come into the profession and act as childminders?

David Johnston: My right hon. Friend is absolutely right: the vast majority of local authorities are already reporting that they will have the number of places that they need. We are working with the small number that have challenges and we are confident that they will be in the right place by that point. On her question about childminders, one of the things we are doing is introducing a brand-new childminder grant scheme to encourage more childminders into the great early years careers that are available.

Florence Eshalomi (Vauxhall) (Lab/Co-op): I heard the Minister talk about the staffing. For a new parent or carer, handing over their young child to the staff in the sector is one of the most scary things. Those staff do fantastic work but are often paid low wages. The Women's Budget Group has estimated that there will need to be at least 40,000 additional new early years staff to cope with the increase in entitlement in terms of recruitment and retention in the sector. Will the Minister outline when we can expect the long-term workforce plan for the early years sector, so that we can actually have the staff? It is no good having this increase in entitlement if there are no staff to look after the children.

David Johnston: The hon. Lady is right that we need more staff. I think she refers to the estimate in time for September 2025, rather than for the first part of the roll-out in April, which is part of the reason for the current recruitment campaign. We are pleased to have already seen a 4% increase in the number of staff.

Matt Vickers (Stockton South) (Con): I welcome the fact that the Government are rolling out the biggest ever investment in childcare in England. Will my hon. Friend outline how much the average working family will benefit from the extended childcare entitlements?

David Johnston: My hon. Friend is right that it is the biggest expansion of childcare provision in history. By the time the roll-out is complete in September 2025, it will save the average family up to £6,500 a year in childcare costs.

Stella Creasy (Walthamstow) (Lab/Co-op): Many of us tried to warn the Government that this would be like Help to Buy, pushing up demand without tackling supply. Numbers matter in this sector, and it is 313 days since the policy was announced and just 70 days before it is due to be implemented. There have been 30 separate questions in this place about the staffing shortfall, and none of them has been answered. There are two children chasing every registered place, and only two local authorities have actually agreed the rates. It is little wonder that parents are frustrated. Will the Minister set out, here and now, the staffing shortfall in terms of delivering the two-year-old offer in April? Will he tell us what it is, and will he tell us when he expects to close it?

David Johnston: As I have already said, the roll-out is based on—

Stella Creasy: What are the numbers?

David Johnston: The hon. Lady cites the figures for September 2025, not for April. I am confident that, in April, she will see that we have the staff available for the roll-out.

Alexander Stafford (Rother Valley) (Con): I declare an interest as the father of two wonderful children, Charlotte and Persephone, who go to nursery in this very place and will benefit from the new proposals.

The UK has a declining birth rate—on average, 1.92 children per woman—and we clearly need more children. Time and again, when surveyed, women who want more children say that they are not having more children because they cannot afford it. I thoroughly welcome the money that has been announced, but what more is being done to support parents who say they want more children but cannot afford to have them? That could perhaps include looking at the tax rate.

David Johnston: I hope Charlotte and Persephone enjoy their nursery provision here, which I am sure is among the 96% of early years providers that are good or outstanding. My hon. Friend is right that childcare is one of the biggest financial challenges facing families today, which is why we are pleased to save them so much money. I am happy to continue the conversation about what else he thinks should be done to support families.

Fleur Anderson (Putney) (Lab): The shortfall in childcare providers is a serious issue for constituents in Putney. Eastwood Nursery School, the last remaining state-maintained nursery in my constituency, is under immediate threat of closure. It provides training for childcare providers across the constituency, as well as excellent early years education. Does the Minister support state-maintained nurseries? Will he meet me to talk about the future of Eastwood Nursery School?

David Johnston: We certainly support state-maintained nurseries, which play a vital role in the sector. I would be delighted to meet the hon. Lady to discuss that particular case.

Steve Brine (Winchester) (Con): I praise the Minister for being on top of his brief and for ironing out some of the misunderstandings flying around today. Is it not the case that, as others have said, the challenges of rolling out this offer sit within the broader context of the ongoing workforce challenge? Today I spoke to a provider that has 42 settings and is not able to fully staff a single one of them. I know the Minister is doing a lot of work on this, but will he say a little more about how he plans to meet that workforce challenge with his recruitment drive?

David Johnston: I thank my hon. Friend, who has also done a lot to champion the sector and to raise awareness of the challenge it faces. He is right that we need to get more people into the workforce, particularly for the September 2025 roll-out. That is what the recruitment campaign and the changes we made to the early years foundation stage are all about. We listened to providers on the flexibilities that might make their lives easier and delivered almost everything they asked for, in the hope that it will help them with recruitment and retention.

Liz Twist (Blaydon) (Lab): I recently visited the Ryton Willows Montessori nursery in my constituency, where its manager explained her concerns about the impact of the change on her, and about how she was going to make the sums add up financially and provide an excellent service. We have heard that the final figures are not available; when will they be available? Will the Minister undertake to review the figures to see that they meet the needs of the sector?

David Johnston: We set our rates by conducting a survey of 10,000 providers, in order to understand the costs they face and set the rates accordingly.¹ Last November, we delayed publishing the rates a bit, in order that we could provide more money to take account of the Government's near 10% increase in the national living wage. We believe we are getting them right in relation to what people are paying, but if the hon. Lady has particular evidence she would like to send me, I will happily look at it.

Scott Benton (Blackpool South) (Ind): Last Friday, I visited the Butterfly Lodge nursery in Blackpool to hear the concerns of early years providers, many of whom are at breaking point. They welcomed the uplift in funding from April, but they were keen to emphasise that it does not even cover the significant increase in their costs, such as for utilities and the national living wage.

1. [Official Report, 30 January 2024, Vol. 744, c. 9MC.]

[*Scott Benton*]

What steps are the Government taking to stabilise the sector and prevent early years providers from leaving it altogether?

David Johnston: I set out in my statement the additional money that we had given to the sector in the last financial year and this one to help it to meet those cost pressures—that was anchored to the survey of 10,000 providers that I talked about.¹ Again, if the hon. Gentleman wants to send me information, data or specific case studies, I will gladly have a look.

Kerry McCarthy (Bristol East) (Lab): I am glad the Minister said that, because I have a specific case from my constituency that I wish to raise. It relates to the parents of a two-year-old and a nine-month-old baby. They are teachers in local secondary schools and the mother is planning on returning to work after maternity leave. They have been really struggling with this issue of the portal, when they would get the code through and so on. I hope that what was announced will help them, but will the Minister confirm that if it turns out that it does not, I will be able to write to him and get an immediate response?

David Johnston: Yes, and I hope that the hon. Lady will do so. We have taken an extra-cautious approach on this. A particular group of parents were affected and rather than just write to them, we have written to a much broader group of parents: everybody whose reconfirmation window goes from middle of February to the end of March. So no parent should lose out as a result of this issue and she should get in touch with me immediately if those parents are encountering any problems.

Clive Efford (Eltham) (Lab): The businesses involved in providing childcare need to be able to plan ahead. The Minister may say, “Everything will be fine in April. There may be some problems down the road, but we are confident we can iron them out,” but that really is not going to be get people to invest in leases from premises and all sorts of things that those who run childcare businesses are going to need to commit to, so will he give us a bit more detail? He says he is confident that this is going to meet the need, but 700,000 children are going to join the scheme, according to the Government’s own figures. Where are those childcare providers going to get the information they need in order to be confident that they can invest to go forward?

David Johnston: We are in monthly contact with local authorities and at least monthly contact with providers about this. Some local authorities do take a long time to publish their rates. We are looking at that, because we have provided the information and the funding that we need to, and we do not think it is right for providers in the sector to be waiting right up until 31 March to get

that information. So we are looking at what we can do on that. Having said that, some local authorities have already confirmed their rates and the vast majority will do so in the coming weeks.

Mike Amesbury (Weaver Vale) (Lab): The initiative is supposed to provide 700,000 additional childcare places, yet 5% of providers withdrew from the market last year, including in the Sandymoor part of my constituency. How do Ministers square that circle, given the funding pressures going forward?

David Johnston: We are doing all we can to help providers meet the funding pressures. It is important for Members of the House to understand that there is a difference between the fall in the number of providers, which can be seen in nationally published data, and the increase in the number of staff and places. I am confident that parents will be able to access these hours as entitled.

Alex Cunningham (Stockton North) (Lab): Every time the Government have made an announcement to improve childcare, I have welcomed it. I was pleased to serve on the Bill Committee for the Childcare Act 2016, but I questioned then exactly how the Government were going to deliver the capacity needed within the budget available. The Minister said that all would be well, but he was wrong and it took years to build up capacity, and the current offer is still not being universally delivered. Given the poor preparation for this latest initiative, how on earth can parents expect the Government to deliver this time?

David Johnston: I am glad that the hon. Gentleman has welcomed our announcements on childcare, although Members on the Opposition Front Bench have not done so. We are in close contact with local authorities and providers in order to deliver the initiative, and parents will be able to get those first 15 hours for their two-year-olds in April.

Jim Shannon (Strangford) (DUP): Does the Minister believe that part of the consideration on affordable childcare will take into account the need for nurseries to be able to operate alongside the cost of living crisis? Can additional funding be found to meet that need, not for the sake of the delivery of a promise but for the children who desperately need the care to enable their development and for the parents who simply cannot afford to do it alone?

David Johnston: The hon. Gentleman raises an important point about the increased cost pressures that everybody has to face. That is why we gave an additional £204 million in the last financial year and a further £400 million in the current financial year to help meet those pressures, based on the fact that we surveyed 10,000 providers in order to understand exactly what they are paying for all the things he outlines.¹

1.[*Official Report*, 30 January 2024, Vol. 744, c. 10MC.]

1.[*Official Report*, 30 January 2024, Vol. 744, c. 10MC.]

Measles

4.1 pm

Preet Kaur Gill (Birmingham, Edgbaston) (Lab/Co-op) (*Urgent Question*): To ask the Secretary of State for Health and Social Care to make a statement on the declaration of a national incident in response to the recent surge in measles cases.

The Parliamentary Under-Secretary of State for Health and Social Care (Maria Caulfield): I thank the hon. Lady for giving me the chance to update the House on this important matter, further to the written ministerial statement that we will publish later today.

The UK Health Security Agency announced last week that it has declared a national standard incident in response to an increase in confirmed cases of measles. In order for our measles, mumps and rubella vaccine to work, the World Health Organisation recommends at least 95% coverage to maintain population coverage. At the moment, our MMR reach is 89.3% for the first dose at 24 months, and 84.5% for the second dose at five years.

This is not a new issue. There has been a gradual decline in coverage over 10 years because of a number of factors, ranging from the Wakefield generation, when Dr Andrew Wakefield published his discredited paper on the risks of MMR, through to covid, when routine vaccinations were missed, and there has been a drop since then. There have also been concerns in particular communities, such as the Jewish and Muslim communities, about the type of vaccine used. We have not been waiting: the NHS has carried out a catch-up effort over the past 12 months, proactively contacting parents and carers of unvaccinated children aged five and younger, and we have seen a 10% increase in vaccination compared to the previous year.

However, that is not enough. NHS figures show that almost 3.5 million children under the age of 16 are unprotected and at risk of catching this serious and preventable disease.¹ Measles is so infectious that one infected child in a classroom can infect up to nine other unvaccinated children, making it one of the most infectious diseases worldwide. While for most it will be a mild illness, one in five children with measles will need to be admitted to hospital for treatment, putting additional pressure on the NHS.

I want to stress that this is not just a childhood disease; for adults who have not been vaccinated it can be a serious and potentially life-changing event. My message to mums and dads with children who are currently unvaccinated is to come forward. We have a range of measures in place. One million letters are going out to the parents of unvaccinated children across London and the midlands.

We have extra clinics being set up by GPs, pop-up clinics in schools and vaccine buses targeting communities with low vaccination rates. We have held two MP briefing sessions, on 12 and 19 January: one for the west midlands and one for London. Today we have sent out information to MPs so that they can help us get the message out to their constituents to come forward. It is not too late. There is no age limit. Anybody who has not had their vaccination can come forward. The first vaccine will

provide roughly 92% protection, and the second will provide 98%. The message is to come forward and get vaccinated.

Preet Kaur Gill: Thank you for granting this urgent question, Mr Speaker.

The declaration of a national incident due to the rise in measles cases by the UK Health Security Agency on Friday is concerning. Measles can be serious and it is extremely infectious, with a reproduction rate five times that of covid. However, it is also entirely preventable. The Minister is right to emphasise the importance of getting vaccinated. The MMR vaccine is safe, effective and the best way to protect ourselves and our loved ones against measles. There is no age cut-off for getting an MMR vaccine. There are alternatives available for those who do not touch pork products. Once a person has had it, the vaccine can provide protection within two weeks. I urge anyone watching this who has not been vaccinated to contact their GP.

Mr Speaker, we are in agreement that this issue is serious. I thank the Minister for outlining some of the steps that she is taking. However, we should never have got to this point. The UK was deemed by the World Health Organisation to have eradicated measles just five years ago. Since then, MMR vaccination rates have plummeted, leaving tens of thousands of children completely unprotected, which means that now one in five children is not protected with two doses by the age of five. Cases have also risen consistently over the years, and by 120% in the past year alone, so the warning signs could have been seen from space. What steps are being taken to get a grip on this crisis before it becomes a national outbreak? How will the Minister rectify her Department's failure to maintain child vaccination rates for contagious diseases? Is this not another instance of Government complacency when it comes to protecting our children's health?

For the record, Mr Speaker, my team attended a briefing with the Minister and her officials on this issue on 12 January, which she has mentioned. I requested some more information and communications materials that I could use in my capacity as a local MP, given the rise in cases in Birmingham. It took until this morning—some 10 days later—to be sent that information, but only after a national incident had been declared. Have the Government been asleep? Have no lessons been learned from the pandemic that, with highly transmissible diseases, the sooner we act, the better?

We saw how much children suffered and lost out during the pandemic, so the re-emergence of serious childhood illnesses that we have vaccines for and that we know how to prevent is unacceptable. When 80 countries across the world are measles-free, it is a badge of shame that this Government have lost the UK that status on their watch.

Maria Caulfield: I remind the hon. Lady that health is a devolved matter across the United Kingdom. When she refers to the United Kingdom's lower MMR vaccination rate, does she include Labour-run Wales? Wales has also not met the WHO threshold, and neither has Scotland, Northern Ireland or England. It is a real shame to play politics with this issue. This is an issue of the utmost importance.

1.[*Official Report*, 24 May 2024; Vol. 750, c. 16WC.](Correction)

[*Maria Caulfield*]

As I have set out, this Government have been working over the past 12 months to get vaccination rates up in England, and we have seen a 10% increase. There are a range of reasons why we are seeing certain parts of the country and some communities not coming forward. The hon. Lady touched on the concerns of the Jewish and Muslim communities that a wide range of MMR vaccines are porcine vaccines. We do have non-porcine vaccines available. Priorix is not just available on request; following a meeting that we had with west midlands MPs, we proactively pushed Priorix out to communities. The help of local MPs to get that message out to communities would be extremely valuable. There is also a halal vaccine available. Again, we need to get that message out, so that people do not have to request it; it would be routinely offered to them.

We are also undoing much of the damage done to the Wakefield cohort of young adults, who were born between 1998 and 2004, when Dr Andrew Wakefield's discredited paper on the risks of MMR led to a drop in the numbers coming forward for the vaccine. Those young adults are eligible for vaccines right now to try to prevent the spread of measles.

We also know that covid disrupted the routine vaccination programme. Again, that is a key reason why all four nations of the United Kingdom are not meeting the WHO recommended coverage. As I have set out, letters are going out to the parents of unvaccinated children, because we recognise that rates have been lower than we would wish. One million have gone out across London and the west midlands. Of all parts of the United Kingdom, it is the west midlands that we are most concerned about.

To give the House some context, last year there were more than 209 laboratory-confirmed measles cases in England, over three quarters of which were from the west midlands, predominantly Birmingham and Coventry, so there is a particular push in the west midlands. That is why nearly two weeks ago we gave a briefing to local MPs and local directors of public health, who are doing an outstanding job at the coalface, rolling out pop-up clinics in schools and going out on community buses to reach communities that may struggle to be reached through traditional routes. GPs are putting on extra clinics, but we have to get the message out. It is not through a lack of vaccines or a lack of messaging, but we still have vaccine hesitancy. We all have a role to play in getting communities to come forward.

Mr Speaker: I call the Chair of the Health and Social Care Committee.

Steve Brine (Winchester) (Con): In April last year, the UK Health Security Agency told the Health and Social Care Committee that it was

“expecting measles to come back”,

while the Joint Committee on Vaccination and Immunisation told us that the threat was “very real”. Last summer, as the Minister knows, we published a vaccination report as part of our prevention inquiry. We were pleased that, in answer to a recommendation, NHS England published its vaccination strategy just before Christmas. Can the Minister say more about how she will inject more urgency into the roll-out, and will

she commit, as we also asked, to a much more flexible delivery model for vaccinations, including through pharmacy?

Maria Caulfield: The Chair of the Health and Social Care Committee is right. That is why we have met with both the west midlands and the London teams to hear from those on the ground what resources they need in order to become more nimble in the vaccine roll-out. The communities that are not coming forward are the ones that are not engaging with the routine MMR vaccine programme, so we need to be more nimble, which is why we are hearing from those vaccinating on the ground about vaccine buses going into communities, pop-up clinics in schools, and GPs putting on extra vaccine clinics. From our data, we have a list of the children who are unvaccinated, and more than a million letters have gone out to their parents to urge them to come forward.

My hon. Friend is right about using pharmacy, with Pharmacy First as a model, to make it even easier for people to come forward, but the real barrier is people's reluctance to get vaccinated for a variety of reasons, whether it is vaccine fatigue through covid or because they missed their routine appointments and find it difficult to come forward at an extra clinic. We are engaging with local authorities and the Department for Education to try to make it as easy as possible for children and adults to get vaccinated.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): There are clear inequalities in vaccination uptake, including MMR, which reflect various socioeconomic inequalities. What extra support is being given to those areas, and to places such as mine, and why, as the Chair of the Health and Social Care Committee suggests, was the risk assessment of the UK Health Security Agency seemingly ignored by the Government?

Maria Caulfield: I can assure the hon. Lady that it was not ignored by the Government. Over the past 12 months, we have been pushing vaccinations to those who have not come forward, and to communities that struggle with vaccination uptake, which is why in the past 12 months there has been a 10% increase. As I say, that is not enough. There are still people who need to come forward for vaccination who have not done so. I emphasise to the House that this is an acute outbreak of measles. If someone has their first dose of the measles vaccine today, within two weeks they will have roughly 92% immunity. If they go on to have the second vaccine, they will have roughly 98% immunity, which will be lifelong.

Sir Desmond Swayne (New Forest West) (Con): Might vaccination rates benefit from a much more generous compensation scheme for the very small number of severe adverse reactions?

Maria Caulfield: We have a vaccine damage payment scheme, which provides a one-off payment of £120,000. That is accessible for any vaccine that someone takes up, but I have to say that part of the problem is misleading information about the safety of vaccines. The measles vaccine is safe. At one point, we had eliminated measles in this country. Most children will be fine, with a mild illness, but we have had episodes of children getting encephalitis, which is a swelling of the

brain that has lifelong consequences. We must move away from the narrative that vaccines are not safe. The measles vaccine is one of the safest vaccines people can have. I really do not think that that messaging is helpful.

Daisy Cooper (St Albans) (LD): During the covid pandemic, my constituency of St Albans had one of the highest rates of vaccination. That was, in part, because of the work of our GPs and pharmacists, but we were also incredibly proactive at recruiting community champions, who could have those vital conversations to tackle hesitancy within particular pockets of our community. The Minister has mentioned pop-up clinics and vans, but she has not mentioned the role of community champions. Will she work with and support the directors of public health to recruit those community champions, who can have those vital conversations so that people can put their questions to people they know and trust?

Maria Caulfield: The hon. Lady is right that we used community champions during covid. We had some particularly effective campaigns for those communities that do not traditionally come forward for vaccinations, and that was done by using community leaders, faith leaders and trusted organisations within communities. We are doing that in the west midlands, in London and across the country.

Those people tell us that one of the key things that prevents Jewish and Muslim communities in particular from coming forward is their fear about the porcine vaccine. Just to reiterate, we have two types of MMR vaccine. Priorix does not contain gelatine and is safe and effective as an MMR vaccine. It is available on request, but we are also pushing out its availability so that people do not have to request it and it is offered up front. It is important that people know we have sufficient supply of the gelatine-free MMR product, and faith leaders, community groups and organisations are trying to get that message out to those two particular groups.

Maggie Throup (Erewash) (Con): My hon. Friend has an important message today because, after clean water, vaccines are the most impactful public health measure we have and, without a doubt, they save lives. One of the lessons we learned through the pandemic was that the most effective way to reach hard-to-reach communities is through faith and community leaders and to take the vaccines to those communities, whether that is to mosques or temples. Will she do whatever she can to ensure that we employ the same measures this time and take the vaccines to the communities and not expect the communities to go to the vaccines? Will she also consider reaching out to those fantastic vaccinators we had during the covid pandemic, who are highly trained to deliver vaccines to all age groups, and getting them on board to get the MMR vaccinations carried out as quickly as possible?

Maria Caulfield: My hon. Friend is absolutely right. I pay tribute to the work she did during the covid pandemic to roll out the vaccine programme to those community groups. That had such an effective reach for something we were struggling with previously, and she worked hard on that. That is exactly what we are trying to replicate with this roll-out, and we are working with community groups and faith leaders, but also taking the vaccine out to communities. I was on the call with the

London teams on Friday, and they have a vaccine bus that they are taking out to community centres and faith groups so that people do not have to book an appointment to get the vaccine. It is important to say that this is not just for children. If an adult has not had their vaccine, it is never too late to get the MMR vaccine to protect themselves against measles.

Clive Efford (Eltham) (Lab): Does the Minister accept that the reduction in the number of health professionals who support parents has contributed to the reduction in the number of parents presenting their children for the MMR vaccine, and that that is one of the lessons we should learn from this situation?

Maria Caulfield: I would not agree with the hon. Gentleman. We have plenty of vaccine—that is one of the messages we want to get out—and that is both the traditional MMR vaccine and the non-porcine vaccine. We also have plenty of vaccination spaces. We have spaces at GP clinics and pharmacies, and the school roll-out programme has spaces, but we still do not have people coming forward. We really need the help of all hon. Members in this place to get the message out that people should come forward for their MMR vaccine to protect against measles.

Florence Eshalomi (Vauxhall) (Lab/Co-op): Every time my six-year-old comes home coughing, I get a bit scared because, obviously, measles is highly contagious. It is important that we get the message out about the way it is passed on through coughs, sneezes and high fevers. The Minister has outlined a range of areas where the Government are trying to get that message out, but the fact is that they are fighting against a system where a number of the hesitancy messages are shared in closed groups—groups that are getting that message out to parents and carers who will not come forward. Will the Minister outline what the Government are doing to counter that and to give people an informed choice on the vaccine, so that they come forward with their children?

Maria Caulfield: The hon. Lady is quite right that there is vaccine hesitancy, and that is a key reason why uptake has dropped so significantly across all groups, but more in some groups than in others. That is why NHS England and the UK Health Security Agency have written to more than 1 million parents in the west midlands and London to highlight the benefits of having the MMR vaccine. As more cases of measles break out, we are seeing more people come forward to take up the vaccine, because they are balancing for themselves the risk of having the vaccine, which is very minimal, against the risk of having measles. Any help that hon. Members can give is welcome and we are very willing to hear any suggestions they have for helpful messages in their own particular communities.

Alex Davies-Jones (Pontypridd) (Lab): The Minister is right to point out that one reason for the decline in people coming forward to take up the MMR vaccine is the rise of dis- and misinformation about the vaccine—not just online, but, sadly, perpetrated in this House. The Online Safety Act 2023 does very little to tackle online dis- and misinformation and to keep people safe. What is the purpose of the Government's counter disinformation unit? Why is there no transparency on what that unit is

[Alex Davies-Jones]

supposedly doing, and when will the Government stand up to the social media platforms and stop them proliferating this dis- and misinformation and profiting from something that is causing real-world harm?

Maria Caulfield: The hon. Lady has a point that part of the vaccine hesitancy is due to misinformation about vaccines more generally. That is why we are trying to use the message of immunisation rather than vaccination, because it is a much more positive message. We are also providing positive messages and social media graphics for communities and Members of this House to roll out to counter some of that misinformation. It is really important that we get that message out. There is a problem with misinformation, and I want to reiterate that measles is a highly infectious disease that can be eliminated by vaccination alone.

Jim Shannon (Strangford) (DUP): I thank the Minister very much for her positive response to this urgent question. You and I are of similar vintage, Mr Speaker, and I recall getting my measles vaccination at Ballywalter Primary School in the early '60s—so not yesterday, but a long time ago. There was a system where vaccination happened in schools, and I think that is where it should happen.

The Northern Ireland Audit Office reports that the number of pre-school vaccinations has been steadily declining and the rate of children getting the MMR vaccine at two years of age has fallen from 96% in 2012 to 90% in 2022—a significant drop in Northern Ireland, with a population of 1.95 million. There is clearly a crisis emerging not just in England, but across the whole of the United Kingdom, in particular in Northern Ireland. Does the Minister agree it would be helpful to have a joint approach across the whole United Kingdom of Great Britain and Northern Ireland, to ensure that children are vaccinated and, more importantly, protected against this awful disease? It is always better to do it together; that is my suggestion to the Minister.

Mr Speaker: I think that was the Adjournment debate on measles. [Laughter.]

Maria Caulfield: The hon. Gentleman is absolutely right and I want to work with all four corners of the United Kingdom, because none of us is meeting the World Health Organisation coverage for MMR. Northern Ireland has similar rates to England at 89%. A joined-up approach, so that we have better coverage for MMR across the UK and can get back on top of breakouts and eradicate measles once again, would be very welcome.

Point of Order

4.23 pm

Alexander Stafford (Rother Valley) (Con): On a point of order, Mr Speaker. At the end of last year, I raised the issue of other Members of this House being active in my constituency without notifying me. Unfortunately that is continuing, and the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper) and the hon. Member for Sheffield Central (Paul Blomfield) were out in Rother Valley on Saturday. It is worth noting that other hon. Members were also in Rother Valley, but they did notify me. Since I notified the two Members that I would be raising this point of order, the right hon. Member for Normanton, Pontefract and Castleford has sent her apologies, which I have accepted. Thank you, Mr Speaker, for clarifying the situation on people going into other constituencies earlier today. I hope that people visiting other people's seats is not turning into a habit.

Mr Speaker: I am glad that the hon. Gentleman acknowledged the statement that I made, which I think was pretty comprehensive for Members from all parts of the House. Election fever has taken over—I had not even noticed that the election had been called—but I hope that Members can calm down a little and give due respect to each other's constituencies, whatever party they belong to. Please, treat others as you wish to be treated.

Offshore Petroleum Licensing Bill

Second Reading

4.25 pm

The Secretary of State for Energy Security and Net Zero (Claire Coutinho): I beg to move, That the Bill be now read a Second time.

Britain is the first major economy to halve its emissions. That is an incredible achievement. How have we done it? We have increased our renewable electricity capacity fivefold since 2010—nearly half our electricity comes from renewables now, up from 7% in 2010—and just two weeks ago, I set out the largest nuclear expansion for 70 years.

We continue to have some of the most ambitious climate change targets of any major world economy. Here in the UK, we are committed to reducing emissions by at least 68% by 2030 from 1990 levels. Where is everybody else? The EU is committed to 55%, having recently rejected a move to 57%, and the United States is at just 40%. It is clear that, when it comes to climate change, we can be proud of our record and the work that we will do.

We have managed to achieve that while acting to help families with their energy bills. We stepped in to help families struggling with energy prices after Putin's invasion of Ukraine, and our total support for the cost of living stands at £104 billion—a package that is among the most generous in Europe. Last year, we passed the landmark Energy Act 2023, which lays the foundation for a cleaner and more secure energy system. Our changes to competition, to managing energy consumption and to incentivising investment in new technology will mean billions in savings for consumers as we work towards net zero. We have overseen a huge increase in the number of energy-efficient homes from 14% in 2010 to almost half today, and we are investing more over the next Parliament to continue that important work.

Sarah Champion (Rotherham) (Lab): The Secretary of State paints a very rosy picture, particularly on renewables, so why has her own energy tsar resigned in protest?

Claire Coutinho: We do not actually have an energy tsar, but we have an energy Secretary of State. I respect the former Member for Kingswood and wish him well in his next job, but if we care about reducing emissions, the question that everybody in this Chamber needs to answer is, “Why would you import fuel with higher emissions from abroad?”

We are investing in more renewable energy, we are starting a nuclear revival, and we will support new technologies, such as hydrogen, carbon capture and fusion. This is our plan to have a balanced energy policy. However, we need to ensure that the transition works for the British public and the British economy. Our plans cannot be based on ideology; they must be based on common sense.

Even the Climate Change Committee's own data shows that when we reach net zero in 2050, we will still be using oil and gas for a significant portion of our energy. That is because it is not absolute zero; it is net zero. In other words, while our use of oil and gas will diminish rapidly, we will still need both for decades to come. Our Bill will improve our energy security and that

of Europe. In the past two years, Europe has had to wean itself off Russian oil and gas. We have responded by tripling gas exports to the continent, and we were a net exporter of electricity to Europe in 2022 for the first time in more than a decade. We do not live in a world in which we can simply turn off oil and gas.

Clive Efford (Eltham) (Lab): Is the right hon. Lady saying that the only licences the Government intend to issue are for gas and oil destined for the British market?

Claire Coutinho: I am glad that the hon. Gentleman asks that question, because the Labour party has been spouting an awful lot of nonsense when it comes to this area. In the UK, we are blessed with the geological gift that is the North sea—it is an incredible national asset. Virtually all the gas produced there goes straight into the UK gas transmission network, and it is equivalent to about 50% of our overall gas needs. When it comes to oil, 90% of what is refined abroad is refined in Europe. We are a net importer overall.

The question that the hon. Gentleman should answer is this: if Europe did not get that oil from the UK, where would he like Europe to get it from—from Russia, or from further afield? That question is at the heart of the Bill. We know that we are going to need oil and gas—where do we want it to come from? Only an ideologue would argue that we are better off importing dirtier fuels from abroad than using what we can produce at home. However, it is not just energy security that dictates that we should use our own resources; the economic case also shows that introducing annual licensing is the right thing to do.

Sammy Wilson (East Antrim) (DUP): Does the right hon. Lady accept that, despite the way in which some Members of this House have tried to rubbish that idea and argue that having our own oil and gas does not mean any energy security for the UK, 88% of the gas that we extract at present stays in the UK? Would they prefer to import that?

Claire Coutinho: I thank the right hon. Gentleman for making that point. Not only is it better for energy security, but gas that we bring in from abroad in the form of liquefied natural gas has emissions four times higher, so if Members care about the environment, they should back this Bill.

Domestic oil and gas production adds about £16 billion to the UK economy annually and brings in tens of billions of pounds in tax revenue. To give an example of how that has helped support families with the cost of living, we raised £9 billion in tax revenue last year from the oil and gas sector. That is money that we can use to support families, as we did last winter, paying half the average family's energy bill, which amounted to roughly £1,500 per household. If we had no oil and gas sector, £9 billion more would have fallen on taxpayers' shoulders. Why should we concede that tax revenue to other countries? What possible benefit could the British public feel from billions of pounds in tax revenue that could be raised here being sent abroad, all to import fuel with higher emissions?

I now turn to perhaps the most important reason to back this Bill: the workers. There are 200,000 people supported by the sector, in communities such as those in

[*Claire Coutinho*]

Aberdeen, Grimsby and the north-east of England, and including 93,000 people in Scotland, over 10,000 people in Yorkshire and the Humber, and 14,000 people in the north-west.

Caroline Lucas (Brighton, Pavilion) (Green): The right hon. Lady knows as well as I do that most of the gas we import comes from Norway, where gas production is half as polluting as it is in the UK, so let us not have all this nonsense about imports being so much higher in carbon intensity, because those from Norway certainly are not. Does she accept the fact that most of the emissions are produced when we consume the oil and gas, and therefore will she start looking at scope 3 emissions and not just the production emissions, which are not the greatest emissions in question?

Claire Coutinho: I thank the hon. Lady for her question, but I think it fundamentally misunderstands the energy market. When we cannot get Norwegian gas and when we have made the most of all of our gas, what is the marginal gas that we use? It is LNG, which produces emissions four times higher than the gas we can produce here. If we produce less UK gas, we will need more LNG.

Coming back to what is a really critical part of the Bill—the workers—a recent report from Robert Gordon University found that a faster decline in our oil and gas sector, which the Opposition are proposing, could halve the workforce by 2030, leading to a significant loss of skills for the future energy sector. Those are the workers whose skills we will need for our future energy production. The same report found that over 90% of the UK's oil and gas workforce have skills that are transferable to the offshore renewables sector. However, if we do not manage that transition correctly—everybody in the Chamber today agrees that we need to transition—we will lose those very important workers and their skills. It is the same people who are working on oil and gas rigs today who we will need on the offshore wind farms of tomorrow: our subsea installation engineers who lay cables, our technicians who remotely operate subsea vehicles, our divers, our project managers, and our engineering specialists servicing our offshore rigs. Those are all essential oil and gas jobs that we know will be critical in the roll-out of our low-carbon technologies. If we do not protect our world-leading specialists, we will see communities decimated, and ultimately a skills exodus that would put at risk the very transition that we are working so hard to achieve.

Alexander Stafford (Rother Valley) (Con): My right hon. Friend is making a very powerful point about both energy security and getting those jobs—those British jobs. Recently, I visited the Falkland Islands with a cross-party delegation, and when we met the Falkland Islands Government, they said that they are desperate to unlock the Sea Lion oilfield and to get British workers to operate that field—obviously, the Falkland Islands is a British overseas territory—yet they are being stymied by the UK Treasury, which will not underwrite it. Does my right hon. Friend agree that the next thing we should do is back overseas territories by developing their oilfields, so that we can have good British overseas territories oil and gas in the UK and British jobs in the overseas territories, and support our one big happy Commonwealth and overseas territories family?

Claire Coutinho: My hon. Friend makes an interesting point, and I would be very happy to meet him to discuss it further.

Let me turn to investment in the sector. I think we agree across all parties in the House that we want to be a world leader in clean energy technologies. Here in Britain, we have many competitive advantages, and we want to exploit all of them to have a brighter energy and economic future. Right now, the oil and gas sector is investing in hydrogen, carbon capture and offshore wind. A well-managed transition helps ensure that as we get more investment and grow these sectors people can transition alongside in an orderly and organic way. To shut down the oil and gas sector too soon would not only risk that investment, make it harder to do the transition and see those sectors grow more slowly, but risk people's livelihoods.

The Offshore Petroleum Licensing Bill will give the industry the certainty it needs to invest in this important sector. If we need oil and gas in the decades to come, it should come from Britain where it can. Using the resources on our doorstep to benefit Britain is simple common sense. This new legislation will require the North Sea Transition Authority to run an annual process for new exploration and production licences on the UK continental shelf, subject to key tests being met: first, that the UK is projected to remain a net importer of both oil and gas; and secondly, that carbon emissions associated with UK gas are lower than for imported liquefied natural gas. These tests are in place to provide assurance that proceeding with annual licensing remains the right thing to do.

This Bill will provide the industry with certainty on the future of licensing rounds, increasing investor and industry confidence. It will increase our energy security, protect 200,000 jobs, secure tens of billions in tax revenue and help us reach net zero. Members should not just take my word for it; voices across industry recognise the need for new licences for net zero and for our energy security. In fact, Stuart Payne, the chief executive of the North Sea Transition Authority, recently wrote that “producing as much of the oil and gas we need as possible domestically is the right thing to do, for security and the economy.” Offshore Energies UK has said:

“The UK needs the churn of new licences to manage production decline”.

National Gas has said that by backing gas today

“we can create jobs, secure energy independence, deliver net zero, and keep costs down for households and businesses.”

The general secretary of the GMB has said that not proceeding with new licensing risks

“leaving the UK even more dependent on energy imports to heat homes and power industry in future. That's bad for our national security and prosperity.”

I have no doubt that the Opposition will whip their MPs against the Bill. They want to shut down new oil and gas licences, and they have been very clear about that. I suspect there are many in the Labour party who understand what turning off the taps would mean for British workers, and they will vote against this Bill with a heavy heart. They know that the right hon. Member for Doncaster North (Edward Miliband) has got this wrong. Is it not just common sense that, if we need oil and gas, it should come from UK waters rather than from foreign and often unreliable regimes abroad? Is it

not better to produce our own gas instead of shipping in liquefied natural gas that has four times the production emissions of our own? Is it not right that the billions of pounds in tax that we raise from this sector stays here rather than being sent abroad? Is it not the position of an ideologue to say, “We will not support 200,000 British workers, but we are happy for those jobs to go to Russia or further abroad”?

The position of the Labour party and the SNP is not right for the environment, not right for the economy and not right for the energy security of this country. As the head of the GMB warned this weekend, it would be “exporting jobs” for the sake of “importing virtue”. It would mean thousands of jobs lost, communities decimated, tax revenue forgone, and all so that the right hon. Gentleman can appease his friends in Just Stop Oil. They are putting the interests of extreme climate ideologues over those of ordinary workers.

What of Labour’s wider energy policy? The truth is that, when it comes to this critical policy area, its policies are as clear as mud. We know that it hinges on borrowing £28 billion, which would mean thousands of pounds in extra taxes for every family. While we are cutting taxes, the Opposition would see them soar, which is not what the people of this country need. The right hon. Gentleman should level with the British public: what taxes would he raise to pay for this extra £28 billion of borrowing? When he was shadow Business Secretary, he said that £28 billion is the “scale of investment required”. The Opposition have said that they need to spend £28 billion to meet their 2030 decarbonisation ambition. So why will the right hon. Gentleman not set out which taxes he would raise? How is he going to squeeze more money out of hard-working families to achieve his 2030 pipedream? If he really thinks £28 billion in extra spending is essential, he should have the courage to explain how much worse off taxpayers will be.

While the Labour party struggled to back its own plans, over the past few months we have secured £30 billion-worth of private investment in clean energy. That is the difference between them and us: we know private investment is key to transition, but they would rather taxpayers shoulder the costs alone through more borrowing and higher taxes.

That is the choice the House must make today: do we support the oil and gas sector and the private investment that comes with it or do we leave taxpayers to foot the bill? We cannot afford to lose the skills, the revenue or the investment the sector provides; to do so would put net zero in jeopardy. We must deliver this transition in a proportionate, pragmatic and realistic way, ensuring that we make the most of the energy we produce right here in the UK.

That is common sense, and that is what the legislation represents. With this Bill we will protect 200,000 jobs, strengthen our energy security, secure tens of billions of pounds in tax revenue, ease the transition to renewable energy, and supply ourselves with gas that has only a quarter of the production emissions of LNG imports. Or we could follow the approach of the Opposition and decimate communities that rely on the oil and gas sector, rack up borrowing by £28 billion a year, send taxes soaring to pay for it and send British jobs and tax revenue abroad, all to import fuel with higher emissions. The choice is very clear: we are on the side of common sense, not ideology, and I commend this Bill to the House.

4.41 pm

Edward Miliband (Doncaster North) (Lab): I beg to move an amendment, to leave out from “That” to the end of the Question and add:

“this House, while affirming the need for urgent action to tackle the UK’s energy insecurity, the cost of living crisis, and the climate crisis, and for a managed, fair and prosperous transition for workers and communities, declines to give a Second Reading to the Offshore Petroleum Licensing Bill because mandating annual oil and gas licensing rounds will not reduce energy costs for households and businesses as the Secretary of State for Energy Security and Net Zero has stated, will not enhance energy security, offers no plan for the future of the UK’s offshore energy communities, will ensure the UK remains at the mercy of petrostates and dictators who control fossil fuel markets, is entirely incompatible with the UK’s international climate change commitments and is a totally unnecessary piece of legislation which will do nothing to serve the UK’s national interest.”

I want first to express my deep condolences to the families of the two people killed by storm Isha and my sympathies to all those facing power cuts and disruption from the storm.

The proposed legislation we are considering today will not cut bills or give us energy security, drives a coach and horses through our climate commitments and learns nothing from the worst cost of living crisis in memory, which the British people are still going through—a cost of living crisis caused by our dependence on fossil fuels. Since the launch of the Bill two months ago, the case for it has disintegrated on contact with reality. Let me remind the House of the series of unfortunate events that has befallen the Bill since its publication. On day one—launch day—the Energy Secretary went on TV with the big reveal, telling the public the Bill would not cut bills. Next we discovered from confidential minutes of the North Sea Transition Authority that it thought the Bill was unnecessary and compromised its independence. *[Interruption.]* The Minister for Energy Security and Net Zero, the right hon. Member for Beverley and Holderness (Graham Stuart) says from a sedentary position that that is not the case. He is wrong and I will read him the minutes:

“the Board expressed a unanimous view that such a proposal was not necessary for the NSTA...The Board noted that the proposal would significantly challenge one of the tenets of independence for the NSTA”.

Claire Coutinho: As the right hon. Gentleman is enjoyably quoting the NSTA minutes not its on-the-record comments, will he also support its position that we should maximise all of the oil and gas production in the North sea?

Edward Miliband: That is not the NSTA position, as I have discussed with it.

Next, Lord Browne, the former CEO of BP, attacked the Bill and said it was

“not going to not make any difference”

to energy security. Then Britain’s most respected climate expert, Lord Stern, pilloried it as “a deeply damaging mistake”. Then on the eve of COP—the conference of the parties—the former Prime Minister the right hon. Member for Maidenhead (Mrs May), who signed net zero into law, said she disagreed with the Bill; to my knowledge, she does not support Just Stop Oil.

Claire Coutinho: You do.

Edward Miliband: Of course I don't.

Then the former COP president—*[Interruption.]* Let's be serious. Then the former COP president the right hon. Member for Reading West (Sir Alok Sharma), a man respected around the world who we were lucky to have playing that role at COP26, said the Bill was "smoke and mirrors...not being serious...the opposite of what we agreed to do internationally".

Finally, their own net zero tsar—the man they trusted to guide them on questions of energy—is so disgusted by the Bill that he is not in the Chamber today. In fact, he is so ashamed that he has fled to the Chiltern Hundreds. That is certainly getting a long way away from the right hon. Lady the Secretary of State and her policies. It shows how far people will go. It is not so much the oil and gas extraction Bill but the Conservative MP extraction Bill that she is putting forward today. The former net zero tsar said:

"I can no longer condone nor continue to support a government that is committed to a course of action that I know is wrong and will cause future harm."

We should take all these voices—Lord Browne, the former Prime Minister, the former net zero tsar and the former COP President—*[Interruption.]* I will come to all the arguments that the Secretary of State made, if she will give me a minute, as I develop my argument. The bigger point is that we face massive challenges as a country, but it is not the scale of our problems that is so apparent today, but the smallness of the Government's response. We have a risible two-clause Bill that she knows will not make any difference to our energy security, because everyone who knows anything about this subject says so.

As the Bill has fallen apart, the Government have thrashed around to try to find a rational justification, and they have made one futile argument after another. Let us take each in turn. The first argument was that the Bill will cut prices. In case the House is thinking, "Did they really make that claim?", the claim was made by the Prime Minister in a tweet. At 9.57 am on launch day, he said that the Bill will "help reduce energy bills as we're less exposed"—

Claire Coutinho *indicated assent.*

Edward Miliband: The Secretary of State nods, but I put on record my thanks to her, because she has been an internal one-woman rebuttal unit against the Prime Minister. She went on breakfast TV—before the tweet, so we might call it a prebuttal—and said that the Bill

"wouldn't necessarily bring energy bills down, that's not what we're saying."

She is right, because oil and gas is traded on international markets.

Claire Coutinho: If the right hon. Gentleman had read the full quote, I said that indirectly, through support to the renewables sector, the Bill brings down bills. The fact that we can raise tax to help people with the cost of living also brings down bills. If he would like to bring down bills for people in this country, he should back this Bill.

Edward Miliband: That is great, because the Secretary of State anticipates my rebuttal of the second bad argument for this Bill, which is the argument she has just gone on to make. She said that the tax revenues we

get from fossil fuels justify this policy, and we have heard it again today. If anything, that is an even more complete load of nonsense than the Prime Minister's argument, because these are the facts: it is our reliance on fossil fuels that has caused rocketing energy bills. That meant that the Government were forced to step in to provide support for households and businesses *[Interruption.]* Ministers should just listen.

The cost to Government of the support with bills has far outweighed any tax revenues. According to the Office for Budget Responsibility, the windfall tax receipts from oil and gas companies raised £25 billion, and the cost of Government support is more than £70 billion or, the Government say, £104 billion. The idea that our dependence on fossil fuels can be justified by the tax revenues we get, when they have spent £100 billion trying to help people, is obviously nonsense.

There is a third bad argument, and again we heard it today, which is that somehow this Bill strengthens our energy security. Again, it is important to have a few facts in this debate. Here are the facts: the UK's North sea gas production is set to fall with new licences by 95% by 2050, or without new licences by 97%. That is the equivalent of four days of our current gas demand. All this absolute codswallop about the Bill guaranteeing our energy security and somehow guaranteeing 200,000 jobs is risible nonsense.

Here is the thing. We have had a real revelation in this debate—the Government have admitted the truth—which is that the vast majority of oil is not used in this country; it is exported elsewhere, and 70% of our remaining reserves are oil, not gas. The idea that this makes any difference to our energy security is nonsense—these are private companies selling on the private market—and the Government have absolutely no response.

The fourth bad argument is that the Bill will somehow protect jobs. That is wrong. We owe it to oil and gas communities to protect them in the transition, but given the Conservatives' record in constituencies such as mine, we will not take lectures from them on just transitions. We should admit a truth: the fossil fuel market is not just deeply unstable for consumers, as we have seen over the last two years, but deeply unstable for workers. It is a total illusion that new licences will somehow guarantee jobs for North sea workers. In the last 10 years, the number of people working in oil and gas has more than halved. The International Energy Agency predicts a peak in fossil fuel demand by 2030. That is why its head said:

"New large-scale fossil fuel projects not only carry major climate risks, but also business and financial risks for the companies and their investors."

That applies to workers, too.

The right way to have a managed transition in the North sea is to carry on using existing fields—a Labour Government will do that—and to have a plan for North sea workers by driving forward with jobs in the industries of the future: offshore wind, carbon capture and hydrogen. But that is not what the Government have done. We had a graphic example of that last week. The world's largest floating wind prototype sits off Peterhead—that is a good thing—but it needed maintenance, so where did the maintenance happen? Not in Scotland, and not anywhere in the UK; it has been towed back to Norway. That is the scale of their industrial policy failure; we know it very well.

The Government have not generated the jobs that British workers deserve, and their fossil fuel policy and net zero roll-back has sent a terrible message to investors around the world. This is what Amanda Blanc, the chief executive officer of Aviva and the head of its UK transition plan taskforce, says about oil and gas and the Government's position:

"This puts at clear risk the jobs, growth and the additional investment the UK requires to become more climate-ready."

It is Britain losing the global race in clean energy jobs that will destroy the future of oil and gas communities. The Government have no proper plan for those workers; Labour does have a proper plan.

Ms Lyn Brown (West Ham) (Lab): Does my right hon. Friend agree that the Bill is an absolute disaster for climate diplomacy, turning diligent negotiators into hypocrites and trashing our international negotiations and international reputation? Is it not clear that without proper diplomacy, future generations will be left with a much more dangerous and less stable world?

Edward Miliband: My hon. Friend is absolutely right. She takes me to the fifth and final bad argument that the Government are making for the Bill.

Douglas Ross (Moray) (Con): Will the right hon. Member give way?

Edward Miliband: In a moment.

The Government argue that the Bill can somehow be justified on climate grounds, which demands a level of absurdity that should make even them deeply embarrassed. Let us get this straight. We signed a global agreement at COP28 for a transition away from fossil fuels in line with the science. That science is unequivocal: we must leave the majority of fossil fuels in the ground. But at home, their domestic policy is what they call "maxing out" the North sea.

Let us get this clear: in the crucial coming two years, Ministers will travel around the world to try to turn that COP28 agreement into reality, but how will the conversation go? The UK Minister will say to other countries, "We want you to leave your fossil fuels in the ground, because that is the agreement from COP28." The country we are trying to persuade will say to us, "Hang on a minute. You're saying we should leave our fossil fuels in the ground, but you're planning to extract all yours." What will we say, other than, "Yes, the Government are practising total hypocrisy, but please do as we say, not as we do." That is the truth. The science is unequivocal.

Douglas Ross: I was hoping to intervene when the right hon. Gentleman was talking about jobs and investment, because he quoted an awful lot of people. Why did he not quote Sir Ian Wood, who said that Labour's plans for the North sea oil and gas industry would "place in jeopardy tens of thousands of jobs".

David Whitehouse, the chief executive of Offshore Energy UK, said that Labour's plans would "create a cliff edge", deterring investment and heightening our risk of energy shortages. Why did he not mention those people?

Edward Miliband: I am very happy to talk about Ian Wood. We had a good roundtable with him in Aberdeen in November. I totally accept that it is for a Government

of either party to show that there is a proper transition plan. I firmly believe that we can do it, but honestly, the hon. Gentleman knows that it is not the case that new licences will somehow guarantee a future for those North sea workers. How could he possibly say that four days' worth of gas demand in 2050 will guarantee a future for those workers?

Greg Clark (Tunbridge Wells) (Con): The right hon. Gentleman will know that 10% of our current oil consumption is used in the manufacturing industry—not to be burned but for things such as lubricants, solvents and electronic components. That does not contribute to greenhouse gas emissions. Is it acceptable to extract it from UK waters?

Edward Miliband: Eighty per cent. of what we get from UK waters is exported, not used here. We said clearly that we would continue with existing oil and gas fields. There must be a transition, and we cannot carry on regardless and max out the North sea. I know the right hon. Gentleman cares about the climate. It is important to listen to the respected authorities on climate. There must be a reason why the International Energy Agency, the Energy Transitions Commission, the Climate Change Committee, the former President of COP26 the right hon. Member for Reading West, and Lord Stern all say that the world is genuinely on a burning platform, and unless we address the issue of fossil fuels, we will head not to 1.5° but to 3° of warming.

That is the truth. It is incredibly hard, but the idea that we will say, "Look, there is a climate crisis; this will not make any difference to our energy security; the Energy Secretary says that it will not cut bills; it is not the answer for the jobs of the future; but we will carry on doing it anyway", is climate vandalism. I genuinely say that to the right hon. Gentleman. He shadowed me 15 years ago, and I know that he cares about these issues, along with the right hon. Member for Reading West. People who really care about these issues have wrestled with this question. We have listened to the experts and we have thought to ourselves, "What does the science tell us on the one hand, and what difference will this make on the other?" Fair-minded people have reached the conclusion that I have reached, as has Lord Stern and all the other authorities.

Afzal Khan (Manchester, Gorton) (Lab): I previously raised the progress report from the Climate Change Committee, which said that the Government were off track. The Secretary of State then assured the House that the Government remain extremely ambitious about climate change. Does my right hon. Friend agree that she must have meant that she supports causing climate change, given she is pressing ahead with new oil and gas licences?

Edward Miliband: I do not believe that it fulfils the kind of climate leadership that we pride ourselves on in this country. Here is another interesting fact for the House. UK Export Finance, I think with the guidance of the right hon. Member for Reading West, decided at COP26 that we would not finance oil and gas projects abroad. Now, there must be a reason why UKEF decided that. Presumably, the reason is that we want to make the transition away from fossil fuels. At the same time as

[Edward Miliband]

UKEF decided not to do that, we will look like hypocrites if we do this by saying, “We’re just going to carry on maxing out at home.”

I know there are a lot of other people who want to speak, Mr Deputy Speaker. We have a Bill—

Richard Drax (South Dorset) (Con) *rose*—

Edward Miliband: Oh go on. That is very tempting, so I will give way to the hon. Gentleman.

Richard Drax: I am grateful to the right hon. Gentleman for giving way. He has spoken for an awfully long time and I suspect he is coming to the end of his speech so that Back Benchers can participate. Not one idea has he put on the Floor of the House about what Labour would do were it to take over from us.

Edward Miliband: I will tell the hon. Gentleman exactly what we would do. I am really grateful to him for intervening, but I am sorry he has lengthened my speech. We would establish a national wealth fund to invest in British jobs to give a future in steel and automotive, and to invest in our ports. We would set up GB Energy to generate wealth for our citizens. If it is good enough for countries abroad, why is it not good enough for us? We would insulate homes across the country. We would finally lift the disgraceful onshore wind ban that is adding £180 to every family’s bills. That is just the start. I do not want to detain the House for too long, but there is plenty more where that came from.

Alexander Stafford: Will the right hon. Gentleman give way?

Edward Miliband: I will not give way.

The truth is that there are two roads for Britain’s future: driving to clean energy by 2030 to cut bills and make us energy independent, and GB Energy to bring jobs in clean energy here at home and be a climate leader; or a Government who take the wrong path, cling to expensive and insecure fossil fuels, and make the British people pay the price, as they have for the past 14 years. The truth is that the Bill speaks volumes about a Government out of ideas and embarked on that second path. The Bill is one of the last desperate acts of a dying Government. I urge the House to support our reasoned amendment and vote against the Bill tonight.

5.2 pm

Sir Alok Sharma (Reading West) (Con): I refer the House to my entry in the Register of Members’ Financial Interests.

I agree with the Secretary of State, who I hold in high regard, that the United Kingdom has been a leader in climate action internationally. We have cut our emissions in half over the past 30 years, faster than any other major economy in recent years. We have set ambitious domestic emission reduction targets, in particular ahead of COP26. Through our COP26 presidency, we managed to get over 90% of the global economy signed up to net zero. Just about every G20 nation signed up to a net zero commitment. We led on climate action domestically and we translated that into leading the world on climate action.

Just a few weeks ago at COP28, the UK, alongside other nations, signed up to transition away from fossil fuels. On his return from COP28, the Minister for Energy Security and Net Zero, my right hon. Friend the Member for Beverley and Holderness (Graham Stuart) welcomed that global agreement from the Dispatch Box. He spoke about the importance of listening to the voices of the most climate-vulnerable island nations, who, as we know, wanted the world to agree to stronger language to phase out fossil fuels. Indeed, my right hon. Friend himself tweeted at COP28:

“There must be a phase-out of unabated fossil fuels to meet our climate goals.”

I commend the work that he and the whole UK team did in Dubai.

But today we have a Bill before the House, the sole purpose of which is to double-down on granting more oil and gas production licences. I do not believe, and it pains me to say this, that the Bill will advance that commitment to transition away from fossil fuels. I also do not believe that those climate-vulnerable nations my right hon. Friend referred to will think the Bill is consistent with the pledge that we, along with every other nation, made in Dubai.

As for the substance of the Bill, I think that, as currently drafted—and it pains me to say this—it is something of a distraction. I do not think it is necessary. The North Sea Transition Authority can already grant licences annually, or, indeed, when it considers it necessary. It has been doing that regularly for the past few years. The Department’s own explanatory notes make that clear by stating:

“The NSTA will remain free to grant licences outside this new annual duty in the usual way, whether or not the new statutory tests are met.”

As for those two statutory tests, they seem to override the already non-binding climate compatibility checkpoint, and I have to say that I think they have been designed in such a way that the computer will always say yes to new oil and gas licences. Overall, the ability of the NSTA to grant new licences will not change materially as a result of the Bill.

Sadly, however—this is my opinion, and others will have theirs—what the Bill does do is reinforce the unfortunate perception of the UK’s rowing back from climate action, as indeed we saw last autumn with the chopping and changing of some policies, and that does make our international partners question the seriousness with which we take our international commitments. I said “it pains me to say this” because I know that the Government have been coming forward, under this Secretary of State, with commitments to try to tackle climate change and deliver on a clean energy transition.

We have heard that the Bill is about improving domestic energy security, but I think we all understand that the oil and gas extracted from the North sea is owned by private enterprises and the Government do not get to control to whom it is sold. Moreover, I think it is acknowledged that the Bill would not necessarily lower domestic energy bills in the UK, given that the price of oil and gas as a commodity is set internationally. I think that the best way to enhance our energy security, and ultimately bring down bills, is for the Government to continue to deliver on their ambitious plans for expanding home-grown clean energy, to which I know the Secretary of State and her Ministers are absolutely committed.

That means more wind power, more solar and more nuclear as part of a diversified clean energy mix, and I back the Secretary of State in the work that she and her team are doing in delivering that clean energy mix.

We have heard that the Bill will secure 200,000 jobs. Of course people's jobs and livelihoods matter, and we must ensure that we secure those jobs, but we must recognise that we are in the process of an energy transition. I support an orderly transition; for me, this is not about turning off the taps overnight on oil and gas. We must also acknowledge that more than 200,000 jobs, supported by the oil and gas industry, have been lost over the past decade, despite hundreds of new drilling licences being issued. We know that many of the skills used in the oil and gas sector are transferable to clean energy—to offshore wind and geothermal. If we want to truly turbocharge a clean energy transition, we need to help, support and retrain the workers who are making the transition, over time, from the fossil fuel sector into the many tens of thousands of jobs that are being created in clean energy as a result of the work that the Secretary of State and her team are doing.

Matt Western (Warwick and Leamington) (Lab): The right hon. Gentleman is making some powerful points, and I have huge respect for him when it comes to this topic. Does he agree that we are in real danger of turning off the interest and the investment appetite among many other nations, such as Korea and Japan, which see the UK as having vast expertise in offshore wind development sites, and that legislation of this kind will undermine that market?

Sir Alok Sharma: There was some commentary expressing concern about investment appetite following some of the statements that were made in the autumn, but I think we must acknowledge that, over the last few months, the Government have managed to secure billions of pounds of extra investment committed within clean energy to the UK.

Turning to the carbon intensity test for granting new licences, I have to say again that I am not sure that the Government recognise the whole picture of where we get our imports from. The majority of the gas that the UK imports comes via a pipeline from Norway. It is not imported LNG. The carbon intensity of Norwegian gas production is around half that of UK domestic gas. If that is the test that the Government want to apply in deciding whether to issue new licences, I think they should take into account the average carbon intensity of all imported gas, not just LNG. Given that around 70% of remaining North sea reserves are oil, perhaps the tests should also include the carbon intensity of UK-produced oil, which is higher than the global average.

Lloyd Russell-Moyle (Brighton, Kempton) (Lab/Co-op): I put that very point to the Secretary of State in our Select Committee, and her response was that because almost all our oil is exported out of the UK for processing, we do not know what its full carbon intensity is. Is that not a great example of why our oil is not used in Britain and why this will not help British people?

Sir Alok Sharma: The Secretary of State has set out her position very clearly and eloquently. I am trying to set out my position on the Bill.

The Government said that the independent Climate Change Committee's own data showed that we were going to need new oil and gas in the decade ahead, but I respectfully say that that is not the same as saying that new licences should be granted. The weekend before this Bill was originally due to have its Second Reading, the interim chair of the committee put out a tweet to reconfirm the CCC's position. He wrote that

"@theCCCuk evidence is that continued expansion of new oil and gas reserves is inconsistent with our climate commitments, especially more so in light of the recent Global Stocktake COP agreement we just signed."

For the reasons that I have outlined, I will not vote for this Bill today, but assuming that it proceeds beyond its Second Reading, I hope that it will be possible to work with like-minded colleagues—and indeed the Government, the Secretary of State and her Ministers—to amend and improve the tests that are required to be met before any new oil and gas production licences are granted in the future.

In conclusion, delivering on the UK's clean energy transition matters on many levels: for jobs, for inward investment, for lower bills, for real energy security and of course for the environment. We see the impacts of the changing climate around us daily: 2023 was the hottest year on record globally, and in recent weeks many people have faced flooding again in our country, including in my own constituency. We really should not need any more wake-up calls to put aside the distractions and act with the urgency that the situation demands.

5.12 pm

Dave Doogan (Angus) (SNP): The Scottish National party declines to give this Bill a Second Reading—*[Interruption.]* Would the Minister for Energy Security and Net Zero, the right hon. Member for Beverley and Holderness (Graham Stuart), like to intervene already? I would be happy to take it. This Bill is as unnecessary—much like the chuntering from a sedentary position—as it is unwelcome. The Prime Minister, no less, claimed that these measures would reduce energy bills, but of course that is untrue, and the Secretary of State was well advised to distance herself from that fantasy. It is claimed that the Bill will assist with the UK's energy security, but of course it will do no such thing, given the combined effects of an international energy market and the vagaries of the UK's refining capacity, which is increasingly and substantially incompatible with oil extracted from the North sea basin. The Government seek to gaslight us with claims that there are strict tests to be met in order to issue any new licences, when in fact these Potemkin tests will inevitably be met for each and every licence application in the future, should the Bill pass.

The Bill will not provide an evidence-based assessment of all licences on a case-by-case basis, and as a matter of actual fact, 27 new licences were granted in 2023 alone in the absence of any legislation of this nature and a licensing round has been held by the North Sea Transition Authority every year and a half since 2016. This proposed legislation will, in effect, undermine the NSTA by placing a statutory obligation on it to hold new licensing rounds every year, rather than as and when it deems them necessary in its professional capacity, as is currently the case. Moreover, the NSTA board unanimously agreed that the legislation requiring annual licensing rounds is

[*Dave Doogan*]

unnecessary, but the Government are advancing it as a means to guarantee unfettered access to continued hydrocarbon extraction. That is not what we need.

The Bill's proponents would have us believe that having more licences will deliver lower energy bills, but it will achieve no such thing. We all recognise that oil and gas will continue to be an essential part of our energy mix and, as the right hon. Member for Reading West (Sir Alok Sharma) said, we use oil and gas—certainly oil—for more than combustible uses, so we will need a measured and qualified licensing regime to accommodate an ongoing reliance on oil and gas as a source of energy and much else, but that is not what the Bill proposes.

The thing that is pushing up the price of household and commercial energy is not a lack of licensing but the price of gas on the international market that consumers are forced to pay not just for heating but for electricity, given the bizarre pricing structure and how the UK is set up to favour gas. That energy pricing disaster is compounded by this Government's failure to invest properly in alternatives such as large-scale, long-duration storage solutions, which would dial a considerable amount of gas out of the system and dial down prices, too.

Fourteen years of Tory mismanagement of our energy security have seen barely sufficient investment going into renewable generation to meet the demands of the climate emergency, and practically no investment going into the network to transmit this new energy. That means consumers are denied access to large swathes of cheap, green, renewable energy because of a lack of grid capacity. Renewable energy, once switched off, to compensate for a 1960s network, is substituted by gas. I appreciate that the Government are improving and investing in capital infrastructure, but it is 14 years too late.

The Bill will not deliver energy security. Indeed, the former chief executive of BP, Lord Browne, said that the Government's decision to expand North sea drilling is

“not going to make any difference”

to Britain's energy security, and the former head of the NSTA, Andy Samuel, said in 2022 that the introduction of new licences will make a difference only “around the edges”.

What we need from the Government is a bold plan to further accelerate the electrification from renewables of our domestic energy market. What we are presented with is a backward-looking cash grab for Scotland's hydrocarbons, which comes at the cost of a just transition. Scotland will lose out by having our energy policy dictated by a remote, luddite Westminster Government who are relentlessly focused on the rear-view mirror, rather than on the future and job security.

Lloyd Russell-Moyle: The hon. Gentleman is talking about energy policy being directed by other people. Does he share my concern about our continued membership of the energy charter treaty, which means that any deals signed now will have to be fully remunerated on their potential hope value, not their actual value, even if they are phased out or cancelled by a sovereign Britain or by a sovereign Scotland? I am neutral on the latter issue.

Does the hon. Gentleman not think that, like our European partners, we should withdraw from the energy charter treaty to allow ourselves true energy independence?

Dave Doogan: I agree entirely with the hon. Gentleman's ambitions on the energy charter treaty. It is about time that the Government got off the fence on the issue and made a decision.

On job security, let us be clear that this Government care for oil and gas workers in Scotland every bit as much as they cared for the miners and the manufacturing workers in Scotland who were put to the sword in the 1980s, every bit as much as they care for our service personnel living in squalor, every bit as much as they care about the Post Office staff thrown into the privatisation mincer, and every bit as much as they care for junior doctors in England.

Alexander Stafford: On my previous intervention, I refer the House to my declaration in the Register of Members' Financial Interests on my Falkland Islands trip paid for by the Falkland Islands Government.

The hon. Gentleman talks about the miners. In Rother Valley we were hit hard by the closure of the mines, which is why we need a transition. Keeping the new licences going will make the transition slightly longer and keep more people in work. Surely it is a good thing to diminish the negative impact that net zero will sometimes have on certain people.

Dave Doogan: The premise of the hon. Gentleman's intervention is that by delaying things, and maximising oil and gas production, we somehow maintain this link. We could just as easily deliver the same thing by accelerating the delivery of renewable energy and the infrastructure to transmit it to where it is needed. That would have the added benefit of introducing lower bills for consumers and industry, and making sure that we are not reliant on petrostates from far away with questionable regimes. I am looking through the right end of the telescope, whereas the hon. Gentleman and his Government are looking through the wrong end.

In short, the Tories could not give a flying fig for any worker on these islands—as long as their share price remains healthy, to hang with the rest of us. If the question is “How do we protect and transition oil and gas jobs into renewable energy production?”, the answer is definitely not to overstimulate unlimited offshore petroleum licensing. According to industry data, 441,000 jobs were supported by the oil and gas sector in 2013, but that number has already fallen to 215,000—so we are talking about 200,000 fewer jobs in 2022. The Government have issued approximately 400 new drilling licences, in five separate licensing rounds, in that period. The claim that there is a direct and proportionate relationship between the amount of licences issued and the amount of jobs sustained is entirely spurious.

Douglas Ross: Can the hon. Gentleman explain to the House and, importantly, his constituents in Angus, many of whom are employed in the industry, what the Scottish National party's current position is on the issuing of new oil and gas licences? At the moment, does it support them? Or is there is a presumption against them?

Dave Doogan: What is important is the understanding that we will be reliant on oil and gas. This Government are creating a false dichotomy between having unlimited new licences and having an oil and gas sector in Scottish waters and within the UK; the two things are not related in the fashion that they are setting out. The hon. Gentleman should be asking why the UK Government will not match the Scottish Government's ambition for the just transition and our half a billion-pounds of investment, but I will get on to that in a second.

Douglas Ross *rose*—

Dave Doogan: Is the hon. Gentleman asking whether I am giving way?

Douglas Ross For clarity—

Dave Doogan: No, I am not.

Where is the guaranteed ringfencing of revenues from North sea oil and gas production to develop more renewable energy and accelerate the just transition? Accelerating the just transition—not unduly sustaining legacy energy production—will make the difference and deliver real jobs with sustainability, in terms of both the carbon outputs and how those jobs will last into the future. Where is that support?

The Government have claimed that the circa £50 billion in tax revenue over the next five years “could” be used to support the shift to cleaner forms of energy—we are used to jam tomorrow from this Government—but any other form of fiscal revenue could be used to support the future development of renewables. The vacuous observation that the Government have made is so unconnected to reality, unconditioned and unqualified as to be meaningless.

It would have been an uncharacteristically elegant solution for this Government to have ringfenced future oil and gas revenue for the green transition, to marry the endowment of the legacy hydrocarbon industry to the priming of the pump of opportunities of the next renewable industry, but this Government are at least consistent in their ability to disappoint.

To the casualty of the climate from this Bill, which is an inevitable consequence of this course of action, we can add the pace of delivery for the new net zero economy opportunities in Scotland. When oil and gas opportunities go to a plateau of exhaustion in Scotland, as everyone knows they will, what will be left in the cupboard to support communities such as those in Banff and Buchan, Angus, West Aberdeenshire and Kincardine, and elsewhere in the north-east of Scotland? Why are the revenues from the historical exploitation of oil and gas not going into accelerating renewable opportunities and making sure that we deliver jobs for the future?

As I said in response to the intervention by the hon. Member for Moray (Douglas Ross), the Scottish Government have invested £500 million into the green transition for Scotland—*[Interruption.]* Well, unlike anything to do with this Bill, that funding is allocated and is there to be invested. I will tell you why, Mr Deputy Speaker, this Government are nervous of that figure: because if the UK were to match Scotland's ambition in the just transition, it would be £5 billion across the UK, but we see no such commitment, vision or climate ambition. What we see is a Tory Prime Minister who cannot effectively lead his party, let alone the UK state

or an energy transition, seeking to divide people on the climate, and rolling back on climate action commitments and signals given to industry on electric vehicles and boiler replacements, while over-exploiting Scotland's legacy hydrocarbons and dragging his feet on carbon capture, usage and storage, especially Acorn.

The picture is revealed even for those with the largest blinkers. The hallmark of failure is stamped on this Tory Government, who will politicise anything, even the climate consensus, in a vain attempt to stem their electoral destruction. The Bill fails to outline a transition away from fossil fuels as per the agreed resolution at COP28, on which the ink is barely dry. The UK delegation signed up to that agreement in the full knowledge of this Bill's impending passage. We all know that the UK has a questionable approach to its international obligations, but this is plain bad faith.

Finally, the Bill does not acknowledge the climate emergency. In fact, with this Bill the Tory Government are thumbing their noses at the climate challenge that we all face together and should address together. In the Bill, the Government seek to over-capitalise on legacy energy production rather than invest in the renewable energy jobs of the future. Much of that employment and enterprise will be in demand mitigation, with thermal insulation, equipment upgrades and new technologies. As a result of the ambition that drives the Bill and the warped thinking behind it, jobs, the economy, bill payers and the climate will suffer, so I urge Members to decline to give it a Second Reading.

5.26 pm

Peter Aldous (Waveney) (Con): Energy production, either offshore in the form of oil and gas production and offshore wind, or on the coast in the form of nuclear, is of specific interest to the Waveney constituency that I represent. The oil and gas industry has been a significant employer locally for nearly 60 years, one of the largest clusters of offshore windfarms in the world is located off the East Anglian coast, and Sizewell C will bring significant job-creation opportunities to the area.

To realise the full potential of the opportunities, both nationally and locally, we need the right policy, fiscal and regulatory frameworks that satisfy the three criteria of energy security, affordability and decarbonisation. It is also necessary to provide investors with the confidence and certainty to invest in the UK. It should be borne in mind that the market for energy capital is global, footloose and highly competitive.

It is against that backdrop that we should judge the Bill. There are reasons for supporting it, but we must not lose sight of the need for long-term stability and consistency in energy policy that is required to attract the enormous amount of private investment that we need to modernise and decarbonise our energy system and to make it more secure and resilient.

I chair the all-party parliamentary group for the British offshore oil and gas industry, and I highlight three factors that should be borne in mind in setting energy policy. First, we are moving away from businesses, wherever they are in the supply chain, that specialise in a particular sector, whether that is oil and gas, offshore wind, carbon capture or hydrogen. Such businesses are increasingly becoming all-energy companies that work in a range of different sectors.

[Peter Aldous]

Secondly, as I have mentioned, many such businesses are globally footloose and will operate anywhere in the world. If we have policy, regulatory and fiscal regimes that are continuously flip-flopping, they will go elsewhere.

Thirdly, it should be emphasised that the vast majority of these companies—I highlight those operating in East Anglia—are committed to net zero. They regard it as both a moral and a legal obligation from which we should not be distracted.

As I have mentioned, there are reasons to support the Bill and I shall briefly highlight them. First, our energy policy is determined by the trinity of energy security, affordability and decarbonisation. Recent geopolitical events, in particular the Russian invasion of Ukraine and the conflict in the middle east, have created major concerns with regard to security of supply and unpredictability of price. We have felt the backlash of the latter very harshly in the past two years and its impact has hit hardest the poorest and most vulnerable. It is against that backdrop that it is sensible for the UK to be more energy independent and to use our own energy supplies—whether that is offshore wind, nuclear or oil and gas.

Secondly, we need to reduce our reliance on oil and gas, and, indeed, we have made good progress in doing so, as the UK has decreased oil production by 66% since 2003. At the turn of the century, we were producing 4.5 million barrels of oil equivalent per day. Today, that figure is below 1.5 million and still falling. However, we still rely on oil and gas for much of our energy needs and shall continue to do so, albeit on a significantly declining trajectory in the coming decades. It is in that context that it is logical to use our own oil and gas. It should be pointed out, as others have done, that the carbon footprint of domestic gas production is around a quarter of that associated with imported and energy-intensive liquefied natural gas.

Thirdly, at a time of global economic uncertainty as well as geopolitical instability, we need to have in mind the huge benefits that the oil and gas industry brings to our country. Domestic oil and gas production provides many jobs and adds approximately £16 billion to the UK economy each year, while tax receipts are significant—£33.7 billion since 2010 and an estimated £50 billion over the next five years.

Fourthly, as I have mentioned, today's energy companies operate across a variety of sectors and there is a risk that, if we close down the North sea too quickly, we will imperil investment in new low-carbon sectors. Many companies investing in nascent opportunities require a cash flow from a stable and predictable oil and gas business. Moreover, freedom to explore can be a major driver for investment on the UK continental shelf not only in oilfields and gasfields, but in carbon capture and hydrogen production. Closing the door on exploration reduces the option value of the UK as a destination for overall investment.

Finally, it should be pointed out that most of the new licences that would be granted are near fields adjoining existing ones. That means that there would be a lower incremental emission intensity as production will take place using existing facilities.

It is important to emphasise that the Bill is not a panacea for the future of the North sea. There is other work that the Government must carry out alongside it. One of the most notable achievements of the Conservative Government in recent years was the creation in 2016 of the Oil and Gas Authority, which now operates as the North Sea Transition Authority. It is a regulatory authority that has achieved a great deal and that has also recognised the vital importance of net zero.

The NSTA's great advantage over its predecessor, which was embedded in the Department of Energy and Climate Change, is its independence of Government. There is a worry that the Bill undermines that independence, and I hope that, in his summing up, my right hon. Friend the Minister will take on board and allay that concern. The Government should also consider providing the NSTA with an enhanced role. As the transition has become centre stage to the authority's work, the authority has taken on additional regulatory responsibilities—for carbon capture, usage and storage and hydrogen. Consideration should be given to adding to that the oversight of the emerging geothermal sector, an increased focus on the offshore energy supply chain and maximising the future use by low-carbon technologies of the infrastructure that has been laid down in the North sea over the past 60 years.

We are at times in danger of talking glibly about a just transition and the creation of new jobs. We can help to achieve that in a meaningful way by focusing more strategically on skills and infrastructure. I am mindful that the regulatory space on the UK continental shelf is crowded. As well as the NSTA, other organisations, such as the Marine Management Organisation and the Crown Estate, are carrying out important work. We must ensure that all that work is properly co-ordinated, is effective in its precautionary objectives, and is not so overly bureaucratic as to deter investment.

I mentioned that the majority of businesses working in the North sea are committed to the transition. Yes, they want the Government to be realistic and pragmatic about the future of the domestic oil and gas industry, but they are also ambitious. They want to be part of an industry that is in the vanguard of the transition from fossil fuels to renewables—global leaders on the road to net zero. That should mean, for example, a more ambitious climate compatibility checkpoint, and bringing forward the ban on routine venting and flaring.

The Bill has merit, but it needs to be accompanied by other measures, some of which I have outlined, to maximise the enormous amount of private investment that is required to decarbonise. We also need to dispel any false notion among investors about the UK's commitment to delivering on our net zero targets. As the Government have stated, there is a need for pragmatism, proportionality and realism, but that must be accompanied by ambition, consistency and clarity.

5.36 pm

Sarah Champion (Rotherham) (Lab): I am very concerned that the Bill will do much more harm than good. Members should not be fooled that it will help with energy prices or our commitment to net zero. The Energy Secretary is quoted as saying that new production of oil and gas

“wouldn't necessarily bring energy bills down”

but could do so “indirectly” if the money raised in taxes was then used for renewable energy projects. I do not understand the logic of that. Countless people, including many of my constituents, are in desperate need of lower energy bills, and are struggling to make ends meet because of the endless price hikes, which the Government have done little to abate. I do not believe that the Bill will have any impact on that.

If the Secretary of State knows that renewables are the answer, why is she not prioritising them rather than pushing forward with this illogical and damaging Bill? Worse than not prioritising them, she is making the situation worse. Ernst & Young has found that the UK has become a less attractive place to invest in renewables, partly due to a recent “diminishing of green policies”. Currently, three quarters of North sea oil and gas operators invest nothing in UK renewables. Although we will all end up dealing with the consequences of climate change, it is other nations’ homes and livelihoods that will be destroyed first. The International Development Committee, which I chair, conducted a report on debt relief that found that lower-income countries are more vulnerable to loss and damage from climate change than higher-income countries, even though they contribute the tiniest proportion of emissions.

In our current inquiry into small island developing states, we have heard that SIDS are particularly at risk from climate shock. In this century alone, two SIDS could disappear forever due to rising sea levels. Lower-income countries are being forced to pay for damage that they did not cause and have the least ability to cope with. Meanwhile, the Conservative Government want to hand out more licences in the North sea with no regard for how that could impact other countries, our own climate financing, or marine life. There is currently no provision in the Bill to exempt marine protected areas from oil and gas exploration. I find that an extraordinary omission. It is absolutely crucial that no MPAs are put at risk because of the Bill. By ignoring that, the Government are jeopardising their own Environment Act 2021 targets and their commitment to protect nature effectively in 30% of the sea by 2030 under the global biodiversity framework.

MPAs are designed to safeguard some of the most vulnerable marine habitats and species from irreversible damage. As it stands, only 8% of English MPAs offer effective protection for nature, and 56% of features within them have been assessed as already being in an unfavourable condition, and that is before the Bill goes forward. How will the Government enhance the existing MPAs when they cannot even guarantee that they will not be destroyed by this nonsensical Bill?

An effective MPA framework would ensure that UK seas perform their vital function in the fight against climate change and boost biodiversity, which is essential for a functioning and sustainable fishing industry. It would improve the resilience of marine species to changing conditions and would continue to support the economic and recreational activities that are essential to so many people in the UK. All those benefits would be jeopardised by allowing oil and gas drilling within MPAs.

The Bill must be amended to ensure that MPAs are completely off the table when oil-and-gas search and production blocks are considered. Whether it is oil spills, underwater noise pollution or the direct destruction of habitats, there is no doubt that there will be a severe

risk of harm to individual creatures across populations of marine wildlife and, ultimately, of disrupting entire ecosystems. Yet it appears the Government are happy to do that if it means even more profit for private industry.

We are supposed to be a leader on the global stage. We signed up to the Paris agreement and agreed to loss and damage funds, but this Government are destroying our international reputation and any ability they may have had to encourage other countries to fulfil their climate obligations. It saddens me that it has come to this, and I urge the Government to think again, listen to their own MPs, especially the wise words of the right hon. Member for Reading West (Sir Alok Sharma), and stop the Bill now.

5.41 pm

Douglas Ross (Moray) (Con): It is an honour to speak in the debate about the oil and gas sector, the industry and the jobs that rely on it. Certainly, in my Moray constituency, many people are employed in the sector. They travel through to Aberdeen to go off shore, and it is a regular commute for many people. That is the case in towns and villages throughout Moray, such as Buckie.

Since I have been able to get Buckie into this debate on oil and gas, it hopefully allows me the opportunity to put on the record my appreciation to the club for an outstanding match against Glasgow Celtic yesterday at Parkhead in the Scottish cup. They sadly lost 5-0, but it was an outstanding game for the highland league team. Graeme Stewart and his players did not just do the club, the highland league community and Buckie proud, they came away with an absolute host of new fans, because of what they achieved over the weeks since that game first came into the public domain. It has been great to see cup fever in Buckie and to see stalwarts of the club, such as Annie Jappy and Sandra Paterson, recognised for everything they have done for the club over many years. I am sure the congratulations of everyone in the House go to Buckie Thistle on their achievements.

David Duguid (Banff and Buchan) (Con): I of course join my hon. Friend in congratulating Buckie Thistle, but will he answer just one question: which side played in the home strip?

Douglas Ross: Of course, they both play in green and white hoops. Celtic played in green and white, and Buckie were in yellow.

As I say, this is an important debate for many towns, villages and communities in Moray, because a large number of people living in that area are employed in the oil and gas sector. It is important for my constituents in Moray, and I have been clear that it is right that we continue to grant new oil and gas licences to continue the exploration in the North sea while there is still a demand that needs to be supplied, but people will be left wondering what is the current position of the SNP. That is why I put a very direct question to the hon. Member for Angus (Dave Doogan). Normally at this point I would say that I will give way to any SNP Member willing to intervene if they are able to answer, but there is only one here. Would the hon. Gentleman like to intervene and say very simply, to the people of Angus and the people of Scotland, what his party’s position is and what his personal position is? Does the SNP support the granting of new oil and gas licences —yes or no?

Dave Doogan: I thank the hon. Gentleman for this opportunity to reiterate what I said previously. There is a fundamental understanding of the ongoing role of oil and gas in meeting our energy needs. Whether that is dealt with and satisfied through existing licences or future licences is a moot point, and I will tell him why: I have already demonstrated, in as simple terms as I can, that the implication that there is a direct and proportional link between job security and licences issued is spurious. I am aware of the point he is trying to make, but he is not making it well. I have told him what the situation is, and he can either like it or lump it.

Douglas Ross: I would just like an answer. I have tried twice, and that was as clear as mud. I think people looking at that answer will actually be unable to tell what the hon. Gentleman's personal position is and what the SNP's position is. That is really important. Maybe it is telling that only one SNP MP has turned up to a debate about the oil and gas sector—

Dave Doogan: Have you seen the weather?

Douglas Ross: I have seen the weather. I saw the weather when I left Inverness airport at 6.45 this morning. I know what the weather is like in Scotland, but it is important that when we are debating the oil and gas industry, which is crucial to Scotland and the United Kingdom, the SNP can find only one MP to turn up.

Sammy Wilson: Does the hon. Gentleman accept that for the 90,000 employees of the oil and gas industry in Scotland and the 200,000 across the United Kingdom, an answer that says it is a moot point is hardly the right one to give? It looks more like a mute position adopted by some of the opposition Members in this debate.

Douglas Ross: I absolutely agree with the right hon. Gentleman. People should watch closely what the hon. Member for Angus said on his own behalf and on behalf of the SNP—as I say, SNP MPs are speaking with their actions tonight by not even turning up to the debate.

Opponents of this Bill—the Labour party, the SNP and others—try to present our energy transition and support for oil and gas as a binary choice. They say that we cannot achieve our net zero goals while at the same time supporting new oil and gas licences and projects, but nothing could be further from the truth. The oil and gas sector in Scotland and across the UK is essential to delivering and achieving net zero.

The investment in green energy infrastructure that will allow us to build our renewables capacity is coming from the revenue from oil and gas extraction. The businesses that are looking to expand offshore wind and the windfarms for tomorrow are staying solvent today because of their revenues from North sea oil and gas. The people with the skills and expertise that we have heard about throughout this debate, which will be required to secure our offshore renewables going forward, work in our oil and gas sector today. That is why it is so important that I made the point to the right hon. Member for Doncaster North (Edward Miliband) that people such as Sir Ian Wood are saying that Labour's plans and the cliff edge that Labour would impose on the sector would see job losses. That is why that position is frankly unacceptable and is not supported by many people, if any, in the north-east of Scotland.

The businesses, the investment and the jobs that make Scotland and the UK a world leader in oil and gas are the same skills, businesses and jobs that are going to drive forward the green agenda and our renewables future. We cannot have one without the other. We cannot tell investors, businesses and workers who pause their plans for the UK's energy infrastructure due to an artificial ban on new fields to come back when the green technologies have become cheaper or more viable, because those investors, those businesses and those workers will go elsewhere. I say to the hon. Member for Angus that that is not a moot point. That is the reality if we do not continue with the exploration of oil and gas in the North sea and the granting of new licences.

David Duguid: I am sure that my hon. Friend will join me in welcoming the vast number of offshore wind projects being developed off the coasts of our respective constituencies—as well as that of the hon. Member for Angus (Dave Doogan)—and the operations and maintenance facilities in Buckie in his constituency and Fraserburgh in mine, which are entirely dependent on those offshore wind facilities. As much as people from the oil and gas industry are moving into them, there are just not enough of those jobs to make up for those that we would lose in oil and gas. Does he agree that a lot of the people who work in oil and gas would not go to renewables if there were no oil and gas jobs, but would just go where there is oil and gas overseas?

Douglas Ross: I absolutely agree with my hon. Friend. We have a base at Buckie harbour that is supporting a number of jobs and will continue to do so for decades to come—it is a small number of jobs at the moment, with opportunities to grow—but at the moment the vast majority of the workforce is employed in the oil and gas sector. I agree with him that they will go elsewhere, shifting their jobs and expertise to other countries, and another city will become Europe's offshore energy capital. That would be devastating not just for our net zero ambitions and for Aberdeen, but for the economy of Scotland and the UK as a whole.

We have already heard in the debate that 90,000 Scottish workers are employed in North sea oil and gas. It has been for decades, and will continue to be for some time to come, one of the most important sectors in Scotland's economy. Yet I believe that it is the position of the SNP—it would be if more SNP Members than just the hon. Member for Angus had turned up to state their case—to put those jobs on the scrapheap. The SNP wants to have a cliff edge in our oil and gas sector and exploration because it is in government with the Greens in the Scottish Parliament. It is supporting Green Ministers who want an immediate end to the extraction of fossil fuels from the north-east, and that is putting those 90,000 jobs, and the Scottish and UK economies, at risk. That is viewed extremely dimly in many parts of Scotland, particularly the north-east, which the hon. Member for Angus represents.

Dave Doogan: It is a bit rich listening to a Scottish Tory MP talk about the bountiful experience of North sea oil and gas for Scotland. If we had been independent in the '70s, we would be embarrassingly well off compared with our neighbours elsewhere in these islands. The hon. Member says that we want to throw workers in the oil and gas industry in Scotland under a bus, and that

we want to see a “cliff edge” where those jobs disappear. What is his evidence for that? We are investing in a just transition. Whereas he is trying to pursue an endurance of legacy opportunities for employment, we want to turbocharge new opportunities for jobs over 150 to 200 years.

Douglas Ross: My evidence is very clear; in fact, it is the hon. Gentleman’s own words. When he cannot even tell this House or his constituents about the SNP’s position on the presumption of new oil and gas licences, that is an answer in itself—not a moot point. The SNP clearly does not support it, and he cannot quite find the words to say it yet. That is the SNP position because it is in office with the Greens in Holyrood, and they are increasingly abandoning the north-east oil and gas sector and the jobs that rely on it. As I say, that is viewed extremely dimly not just in the north-east but right across Scotland.

Caroline Lucas: Nobody is talking about turning off oil and gas taps overnight—nobody; not even Just Stop Oil—so will the hon. Gentleman cut the amount of rubbish coming out of his mouth? He is criticising people who are not here in any numbers to be able to defend themselves. Why does he not focus on his own record rather than attacking others in such an erroneous way?

Douglas Ross: It is not erroneous, because we know that the co-leader of the Scottish Greens, Patrick Harvie, has said that he would like to stop oil and gas exploration overnight. That is the Green position: they do not want oil and gas to come out of the North sea, and that will affect jobs there right now. That is the point that I, and indeed other hon. Members, have been making.

Caroline Lucas: Will the hon. Gentleman give way?

Douglas Ross: I have already given way to the hon. Lady, and I can see that she has copious notes in her hand, so she will be contributing to the debate. I have already taken some time, so I will continue my speech.

The SNP will put those jobs on the scrapheap and turn its back on the north-east of Scotland. Yet, at the same time, Humza Yousaf is telling the people of Scotland that oil and gas revenues will pay for an independent Scotland. The SNP does not want to take the oil and gas out, but it wants to get the benefits to pay for failing public services in Scotland, which it has let down during its 17 years in power. Of course, Labour and Scottish Labour are also opposed to the Bill. Frankly, it is quite derisory that MSPs and the Scottish Labour party will not stand up for the north-east of Scotland and will allow those jobs, skills and the expertise gained over decades to be lost. The stark reality is that the Opposition parties are putting tens of thousands of Scottish jobs at risk, and putting the UK’s energy security in jeopardy when we need it most.

When illiberal, violent regimes such as Putin’s Russia are using energy resources as a means of funding their destructive wars, we cannot close our eyes and ears and pretend it is not happening. The UK will still have a demand for oil and gas products—and not just in energy but, as we have heard, in plastics and medicines, to name just a few. That demand will not go away in an instant; many of the homes that rely on those products and heating will require them for many years to come.

Why should we not try to deliver on as much of that demand as we can through domestic production? Importing our energy will only increase emissions further and help those intent on manipulating energy markets for malign purposes.

I urge Members to support the Bill. Let us secure the UK’s energy future and deal a blow to the regimes that are intent on using energy as a weapon. Let us protect our economy and the livelihoods of tens of thousands of Scottish and British families across the country. Let us choose common sense—a practical transition to net zero—not naivety and wishful thinking. Let the Labour and SNP Members present explain in their speeches why they will join together to try to vote down the Bill and the opportunities that oil and gas will continue to bring Scotland and the UK for decades to come.

5.56 pm

Dame Nia Griffith (Llanelli) (Lab): I rise to oppose the Government’s Offshore Petroleum Licensing Bill, for which there is absolutely no need. It will do nothing to bring down people’s energy bills, either domestic or business, and will severely damage the UK’s reputation in the world. Moreover, as I understand it, production from the new fields would be exported.

When Labour was in government, I was privileged to have the opportunity to work with my right hon. Friend the Member for Leeds Central (Hilary Benn) on the Climate Change Act 2008—a ground-breaking world first that led the way on tackling climate change. My right hon. Friend the Member for Doncaster North (Edward Miliband) became the Secretary of State for Energy and Climate Change, and he worked hard not only on renewables at home but on ensuring that the UK was taking the lead on the world stage in respect of climate change.

Now, just as there has been growing consensus around the globe on the urgent need to tackle climate change, it seems that we have a Government who no longer want to give that leadership. Even petroleum-producing countries such as Oman are now investing heavily in renewables, but we have a Prime Minister who was not even sure if he wanted to attend COP meetings, we have vacuous anti-green rhetoric, and now we have this Bill. It makes the UK look ridiculous on the world stage, not to say hypocritical, that with our proud history of urging other nations to do more to tackle climate change and reduce reliance on fossil fuels—and signing agreements to that effect, including recently at COP28—the UK is now prioritising a Bill to promote the exploration of more oilfields with production at who knows what future date.

What the Government should be doing is prioritising the roll-out of renewables. So often during oral questions we hear the Minister for Energy Security and Net Zero boasting about the roll-out of renewables, but he should reflect on how much more the UK could and should have done by now. First, there was the wind farm ban in England. Even now, when the Government talk as if they are planning to lift the ban, the situation is completely ambiguous, and they have not promoted wind power enthusiastically. Just think: if there had not been a ban in England, we would have had additional capacity on top of what Wales and Scotland provide, nearer to the big centres of population. We all know that the Government have not moved fast enough to strengthen the national grid to transport the electricity from the wind farms where it is produced to the centres of population.

[*Dame Nia Griffith*]

Then, we have the fiasco of the last auction process—allocation round 5—where the Government did not receive a single bid for floating offshore wind because of their stubborn refusal to sit down with the industry and recognise the huge impact of inflation, and the need to alter the price structure accordingly. The Irish Government listened to the industry and conducted a successful auction. We also saw the complacency of the Minister, the right hon. Member for Beverley and Holderness (Graham Stuart), when he came to this House and said, “Oh, well, there’s another chance to bid for next year”, losing valuable time and sending worrying signals to the industry about the Government’s commitment to developing floating offshore wind. As we heard from my hon. Friend the Member for Rotherham (Sarah Champion), investors now lack confidence in investing in the UK because they simply do not know which direction this Government are going in.

I could go on. We could have seen a lot more progress on solar and marine technologies—those are some of the things the Government could be doing if they listened to the industry, instead of wasting time on this Bill. The UK Marine Energy Council has identified the barriers to the roll-out of tidal stream energy: a lack of clarity on future support, which is damaging investor confidence; a consenting process that is slow and onerous; a lack of innovation funding; the cost of setting up supply chains; and a lack of grid capacity. The same could be said about many other emerging renewable technologies, and that is where the Government’s energy should be concentrated, not on this ridiculous Bill.

On electrification of the railways, when Labour left government in 2010, there were plans to electrify the line from London to Swansea. We then had the ridiculous pantomime of the Tories cancelling Cardiff to Swansea, reinstating it, and cancelling it again. The right hon. Member for Carmarthen West and South Pembrokeshire (Simon Hart), who was then Secretary of State for Wales and is now the Chief Whip, said that electrification was pointless as the nature of the track meant that trains would not go any faster, but that completely misses the point. As anyone who has been in the square in front of the station in Cardiff knows, the pollution, the carbon emissions and the noise from the diesel engines tell us exactly why we should be pushing on with electrification: to reduce our emissions. Instead, we have this Bill to extract more oil and gas from the North sea, rather than moving away by producing renewables and ensuring that our industries and our transport can operate on clean energy. That is what the Government’s priorities should be.

As for jobs, the people working in the oil and gas industry have valuable skills, and we must make absolutely sure that they have the opportunity to move across to other, similar industries: renewables and infrastructure. For that, the Government need a clear industrial strategy and to provide proper retraining opportunities for those who need to do so. Of course, the way to improve job opportunities is to ramp up the speed and scale of renewables development.

There was a question earlier about Labour’s policy. I will not detain Members by reading all 22 pages of our plans to make the UK a renewable energy superpower, which can be found on our website, but to be brief, we

are absolutely committed to slashing people’s energy bills by making the UK a renewable energy superpower, creating the new green jobs of the future and ensuring a just transition. If we win the next election, we will create Great British Energy to be a publicly owned champion of clean energy generation. We have plans for a national wealth fund that would invest alongside the private sector in the jobs of the future, such as in clean steel plants, and our plans are underpinned by a proper industrial strategy that will give investors confidence. On that note, I suggest that the Government drop this Bill, and turn their attentions and energies to developing our renewables sector and making sure we can proudly lead the world on a just transition to a fossil-free world.

6.4 pm

Jo Gideon (Stoke-on-Trent Central) (Con): We all want a healthier planet and a sustainable future for the next generations, but no one wants the heating to go off, the lights to go out, or our energy security to be at the mercy of foreign players in an ever more unstable world. This Bill recognises that doing nothing and increasing our reliance on imported gas, including gas with four times the emissions, is not the solution. As such, I am glad that the Government acknowledge the need to move away from oil and gas production, and I welcome our long-term commitment to drive down the use of fossil fuels and the significant and growing investment in the renewables sector, which is the only way to guarantee our energy security for the future—but it is for the future. As a country, we are now home to five of the largest offshore wind farms in the world, diversifying our energy supply and reducing our reliance on fossil fuels. Renewables gained enough power in 2022 to avoid the need for five times as much gas as the UK imported from Russia in 2021.

However, as we discuss the Bill, we should reflect on how we make that transition while preserving our reputation as a global leader in the fight against climate change. I am keen to see further efforts to reassure the international community, and our constituents who care about the environment, that we are not rowing back on our climate and environmental commitments. Our current requirements are lower than recommended pathways to reach net zero, so I suggest that we continue to strengthen the operational emission requirements for UK oil and gas producers. A recent report from Robert Gordon University found that 90% of the UK’s oil and gas workforce had skills that were transferable to the offshore renewables sector. A well-managed transition helps ensure that more investment, and more of those jobs, stay in the UK.

Opposition Members have no plan. Labour and the SNP are ignoring the country’s energy needs in their opposition to the Bill, which seeks to enable a transition pathway for an industry that, last year, produced an average of 42% of gas on an average day in Britain. Without new development, we will be more reliant on imports, which is unwise at best given the instability in the European market as a result of Putin’s war. Labour talks about expanding renewables and reducing usage through measures such as insulation. The Government share that ambition, but it is impossible to deliver at speed and in areas such as Stoke-on-Trent—[*Interruption.*] If Opposition Members will listen, I will give them the reason why. There are many terraced houses in those

areas, where the cost of insulating a property to the highest energy performance certificate standard can be greater than the value of that property.

For that reason, there needs to be a broader discussion about housing—I refer Members to my entry in the Register of Members' Financial Interests. I recently visited Norway with the Conservative Environment Network to see how that country is using the skills and expertise of the oil and gas industry to develop a carbon capture and storage facility at the Northern Lights project. For the world to achieve the goals to which we have committed ourselves in the Paris agreement, we need large-scale carbon capture and storage. Not all emissions can be cut by applying renewable energy. Oil and gas will be needed for the foreseeable future; however, reducing fossil fuel demand is key to reaching net zero. In several industrial processes, such as the production of cement, carbon capture and storage is the only technology that can cut emissions, reduce the need for imported energy, and benefit households through less volatile—and, ultimately, lower—energy costs.

Wera Hobhouse (Bath) (LD): The hon. Lady talks about the enormous cost of insulation, but is she clear that carbon capture and storage is also enormously expensive?

Jo Gideon: I am clear that lots of things have a cost, but we must also look at the cost of not doing them. We are not talking purely about financial cost.

To return to what I learned from my trip to Norway, about a fifth of emissions from North sea oil and gas production activity come from flaring. We could follow Norway's ban on those activities—I am sure the hon. Member for Bath (Wera Hobhouse) would agree with that—using the Bill to bring forward our commitment to stop flaring.

Wera Hobhouse: Will the hon. Lady give way?

Jo Gideon: I would like to get on, if the hon. Lady does not mind. [*Interruption.*] She is chuntering from a sedentary position. Removing gas is necessary for safety; however, it can be captured rather than burned. That is my argument.

We are in the midst of a paradigm shift in the production, storage and supply of energy, and we are faced with a range of innovative options to decarbonise while maintaining an adequate energy supply and reducing usage. None of this will happen overnight, and while we welcome the possibilities of innovations such as less energy wastage through battery storage, alternative fuels such as hydrogen, future solutions such as the expansion of nuclear and alternatives such as tidal and geothermal energy, we do need this transition position. I will be supporting the Bill on Second Reading, but on Report I will look at possibilities for reconfirming our commitment to minimise environmental damage and continue focusing on the end game of cleaner solutions to our energy needs.

8.10 pm

Barry Gardiner (Brent North) (Lab): I refer to my entry in the Register of Members' Financial Interests.

Mr Deputy Speaker, I know you were not around at the time, but you will know that the stone age did not end because of a lack of stone, and the oil age will not end because of a lack of oil. It will end because decent people of all political persuasions, such as the former right hon. Member for Kingswood, are farsighted enough to recognise and brave enough to stand up against the vested interests that would consign our children and the natural world to a costly, disruptive and, frankly, terrifying future. He was right to say that history will judge harshly those who continue down the reckless fossil fuel path that this Bill represents.

This Bill is founded upon a lie—in fact, several lies. The Government say it will safeguard our domestic energy supplies and boost investment; it will not. They say it will enhance our energy security and reduce our dependence on imports from overseas; it will not. The truth is that it is a political distraction that will reduce investment in and delay our transition to the clean energy that is the only sustainable and secure future both for our country and for the global community. This Bill is not a credible plan to fix Britain's broken energy system; it is a sad attempt to sew division and polarise our politics. It shows that the Government have given up governing and are out of step with the British people's priorities. When 6 million people live in fuel poverty and when 4,700 people died last winter as a result of living in cold, damp homes, this Bill falls well below what our constituents deserve.

As the world's hottest year on record was concluding, nearly 200 countries agreed at COP28 to transition away from fossil fuels. The contrast between the promise made in Dubai and what the Government seek to do today could not be more profound, nor more depressing. By inviting Parliament to enable annual licensing rounds for offshore oil and gas extraction, the Government are failing to understand that to transition away from fossil fuels, we have to stop producing them. The Government argue, "But it is still a declining field." "This simply slows the rate of decline," they say. The problem is that it also slows the rate of investment in a just transition that will unleash the power of wind, solar, tidal and energy efficiency.

The North sea is a declining basin. Its reserves are predominantly oil, not gas. Between now and 2050, new licences are expected to provide just 103 days of gas, which is four days of gas on average each year. The Government know that once oil and gas is licensed, it belongs to the companies that hold the licence. As the Government recently admitted to my hon. Friend the Member for Brighton, Kemptown (Lloyd Russell-Moyle), 80% of UK oil reserves are sent abroad by these companies and sold on the international market to the highest bidder. No wonder the former executive director of BP said last year that the Government's decision to expand North sea drilling is

"not going to make any difference"
to Britain's energy security.

If the Government's ambition is to minimise gas imports, there is a very simple solution—insulate homes. The best way to cut imports is to reduce domestic fossil fuel consumption by building renewables and insulating homes. This would have the additional benefit of reducing people's energy bills and tackling fuel poverty. By channelling investment into oil and gas, the Government are heading precisely in the wrong direction. I do not

[Barry Gardiner]

deny that there is a role for existing oil and gas, but it is in the journey to a clean energy economy. What there is not a role for is the production of new oil and gas. We already know that to stand a 50% chance of keeping below the 1.5° threshold, 90% of the world's coal reserves and 60% of oil and gas reserves would have to stay in the ground.

David Duguid: Is the hon. Member aware of this? He mentioned the pathway to the 1.5° target, and the IEA's description of what is required is a 3% to 4% reduction in oil and gas production year on year between now and 2050. Does he agree with the assessment of the NSTA itself, which expects that, even with the new oil and gas licences, North sea oil and gas is predicted to decline by 7%, or twice that amount?

Barry Gardiner: I am well aware of that—of course I am—but the hon. Member will have heard the discussion that took place earlier about global leadership. He will know that other countries around the world are not declining at the required rate, and leadership is about taking a lead.

The logic of drilling for more when the world has already more than it can safely burn is that of the myopic salesman, not the visionary politician, or to use the Prime Minister's words, it is the logic of the zealot. The Government's actions are already making the UK a less attractive place for green investment. Three quarters of all North sea oil and gas operators currently invest nothing at all in UK renewables. The largest operator, Harbour Energy, has ruled out such clean investment altogether, yet last year the five oil super-majors—BP, Shell, Chevron, ExxonMobil and TotalEnergies—rewarded their investors with record payouts of more than £79 billion, so we know the money is there to do it.

The Minister for Energy Security and Net Zero (Graham Stuart): Will the hon. Gentleman give way?

Barry Gardiner: The Minister is asking whether I will give way. The right hon. Member has long confused the scoring of party political points with the ability to debate an issue to arrive at the truth and get decent policies out the other end. However, if he has changed the habit of a lifetime, I will happily give way to him.

Graham Stuart: I thank the hon. Gentleman. He mentioned a specific company, Harbour Energy, and it is absolutely investing in the Viking carbon capture centre and playing a positive role. That is true of the whole oil and gas supply chain in this country, which the hon. Gentleman, if he went to visit them, would find are working right across the energy sector. Weakening one part, as he would with no new licences, would damage the new clean emerging sectors, too.

Barry Gardiner: I recognise the work that Harbour Energy is doing and I also recognise the work that the Government have done in trying to attract more investment into green energy and renewables, and I welcome that work. I want us to have a cross-party consensus around getting to net zero. The trouble is that—and the Minister knows this to be true—he and many people on his side, including the Prime Minister, have tried to make this a

wedge issue, a political issue to divide people. I think he really does need to step up to the plate. If he wants cross-party consensus, he has to try to build it, not score cheap political points.

Wera Hobhouse: The Liberal Democrats were actually introducing an amendment to stop flaring and venting of methane. The hon. Member for Stoke-on-Trent Central (Jo Gideon) has just said it would be a very good thing to do yet the Government opposed it. That is an example of where we could have reached cross-party consensus.

Barry Gardiner: The hon. Lady is absolutely correct, and I listened to her attempt to intervene on the hon. Member for Stoke-on-Trent Central (Jo Gideon). We need to build a cross-party consensus and this shows how it can be achieved: there are concerned Members on the Government Benches who want to do the right thing, and we all know that sometimes the Whips make sure that they do not, but if we really build this consensus, we can get to the right place.

Another lie at the heart of this Bill is to say it will protect British jobs. It will not. Over the years there have been hundreds of thousands of jobs in the oil and gas sector and its supply chain. They have kept our lights on and our industry moving for decades just as the coalminers did before them. But pretending that employment in oil and gas can last forever fails to properly prepare those workers and their families for the inevitable transition that the world is making.

Despite sustained support for the North sea basin over the past 14 years and despite 400 new drilling licences being issued across five separate licensing runs, the fact is that more than 200,000 jobs in the oil and gas industry and its wider supply network have been lost. Today 30,000 hard-working people are directly employed in the industry. Those workers and the local economies they uphold need a coherent plan to move past fossil fuel production towards clean energy. The trouble is the Government have not developed one.

A further 100,000 individuals are supported through the supply chain and are waiting for a signal from Government so that they can seize the opportunities of the clean energy revolution. This Bill offers them nothing. It seems to override the already weak non-binding climate compatibility checkpoint. The production emissions reduction target set out in the North sea transition deal is already weak, setting a cut of only 50% by 2030. This Bill seems to weaken it even further. It includes no reference to how annual licensing will be judged against the NSTD targets for production emissions let alone emissions from combustion.

Critically, the Bill ignores the wider environmental consequences of the development of new fields and puts marine habitats at risk. Over one third of the 900 locations in the latest licensing round overlapped with marine protected areas, yet this directly contradicts the commitment the UK made at the convention on biological diversity conference COP15 in Montreal where we promised to protect 30% of UK waters for nature by 2030.

The Rosebank field that was recently licensed sees a pipeline run through the Faroe-Shetland marine protected area, which threatens ocean life. If a major oil spill from Rosebank were to happen, 20 MPAs could be seriously impacted. This Bill is an attack on nature both by its indirect impact through increasing emissions and its direct

impact on the marine environment. The Government appear to believe that they know better than the International Energy Agency, the United Nations Secretary-General, the Intergovernmental Panel on Climate Change and hundreds of the world's leading scientists, all of whom are clear that new oil and gas licences jeopardise further the goal of 1.5°C. This Parliament's own independent adviser, the Climate Change Committee, confirmed to Parliament only last year that the expansion of fossil fuel production is not in line with net zero and that the oil and gas field that is required in the UK as we make that journey to net zero does not require the development of any new fields.

But what I find most depressing about this Bill is not its arrogance or its ignorance, it is the way it seeks to break with the cross-party consensus for the sake of creating a party political dividing line in advance of a general election. That dividing line pretends that the rational, informed scientific view is held only by what the Prime Minister calls climate zealots and it tries to establish the recalcitrant fossil fuel lobby that is endangering all we hold dear across the globe as the reasonable middle ground. It is not. As the United Nations Secretary-General António Guterres said:

“the truly dangerous radicals are the countries that are increasing the production of fossil fuels.”

The fossil fuel lobby is behaving like the tobacco lobby did when all of the medical evidence was against it. First, deny the science outright. When that is no longer credible, pretend that the concern is exaggerated. And when that is no longer credible, reframe the issue as one of personal choice.

Government is about establishing a framework of regulation for the public good; it is not about facilitating the freedom of those who would undermine the public good. That is why this Bill is bad for democracy. That is why this Bill is bad for our global standing as a country that has previously been regarded as a leader on this issue. That leadership is now passing to others who are responding positively to the pledge in Dubai to transition away from fossil fuels by joining the Beyond Oil and Gas Alliance.

The floods that we are seeing devastate communities and lives around the country are but a foretaste of the terrifying impacts of climate change beyond 1.5°. This Bill does nothing to mitigate them. It does nothing to support the billions of people across the world who live on the frontlines of climate breakdown. It ignores the plight of millions of bill payers who find themselves priced out of our broken energy system. And it ignores the workers who power our country.

This Bill endangers our natural world and future generations. I cannot support it; I will consign it to the same vote of no-confidence that I predict awaits this Government later on this year.

6.27 pm

David Duguid (Banff and Buchan) (Con): I want to start by reminding the House, in the interests of transparency, that for 25 years prior to being an MP I worked in the energy sector, specifically the oil and gas sector—I have not made a secret of that in the past, by the way. Also in the interests of transparency, I note that I have a close family member who has a financial interest in that industry, although I feel keen to point

out that that interest is below the threshold required for registering interests. I can also assure the House that that interest has never had any bearing, and will not have any bearing, on my contributions in this place.

We are not a nation that needs to be convinced of the need to transition away from oil and gas. The Minister for Energy Security and Net Zero, my right hon. Friend the Member for Beverley and Holderness (Graham Stuart), said on his return from COP28 that he “was proud to represent a country that has cut greenhouse gas emissions more than any other major economy since 1990; that has boosted our share of renewable electricity from a rather dismal 7% in 2010 to almost half today”—

I think we have exceeded 50% since he said that—

“while almost entirely phasing out coal power; that has led the world in mobilising green finance; and that is now ensuring that we bring the British public with us on the transition to net zero”.—[*Official Report*, 14 December 2023; Vol. 742, c. 1032.]

We have essentially transitioned away completely from coal and continue to reduce our demand for oil and gas, but not as fast as our own domestic supplies continue to decline, even with new production. One of the critical points that needs to be made when considering this proposed legislation is that new oil and gas does not mean more oil and gas.

It is important to state a few basic facts that will hopefully help people understand why this Bill, aimed at promoting and facilitating new oil and gas production in this country, is not in contradiction to delivering on our net zero targets and global agreements and commitments. We are today 75% dependent on oil and gas for our energy needs, not just for electricity generation but for heat and transportation as well. Of that 75%, about 50% is produced domestically with the rest needing to be imported, including from Norway, as has been said. Even by 2050 we will be at net zero and still up to 25% dependent on oil and gas. Even with new oil and gas exploration and production, coupled with that decline in demand, we are extremely unlikely to have a net surplus ever again. The UK has been a net importer of oil and gas since 2004, long after our own production profile peaked in the late 1990s.

There are currently 283 active oil and gas fields in the North sea, and the Offshore Energies UK trade body estimates that by 2030 around 180 of those—that is more than 60%—will have ceased production due to natural decline. If we do not replace those depleting oil and gas fields with new ones, production will decline much faster than we can build low-carbon sources to replace it.

It is worth remembering, as I pointed out earlier, that even with the new oil and gas fields and wells, we can reasonably predict that we are still looking at a 7% year-on-year reduction in UK production, according to the North Sea Transition Authority. That is twice as fast as the International Energy Agency recommends. It suggests that the global reduction of oil and gas production needs to be about half that, at 3% to 4% a year, to stay within our 1.5° target.

In line with the Climate Change Committee's balanced pathway, the UK's demand for oil and gas will reduce over time, and is forecast to be approximately 16 billion barrels of oil equivalent cumulatively over the period through to 2050. However, existing domestic fields are expected to deliver only between 4 billion and 6 billion barrels of oil equivalent, so we can see the gap. That is the import gap, which we need to fill through imports.

[David Duguid]

New field developments and licenses are required to reduce our reliance on overseas imports. Without new investment, it is predicted that reliance on overseas imports will increase from 50% today to closer to 80% by 2030. If demand for oil and gas is to continue—which it will, albeit it will be declining—in the coming decades, it makes sense to get it from as close to our own shores as possible.

Reducing demand for oil and gas is key, not reducing supply. I think we can all agree that we need to do that. Simply reducing or cutting off our domestic supply will not help net zero to happen any faster or any more successfully; it will only make us more dependent on foreign imports.

There are other factors to consider. We have all heard today about the 200,000 or so jobs dependent on the oil and gas industry. Those people are directly employed by the oil and gas industry, and protecting those jobs and livelihoods and understanding the impact that an industry has on communities and societies, as well as on our local and national economies, is extremely important.

My biggest worry goes beyond that. It is not necessarily that those people will become unemployed—some of them may find jobs in the burgeoning renewables sector, and as I discussed with my hon. Friend the Member for Moray (Douglas Ross), we are seeing that in our constituencies, although in the short to medium term there are not enough of those jobs to go around—but about the potential loss of precisely the skills, technologies and supply chains that will be crucial to the delivery of the energy transition. If we shut down this critical industry too soon, those skills and supply chains will merely go overseas and deliver someone else's energy security and transition.

For the past 50 years, the North sea offshore industry has been seen as a centre of excellence in the global oil and gas industry. Nowhere in the world is oil and gas produced more safely, efficiently, cleanly and environmentally responsibly. The former right hon. Member for Kingswood and my right hon. Friend the Member for Reading West (Sir Alok Sharma) have said that we are a clean energy superpower that has decarbonised faster than any other G20 nation. We have reduced our emissions by 50% at the same time as growing our economy 70% above 1990 levels. To quote the former right hon. Member for Kingswood:

“That is a paragon and a model that all other nations look to”.—[*Official Report*, 9 November 2023; Vol. 740, c. 301.]

Where the former right hon. Member for Kingswood and I do not agree is that far from damaging that reputation we have built over decades, we have the opportunity to maintain and build on that perception as a centre for excellence for producing oil and gas better and more safely and cleanly than anyone else and for decarbonising faster than anyone else, rather than for virtue signalling better than anybody else, as the Opposition appear to be seeking to do.

I welcome the Bill and the increased certainty that it brings to the offshore energy industry, businesses and the people with the skills and talent who work in those companies. They will help to deliver not only our energy security for years to come but a successful energy transition to net zero. We can not just show the world that it can be done, but lead the world in showing how it can be done.

6.35 pm

Kenny MacAskill (East Lothian) (Alba): I agree with a lot of what the hon. Member for Banff and Buchan (David Duguid) said, even though I disagree with the purpose of the Bill, which seems to me to be political grandstanding indicative only of it being an election year. It entirely fails to meet the significant needs of those who are currently struggling to heat their homes in Scotland, of the Scottish economy, which should be basking in all the glory and wealth that has been created through oil and gas, or of our wider planet.

We need to transition; that is self-evident. It is not simply about the global warming that Members have been talking about. Trains in my constituency were cancelled today and the A1 was closed because a lorry had overturned. It was a heavy goods vehicle, but not a high-sided one. The strength of the winds that battered the communities in my constituency and elsewhere did that. We have serious problems coming down the line, and we require to change, but it requires to be a just transition, at a pace that allows us to change, because we have to ensure that we keep the skills. We cannot do to those in the oil and gas sector what was done by Thatcher to the miners and simply close them down and throw them to the wolves.

We have to ensure that we transition to renewables, but oil and gas are required for us to make that journey. I can see it in the hills of the Lammermuirs, and I see it on a daily basis as increasing numbers of wind turbines go into the firth of Forth. At the end of the day, the ships putting in the columns for the turbines run on marine diesel. A lot of the turbines require plastics to be constructed, and we also need the vehicles simply to get them there.

We have to get to that renewable future. The tragedy in Scotland is that we are already there, as we produce almost as much energy as we require. Our people just do not get the benefit of it, because it is transmitted south and charged at an appalling rate when it should be almost free, given that people can see it from their homes, on their hills and off their shores. There has to be a change.

There is also a perversity. Although I agree with new licensing, Rosebank will be operated and owned by Equinor, the state energy company of Norway, so the profits will go to Oslo. Scotland and Norway discovered oil at the same time, because we share access to the North sea basin. Those in Norway have a standard of living and an economy that those in Scotland can only look at and weep with envy. They also have a futures fund, because they put the money away rather than allowing the super-rich to get even richer and invest in foreign bank accounts or highland estates. Norway has a futures fund and Scotland has precisely nothing.

We have to continue to build and to continue extracting oil and gas. That has to be at a significant pace for Scotland, while taking into account the need to meet the requirements of the planet. Two particular aspects are needed. First, as per the amendment in my name and that of my group leader, my hon. Friend the Member for Kirkcaldy and Cowdenbeath (Neale Hanvey), we must have a commitment to a net zero carbon footprint.

In particular, that means taking into account the needs of carbon capture. Scotland has had the bounty of North sea oil and we need to ensure we continue to get benefit from it. We have coming the bounty of

renewables, and we see that with offshore wind, both floating and fixed, but we also have huge potential with carbon capture, because the geology of the North sea provides something like 30% of the opportunities in Europe. Yes, carbon capture is untested, but our society and our planet need it.

More importantly, we must have a commitment to retain a refinery at Grangemouth. It is absurd, as others have said today, that the oil from the North sea is shipped abroad in the main to be refined, and then we import from supertankers coming in. Those ships pass on the high seas, and that is simply absurd. As we have a worsening planet crisis, it is perverse. It is not good enough to say, "It's the wrong type of oil," just as we would not accept a rail operating company saying that it was the wrong type of leaves on the tracks.

Yes, our refineries are not at the capacity for the engineering or technical skills to refine it, but that should be done. The first place to do that is Grangemouth. Why? Because the Forties pipeline comes into Grangemouth. As the hon. Member for Banff and Buchan knows, it lands at Cruden bay in his constituency, but it is piped down to Grangemouth. It is absurd that Grangemouth should be closing when the oil—both past and present, and indeed future—is coming in from the North sea. So if there is to be the continued extraction of Scotland's need, which we have not benefited from because we do not have the wealth or savings of Norway, we must at least ensure that we save Grangemouth.

I call on the UK Government first to ensure that they provide the funds for the hydrocracker that will increase the profitability of the existing site threefold. If that is done—that would cost a fraction of the billions the UK has got from North Sea oil over the years, and a fraction of what it will continue to take in petroleum revenue tax and other benefits in coming years—we must ensure that we get the profitability up. Then, in a couple of years, we must take the engineering, the skills and the technology so that the oil from the North sea can be refined in Grangemouth. It is absurd and perverse that that is not done.

Sammy Wilson: Does the hon. Member accept that one of the reasons why we have not had investment in the refining industry in the United Kingdom for decades is precisely because the net zero policies that are being followed, with the costs and charges for carbon, the emissions trading scheme and other carbon taxes, discourage any investment in the very production facilities we use to process the oil that we bring out?

Kenny MacAskill: I think there are a variety of factors, and I have no doubt that some of those factors are there. There has also been a failure to invest. Where the blame does not lie is with a workforce who are skilled and who presently have to work with a refinery that is past its sell by date and requires to be invested in. Even the union and the workforce recognise that investment is required to get the hydrocracker going and to get the technology to ensure that we refine the oil there. It is probably not the current owner Petroineos but previous owners who have taken the benefit for themselves and invested it in their shareholders rather than putting it back into either the workforce or, indeed, capacity at the refinery. Tragically, that happens across so much of UK industry, whether the shipyards, the steelworks or whatever else.

We see a Government who will benefit from North sea oil's continued extraction, so the least that Scotland is entitled to expect is its refinery to be at the heart of that. Especially when the oil will flow down that golden thread in the Forties pipeline down to Grangemouth, we require to ensure that Grangemouth will refine it. Yes, that requires technical changes, and yes, that will come at a cost, but that is a small fraction of what the UK will take from the benefit of that North sea oil. That is why the Alba party's support is conditional on carbon capture and the net zero footprint, and also conditional on Grangemouth being at its heart.

It is absurd that Scotland is not getting the wealth from the oil off its shores. It is absurd that while countries have seen their desert redeveloped and bloom because of the oil they have had, what we have seen with North sea oil is an industrial desert created. Having been brought up only 10 or 15 miles from Grangemouth, I know the devastation that will come to that community unless there are the changes required to ensure that Grangemouth does the refining for North sea oil. We cannot afford to have Grangemouth thrown to the wolves. As I said in last week's debate, we cannot have "Grangemouth no more"; we require to ensure a refinery capacity.

It would be absurd for Scotland in the UK to have in Grangemouth no refinery capacity. Scotland would be ranked 21st in the nations that produce oil, and the only one in the top 25 without a refinery capacity. The only other countries that tend not to have refinery capacity are the likes of the Republic of Congo and Trinidad and Tobago. I wish those countries no ill—I am sure they are fine countries—but they do not produce the same level of oil, and they are not developed industrial economies. The fact of the matter is that Scotland should not be in that same position of being an oil-producing nation without a refinery capacity. On that basis, Grangemouth must be retained. I call on the Government to do that.

My only additional point is that the Scottish Government, too, require to step up to the plate. The fact that the business and economy Secretary in Scotland appears to be accepting the closure of Grangemouth as something that just will happen and is maybe a matter of regret is simply unacceptable. He may be in coalition with the Greens, but he cannot have them wagging the SNP dog. It is simply unacceptable that we see Grangemouth close without a fight. The Scottish Government should be leading the demands that the refinery is changed, that we do ensure the hydrocracker, that we do provide the changes to refine in Scotland, and that we do move towards biofuels. What they should not be doing is wringing their hands and selling out the Grangemouth workforce. We require a refinery capacity in Scotland. The UK Government have had the benefits of Scotland's oil and should pay for it, and it is about time that the Scottish Government stood up for industrial Scotland and the workers who at one point put their trust and faith in them.

6.45 pm

Jerome Mayhew (Broadland) (Con): We are no strangers to hyperbole in this Chamber, but I think the exaggeration of the importance of this Bill in the debate has surprised even Government Members. To hear Opposition Members, we would think that the Government have made a bold

[Jerome Mayhew]

announcement to reject their policies on climate change, to deny the science and to minimise the impact of climate change, and to say that we are no longer committed to decarbonising by 2050. None of that is even remotely true.

Nothing has changed in relation to the Government's policy on climate change, and decarbonisation in particular. In fact, the Prime Minister recently reaffirmed that. The United Kingdom recently passed the substantial marker of being the first of any major economy to more than halve its emissions. That is a huge milestone, and that is the kind of climate leadership that is important; not making virtue-signalling announcements in this Chamber or elsewhere. Countries around the world look at us because of what we do, and we are decarbonising and leading by example.

I will take no lessons from the Labour party. I looked this up during the debate: in 2010, on Labour's watch, the economy emitted 495.8 million tonnes of CO₂ equivalent; now it is 320 million tonnes and declining. That is as a result of Conservative policies in action, where we accept the science on climate change but take positive actions on the really important thing: it is the amount of oil and carbon we use that is important, not where it comes from.

The Conservative record is incredibly strong, but we still recognise, as does the Climate Change Committee, that we need oil and gas as part of our long-term future. Currently, as my hon. Friend the Member for Banff and Buchan (David Duguid) pointed out, about 75% of our energy comes from hydrocarbons—oil and gas. That is reducing, but it is on a trajectory to get to about 25% even in 2050 and beyond.

Caroline Lucas: The hon. Member is taking the Climate Change Committee's name in vain. It does not say that we need new oil and gas. It says categorically that new explorations of oil and gas are not compatible with our net zero obligations. I do not understand why he is claiming something that is different from what the committee says. He compared emissions under a Labour Government with those under a Tory Government. I am no apologist for the Labour Government, but I wonder whether he put consumption emissions into those calculations. Did he work out whether emissions have gone down in the UK because we have outsourced even more of our manufacturing to countries on the other side of the world?

Jerome Mayhew: I am grateful to the hon. Lady for that intervention. The Climate Change Committee gives us the science, and the political decisions are taken in this House. We are not talking about an increase in exploration; we are talking about a managed reduction of 7% per annum.

Moving on, the question is not whether we have oil or gas, yes or no. We need oil and gas, certainly for the transition period between 2024 and 2050, and even beyond—according to the Climate Change Committee, around 25% of our energy will still come from oil and gas. The question is: where should that oil and gas come from? If we need to supply this economy with oil and gas, it is my belief that we should use UK oil and gas, and there are reasons for that. The first is that the

industry employs 200,000 people. I would prefer that employment to remain in the UK economy, rather than export it to Russia, Qatar, Saudi Arabia or other oil and gas producing countries. That is a reasonable position, given that our consumption is required for the future.

The second reason is geopolitical. We need an alternative to Russian gas, and not just in this country. I accept the point made earlier by Opposition Members: that oil and gas is a global market, and that 80% of North sea oil is exported to Europe. But emissions are global and so are the geopolitics. It is right, and in our strategic interest, that Europe should have a viable alternative to Russia for the supply of hydrocarbons. We have seen in the last two years the awful consequences of an overreliance on the Russian supply of hydrocarbons, and more so in Europe—Germany, in particular—than in the United Kingdom. We have become a net exporter of gas to mainland Europe—a little from the North sea, but a lot from Milford Haven. Qatari liquid natural gas is imported into our country and transported by the connectors to mainland Europe. The Europeans are sucking up very polluting liquid natural gas because they do not have a viable, cleaner alternative, which North sea gas would provide.

David Duguid: It has been pointed out to me that gas in Qatar is produced at a broadly equivalent carbon footprint to ours, but the compression into liquid, the transportation and the de-liquefaction when it gets into this country quadruple that carbon footprint.

Jerome Mayhew: My hon. Friend is right. Opposition Members have no answer to that. In Germany in particular, misguided green policies have led to the extraordinary decision to decommission the low-carbon nuclear industry and replace it with coal-fired power stations. I could hardly make it up. Germany is massively increasing its reliance on imported liquid natural gas, which is much more polluting than the cleaner, more local and geopolitically more stable alternative of North sea gas and oil.

The third reason why I would prefer that we used UK oil and gas is that it pays UK tax. I am not ashamed to say that I welcome that. If we are to extract hydrocarbons that will be taxed, I prefer for that tax to be paid in the United Kingdom, rather than in some other country. Just between 2023 and 2028 it is estimated that those tax receipts will amount to £30 billion. We know how much trouble Opposition Members have trying to explain where they will get their £28 billion of borrowing each year, and how that will raise interest rates, debt and inflation. That would be more than doubled if they got their way and their policies destroyed the North sea oil and gas sector.

Wera Hobhouse: The hon. Gentleman mentions what the Government are spending, not spending and taxing, but could he mention how much they actually spend on subsidies for the oil and gas industry—just a number?

Jerome Mayhew: A number was mentioned earlier in the debate, but I did not catch it. I am sure that the hon. Lady might have that number in mind. It is right that we support industries in this country, because they create employment, generate economic activity and, in turn, pay taxes. I am not ashamed of that, because it is a good thing.

The final reason why I want oil and gas extraction in this country, if we are to use it, is the balance of payments. That used to be a fashionable economic argument back in the day. When I was a teenager, we used to have announcements on the news about the balance of payments month by month. What has happened to that? The balance of payments is every bit as important economically today as it was back in the 1980s. We run a current account deficit in this country of about £150 billion. That is a huge number, and it will be exacerbated if we choose—and it would be a political choice—not to generate and export a product from this economy to a third economy, but instead choose to import one, exacerbating the balance of payments deficit twice over.

For those four reasons, I am wholly in favour of the ambitions behind this short Bill. Climate change will be solved by reducing demand for hydrocarbons, not by reducing supply. We will solve the demand problem by providing cheap alternatives, which the Government are doing. Members who have contributed were quite right to highlight that. We need renewables.

Matt Western: I agree with the hon. Member's point about reducing demand. The great travesty is that we are still seeing houses built today—I am sure he does in his constituency—where the insulation is not at all deep. That is ridiculous, is it not?

Jerome Mayhew: I could not agree more. The future homes building regulations, which require a significantly decreased carbon footprint for modern buildings, come into force in 2025. It is deeply frustrating that they were not brought in earlier. The sooner they come in, the better. We also have the challenge of retrofitting insulation in the 28.5 million existing houses in Britain. Some good points have been made by Opposition Members about the need to improve retrofitting, and there is scope for the Government to incentivise further insulation of private houses, to go with the successful scheme in place already for public sector buildings and housing.

We must also increase our wind power. We have an extremely ambitious target of 50 GW by 2030. The current rate is about 17 GW of renewable wind power generation capacity. We must also increase solar and nuclear, including small modular reactors. We need better technology for carbon capture, usage and storage. We need to accelerate our use of electric or hydrogen vehicles—or, frankly, any other kind of technology that solves the problem—and we need to incentivise the market to step into that area.

We need to take a step back and look at buildings. It is about not just about the operating carbon costs of existing infrastructure, which we are focusing on in both commercial buildings and the residential sector; it is also about the embodied carbon in our construction processes, hence my private Member's Bill on the measurement of embodied carbon in large buildings and developments. About 50% of the carbon associated with building is in its construction, not its operation.

There are areas where the Government are either ahead of the game or moving in the right direction. They have already been successful in reducing demand for hydrocarbons. I do not understand why Labour appears to put virtue signalling before the economic impact and 200,000 local jobs. I support this eminently sensible Bill.

6.59 pm

Zarah Sultana (Coventry South) (Lab): In my four years as a Member of Parliament, I keep coming back to this question: whose interests does this place serve? Do the laws we pass and the structures we maintain serve the interests of our constituents? Are they designed to enrich and empower them? Or do they deepen inequalities in wealth and power, serving the interests of the super-rich and the companies that dominate our economy? I say that because with this Bill, the question feels more relevant than ever.

The Bill, which scales-up fossil fuel extraction in the North sea just as we should be rapidly scaling it down, is obviously not about helping our constituents. It is not about bringing down energy bills—even the Secretary of State admitted that—and it is not about energy security. A former BP boss said that new North sea drilling is:

“not going to make any difference”

to energy security. That is no surprise, since fossil fuel companies are given ownership of what they extract and then sell it on the world market. The Bill is the very opposite of tackling the climate crisis. That is a blatant truth recognised by the Government's own Climate Change Committee, which said the Bill is not in line with net zero.

If the Bill is not about energy bills, energy security or tackling the climate crisis, what is it about? The answer is simple. It is about maximising profit for fossil fuel giants, guaranteeing that they can extract every last bit of oil and gas, no matter the consequence for people and planet. These companies are the last that need our support. As energy bills soared last year—our constituents know that reality far too well—BP's global profits hit £23 billion. Shell reported its highest ever profits: a whopping £32 billion. This year, the world's five biggest oil companies are expected to hand investors more than £80 billion. Record bills for my Coventry South constituents have meant record profits for fossil fuel giants.

Eye-watering North sea oil and gas profits are not an accident, but by design. They are aided and abetted by Government choices. The Government's North sea tax and subsidy regime is so skewed in the interests of fossil fuel companies that for years Shell and BP got away with paying zero tax on North sea production. It is so rigged in these companies' interests that the company developing the Rosebank oil field will get a £3 billion tax break to develop the site, meaning our constituents will pay 91% of the cost of developing it. The public pays the costs, the company creams off the profits and then we all face the consequence of its climate-wrecking activity. And there is no doubt about that, because the science is clear: developing new oil and gas fields is incompatible with our climate commitments.

More oil and gas extraction may be good for fossil fuel companies and their shareholders, but it spells disaster for the rest of us. If we continue to let the climate crisis deteriorate, we condemn our constituents to a world where extreme weather patterns become more common and more severe; where there are more Storm Henks and more Storm Ishas, and where their winds blow harder and their floods get deeper. We condemn young people across the country to a world where droughts destroy crops and food systems break down, where sea levels rise and millions are displaced.

[Zarah Sultana]

That is the world that this climate-wrecking Bill is helping to create, but there is an alternative. It is called the green new deal. It is a programme of state-led investment in green industries, rapidly replacing fossil fuels with renewables, creating millions of good unionised green jobs, taxing the richest, and redistributing wealth and power in favour of ordinary people. Unlike the Bill, it is a plan that puts people and planet before profit. There is no time to waste. I urge colleagues to vote against this climate-wrecking Bill and build that brighter alternative.

7.3 pm

Vicky Ford (Chelmsford) (Con): I suspect that for many Members, there are times when votes in this place can cause a sleepless night or two. For me, this vote has caused a number of sleepless nights. There is a dilemma: on the one hand, the responsibility to care for the lives and livelihoods of those people we represent today; and on the other, the responsibility to care for those who will come in the future and to leave the planet in a better place for generations in times ahead.

On the one hand, there is the risk to our energy security, a much greater risk than any of us would have predicted just a couple of years ago, due to the war in Ukraine, the situation in the middle east and in the Red sea, and who knows what next. The Government are right on energy security that we cannot move away from fossil fuels overnight. We need to prioritise energy security for as long as we need fossil fuels. Importing LNG involves much greater emissions than using gas extracted here. Relying on overseas energy means jobs overseas, not British jobs.

On the other hand, there is the risk of climate change. In my Essex constituency, the summer before last we saw at first-hand how real that risk is, with a really hot summer and raging fires. Recently, across the UK, so many people have witnessed awful floods. We know that the warmer the weather, the wetter it will be. A couple of years ago, I saw at first-hand the true devastation when I went to the eastern part of Ethiopia, a region that a few years ago was teeming with wildlife. They used to say you should never ask a herder how many animals he had, because you would never be able to stop counting. Right now, that land is totally devastated by consecutive years of drought. Millions of people will no longer be able to live in the lands where they have lived for generations. The impact of that climate change will mean more people will be forced to leave their countries. There will be more migration and that will impact us here at home.

Unless there is action to tackle emissions and climate change, we will see those impacts accelerating and worsening. We also know that actions to tackle climate change need to be global. The Government are right that the UK has done more than any other G7 nation to reduce emissions. They are right that other countries also need to play their part. Incidentally, I get really cross when people say to me, "Countries like China and India are doing nothing." Actually, China is now investing in more renewables than any other country, and more than the US and Europe put together. India is on track to deliver 500 GW of renewables by 2030, which is absolutely massive. Countries are moving. At COP28

just last month, which I attended, countries all over the world signed up to the pledge to transition away from fossil fuels. We signed that pledge, too.

The Government will rightly point out that even with these new oil and gas licences, the North sea will continue to be a declining basin and that we are transitioning away from fossil fuels, but the perception internationally is that by granting these licences the UK may be walking away from our promises on climate change. When encouraging other countries to do the right thing, leadership matters and the UK has a key role to play. We hosted the world in Glasgow at COP26. If we, the UK, are seen or perceived to be walking away from the promises we made to the world, then other countries might walk away from their promises, too. That is why it is vital that we are seen to be keeping the promises we make.

We must continue to cut energy waste and reduce our emissions. I am very proud to be a member of the Energy Security and Net Zero Committee. As one of only two members of the Committee contributing to the debate, I will talk about some of the things that have been done and that we must do more of.

Millions of homes have become more energy efficient. We should continue to do more, especially in owner-occupied homes. The priority has been social rented homes, which has been very successful, but we must do more to help owner-occupied homes. We have unlocked massive amounts of renewable energy, but we can unlock more. It is really important that we get it connected to the grid more quickly—the Government are working on that. I would also like to see more local energy networks, so we can have local energy production nearer to where we have high energy risks and then we would not need quite so much extra grid transmission.

We need to accelerate new nuclear. There have been some good announcements about that this month, but, especially in respect of the small modular reactors, can we go faster? We need to remove barriers to more innovations such as hydrogen, especially for heat, and we need to support the transition to more zero emission vehicles, especially for those in terraced houses. I say to the Minister that we need to get rid of the "pavement tax" so that charging is affordable for all. On all those matters the Government have made great progress, but we need to do more. Incidentally, I will take no lessons from Labour Members on this, because in their 13 years of power they did so little to cut emissions.

The Government are right to say that the transition to net zero needs to be affordable, practical and pragmatic, but it should also involve being honest with people. It is estimated that even the new gas licences will provide only 103 days' worth of gas—1% of today's demand—between now and 2050, so let us have an honest discussion about the fact that this Bill will not do everything. However, it is important for energy security that we continue to look at how we can best meet our local energy needs. On offshore oil and gas, I have first-hand experience of how important being a respected world leader on environment issues can be in persuading other countries to change their behaviour.

Members will recall that 10 years ago the world watched in horror when the Deepwater Horizon explosion caused an environmental catastrophe in the gulf of Mexico. At the time the European Union had a knee-jerk reaction, and produced draft legislation that would

have banned all deep-water drilling. As a member of the European Parliament's Committee on Industry, Research and Energy at the time, I was appointed by MEPs to lead the work of the European Parliament in scrutinising that directive. I met offshore safety experts, environmentalists, geologists and regulators, and it became clear to me that the European Commission's proposals were not the right way forward. Time and again I was told that not all deep-water drilling was dangerous and not all shallow-water drilling was safe. I remember tabling more than 300 amendments to the European Commission's text, changing it paragraph by paragraph so that instead of banning all deep-water drilling the Commission would take a site-specific approach, looking at the risks of every single proposal.

I persuaded the British Labour Members of the European Parliament that that was the right thing to do, and I persuaded the British Liberal Democrat MEPs that it was the right thing to do. I persuaded parliamentarians from 27 countries that it was the right thing to do. They agreed because they knew that the UK was the world leader when it came to the environmental and safety standards of the offshore oil and gas industry.

David Duguid: Will my right hon. Friend give way?

Vicky Ford: I am going to carry on.

My point is that maintaining our leadership in environmental standards in the North sea is key to persuading other countries to think about their energy in the future. The Government say that they want this country to continue to be a world leader, but at this point we have lost a bit of leadership to Norway, where gas is produced in a way that is 50% less carbon-intensive than the way in which gas is produced in our North sea. Measures such as banning flaring, electrifying the production process with the use of floating wind and working with neighbouring countries to see how our carbon capture capacity can be used to decarbonise the refining processes could make a huge difference to the carbon emissions that are caused and used when we are producing oil and gas in our North sea. As we make the transition away from fossil fuels, I should like to see the world move towards considering how we can make that industry as low-carbon as possible.

Some of my colleagues have talked about amendments relating to some of these issues, and I hope the Minister and the Government will be open to any such amendments. I think that, as currently worded, the Bill does not really let the Government do anything that they cannot do already—they can already grant these licences—but it does give us an opportunity to show that this country has the ambition to ensure that any carbon emissions that come from fossil fuels during this transition are as low as possible, and that our industry is as clean as possible. That would help the UK to maintain its world-leading voice in environmental negotiations and encourage other countries to clean up and decarbonise their production, thus helping to ensure that the global transition away from fossil fuels takes place in as clean a way as possible. I believe that we should be able to do all that while also addressing those other priorities such as delivering and improving our energy security, and delivering and improving job security here at home.

7.15 pm

Wera Hobhouse (Bath) (LD): The proposed legislation before us is an outrage, and I am pleased that we have had the opportunity today to discuss in detail what it means. It has been a relatively good-natured debate, but it has shown very clearly where the political choices are, and I find the political choices of the Conservatives unacceptable.

New licences for new oil and gas fields in the North sea are in direct conflict with our national and international net zero commitments. We must get away from our dependence on fossil fuels, not extend it. At COP28 the Government signed an international agreement to phase out fossil fuels, but we are doing the opposite in this country. It is just not acceptable for us to do one thing abroad and another at home. As has already been said so many times this afternoon, this is losing us our reputation for good leadership, and losing any credibility that the Government could have at home or abroad.

The Government's claim that the Bill ensures our energy security is complete fiction. Recent analysis from the Energy and Climate Intelligence Unit found that oil from new licences sent to UK refineries would account for less than 1% of fuels used in the UK in 2030. The Bill would make little or no difference to UK energy security, and the Secretary of State herself admits that it would do little to cut bills. Furthermore, on the basis of past records, new licences issued since 2010 have produced only 16 days of extra gas supplies. Between now and 2050, new licences are expected to provide an average of only four days of gas per annum. Is it really worth it to lose our reputation, our commitments and our path to net zero for that? The vast majority of this new oil and gas production would not stay in the UK; it would be sold on global markets for consumption abroad. No government should want a repeat of the energy crisis of last year, which was brought on by the crisis in global fossil fuel supplies and soaring prices on the global oil and gas market. Only by moving away from fossil fuels can it be guaranteed that such a crisis will not be repeated.

However, this legislation is not just stupid and unnecessary, but dangerous. It breaks down a decade-long cross-party consensus that every Government must be seriously committed to cutting greenhouse gas emissions and must provide strong, unflinching leadership to help people, organisations and businesses along the road to a successful energy transition. As we have heard today, there is a fair amount of consensus, so why should it be broken? That is really not understandable. Undermining this consensus is hugely irresponsible and sends entirely the wrong signals to the international community. The latest COP28 negotiations have shown how rocky the path to net zero is and how important the leadership of the developed nations remains. I was at COP28, and it is really sad to see how that leadership has been lost and how many nations look at us and shake their heads. They cannot understand what has happened to the UK in the last year or two.

Alex Sobel (Leeds North West) (Lab/Co-op): It is not just at COP28, the climate COP, that there is an issue. I was at Montreal at the nature COP, and we were in the vanguard of agreeing that 30% of waters should be protected for nature. These additional drilling rigs cause havoc in our inland waters, but 15 % of new licences

[Alex Sobel]

were declared in marine protected areas, so we are seeing a nature crisis being caused by this as well as a climate crisis.

Wera Hobhouse: Yes, indeed. Many organisations that campaign to protect nature and the oceans have written to me—and probably to many other Members of Parliament—about how extremely dangerous and damaging this is to marine wildlife.

The UK is in a strong position geographically to cover its future energy needs from renewables and from cutting energy consumption. The Minister well knows my position on this: diverse, home-grown renewable energy and a significant home insulation programme are key to the solution. The energy efficiency of our homes is among the worst in Europe, and yes, if we are talking about jobs, we are lacking so many of the jobs that we need in the retrofitting and upgrading sector. We need a new workforce in the new technology for the net zero future of our UK economy. That is not looking back at past fuels. They have powered the world, yes, but we need to transition and we cannot keep on with business as usual. That is the problem and the opportunity. It is deplorable that the Government have finished embracing this new future and broken the consensus that we had across the House.

Where is the legislation to address all that? Failed project after failed project alongside acute underfunding means that people continue to live in cold homes with sky-high energy bills, so where is the legislation to revolutionise our home retrofitting agenda? The problem needs long-term policy and funding commitments rather than the stop and start of this Government. While offshore wind is no doubt a success story, we must move faster. Onshore wind development has been slow, and solar has been particularly off-track. In fact, we are going backwards. The proportion of renewable projects that are being delayed is on the rise.

Last year the Government's predictable failure to contract new offshore wind lost 5 GW of renewable energy and the opportunity to save consumers £2 billion a year. Renewables developers still face a planning system that is stacked against onshore wind, and community energy providers still face enormous start-up costs. Rather than a petroleum Bill, why are we not debating a marine energy Bill today to incentivise investment in the various new technologies in marine energy and facilitate the fast roll-out of installations? The Government are wasting time and money on the fuels of the past. Instead, they should champion UK technology and innovation.

So, why this Bill? My suspicion is that it is an election year Bill to drive division and fuel the culture wars. For too long, working people have been made to worry that the green energy transition is a punishment for them and that it will cost them prosperity, livelihoods and the way of life that they are used to. But there are countries who have successfully turned the negative narrative into a prospect of hope and major opportunities. The US Inflation Reduction Act and the EU's green industrial plan will together see over \$600 billion of green investment creating new and exciting jobs and careers. Even Canada, an economy smaller than ours, has announced a package that offers nearly £50 billion-worth of tax credits for green technologies. Green investment will be worth a

potential £1 trillion by 2030. Uncertainty over this Government's commitment to reach net zero means that investors are looking the other way.

Oil and gas are energy sources of the past. Putting our political future towards them only amplifies how seriously out of touch and out of ideas this current Government are. The Bill is misleading and counterproductive. It flies in the face of our net zero commitments and will do nothing to ensure our energy security. Indeed, it will do the opposite. We Liberal Democrats will support the Labour reasoned amendment and oppose this Government Bill, and I call on all colleagues across the House with an ounce of honesty and integrity to do the same.

7.24 pm

Richard Drax (South Dorset) (Con): The irony is not lost on me in this debate that every single one of us in this place wants the same thing. Normally when the whole House agrees on something, I think that something is wrong, but in this case I have no doubt that the whole House is right: we need to reduce our reliance on fossil fuels. What we are debating today and arguing about in this place is how we can get there in the most pragmatic way. This Bill is another example of the Government trying their best to do what is right at this moment in time, but I fear that the punitive taxes—I will ask the Minister more about those in a minute—will not help the investment that the Government say is so needed.

To rely more on our own gas and oil from the North sea is a necessity and full of common sense. It is a fact that we will be relying on fossil fuels for decades to come—a point that no one in this place denies. The UK has made some impressive advances in wind and solar, and a new generation of nuclear is on its way, although I have to say that we and the Opposition have been talking about nuclear investment for years, yet so little has been done. Wind and solar are excellent ways of generating power. I have not yet heard anyone here today say that when the wind does not blow and the sun does not shine—[*Interruption.*] I will come to tidal in a minute, if I may. The hon. Member for Brighton, Pavilion (Caroline Lucas) has just joined the debate, I think, but I will answer her point; Portland in my constituency has a huge tidal race. But it is a fact that when the sun does not shine and the wind does not blow, we do not get the energy we need. Also, as we have heard many times, we have cut our emissions by half; we are a world leader and have a record to be very proud of. Just touching on what the hon. Lady said about tidal, yes of course we have huge tidal races in this country, including in Scotland and in Portland off the coast of South Dorset in my constituency. If we can explore this and harness it to make it work—there are major technical issues, not least with sand and with salt water, which is very destructive—then she is absolutely right, it is a way of generating energy that I am sure everyone would support.

I have heard from several speakers today about the instability of the world we live in. That is very true and I do not have to rehearse why I feel that in my lifetime we are facing the most dangerous times on our planet. If we do not have the power to drive our economy and our homes, it would be strategically—quite apart from anything else—insane. We are an island nation, and I do not have to remind anyone in this House how significant energy independence is going to be in the event of a catastrophe. Here we have a Bill that will allow companies to apply

for licences to safeguard domestic energy supplies. The Bill says that this will safeguard more than 200,000 jobs, enhance our security, reduce dependence on higher-emission imports from overseas and significantly prevent families and businesses from being unduly burdened, which to a certain degree they already are through the green taxes that everyone faces. So what's not to like, you may ask—

Mark Garnier (Wyre Forest) (Con): I am very convinced by the arguments that my hon. Friend is putting forward, but he has missed one useful point. Does he not agree that the generation of oil and gas in the North sea will generate tax receipts that can then be used to subsidise green energy production in other parts of the British economy?

Richard Drax: That point has been raised several times, and I totally agree that the tax receipts from investment in oil and gas play a huge part in our economy.

I might have this wrong, but as I understand it these companies will face 50% corporation tax and a 35% windfall levy. I would be grateful if, in his summing up, the Minister could say whether that is true. I am not an expert in the industry, but I think that chief executives, board members and shareholders would wince if, having been told that they have to do all this, they have to pay all that punitive taxation. They might say, "Why on earth should we do this in the first place?"

David Duguid: Not to step on the Minister's toes, but my understanding is that even before the 35% energy profits levy, the oil and gas sector was, at 40%, already the most taxed sector in the country—40% plus 35% is 75%. I stand to be corrected by the Minister if I am wrong.

Richard Drax: I hope my hon. Friend and I can be corrected by the Minister because, as the House has just heard, the tax rates are punitive. If we are going to do this for all the common-sense reasons that the Minister and the Government say we should, why on earth are we raising taxes to such a point that it discourages and disincentivises all those who need to spend hundreds of millions of pounds, or more, to get the oil and gas out of the ground?

The powerful Climate Change Committee, which operates outside this place, is mentioned occasionally but, frankly, it is pretty unaccountable. It is very influential, and it has now set our fourth carbon budget, which can be legally challenged once it is in place. I wonder whether the Government fear that they could find themselves in the courts as they rightfully plough on with this Bill, to which many people object.

It shocks me to the core that it has taken a war in Europe for the west to prioritise both energy and food security. For how many decades have we been talking about nuclear power, and what has happened? Very little. Nuclear will be a vital component of keeping the lights on and keeping this country safe. Globalisation has softened our resolve to stand alone, if need be, when hard times hit, in whatever shape they come. The Bill has a lot going for it, not least a most welcome return to our old and absent friend: common sense.

I urge the Government to find pragmatic solutions to the transition to net zero and allow the private sector to do what it does best, which is provide jobs and prosperity,

not least in Scotland. The search for alternatives to fossil fuels will continue and, as we have heard, the tax receipts will be used to invest in green energy. I have no doubt at all that an affordable, reliable and plentiful solution will be found—the human race has a remarkable ability to survive—but, in the meantime, will the Government continue to work in the real world to keep the lights on, the economy running and the country strategically safe?

7.33 pm

Matt Western (Warwick and Leamington) (Lab): It is a pleasure to follow the hon. Member for South Dorset (Richard Drax).

The irony will not be lost on you of all people, Mr Deputy Speaker, that we are reduced in number in Parliament today by the impact of Storm Isha, the origins of which lie in climate change, yet we are debating the Government's desire to increase the global supply of oil and gas. It is also damning that the Government's net zero tsar, Chris Skidmore, felt compelled to resign, having spent three months researching his report and travelling the length and breadth of these isles. He said that he could

"no longer condone nor continue to support a government that is committed to a course of action that I know...will cause future harm."

To pick up the point made by the hon. Member for South Dorset, 10 years ago, when I was a councillor, I was talking about how we needed to create energy resilience in Warwickshire, how we needed to consider the future needs of our communities and how we could best use our pension funds to help to drive that agenda.

The Government claim that the Bill will not add undue burdens on households. "Undue burdens" is a pretty strange phrase. The Secretary of State has also admitted that new licences will not necessarily bring down energy bills. Let me put that into context. This is the same Conservative Government who ripped up the zero carbon homes policy announced by Chancellor Gordon Brown in 2006 and produced by my right hon. Friend the Member for Leeds Central (Hilary Benn) and my hon. Friend the Member for Llanelli (Dame Nia Griffith).

That legislation would have meant that all new homes built from 2016 onwards were zero carbon. Just imagine: we would have built 1.2 million zero-carbon homes by now. There would be thousands of new zero-carbon homes in my Warwick and Leamington constituency on the Mallory Grange, Priors, Montague Point, Myton Gardens, Chesterton Gardens and Victoria Point estates, and many others. My constituents would be benefiting from next to no energy bills, and they would be doing the right thing, but they were denied that choice by the Conservative Government who ripped up that legislation.

The next generation will not thank this Government for what they have done. They will not be thankful for one of the highest levels of debt we have ever seen, the greatest tax burden since the war, the stagnant economy and, I dare say, the moral bankruptcy of this Government.

We have had nine named storms so far this year, with the 10th coming down the track. We had just 11 named storms in 2015-16. The flooding is reaching into all corners of the United Kingdom, creating economic damage, damage to people's homes and businesses, and

[Matt Western]

distress to all. There has been damage to infrastructure, crops and food production. Waterlogged soil means that seeds and crops cannot be harvested.

A report from Ernst & Young says that last year was the worst year for insurance underwriting in decades, pushing up premiums by at least one third in the next two years—an expected increase of 36%. Amanda Blanc, the chief executive of Aviva, has said that new oil and gas drilling

“puts at clear risk the jobs, growth and the additional investment the UK requires to become more climate ready.”

Today, the country is plunging further into chaos and economic damage. Our transport is disrupted and our businesses are impacted. Colleagues have been unable to get to London to attend Parliament. Two weeks ago I requested a debate on floods and flooding and, on my journey home, my train was delayed by a landslip caused by climate change—yet more irony. We need a wider debate on the impacts of climate change, which is causing not just floods but tidal surges and strong winds.

The Prime Minister speaks of climate “zealots”. Well, the public, and young people especially, must be climate zealots because, I am afraid, they are deeply concerned. They are not zealots. They are realists about the future we face. On my recent visits, nearly every primary school—St Margaret’s, All Saints, St Paul’s, Heathcote, Woodloes, St Peter’s, Coten End and Bishop’s Tachbrook; I could name them all—has raised the critical importance of climate change and how they want us in this place to bring about immediate action.

The young people studying in our colleges understand the future. They can see what is happening, and they have said to me, “The future is electric. That’s why we are training for these skills.” They get it; they can see the future.

We know that 2023 was the world’s hottest on record. Last year was about 1.48°C warmer than the long-term average before humans started burning large amounts of fossil fuels. The eight warmest years on record have occurred since 2014. The global average sea level has risen by 8 to 9 inches. Flooding across the UK, including in my constituency, has damaged 2,000 properties across the country, and 5.7 million properties were at risk of flooding in England in 2022-23. Those facts underline just how irresponsible this Bill is.

We are 18 years on from the Stern report and “An Inconvenient Truth”, which was told like never before by Vice-President Al Gore. Two years ago, the report by the UK’s independent Climate Change Committee said that the best way to ease consumers’ pain from high energy prices was to stop using fossil fuels, rather than drill for more of them. That is part of the great deception that is this legislation: the best way to bring down prices is to reduce demand and the Government are doing next to nothing on that. We also need to bring in cheaper energy sources and to reduce demand by insulating homes. We can put in energy insulation panels that are really not very thick.

The approach being taken in this legislation is a crime and an obscenity, and it is happening because the Government tore up the legislation of the last Labour Government. We need to bring in cheaper energy sources

by allowing onshore wind, which is currently the cheapest form of electricity generation. In the 12 months to the end of September 2023, total consumer expenditure on electricity, gas and other fuels used in the home was £62 billion, a figure almost double that of two years before. As my right hon. Friend the Member for Doncaster North (Edward Miliband) said,

“it is precisely our dependence on fossil fuels that has led to the worst cost of living crisis in generations.”

It was clear from the King’s Speech that this Bill will not take even a penny off energy bills. Lord Browne, of all people, the former chief executive of BP—he is also a highly regarded individual across the industry and in the other place, where he is a Cross-Bench peer—said that the proposals are

“not going to make any difference”

to the UK’s energy security. That point was echoed by the former Prime Minister, the right hon. Member for Maidenhead (Mrs May).

In conclusion, energy security has to start at home, but not the home of the international oil and gas majors and their market preferences, and instead the homes of the British people—homes that are better insulated and that can generate and store their own electricity and power. The only thing holding back the British people is this Government, who are weak and capable only of short-term decisions. That is why the country needs Labour’s clean power mission: to make the UK a clean energy superpower.

We have a plan to make energy cheap and secure so that the British public never again face spiralling bills. It is a plan to boost jobs and investment in every region and nation of the country. It is a plan to cut energy bills for good, taking up to £1,400 off annual household bills; to create good jobs by rebuilding the strength of our industrial heartlands and coastal communities, creating more than 1 million jobs in 10 years; and to deliver energy security by using our abundant natural resources for our own citizens. We will do that by establishing “GB Energy”, a new home-grown publicly owned champion in clean energy generation to build jobs and supply chains here at home.

We will also set up the national wealth fund, which will create good, well-paying jobs by investing, alongside the private sector, in gigafactories, clean steel plants, renewable-ready ports, green hydrogen and energy storage. We will also do this through a warm homes plan. The Bill is yet another reason why this country is desperate for a general election and I will be voting against it.

7.43 pm

Sammy Wilson (East Antrim) (DUP): I welcome the fact that the Government have introduced this Bill, even though it may well be a belated acceptance that some policies they had been following in pursuit of net zero had to be revised. We know that because of the energy security issues and the dramatic rise in the cost of energy in response to the fall in supply resulting from the war in Ukraine and the sanctions imposed in Russia, as well as the impact on the supply chain after covid, the supply of energy, especially oil and gas, to an economy that still depends heavily on those kinds of sources is very important. Let us not pretend that we are on the verge of not having to use oil and gas any longer, because 75% of our energy comes from oil and gas, and

5% comes from renewables. Even those who want us to rush headlong towards net zero, such as those in the Climate Change Committee, accept that we are still going to have to use fossil fuels well into the next decade and for decades after. Therefore, it is important that we examine how we generate those resources.

The Bill is also an acceptance by the Government—or there should now be an acceptance—that as we have pursued the net zero agenda we have been putting people’s jobs at risk. We have seen that just in the past week, with 3,000 jobs going in south Wales. Most of the energy-intensive industries in this country have been decimated. We proudly beat our chests and say, “We have reduced our carbon emissions,” but if we are honest with ourselves, we will see that all we have done is steal jobs from this country and move production for vital materials overseas, to a place where environmental and work standards, and standards on pollution, are far lower than ours in this country. So I welcome the fact that the Government are belatedly looking again at some of the policies they were pursuing.

I do not know whether the Bill will increase the number of licence applications that are made. It may well be that since the processes are already there, it will be as easy as it has been in the past for companies to make an application, but at least this signals to companies that have reduced their investment in these vital industries that they can, at least with this policy, have some more confidence when they make investment decisions. However, I doubt very much, given the Labour party’s attitude and the fact that we are in a general election year, that that confidence will be engendered as much as the Government hope it will be.

I do not want to go through all of the arguments that have been made, including on the balance of payments. As a result of the natural decline in the North sea and the fact that we have also discouraged investment, between 2019 and 2023 we have doubled the value of energy imports per household into the UK, from £2,100 per household in 2019 to £4,200 per household in 2023. We cannot ignore the impact that that has on the balance of payments or security of supply, because those imports are coming from countries that are sometimes less stable than we need them to be for energy, which is such a vital resource. The Labour amendment states that this policy “will ensure the UK remains at the mercy of petrostates and dictators who control fossil fuel markets”.

Where is the logic in that?

For example, if we do not get it from the North sea, we will get it from Saudi Arabia, Russia, Venezuela and many other countries that use oil as a political weapon, and that are not always well disposed towards us. By diminishing our dependence on the oil and gas we can extract from our own territory, we put ourselves at the mercy of those who politicise one of our energy resources. We have to be cognisant of that.

The second reason is that we have 200,000 jobs in the sector across the United Kingdom, including, strangely enough, 90,000 jobs in Scotland, which the SNP appears to be quite happy to sacrifice. We have sacrificed jobs in many energy-intensive industries already. Are we now going to sacrifice these often well-paid jobs and say that there will be a just transition? Many times in this House I have heard the argument that, “Oh, all these people who are employed in the oil and gas industry will go into renewables.” Well, let us look that.

The Government tell us that we have had a huge increase in renewable production. Has it resulted in jobs for workers in the United Kingdom? [HON. MEMBERS: “Yes!”] No, of course it has not. Where are the windmills made? Where is the steel for the windmills made? Not in Port Talbot, and the steel that is still made there will not be made there for very much longer. Boats bring it half way around the world from countries that make it cheaply, because they use the cheapest form of energy.

The idea that we would suddenly have all these people employed in the manufacture, installation and maintenance of solar panels and windmills, EV battery factories all over the place, and graduates employed in finance and everything else for the offshore industry has not happened. The just transition is not going to occur. Why would we transition when there is still a resource to be exploited by the people who have the skills to do that, and for the benefit of the country?

The third argument I wish to make in favour of the Bill is its necessity. Some 84% of our domestic heating is currently provided by gas, with 5% from oil; some 97% of our travel is driven by fossil fuels; and some 40% of our electricity is generated from fossil fuels. That will continue into the future. Quite frankly, I doubt whether the arguments we have heard about us having to be a global leader in getting to net zero ring true with ordinary people who want to heat their houses efficiently, cheaply and securely; drive their cars; get on buses, trains and aeroplanes, or however they decide to travel; or ensure that electricity can be supplied.

We might fool ourselves that we are global leaders, but the truth is that we produce 1% of global emissions. Other countries that, quite rightly, want to industrialise do not heed us. They are going for the cheapest form of energy available to them. In some countries in Africa, for example, 85% of people are not even connected to an electricity grid and they do not have the benefits we have, such as turning on a light at night or having a fridge to keep their food fresh and stop it from deteriorating in the heat. It is a bit arrogant of people in the House to say, “And by the way, you might have plenty of coal and oil, but we don’t want you to use it. We don’t want you to have the benefit of the cheap energy that gave us our prosperity.”

Cheap energy is the grounds of economic growth. I can understand why people do not follow our lead and do their own thing. The idea that because we pass the Bill the whole world will say, “Oh, this is terrible. Britain is no longer committed to net zero and we are now going to do our own thing.” They are doing their own thing anyway. The question many people in the United Kingdom have is what their Government are doing to maintain their standard of living—the idea of global leadership is not at the forefront of their thinking.

I have some reservations about the Bill. The first, as the hon. Member for South Dorset (Richard Drax) said, is the question of whether the Bill is designed to engender confidence. Many companies looking at whether they should put money into applying for licenses and exploring for oil will wonder whether they will find their way blocked, even with the legislation. They will be asking themselves whether their economic opportunities will be blocked by judicial review, and by people who simply say, “The UK’s target for global emissions was going to be met, in part, by reducing oil production in our own country, and as a result of the Bill and granting

[Sammy Wilson]

licenses, the targets will be missed and we will judicially review it.” I doubt very much that the Bill will engender the confidence the Minister is hoping it will if there is likely to be a judicial review, or if there is a path open and the basis upon which to make a judicial review.

Secondly, as hon. Members have argued, if we are going to exploit the oil we have and benefit from it, then it is better to keep it in our own country and ensure that it is used in our own country. Some 88% of the gas we extract is used in the UK because we have the network for it to feed into, so it can be used and sold in the UK. The hon. Member for East Lothian (Kenny MacAskill) raised the issue of Grangemouth, which is not the only example of the fact that we do not invest in facilities for refining oil in the United Kingdom. Why not? Because oil refining is an oil-intensive industry, so given all the carbon taxes and the barriers put in the way of carbon-intensive industries, no investment is taking place, or has taken place for decades. So what do we do? We extract it and send it elsewhere. We bring it back, most often, but would it not be of benefit to ensure that it stays in the United Kingdom because we have the facilities for processing it here?

My final reservation is that when those who might form the next Government of the United Kingdom are determined to undo all this legislation, how will that engender confidence? I know that I am probably in a minority when it comes to the debate, but there is a debate to be had with the ideologues who are driving a policy that most people in this House can well afford. People may say that the cost of energy will not go up as a result of renewables, but just this week the chief executive of Siemens, the biggest producer of electricity from wind in the United Kingdom, said that higher bills are inevitable as we grapple with the huge costs of generating wind power because of inflation and the cost of maintenance, faults and breakdowns. He said:

“Every transformation comes at a cost and every transformation is painful. And that’s something which the energy industry and the public sector—governments—don’t really want to hear.”

Unfortunately, that is the battle that we face. There are those in this House who are wedded to an ideology and will drive it through regardless of the impact that it has on our constituents. How many crocodile tears have been cried by Members in this House when they see people lose their jobs in energy-intensive industries and then, in the next breath, say that the Government are not going hard enough to reach net zero? There is a divide between those who are driven by this ideology and the ordinary people in the country who live with the consequences of it. If this Bill is at least a start in trying to redress that imbalance then I welcome it.

8 pm

Nadia Whittome (Nottingham East) (Lab): Just last month, COP28 made history by acknowledging for the first time the need to transition away from fossil fuels. It should not have taken 28 COPs to accept what scientists have known for decades. Despite all the vested interests at play, the efforts of hundreds of lobbyists, and the huge sums poured into preventing climate action, the truth became impossible to ignore. The effects of climate chaos are now in plain sight: 10 of the hottest years on record, as mentioned previously in this debate, all happened

in the past decade, and the speed of change is only increasing. To avert catastrophe, we must work now towards a fossil-free future.

Why do our Government insist on keeping us in the past and trying to build our recovery on a resource that the world has formally committed to moving away from? The Government claim that it is about lowering household bills, but even the Secretary of State for Energy Security and Net Zero has admitted that it will not do that. The energy generated from new oil and gas would not belong to the British people, powering our homes for cheap, it would be in the hands of private companies and sold on the global market for internationally set prices. It would be owned by those same energy companies that have already made record-breaking profits in the cost of living crisis, while 13 million households sat in the cold last winter, too scared to turn on the heating.

Madam Deputy Speaker, those corporations do not need any more state handouts. If the Government really cared about energy bills, they would be funding a mass programme of insulating homes, which the Tories slashed support for in 2013. If they cared about securing our future, they would be focusing on investing in publicly owned home-grown renewables, which have never been cheaper. They would be delivering a green new deal to protect our living standards and our planet for decades to come. Therefore, if not to lower our bills now, to ensure energy security in the future, and to enable a green transition, why are the Government pushing through this dangerous and unpopular Bill? Is it just to annoy environmentalists and turn climate policies into a wedge issue? Or could it have anything to do with the fact that the Conservatives have taken £3.5 million in a year from big polluters, climate deniers and fossil fuel interests?

Madam Deputy Speaker, when justifying this act of climate vandalism, the Government like to reference the Climate Change Committee. Unfortunately, though, they have misrepresented the advice of that Committee to the point that its chair, Piers Forster, has been forced to speak out. In response to the Government’s false claims, he said:

“UK oil and gas consumption needs to fall by over 80% to meet UK targets. This and the COP... decision...makes further licensing inconsistent with climate goals.”

It is not only embarrassing, but deeply concerning that, on an issue as important as the future of our planet, the Government are either unable or unwilling to understand expert advice. It is not just the Climate Change Committee that has warned against new fossil fuels, so, too, has the UN Secretary-General. [Interruption.] Conservative Members would do well to listen to this. He called on all nations to

“cease all licensing or funding of new oil and gas.”

In addition, the International Institute for Sustainable Development has said that “no new oil and gas development is possible if the world is to stay within the Paris agreement temperature limit.”

The director of the International Energy Agency said:

“If Governments are serious about the climate crisis, there can be no new investment in oil, gas and coal”.

Moreover, more than 700 scientists wrote to the Prime Minister last year, asking him to halt the licensing.

Should we be taking advice from hundreds of leading climate experts or from lobbyists for fossil fuel industries? The Bill in front of us will not solve any of our problems. It will just contribute to wrecking the planet and undermine our climate credibility on the international stage. For the sake of our futures and our planet, I urge the House to vote down this dangerous Bill.

8.5 pm

Caroline Lucas (Brighton, Pavilion) (Green): It is a pleasure to follow the hon. Member for Nottingham East (Nadia Whittome). It was slightly less of a pleasure to listen to the right hon. Member for East Antrim (Sammy Wilson); I want to say a few words about the case that he made. It reaches new depths to suggest that the poorest people in the country will somehow be better off if we continue exploiting more oil and gas when clearly new and existing oil and gas are so expensive. He cited a comment by Siemens about the expensiveness of renewables, but that is precisely because they are linked to the price of gas. That is why we need to reform the totally out of date electricity and gas system that we have in this country.

It tells us all we need to know about this cynical and failing Government that the legislation they chose to debate first in 2024 was a Bill to mandate the annual licensing of oil and gas products in the North sea; not legislation that rises to the immediate challenges that we face as a society—from the cost of living scandal, which sees families unable to meet their basic needs, to the planetary emergency rapidly unfolding before our eyes—but instead a Bill that is frankly no more than a political stunt at home, yet at the same time a very dangerous signal to other countries abroad of a UK doubling down on the fossil fuel economy.

The reality, as many have said, is that the Bill is entirely redundant, with even the North Sea Transition Authority expressing its “unanimous” view that it is not needed. As the Minister knows perfectly well, there have been annual licensing rounds for most of the past decade, driven by the frankly obscene duty to maximise the economic recovery of UK petroleum. Despite the hundreds of licences that have been issued in that time, a paltry 16 days’ worth of gas has been produced. As others have said, it has been estimated that, between now and 2050, new licences would provide the equivalent of just four days’ worth of gas each year, so it is hardly the energy security that we have been promised and that we have heard so much about from the Conservative Benches over the past three or four hours. Of course, any oil and gas, which is extracted, will be owned by companies and sold on the international market to the highest bidder—unless the Government, unbeknown to us, have in mind the renationalisation of energy, which would be a very interesting conversation to have, but when I last checked, that was not their policy.

This oil and gas in the North sea does not belong to the Government and it will not bring down bills. Let us not forget either that 80% of UK oil is currently exported, as was the equivalent of more than 60% of gross gas production last year.

Richard Foord (Tiverton and Honiton) (LD): I am grateful to the hon. Member for giving way. One such example is Gazprom International UK, which continued to produce gas from the North sea last year. This subsidiary company paid a €1.7 million dividend in

June 2023. Does she not think it hypocritical of this Conservative Government to talk about this Bill in terms of national security, while, simultaneously, allowing a Russian energy giant to extract gas from the North sea and pay taxes in Moscow?

Caroline Lucas: I thank the hon. Member for his point and it is incredibly well made. I shall say a little more on that subject very shortly.

Essentially, this Bill is nothing more than reckless political theatre. It is nothing more than a cynical attempt to stoke yet more division and weaponise much-needed climate action in some misguided sense that, somehow, this will save the Prime Minister’s skin.

While the Bill serves at home to highlight the impotence of the Government, sadly its international impact is far-reaching. Despite the Prime Minister’s fairly evidence-free claim at COP28 that the UK is leading by example, the reality is that creating a climate culture war, scrapping vital policies and issuing new fossil fuel licences is the very opposite of climate leadership. The Bill sends a dangerous signal and undermines global efforts to address the climate emergency by hampering diplomacy and legitimising extraction in other countries. As Lord Deben, former chair of the Climate Change Committee, said:

“How can we ask other nations not to expand the fossil fuel production if we start doing it ourselves?”

It is frankly a scandal that the UK is among just five countries in the global north that are responsible for more than half the planned expansion of new oil and gas fields up to 2050.

While Ministers like to claim that, even with continued licensing, production from the UK continental shelf is projected to decline at 7% annually, what matters is not whether we are producing less relative to some previous time but whether the oil and gas that we are producing now is compatible with our climate goals. Clearly it is not, with the UN production gap report warning that Governments already plan to produce far more than double the amount of fossil fuels in 2030 than would be consistent with limiting heating to 1.5°. The Government’s defence of the Bill, and of the continued licensing of more oil and gas in the North sea as a whole, implies that somehow the UK operates in a vacuum, and domestic decisions have no bearing on our ability to meet our international climate targets. That clearly is not the case. It is no surprise, then, that Professor Piers Forster, the interim chair of the Climate Change Committee, has said:

“UK oil and gas consumption needs to fall by over 80% to meet UK targets. This and Cop decision makes further licensing inconsistent with climate goals.”

When talking about inconsistency with our climate goals, we could also talk about hypocrisy. Since a climate emergency was declared in this very Chamber in 2019, no fewer than 17 new fields have been approved: Laverda, Barnacle, Cadet, Sillimanite, Blythe, Elgood, Southwark, Evelyn, Abigail, Jackdaw, Tommeliten, Talbot, Teal West, Murlach, Alwyn East, Rosebank, and most recently Victory. Mentioning Rosebank gives me an opportunity to come back to an issue that has been touched on a few times tonight: the scale of fossil fuel subsidies. We have heard a load of guff from Conservative Members about the importance of tax revenues from oil and gas, yet look at the amount of money we are giving to the oil and gas industry. The hon. Member for Tiverton and

[Caroline Lucas]

Honiton (Richard Foord) spoke about tax revenues going to Russia. We could also point out that the UK taxpayer will hand over no less than the equivalent of £3.75 billion to Equinor to develop the Rosebank site, because of the massive loophole in the windfall tax that means that for every £100 invested, £91.40 can be claimed back. A bit of clarity on these issues would help.

Section 20 of the Environment Act 2021 requires that a statement be made on the front of the Bill saying whether it is in line with other environmental laws. The Secretary of State claims in her statement that

“the Bill will not have the effect of reducing the level of environmental protection provided for by any existing environmental law.”

To me, that seems extraordinary because, even if one believed that the carbon intensity test would make a difference, the annual licensing rounds under the Bill could easily cancel out any predicted carbon savings and lead to an overall increase in emissions. I hope that she will tell us what modelling was undertaken to inform her section 20 statement.

Looking at its content more closely, the Bill proposes two so-called tests, which are set so ludicrously low they are impossible to fail. The first is the carbon intensity test, which is met if the carbon intensity of domestically produced gas is lower than that of imported liquefied natural gas. That test not only ignores the fact that more than half our gas imports come from Norway—via a pipeline, as we have established—where gas production is half as polluting as in the UK, but in only considering gas, it fails to take account of the fact that 70% of remaining North sea oil reserves are oil. In any case, comparing the carbon intensity at the point of production rather than combustion exaggerates the difference between different sources, given that the vast majority of emissions are produced when any oil or gas is burned. In other words, they are scope 3 emissions, which remain unaccounted for. The second test is the net importer test, which will be met if the amount of oil and gas produced in the UK is less than the UK’s demand for oil and gas. Surely that question would be much better addressed by reducing demand rather than producing more planet-heating oil and gas, yet the Government seem incapable of pursuing demand reduction in any meaningful way.

What should the Government do instead? If they were actually interested in cutting household bills and delivering energy security, they would be working to get us off expensive gas for good, rather than continuing to tether us to volatile international markets. The National Infrastructure Commission has been really clear:

“Reliance on fossil fuels means exposure to geopolitical shocks that impact the price of these internationally traded commodities.”

In its 2022 energy outlook report, the IEA reported that a higher share of renewables correlated with lower electricity prices in response to the energy crisis, with energy efficiency and heat electrification providing an important buffer for households. At a time when, as we have heard, 6 million families in the UK are living in fuel poverty this winter, we have to ask why the Government are doubling down on the very thing at the heart of the crisis.

The Government should instead be delivering a meaningful just transition that genuinely meets the needs of workers and communities, rather than temporarily

propping up insecure jobs that we know will not exist in years to come. We have heard the rhetoric from Conservative Members pretending that those of us who want to accelerate a transition to a greener economy do not have people’s jobs in mind. That is totally untrue; it is precisely because we care about people’s jobs that we want them to have sustainable jobs into the future—good-quality, decent jobs—and are not pretending that draining resources in the North sea will somehow provide a sustainable livelihood in years to come.

There should be a massive scaling-up of renewables, and we should back cheap and abundant energy sources such as onshore wind, for which a grand total of zero applications have been submitted since planning rules were changed in September. There should be a nationwide, street-by-street energy efficiency programme to ensure that families have warm homes for the long term, rather than scrapping the upgrade in standards of private rented homes, which according to the Climate Change Committee could have saved tenants £250 a year, even at so-called normal prices let alone at a time when prices are spiralling. Again, what an indictment of the Government. Remember the green deal back in 2012? The Government set the interest rate so ridiculously high, as we all said at the time, that unsurprisingly the whole plan collapsed. Those homes were not insulated and plenty of energy companies, including in my constituency, went bust as a result. The Government are incompetent as well as totally ideologically driven.

The Government should be properly taxing the filthy profits of oil and gas companies rather than foisting the cost of new developments on to the taxpayer, and they should urgently withdraw from the dangerous energy charter treaty, which—it beggars belief—allows us to be sued by fossil fuel companies. A fairer and greener energy system is entirely possible, but it requires both imagination and investment—two qualities that I do not associate with the Government. The legislation makes it painfully clear that the Government are wilfully ignoring the lessons of both the climate and the energy crises, and are once again privileging their own interests above the wellbeing of people and planet. The Bill sends exactly the wrong signal at the wrong time, and actively undermines global efforts to address the climate emergency by hampering diplomacy and giving the green light to further extraction right around the world. It is not what leadership looks like, it is not what this moment demands, and all our constituents deserve better.

8.18 pm

Jim Shannon (Strangford) (DUP): It is a pleasure to follow the hon. Member for Brighton, Pavilion (Caroline Lucas). While we do not always agree on everything, there are many things that we do agree on. I, too, would like to see the mass scale-up of renewables, but I also want to be pragmatic about where we are, some of things that we need to do, and what the Bill does.

The issue of energy is one that impacts every person in the UK, from the one-bed flat owner to the 200-bed hotel owner. The ability to secure safe and reliable energy is essential, and spiralling costs are having an effect on the day-to-day lives of people throughout the UK.

I think it is important that I make this point and perhaps explain where I am personally on the matter. I grew up, and others in the House are probably the same,

in an age of throwing another jumper on. My children used to laugh at the stories I told them of how cold it had to be before the heating was turned on. For us today, it is no longer a laughing matter for many people. My researcher, who owns a modest home, had to put more than £250 of gas into her home in December. She was at home during term-time with the children. She tells me that the gas was not even running constantly; it was turned off whenever she went to visit her parents or her husband's parents or went out. I thought of how much more a wee—I use that word often in the House as a descriptor—widowed pensioner would be paying in their home when they are there almost all day, every day. That figure is not one that their pension and a single winter fuel payment could cover. There are only so many jumpers that someone can put on, and a jumper does not help with a damp wall.

It is clear that the cost of energy dictates what steps we take to secure the current energy supply, while also striding for new alternative renewable energy sources. As many in this place will have heard me say on numerous occasions, tidal energy in Strangford lough and other such areas needs a great deal of funding. The pilot scheme worked, but it was at the wrong time because the cost of the energy that it produced was not financially feasible, but it would be now. If we can harness that power, which is as reliable as the sun rising in the morning, we are on to a winner. However, I understand that that is not the point of today's debate and will leave it at that.

The Secretary of State for Energy Security and Net Zero is in her place, and I know the Government have taken giant steps to meet the net zero targets and have committed themselves to green energy. I wish to put on the record that I am committed to the same targets as well, but we need to strike a balance. The balance that I put forward to the House—and I wish to make a declaration—is from my point of view as a farmer. We own land. My neighbours are all dairy men or farmers of beef, cattle and sheep. They are willing to commit themselves to the net zero targets because they see that net zero is something that must be done. As part of that target, they must reduce the number of their animals. That is not possible to do while continuing to have a feasible and financially viable farm. There are other things that the farmers wish to do.

In the countryside where I live there are not enough electric vehicle points, so people do not buy an electric or hybrid car, probably because all the EV points are up in Newtownards. I drive a diesel vehicle—have done all my days and, if I am spared, will probably continue to do so because I believe that it is a choice. It is a choice we may not wish to make every time, but is one that we have to make because electric cars are just not feasible because the EV points are just not there.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Does the hon. Gentleman agree that the National Farmers Union has been positive on many of these issues? Does he agree with what it says about hydrogen being a source of sustainable power in the future, and that it is coming soon?

Jim Shannon: I thank my hon. Friend—I call him that because I have great respect for him—and agree wholeheartedly with what he has just said. The farming

community, the NFU and the Ulster Farmers' Union are clearly committed to the targets. They are committed to looking at the alternatives, but the alternatives have to be practical. The point I am trying to make is that it is about where things are practical.

There is no doubt that to meet not just our net zero target but, more importantly, our environmental obligations, we need to do a better job of accessing and using renewable energy fuels. However, the fact is we will simply not be there any time soon and, in the meantime, it is vital that we secure safety and security for our constituents. I support the aims of the Bill, which would enhance the procedures currently in place, and note that no financial hardship should be passed on through the Bill. That is vital as I know that households are struggling with the current pressures. No longer is it a matter simply for households in poverty, working families with decent wages are being affected.

It is a transition. It is about meeting our net zero targets and increasing green energy and renewables, which my hon. Friend the Member for Brighton, Pavilion (Caroline Lucas) referred to. At the same time, the Bill gives us the opportunity to progress those renewables in a way that is positive in the short term.

The Library briefing makes it clear that licensing rounds are run when the NSTA decides they are necessary. However, it should be highlighted that they have been held broadly on an annual basis up to the 32nd licensing round, which opened in 2019. The latest—33rd—licensing round was launched in October 2022, following the introduction of a climate compatibility checkpoint in September 2022. In October 2023, 27 new licences were awarded as part of that licensing round. That is not onerous, but it is necessary not just to safeguard our industry by enhancing investor and industry confidence, as the Government have highlighted, but to ensure that we do not see families scraping pennies together to afford heat.

My contribution to the debate is clearly for those who are in energy difficulties. Today, the papers referred to food bank referrals being up some 30%. The food bank in my constituency of Strangford in my major town of Newtownards saw a 30% increase in referrals over December and early January from people who are middle class who are finding it difficult to deal with energy prices.

I know of several young families who usually enjoy a few days away when the kids are off at Christmas, and they told me that they were just not able to do it this year. People may say, "For goodness sake, they can't go on holiday..." I am not saying that because it is their right to have that break, but I am highlighting the knock-on effect for families of increased prices is that they cannot afford to sow into the local economy in the way they used to. That means the little 20-bed hotel they usually visit does not get their business. The knock-on effect is that they do not hire the cleaner for as many hours. Her income drops, and she cannot spend the way she usually does, so the knock-on effects continue.

We need the people who spend locally to do so, and for them to do that, energy bills need to be manageable. We are failing when it comes to energy provision. If the Bill helps safeguard our provision as we continue to find better ways to source reliable renewable energy, I support that. When the Minister or Secretary of State sums up, if they could give us that reassurance, I would

[Jim Shannon]

be a whole lot happier about this debate. Of course, we need to explore tidal energy, but safeguarding domestic production can go hand in hand with that. Indeed, it must do so. I am committed to renewables, green energy possibilities and net zero targets because the farming community that I live in want to commit themselves to that as well.

I support our families, our vulnerable, ill and elderly, and those living in cold, damp homes because they cannot afford to do otherwise. Therefore, at this stage, I support the Bill on behalf of all those struggling to heat their homes and keep their families warm. We must commit ourselves to more renewables and ensure that the renewables percentage rises. If it rises, we can reduce gas and petroleum usage. By doing so, we can balance the process. That is what I am hoping for from the Minister's reply; I hope we can deliver that.

Madam Deputy Speaker (Dame Rosie Winterton): Before I call the shadow Minister, I want to emphasise again, and I will do so when he has finished, how important it is for those who have contributed to the debate to be here for the wind-ups. I call the shadow Minister.

8.28 pm

Dr Alan Whitehead (Southampton, Test) (Lab): We have had an excellent and pointed debate this evening. Certainly, Opposition Members have together pointed out the deficiencies in the Bill, pointed out what a specious and potentially damaging Bill it is and, indeed, questioned why the Bill was brought to the House in the first place. All that is what I very much want to do.

My hon. Friend the Member for Rotherham (Sarah Champion) called this Bill “illogical and damaging” and pointed out that it could put marine protected areas at risk. My hon. Friend the Member for Llanelli (Dame Nia Griffith) pointed out that it makes us look ridiculous on the world stage. My hon. Friend the Member for Brent North (Barry Gardiner) pointed out that the Bill itself was based on a series of lies and, indeed, quoted the UN Secretary-General stating that “the truly dangerous radicals” are the countries that are increasing their oil and gas output.

My hon. Friend the Member for Coventry South (Zarah Sultana) pointed out strongly that this Bill, contrary to its claims, is not about energy security. My hon. Friend the Member for Warwick and Leamington (Matt Western), who reminded us of the real effects of climate change right now, pointed out that the future is largely electric and this Bill is a “great deception”. The hon. Member for Bath (Wera Hobhouse) called it stupid, unnecessary and dangerous—she did not mince her words very much. My hon. Friend the Member for Nottingham East (Nadia Whittome) laid many of the myths of the Bill to rest and questioned why the Government are pushing it in the first place. The hon. Member for Brighton, Pavilion (Caroline Lucas) pointed out the “political theatre” behind the Bill and why it is completely incompatible with our climate change commitments.

This really is a reprehensible Bill. It is a Bill based on a number of myths and, frankly, lies, which require people to believe that there are people around really

saying that oil and gas is going to be stopped immediately and will not continue to play a substantial role, as it will in the energy economy up to 2050. No one is saying that oil and gas will not continue up to a period of time and no one is saying that the existing fields in the UK will not continue to produce and contribute their products in the future. There will be jobs in that continuing North sea oil operation.

However, this is a one-clause Bill with effectively two sections in it. The first section ostentatiously requires the Oil and Gas Authority to do what it is already doing; indeed, both the hon. Member for Angus (Dave Doogan) and the hon. Member for Brighton, Pavilion reminded us that the Oil and Gas Authority has been carrying out regular licensing rounds every 18 months since 2016. It is required to do so because it is bound by the maximum economic extraction requirement. All that is already in legislation and the Oil and Gas Authority is already doing it.

The second section sets out an entirely bogus climate test, which by definition cannot be failed. That is achieved by skewing the test conditions to test UK gas production emissions only against aggregate liquefied natural gas imports, which are overall likely to be dirtier in production than UK gas, and not against pipeline-delivered gas that, in the case of our main importer Norway, is half as dirty in production as gas in the UK.

There is no emissions test for oil, despite its constituting 70% of North sea fossil reserves—80% of which, as we have heard, is shipped and refined overseas. For oil there is a “net importer” test, which requires the OGA to issue licences if the demand for oil and gas products in the UK is greater than the production—when that has been the case in the North sea for 20 years, with no prospect of reversal. It is a Bill built on completely bogus premises.

Graham Stuart: The hon. Gentleman is talking about bogus premises, but he just suggested that we could get more pipeline gas from Norway. Does he not recognise that if we do not produce as much gas here, it will not be gas from Norway that we can access but will inevitably be LNG with higher emissions? Will he please, for the benefit of the House, step up and be honest? We do not have the option to get massively more gas from Norway—if we did, we would have done it already.

Dr Whitehead: I think I am going to get injury time for that intervention. If the Minister had been listening to what I was saying, he would know that I was stating that the Bill, in a very bogus way, has deliberately sidestepped the fact that there is gas available for import that is much cleaner than ours in its production. We should use that as a test, but the only test carried out was on LNG which, conveniently, is a little bit dirtier than the gas we produce in this country.

The Bill is about not what it says as much as what it does. As the former Energy Minister and author of the Government net zero report, the former right hon. Member for Kingswood, said recently, the Bill goes against everything the UK is saying internationally about moving away from oil and gas, and it has already damaged our international stance by appearing to double down on precisely the thing to which we are saying the opposite on the world stage. The right hon. Member for Reading West (Sir Alok Sharma), the former president

of Glasgow COP, said in a courageous and precise speech this evening that the Bill puts into legislation something that already happens under the agency of the OGA. He also stated that its sole purpose is to double down on more oil and that nations around the world will not take that very kindly as far as our commitments are concerned.

The OGA itself emphasised that the Bill was “not necessary”, but

“would significantly challenge one of the tenets of independence for the NSTA, to decide when to run a licensing round.”

Whatever the position in the North sea objectively, the OGA would be forced to scrape up at least a licence a year forever. We know the claim that that would somehow do something for energy security is also bogus. The right hon. Member for Maidenhead (Mrs May) recently said that

“new oil and gas licences only provide for energy security if all that energy is sold into the UK and, actually, it will be sold on the world market”—

a point that a number of Members have made this afternoon.

The whole Bill appears to have come about as a result of a wheeze, cooked up by a couple of strategy advisers over a heavy lunch, to put the Opposition on the wrong foot—or, to put it another way, on the right side of history. Quite honestly, that wheeze should have been put down as soon as the effects of the heavy lunch wore off, but instead it has persisted through the corridors of power and has finally made it to the Floor of the House in the shape of this risible Bill, the contents of which evaporate on the first examination by anybody of its serious purpose.

That says rather more about the state of the Government than anything else. Where were the quality controls on policy making? How did something so evidently content-free and fact-averse as this piece of legislation ever make it so far? How did the present departmental Government Ministers, for whom I have a great deal of respect, allow it to happen on their watch, when they must know it is a load of hokum with no policy merit at all? Now they are forced to go out and try to justify it to the House. It is a very sad reflection of what a tiny, bitter and sad space the Government have retreated into, where serious policy development in the energy sphere—God knows we have enough of that to be working on—is replaced by such ill-advised emptiness. That is what this Bill is, in the end: just empty. If passed, it will linger on the statute book for a short period, make no difference to anything in the meantime and be rapidly overtaken by the reality of the forward march to decarbonisation in energy.

However, the Bill will have one lasting effect, as I have mentioned, because it signals strongly and, I am afraid, potentially lastingly that the UK is not serious about its climate and net zero ambitions and is prepared to say duplicitous things on both an international and a national stage. That is bad news for all the genuine work that has so far been done by the UK on net zero climate leadership. This Bill will not stick, but that charge might. For that reason, if for no other of the many reasons that have been put forward in this debate, it is best that we take this Bill no further than Second Reading and refuse as a House to let it pass to further stages.

8.38 pm

The Minister for Energy Security and Net Zero (Graham Stuart): I thank my right hon. Friends the Members for Reading West (Sir Alok Sharma) and for Chelmsford (Vicky Ford), and my hon. Friends the Members for Waveney (Peter Aldous), for Moray (Douglas Ross), for Stoke-on-Trent Central (Jo Gideon), for Banff and Buchan (David Duguid), for Broadland (Jerome Mayhew) and for South Dorset (Richard Drax) for their contributions to this interesting debate.

The UK is the global climate leader. It is under this Government that that position has been secured. How is it to be measured? Do we have objective measures? Of course we have. The central challenge is to reduce emissions, and under the Conservatives this country has reduced emissions by more than any major economy on earth. How have we done that? Has it been an accident? No, it has not.

We inherited an absolutely awful situation. We heard from the hon. Member for Llanelli (Dame Nia Griffith) about her time in government, and she talked strongly about the work that Labour did on renewables. Well, it did not add up to much under her and the right hon. Member for Doncaster North (Edward Miliband). Renewables were less than 7% of our electricity in 2010. Now, that has been transformed. Coal—the dirtiest of fossil fuels—is a further ghastly legacy of the Labour party. We hear so much piety from Labour Members, but what was their performance in government? I will tell you, Madam Deputy Speaker: it was failure. Nearly 40% of our electricity came from coal as recently as 2012. By October this year, it will be zero.

It is the Conservative Government who have stayed laser-focused on delivering climate leadership, and it is in that light that this legislation comes before the House. The shadow Minister, the hon. Member for Southampton, Test (Dr Whitehead), asked why we have introduced the Bill. The Labour party, the Scottish National party and, of course, the Liberal Democrats say that we must have no new licensing in the North sea, even as our production is expected to halve over the next decade, and despite the fact that if we fulfil our world-leading ambitions for 2030 and 2035, which we will, production of oil and gas in the North sea will fall even faster in the country that is decarbonising more than any other major economy on earth. That is the reality; that is the context for the Bill, which brings in annual licensing.

Several hon. Members rose—

Graham Stuart: The Labour party will support oil and gas jobs—just not in this country. Not having new licences here will make no difference whatsoever to our consumption, but it will make a difference to how much we have to import, and our import dependency will go up. Worse than that for those of us who care about the environment, and to put in their place the pieties that we heard from Opposition parties, it will actually lead to imports with higher emissions than production here, as the right hon. Member for Doncaster North and other Labour Members know, and will worsen our ability to move to net zero in the short term. That is not to mention the 200,000 jobs supported throughout the country, 90,000-plus of which are in the north-east of Scotland and being abandoned by the Scottish National party.

Several hon. Members *rose*—

Graham Stuart: The measures will make no difference to our consumption and no difference to world consumption because we are net importers. We are not spilling our product on to global markets. Our oil, for instance, which the hon. Member for Brighton, Pavilion (Caroline Lucas) often mentions, is refined at European refineries. It is then turned into product that we can use here. It contributes directly to European and UK energy security.

Several hon. Members *rose*—

Graham Stuart: If Members oppose the Bill and allow no new licensing, the impact will be higher emissions, and they will not see the investment that we are seeing in new projects such as Rosebank. What is the carbon footprint of the product from Rosebank? It is expected to be much lower than the average across the North sea and what is expected globally. So, again, not only does closing off licensing mean that we will import more, but it will get in the way of investment into and transformation of our base.

John Redwood (Wokingham) (Con): I want to see far less imported LNG. Can the Minister give us some good news on what we might be able to achieve in getting more gas out, and will he ensure that many blocks—not just one—are put up for a licence round to get rid of that LNG?

Graham Stuart: The estimate from the North Sea Transition Authority is that a billion of barrels of oil equivalent, including gas, would be lost if we did not have new licences. That is lost tax revenue for this country, on top of the 200,000 jobs and lower emissions—*[Interruption.]* So far, I have not mentioned the tens of billions of pounds of tax. *[Interruption.]* It is not surprising, given how comprehensively easy it is to destroy the Labour party's arguments, that the right hon. Member for Doncaster North keeps up his constant chuntering. He cannot win the argument while he is on his feet, so he sits there and tries interrupting those who can. If we do not have new licensing, which is Labour's policy, we will see emissions go up in the short term; 200,000 jobs undermined; tens of billions in tax not brought into the public Exchequer; and—for those who care about dealing with the climate emergency—we will lose the very engineering skills and talent that we need to retain in this country in order to make the transition.

Several hon. Members *rose*—

Graham Stuart: In the time I have, I will try to respond to a few of the points that have been made by colleagues.

My hon. Friend the Member for Waveney highlighted the commitment of oil and gas companies to net zero. Oil and gas businesses are funding clean energy work. The hon. Member for Brent North (Barry Gardiner) picked on one such business, and it turned out that it was investing heavily in our clean energy transition. My hon. Friend the Member for Moray talked about fighting for those 90,000 Scottish workers. I have already mentioned the hon. Member for Llanelli and her rather risible attempt to suggest that Labour had any sort of record

on renewables. My hon. Friend the Member for Stoke-on-Trent Central emphasised the importance of oil and gas workers to CCUS, which is absolutely essential.

My hon. Friend the Member for Banff and Buchan said that we are reducing production at twice the rate required internationally. That is true, and it is why new licensing in the North sea is fully aligned with net zero; those emissions are part of that. The hon. Member for East Lothian (Kenny MacAskill) talked about oil and gas being essential to deliver renewables, and supported new licensing. I thank him for that. My hon. Friend the Member for Broadland said that what we use is what counts—that is so true. The most important thing is to look at demand: removing and changing vehicles, factories and homes so that they no longer use oil and gas is absolutely central.

My right hon. Friend the Member for Chelmsford rightly said how important it was that we present this policy correctly. Of course, if only the Labour party was playing a proper and honest part in that, we would be able to champion the tremendous performance of this country in tackling climate change. I really do appreciate the speech that my right hon. Friend made.

Mr Sheerman: Will the Minister give way?

Graham Stuart: The hon. Member for Warwick and Leamington (Matt Western) talked about the zero-carbon homes standard, and the importance of improving the insulation and energy efficiency of homes. He is quite right; that is why this Government have gone from the terrible position of just 14% of homes having decent insulation—EPC rating C or above—when we came to power, to above 50% today.

I fundamentally disagree with the right hon. Member for East Antrim (Sammy Wilson) about net zero, but he correctly highlighted that we would just be sacrificing well-paid jobs without making any difference to our emissions, apart from putting them up.

Mr Sheerman: On a point of order, Madam Deputy Speaker. I have been in this House longer than most people, and it is a courtesy to the House in a winding-up speech to give way in an even-handed way. This Minister has given way to a Conservative Member, but he refuses to take any interventions from the Opposition.

Madam Deputy Speaker (Dame Rosie Winterton): I thank the hon. Gentleman for that point of order. It is up to the Minister to decide to whom he gives way. It would be slightly more usual for him to give way to Members who had been in the Chamber throughout the debate. However, it is up to him to decide. And I really do not like points of order in the middle of winding-up speeches.

Graham Stuart: Thank you, Madam Deputy Speaker.

Mr Sheerman: Will the Minister give way?

Graham Stuart: You have given your guidance, Madam Deputy Speaker, which is to give way to those who have been in the Chamber for the debate, not to Johnny-come-latelies who come in and want to usurp them.

The right hon. Member for East Antrim also highlighted an excellent point about the hypocrisy and humbug that is absolutely central to Labour's response to this Bill.

Mr Sheerman: Will the Minister give way?

Graham Stuart: If the hon. Gentleman, who has hardly been here, would sit down, I will fortunately be able to come to a close.

The amendment put forward by His Majesty's Opposition suggests that maximising the falling production from the North sea will put us at the greater mercy of petrostates. That is so obviously untrue that I hope they would hold their heads in shame about it. That has been at the heart of the Opposition's approach to this Bill.

The Bill is designed to send a signal to the industry that we have its back. It is all about ensuring that we get to net zero in the most efficient and effective manner possible, and it will underpin this Government's continued leadership on climate now and for many years to come. I urge the House to support the Bill.

Madam Deputy Speaker (Dame Rosie Winterton): Well, that was lively. [*Laughter.*] Now that I have Members' attention, I want to emphasise how important it is for those who have participated in debates to get back in good time for the winding-ups speeches. When the wind-ups come up early, please just keep an eye out for them and make sure to come back, because people who have participated will be mentioned in the wind-ups and it is courteous to be here to hear them.

Mr Sheerman: On a point of order, Madam Deputy Speaker. Could I just make it clear to the House that I was not here for the main debate, but came in for the wind-ups, because I was chairing a committee looking at the future of hydrogen? I apologise to the House that I was delayed. Thank you.

Madam Deputy Speaker: I thank the hon. Gentleman for that clarification. Nevertheless, it is true that it is up to the Minister to decide to whom he wants to give way.

Question put. That the amendment be made.

The House divided: Ayes 209, Noes 292.

Division No. 61]

[8.51 pm

AYES

Abbott, rh Ms Diane (<i>Proxy vote cast by Bell Ribeiro-Addy</i>)	Brown, Alan
Abrahams, Debbie	Brown, Ms Lyn
Ali, Rushanara	Brown, rh Mr Nicholas
Ali, Tahir	Burgon, Richard
Amesbury, Mike	Butler, Dawn
Anderson, Fleur	Byrne, Ian
Ashworth, rh Jonathan	Byrne, rh Liam
Barker, Paula	Campbell, rh Sir Alan
Begum, Apsana	Carden, Dan
Benn, rh Hilary	Chamberlain, Wendy
Betts, Mr Clive	Champion, Sarah
Black, Mhairi	Cherry, Joanna
Blackford, rh Ian	Cowan, Ronnie
Blackman, Kirsty	Crawley, Angela (<i>Proxy vote cast by Owen Thompson</i>)
Blake, Olivia	Creasy, Stella
Blomfield, Paul	Cryer, John
Brennan, Kevin	Cummins, Judith
Brock, Deidre	Cunningham, Alex
	Daby, Janet

Dalton, Ashley	Lake, Ben
Davey, rh Ed	Lavery, Ian
David, Wayne	Law, Chris
Davies-Jones, Alex	Lewell-Buck, Mrs Emma
Day, Martyn	Lightwood, Simon
De Cordova, Marsha	Linden, David
Debbonaire, Thangam	Long Bailey, Rebecca
Dhesi, Mr Tanmanjeet Singh	Lucas, Caroline
Dixon, Samantha	Lynch, Holly
Dodds, Anneliese	Madders, Justin
Doogan, Dave	Malhotra, Seema
Doughty, Stephen	Maskell, Rachael
Dowd, Peter	Mather, Keir
Duffield, Rosie	Mc Nally, John
Dyke, Sarah	McCarthy, Kerry
Eagle, Dame Angela	McDonald, Andy (<i>Proxy vote cast by Ian Lavery</i>)
Eagle, rh Maria	McDonald, Stewart Malcolm
Eastwood, Colum	McDonald, Stuart C.
Edwards, Jonathan	McDonnell, rh John
Edwards, Sarah	McFadden, rh Mr Pat
Efford, Clive	McKinnell, Catherine
Elliott, Julie	McMahon, Jim
Elmore, Chris	McMorrin, Anna
Eshalomi, Florence	Miliband, rh Edward
Esterson, Bill	Mishra, Navendu
Evans, Chris	Monaghan, Carol
Farron, Tim	Moran, Layla
Farry, Stephen	Morden, Jessica
Fletcher, Colleen	Morgan, Helen
Flynn, Stephen	Morgan, Stephen
Foord, Richard	Morris, Grahame
Fovargue, Yvonne	Murray, Ian
Foy, Mary Kelly	Murray, James
Gardiner, Barry	Newlands, Gavin
Gibson, Patricia	Nichols, Charlotte
Gill, Preet Kaur	Norris, Alex
Grady, Patrick	O'Hara, Brendan
Green, Sarah	Olney, Sarah
Greenwood, Lilian	Onwurah, Chi
Greenwood, Margaret	Oppong-Asare, Abena
Griffith, Dame Nia	Osamor, Kate
Gwynne, Andrew	Owatemi, Taiwo (<i>Proxy vote cast by Chris Elmore</i>)
Haigh, Louise	Owen, Sarah
Hamilton, Mrs Paulette	Pennycook, Matthew
Hanna, Claire	Perkins, Mr Toby
Hardy, Emma	Phillips, Jess
Harman, rh Ms Harriet	Phillipson, Bridget
Harris, Carolyn	Pollard, Luke
Hayes, Helen	Qaisar, Ms Anum
Healey, rh John	Qureshi, Yasmin
Hendry, Drew	Rayner, rh Angela
Hillier, Dame Meg	Rees, Christina
Hobhouse, Wera	Reeves, Ellie
Hodgson, Mrs Sharon	Reeves, rh Rachel
Hollern, Kate	Reynolds, Jonathan
Hopkins, Rachel	Ribeiro-Addy, Bell
Howarth, rh Sir George	Rimmer, Ms Marie
Huq, Dr Rupa	Rodda, Matt
Hussain, Imran	Russell-Moyle, Lloyd
Jarvis, Dan	Saville Roberts, rh Liz
Johnson, rh Dame Diana	Shah, Naz
Johnson, Kim	Shanks, Michael
Jones, Darren	Sharma, Mr Virendra
Jones, Gerald	Sheerman, Mr Barry
Jones, rh Mr Kevan	Siddiq, Tulip
Jones, Ruth	Slaughter, Andy
Jones, Sarah	Smith, Cat
Kane, Mike	Smith, Jeff
Keeley, Barbara	Smith, Nick
Kendall, Liz	Smyth, Karin
Khan, Afzal	
Kinnock, Stephen	

Sobel, Alex
 Spellar, rh John
 Stephens, Chris
 Stevens, Jo
 Strathern, Alistair
 Sultana, Zarah
 Tami, rh Mark
 Thewliss, Alison
 Thomas, Gareth
 Thomas-Symonds, rh Nick
 Thompson, Owen
 Thornberry, rh Emily
 Timms, rh Sir Stephen
 Trickett, Jon
 Turner, Karl
 Twigg, Derek

Twist, Liz
 Vaz, rh Valerie
 Wakeford, Christian
 Webbe, Claudia
 West, Catherine
 Western, Andrew
 Western, Matt
 Whitehead, Dr Alan
 Whitley, Mick
 Whittome, Nadia
 Williams, Hywel
 Zeichner, Daniel

Tellers for the Ayes:

**Kim Leadbeater and
 Mary Glindon**

NOES

Afolami, Bim
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy (*Proxy vote cast
 by Mr Marcus Jones*)
 Anderson, Lee
 Anderson, Stuart
 Andrew, rh Stuart
 Argar, rh Edward
 Atherton, Sarah
 Atkins, rh Victoria
 Bacon, Gareth
 Bacon, Mr Richard (*Proxy
 vote cast by Mr Marcus
 Jones*)
 Badenoch, rh Kemi
 Bailey, Shaun
 Baillie, Siobhan
 Baker, Duncan
 Baker, rh Mr Steve
 Barclay, rh Steve
 Baynes, Simon
 Bell, Aaron
 Benton, Scott
 Beresford, Sir Paul
 Berry, rh Sir Jake
 Bhatti, Saqib
 Blackman, Bob
 Bowie, Andrew
 Bradley, Ben
 Brady, rh Sir Graham
 Brereton, Jack
 Bridgen, Andrew
 Brine, Steve
 Bristow, Paul
 Britcliffe, Sara
 Browne, Anthony
 Bruce, Fiona
 Buchan, Felicity
 Burghart, Alex
 Burns, rh Sir Conor
 Butler, Rob
 Cairns, rh Alun
 Cameron, Dr Lisa
 Campbell, Mr Gregory
 Carter, Andy
 Cartlidge, James
 Cash, Sir William
 Cates, Miriam
 Caulfield, Maria
 Chalk, rh Alex
 Churchill, Jo
 Clark, rh Greg

Clarke, rh Sir Simon
 Clarke, Theo
 Clarke-Smith, Brendan
 Clarkson, Chris
 Clifton-Brown, Sir Geoffrey
 Coffey, rh Dr Thérèse
 Colburn, Elliot
 Collins, Damian
 Costa, Alberto
 Courts, Robert
 Coutinho, rh Claire
 Crabb, rh Stephen
 Crosbie, Virginia
 Daly, James
 Davies, rh David T. C.
 Davies, Gareth
 Davies, Dr James
 Davies, Mims
 Davis, rh Sir David
 Davison, Dehenna
 Dinenage, Dame Caroline
 Djanogly, Mr Jonathan
 Docherty, Leo
 Donaldson, rh Sir Jeffrey M.
 Donelan, rh Michelle
 Double, Steve
 Doyle-Price, Dame Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, Sir James (*Proxy
 vote cast by Mr Mark
 Francois*)
 Duguid, David
 Dunne, rh Philip
 Eastwood, Mark
 Edwards, Ruth
 Ellis, rh Sir 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
 Foster, Kevin
 Fox, rh Sir Liam
 Francois, rh Mr Mark
 Frazer, rh Lucy
 Freeman, George

Freer, Mike
 French, Mr Louie
 Fuller, Richard
 Garnier, Mark
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gibson, Peter
 Gideon, Jo
 Girvan, Paul
 Glen, rh John
 Goodwill, rh Sir Robert
 Gove, rh Michael
 Graham, Richard
 Grant, Mrs Helen (*Proxy vote
 cast by Mr Marcus Jones*)
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Griffith, Andrew
 Grundy, James
 Gullis, Jonathan
 Hammond, Stephen
 Hands, rh Greg
 Harper, rh Mr Mark
 Harris, Rebecca
 Harrison, Trudy
 Hart, Sally-Ann
 Hart, rh Simon
 Hayes, rh Sir John
 Heald, rh Sir Oliver
 Heapey, rh James
 Heaton-Harris, rh Chris
 Henry, Darren
 Higginbotham, Antony
 Hinds, rh Damian
 Hoare, Simon
 Holden, rh Mr Richard
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holmes, Paul
 Howell, John (*Proxy vote cast
 by Mr Marcus Jones*)
 Howell, Paul
 Huddleston, Nigel
 Hudson, Dr Neil
 Hughes, Eddie
 Hunt, Jane (*Proxy vote cast
 by Mr Marcus Jones*)
 Hunt, Tom
 Jack, rh Mr Alister
 Jayawardena, rh Mr Ranil
 Jenkin, Sir Bernard
 Jenkyns, Dame Andrea
 Jenrick, rh Robert
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnston, David
 Jones, Andrew
 Jones, rh Mr David
 Jones, Fay
 Jones, rh Mr Marcus
 Kawczynski, Daniel
 Kearns, Alicia
 Keegan, rh Gillian
 Knight, rh Sir Greg
 Kniveton, Kate (*Proxy vote
 cast by Mr Marcus Jones*)
 Kruger, Danny
 Lamont, John
 Leadsom, rh Dame Andrea
 Levy, Ian

Lewer, Andrew
 Lewis, rh Sir Julian
 Loder, Chris
 Logan, Mark
 Longhi, Marco
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig (*Proxy vote
 cast by John Redwood*)
 Mackrory, Cherylyn
 Maclean, Rachel
 Mak, Alan
 Malthouse, rh Kit
 Mangnall, Anthony
 Mann, Scott
 Marson, Julie
 Mayhew, Jerome
 Maynard, Paul
 McCartney, Jason
 McPartland, rh Stephen
 McVey, rh Esther
 Menzies, Mark
 Mercer, rh Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Millar, Robin
 Miller, rh Dame Maria
 Milling, rh Dame Amanda
 Mills, Nigel
 Mitchell, rh Mr Andrew
 Mohindra, Mr Gagan
 Moore, Damien
 Moore, Robbie
 Mordaunt, rh Penny
 Morris, Anne Marie
 Morris, James
 Mullan, Dr Kieran
 Mumby-Croft, Holly
 Mundell, rh David
 Murray, Mrs Sheryll
 Neill, Sir Robert
 Nokes, rh Caroline
 O'Brien, Neil
 Opperman, Guy
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Philp, rh Chris
 Poulter, Dr Dan
 Pow, Rebecca
 Prentis, rh Victoria
 Pritchard, rh Mark
 Pursglove, Tom
 Quin, rh Sir Jeremy
 Quince, Will
 Randall, Tom
 Redwood, rh John
 Richards, Nicola
 Richardson, Angela
 Robinson, Gavin
 Robinson, Mary
 Ross, Douglas
 Rowley, Lee
 Russell, Dean
 Rutley, David
 Sambrook, Gary
 Saxby, Selaine
 Scully, Paul
 Seely, Bob

Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Shelbrooke, rh Sir Alec
 Simmonds, David
 Smith, rh Chloe
 Smith, Greg
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Solloway, Amanda
 Spencer, Dr Ben
 Spencer, rh Mark
 Stafford, Alexander
 Stephenson, rh Andrew
 Stevenson, Jane
 Stevenson, John
 Stewart, Iain
 Streeter, Sir Gary
 Stride, rh Mel
 Stuart, rh Graham
 Sturdy, Julian
 Sunderland, James
 Swayne, rh Sir Desmond
 Syms, Sir Robert
 Throup, Maggie
 Timpson, Edward
 Tomlinson, Justin
 Tomlinson, Michael

Tracey, Craig
 Trott, rh Laura
 Tuckwell, Steve
 Tugendhat, rh Tom
 Vara, rh Shailesh
 Vickers, Martin
 Vickers, Matt
 Walker, Sir Charles
 Wallace, rh Mr Ben
 Wallis, Dr Jamie
 Warman, Matt
 Watling, Giles
 Webb, Suzanne
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, rh Craig (*Proxy vote cast by Mr Marcus Jones*)
 Whittingdale, rh Sir John
 Wiggin, Sir Bill
 Wild, James
 Williams, rh Craig
 Wilson, rh Sammy
 Wood, Mike
 Wragg, Mr William
 Young, Jacob

Tellers for the Noes:
 Joy Morrissey and
 Mark Jenkinson

Crabb, rh Stephen
 Crosbie, Virginia
 Daly, James
 Davies, rh David T. C.
 Davies, Gareth
 Davies, Dr James
 Davies, Mims
 Davis, rh Sir David
 Davison, Dehenna
 Dinenage, Dame Caroline
 Djanogly, Mr Jonathan
 Docherty, Leo
 Donaldson, rh Sir Jeffrey M.
 Donelan, rh Michelle
 Double, Steve
 Doyle-Price, Dame Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, Sir James (*Proxy vote cast by Mr Mark Francois*)
 Duguid, David
 Dunne, rh Philip
 Eastwood, Mark
 Edwards, Ruth
 Ellis, rh Sir 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
 Foster, Kevin
 Fox, rh Sir Liam
 Francois, rh Mr Mark
 Frazer, rh Lucy
 Freeman, George
 Freer, Mike
 French, Mr Louie
 Fuller, Richard
 Garnier, Mark
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gibson, Peter
 Gideon, Jo
 Girvan, Paul
 Glen, rh John
 Goodwill, rh Sir Robert
 Gove, rh Michael
 Graham, Richard
 Grant, Mrs Helen (*Proxy vote cast by Mr Marcus Jones*)
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Griffith, Andrew
 Grundy, James
 Gullis, Jonathan
 Hammond, Stephen
 Hands, rh Greg
 Harper, rh Mr Mark
 Harris, Rebecca
 Harrison, Trudy
 Hart, Sally-Ann
 Hart, rh Simon
 Hayes, rh Sir John
 Heald, rh Sir Oliver
 Heapey, rh James
 Heaton-Harris, rh Chris
 Henry, Darren
 Higginbotham, Antony
 Hinds, rh Damian
 Hoare, Simon
 Holden, rh Mr Richard
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holmes, Paul
 Howell, John (*Proxy vote cast by Mr Marcus Jones*)
 Howell, Paul
 Huddleston, Nigel
 Hudson, Dr Neil
 Hughes, Eddie
 Hunt, Jane (*Proxy vote cast by Mr Marcus Jones*)
 Hunt, Tom
 Jack, rh Mr Alister
 Jayawardena, rh Mr Ranil
 Jenkin, Sir Bernard
 Jenkyns, Dame Andrea
 Jenrick, rh Robert
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnston, David
 Jones, Andrew
 Jones, rh Mr David
 Jones, Fay
 Jones, rh Mr Marcus
 Kawczynski, Daniel
 Kearns, Alicia
 Keegan, rh Gillian
 Knight, rh Sir Greg
 Kniveton, Kate (*Proxy vote cast by Mr Marcus Jones*)
 Kruger, Danny
 Lamont, John
 Leadsom, rh Dame Andrea
 Levy, Ian
 Lewer, Andrew
 Lewis, rh Sir Julian
 Loder, Chris
 Logan, Mark
 Longhi, Marco
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig (*Proxy vote cast by John Redwood*)
 Mackrory, Cherilyn
 Maclean, Rachel
 Mak, Alan
 Malthouse, rh Kit
 Mangnall, Anthony
 Mann, Scott
 Marson, Julie
 Mayhew, Jerome
 Maynard, Paul
 McCartney, Jason
 McPartland, rh Stephen
 McVey, rh Esther
 Menzies, Mark
 Mercer, rh Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Millar, Robin
 Miller, rh Dame Maria
 Milling, rh Dame Amanda

Question accordingly negated.

Question put forthwith (Standing Order No. 62(2)),
 That the Bill be now read a Second time.

The House divided: Ayes 293, Noes 211.

Division No. 62]

[9.4 pm

AYES

Afolami, Bim
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy (*Proxy vote cast by Mr Marcus Jones*)
 Anderson, Lee
 Anderson, Stuart
 Andrew, rh Stuart
 Argar, rh Edward
 Atherton, Sarah
 Atkins, rh Victoria
 Bacon, Gareth
 Bacon, Mr Richard (*Proxy vote cast by Mr Marcus Jones*)
 Badenoch, rh Kemi
 Bailey, Shaun
 Baillie, Siobhan
 Baker, Duncan
 Baker, rh Mr Steve
 Barclay, rh Steve
 Baynes, Simon
 Bell, Aaron
 Benton, Scott
 Beresford, Sir Paul
 Berry, rh Sir Jake
 Bhatti, Saqib
 Blackman, Bob
 Bowie, Andrew
 Bradley, Ben
 Brady, rh Sir Graham
 Brereton, Jack

Bridgen, Andrew
 Brine, Steve
 Bristow, Paul
 Britcliffe, Sara
 Browne, Anthony
 Bruce, Fiona
 Buchan, Felicity
 Burghart, Alex
 Burns, rh Sir Conor
 Butler, Rob
 Cairns, rh Alun
 Cameron, Dr Lisa
 Campbell, Mr Gregory
 Carter, Andy
 Cartledge, James
 Cash, Sir William
 Cates, Miriam
 Caulfield, Maria
 Chalk, rh Alex
 Churchill, Jo
 Clark, rh Greg
 Clarke, rh Sir Simon
 Clarke, Theo
 Clarke-Smith, Brendan
 Clarkson, Chris
 Clifton-Brown, Sir Geoffrey
 Coffey, rh Dr Thérèse
 Colburn, Elliot
 Collins, Damian
 Costa, Alberto
 Courts, Robert
 Coutinho, rh Claire

Mills, Nigel
 Mitchell, rh Mr Andrew
 Mohindra, Mr Gagan
 Moore, Damien
 Moore, Robbie
 Mordaunt, rh Penny
 Morris, Anne Marie
 Morris, James
 Mullan, Dr Kieran
 Mumby-Croft, Holly
 Mundell, rh David
 Murray, Mrs Sheryll
 Neill, Sir Robert
 Nokes, rh Caroline
 O'Brien, Neil
 Opperman, Guy
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Philp, rh Chris
 Poulter, Dr Dan
 Pow, Rebecca
 Prentis, rh Victoria
 Pritchard, rh Mark
 Pursglove, Tom
 Quin, rh Sir Jeremy
 Quince, Will
 Randall, Tom
 Redwood, rh John
 Rees-Mogg, rh Sir Jacob
 Richards, Nicola
 Richardson, Angela
 Robinson, Gavin
 Robinson, Mary
 Ross, Douglas
 Rowley, Lee
 Russell, Dean
 Rutley, David
 Sambrook, Gary
 Saxby, Selaine
 Scully, Paul
 Seely, Bob
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Shelbrooke, rh Sir Alec
 Simmonds, David
 Smith, rh Chloe
 Smith, Greg
 Smith, Henry

Smith, rh Julian
 Smith, Royston
 Solloway, Amanda
 Spencer, Dr Ben
 Spencer, rh Mark
 Stafford, Alexander
 Stephenson, rh Andrew
 Stevenson, Jane
 Stevenson, John
 Stewart, Iain
 Streeter, Sir Gary
 Stride, rh Mel
 Stuart, rh Graham
 Sturdy, Julian
 Sunderland, James
 Swayne, rh Sir Desmond
 Syms, Sir Robert
 Throup, Maggie
 Timpson, Edward
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Trott, rh Laura
 Tuckwell, Steve
 Tugendhat, rh Tom
 Vara, rh Shailesh
 Vickers, Martin
 Vickers, Matt
 Walker, Sir Charles
 Wallace, rh Mr Ben
 Wallis, Dr Jamie
 Warman, Matt
 Watling, Giles
 Webb, Suzanne
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, rh Craig (*Proxy vote cast by Mr Marcus Jones*)
 Whittingdale, rh Sir John
 Wiggin, Sir Bill
 Wild, James
 Williams, rh Craig
 Wilson, rh Sammy
 Wood, Mike
 Wragg, Mr William
 Young, Jacob

Tellers for the Ayes:

**Joy Morrissey and
 Mark Jenkinson**

NOES

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

Bradshaw, rh Mr Ben
 Brennan, Kevin
 Brock, Deidre
 Brown, Alan
 Brown, Ms Lyn
 Brown, rh Mr Nicholas
 Burgon, Richard
 Butler, Dawn
 Byrne, Ian
 Byrne, rh Liam
 Campbell, rh Sir Alan
 Carden, Dan
 Chamberlain, Wendy
 Champion, Sarah
 Chapman, Douglas
 Cherry, Joanna
 Cowan, Ronnie

Crawley, Angela (*Proxy vote cast by Owen Thompson*)
 Creasy, Stella
 Cryer, John
 Cummins, Judith
 Cunningham, Alex
 Daby, Janet
 Dalton, Ashley
 Davey, rh Ed
 David, Wayne
 Davies-Jones, Alex
 Day, Martyn
 De Cordova, Marsha
 Debbonaire, Thangam
 Dhesi, Mr Tanmanjeet Singh
 Dixon, Samantha
 Dodds, Anneliese
 Doogan, Dave
 Doughty, Stephen
 Dowd, Peter
 Duffield, Rosie
 Dyke, Sarah
 Eagle, Dame Angela
 Eagle, rh Maria
 Eastwood, Colum
 Edwards, Jonathan
 Edwards, Sarah
 Efford, Clive
 Elliott, Julie
 Elmore, Chris
 Eshalomi, Florence
 Esterson, Bill
 Evans, Chris
 Farron, Tim
 Farry, Stephen
 Fletcher, Colleen
 Flynn, Stephen
 Foord, Richard
 Fovargue, Yvonne
 Foy, Mary Kelly
 Gardiner, Barry
 Gibson, Patricia
 Gill, Preet Kaur
 Grady, Patrick
 Green, Sarah
 Greenwood, Lilian
 Greenwood, Margaret
 Griffith, Dame Nia
 Gwynne, Andrew
 Haigh, Louise
 Hamilton, Mrs Paulette
 Hanna, Claire
 Hardy, Emma
 Harman, rh Ms Harriet
 Harris, Carolyn
 Hayes, Helen
 Healey, rh John
 Hendry, Drew
 Hillier, Dame Meg
 Hobhouse, Wera
 Hodgson, Mrs Sharon
 Hollern, Kate
 Hopkins, Rachel
 Howarth, rh Sir George
 Huq, Dr Rupa
 Hussain, Imran
 Jarvis, Dan
 Johnson, rh Dame Diana
 Johnson, Kim
 Jones, Darren
 Jones, Gerald
 Jones, rh Mr Kevan

Jones, Ruth
 Jones, Sarah
 Kane, Mike
 Keeley, Barbara
 Kendall, Liz
 Khan, Afzal
 Kinnock, Stephen
 Lake, Ben
 Lavery, Ian
 Law, Chris
 Lewell-Buck, Mrs Emma
 Lightwood, Simon
 Linden, David
 Long Bailey, Rebecca
 Lucas, Caroline
 Lynch, Holly
 MacAskill, Kenny
 Madders, Justin
 Malhotra, Seema
 Maskell, Rachael
 Mather, Keir
 Mc Nally, John
 McCarthy, Kerry
 McDonald, Andy (*Proxy vote cast by Ian Lavery*)
 McDonald, Stewart Malcolm
 McDonald, Stuart C.
 McDonnell, rh John
 McFadden, rh Mr Pat
 McKinnell, Catherine
 McMahan, Jim
 McMorris, Anna
 Miliband, rh Edward
 Mishra, Navendu
 Monaghan, Carol
 Moran, Layla
 Morden, Jessica
 Morgan, Helen
 Morgan, Stephen
 Murray, Ian
 Murray, James
 Newlands, Gavin
 Nichols, Charlotte
 Norris, Alex
 O'Hara, Brendan
 Olney, Sarah
 Onwurah, Chi
 Opong-Asare, Abena
 Osamor, Kate
 Owatemi, Taiwo (*Proxy vote cast by Chris Elmore*)
 Owen, Sarah
 Pennycook, Matthew
 Perkins, Mr Toby
 Phillips, Jess
 Phillipson, Bridget
 Pollard, Luke
 Qaisar, Ms Anum
 Qureshi, Yasmin
 Rayner, rh Angela
 Rees, Christina
 Reeves, Ellie
 Reeves, rh Rachel
 Reynolds, Jonathan
 Ribeiro-Addy, Bell
 Rimmer, Ms Marie
 Rodda, Matt
 Russell-Moyle, Lloyd
 Saville Roberts, rh Liz
 Shah, Naz
 Shanks, Michael
 Sharma, Mr Virendra

Sheerman, Mr Barry
Siddiq, Tulip
Slaughter, Andy
Smith, Cat
Smith, Jeff
Smith, Nick
Smyth, Karin
Sobel, Alex
Spellar, rh John
Stephens, Chris
Stevens, Jo
Strathern, Alistair
Sultana, Zarah
Tami, rh Mark
Thewliss, Alison
Thomas, Gareth
Thomas-Symonds, rh Nick
Thompson, Owen
Thornberry, rh Emily

Timms, rh Sir Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twist, Liz
Vaz, rh Valerie
Wakeford, Christian
Webbe, Claudia
West, Catherine
Western, Andrew
Western, Matt
Whitehead, Dr Alan
Whitley, Mick
Whittome, Nadia
Williams, Hywel
Zeichner, Daniel

Tellers for the Noes:

**Kim Leadbeater and
Mary Glindon**

Question accordingly agreed to.

Bill read a Second time.

**OFFSHORE PETROLEUM LICENSING BILL
(PROGRAMME)**

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

That the following provisions shall apply to the Offshore Petroleum Licensing Bill:

Committal

(1) The Bill shall be committed to a Committee of the whole House.

Proceedings in Committee, on Consideration and on Third Reading

(2) Proceedings in Committee of the whole House shall (so far as not previously concluded) be brought to a conclusion three hours after their commencement.

(3) Any proceedings on Consideration and proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion four hours after the commencement of proceedings in Committee of the whole House.

(4) Standing Order No. 83B (Programming committees) shall not apply to proceedings in Committee of the whole House, to any proceedings on Consideration or to proceedings on Third Reading.

Other proceedings

(5) Any other proceedings on the Bill may be programmed.—
(*Scott Mann.*)

Question agreed to.

Business without Debate

DELEGATED LEGISLATION

Madam Deputy Speaker (Dame Rosie Winterton):
With the leave of the House, I will put motions 3 to 8 together.

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

HEALTH CARE

That the draft Anaesthesia Associates and Physician Associates Order 2024, which was laid before this House on 13 December 2023, be approved.

FINANCIAL SERVICES AND MARKETS

That the draft Public Offers and Admissions to Trading Regulations 2023, which were laid before this House on 27 November 2023, be approved.

That the draft Securitisation Regulations 2023, which were laid before this House on 27 November 2023, be approved.

FINANCIAL SERVICES

That the draft Financial Services Act 2021 (Overseas Funds Regime and Recognition of Parts of Schemes) (Amendment and Modification) Regulations 2024, which were laid before this House on 4 December 2023, be approved.

FINANCIAL SERVICES AND MARKETS

That the draft Data Reporting Services Regulations 2023, which were laid before this House on 27 November 2023, be approved.

AGRICULTURE

That the draft Wine (Amendment) (England) Regulations 2024, which were laid before this House on 4 December 2023, be approved.—(*Scott Mann.*)

Question agreed to.

Madam Deputy Speaker: With the leave of the House, I will put motions 9 to 14 together.

COMMITTEES

Ordered,

ENVIRONMENT, FOOD AND RURAL AFFAIRS

That Robbie Moore be discharged from the Environment, Food and Rural Affairs Committee and Selaine Saxby be added.

EDUCATION

That Miriam Cates be discharged from the Education Committee and Vicky Ford be added.

ENVIRONMENTAL AUDIT

That Chris Grayling be added to the Environmental Audit Committee.

NORTHERN IRELAND AFFAIRS

That Mr Robin Walker be discharged from the Northern Ireland Affairs Committee and Kelly Tolhurst be added.

SCOTTISH AFFAIRS

That Andrew Western be discharged from the Scottish Affairs Committee and Michael Shanks be added.

WELSH AFFAIRS

That Wayne David be discharged from the Welsh Affairs Committee and Tonia Antoniazzi be added.—(*Sir Bill Wiggin, on behalf of the Committee of Selection.*)

AI Scams: Consumer Protection

Motion made, and Question proposed, That this House do now adjourn.—(Scott Mann.)

9.17 pm

Dean Russell (Watford) (Con): I am grateful for the opportunity to raise this important topic of protecting consumers from artificial intelligence scams, or AI scams as I will refer to them. I understand that this topic has not been debated specifically in this House before, but it has been referenced in multiple debates. I can understand why this topic is new. At one point it may well have been science fiction, but now it is science fact. Not only that, it is probably a matter of fact that society is increasingly at risk of technology-driven crime and criminality. A new category, which I call AI-assisted criminals and AI-assisted crime, is emerging. They can operate anywhere in the world, know everything about their chosen victim and be seemingly invisible to detection. This AI-assisted crime is growing and becoming ever more sophisticated. I will share some examples in my speech, but let us address the bigger picture before I begin.

First, I appreciate that this entire debate may be new to many. What exactly is an AI scam? Why do consumers even need to be protected from something that many would argue does not yet exist? Let us step back slightly to explain the bigger picture. We live in a world where social media is everywhere: in our lives, our homes and our pockets. Social media has connected communities in ways we never thought possible. But for all the positives, it is also, as I saw as a member of the Online Safety Public Bill Committee, full of risk and harms. We share our thoughts, our connections and, most notably, our data. I am confident that if any Government asked citizens to share the same personal data that many give away for free to social media platforms, there would be uproar and probably marches on the streets; but every day, for the benefit of free usage, relevant advertisements and, ultimately, convenience, our lives are shared by us, in detail, with friends and family and, in some cases, the entire world.

We have, ultimately, become data sources, and my fear is that this data—this personal data—will be harvested increasingly for use with AI for criminal purposes. When I say “data”, I do not just mean a person’s name or birth date, the names of friends, family and colleagues, their job or their place of work, but their face, their voice, their fears and their hopes, their very identity.

Jim Shannon (Strangford) (DUP): I congratulate the hon. Gentleman on raising this issue. There were 5,400 cases of fraud in Northern Ireland last year, which cost us some £23.1 million. There is the fraud experienced by businesses when fraudsters pose as legitimate organisations seeking personal or financial details, there is identity theft, and now there are the AI scams that require consumer protection. Does the hon. Gentleman agree that more must be done to ensure that our vulnerable and possibly older constituents are aware of the warning signs to look out for, in order to protect them and their hard-earned finances from scammers and now, in particular, the AI scamming that could lead to a tragedy for many of those elderly and vulnerable people?

Dean Russell: I absolutely agree with the hon. Gentleman. I fear that this is yet another opportunity for criminals to scam the most vulnerable, and that it will reach across

the digital divide in ways that we cannot even imagine. As I have said, this concerns the very identity that we have online. This data can ultimately be harvested by criminals to scam, to fool, to threaten or even to blackmail. The victims send their hard-earned cash to the criminals before the criminals disappear into the ether-net.

Some may argue that I am fearmongering and that I am somehow against progress, but I am not. I see the vast benefits of AI. I see the opportunities in healthcare for early diagnosis, improving patients’ experience, enabling a single-patient view across health and social care so that disparate systems can work together and treatment involves not just individual body parts, but individuals themselves. AI will improve efficiencies in business through customer service and personalisation, and will do so many other wonderful things. It will, for instance, create a new generation of jobs and opportunities. However, we must recognise that AI is like fire: it can be both good and bad. Fire can warm our home and keep us safe, or, unwatched, can burn it down. The rapidly emerging harms that I am raising are so fast-moving that we may be engulfed by them before we realise the risks.

I am not a lone voice on this. Back in 2020, the Dawes Centre for Future Crime at UCL produced a report on AI-enabled future crime. It placed audio/visual impersonation at the top of the list of for “high concern” crimes, along with tailored phishing and large-scale blackmail. More recently, in May 2023, a McAfee cybersecurity artificial intelligence report entitled “Beware the Artificial Impostor” shared the risks of voice clones and deepfakes, and revealed how common AI voice scams were, attacking many more people in their lives and their homes. Only a quarter of adults surveyed had shared experiences of such a scam, although that will increase over time, and only 36% of the adults questioned had even heard of voice-enabled scams. The practice is growing more rapidly than the number of people who are aware that it exists in the first place. I will share my thoughts on education and prevention later in my speech.

Increasingly online there are examples of deepfakes and AI impersonation being used both for entertainment and as warnings. Many will now have heard of a deepfake, from a “Taylor Swift” supposedly selling kitchenware, to various actors being replaced by deepfakes in famous roles—Jim Carrey in “The Shining”, for example. Many may be viewed as a bit of fun to watch, until one realises the dangers and risks that AI such as deepfakes and cloned audio can pose. An example is the frightening deepfake video of Volodymyr Zelensky that was broadcast on hacked Ukrainian TV falsely ordering the country’s troops to surrender to Russia. Thankfully, people spotted it and knew that it was not real. We also know that there are big risks for the upcoming elections here, in the US and elsewhere in the world, and for democracy itself. The challenge is that the ease with which convincing deepfakes and cloned voices can be made is rapidly opening up scam opportunities on an unprecedented scale, affecting not only politicians and celebrities but individuals in their own homes.

The challenge we face is that fraudsters are often not necessarily close to home. A recent report by Which? pointed out that the City of London police estimates that over 70% of fraud experienced by UK victims could have an international component, either involving offenders in the UK and overseas working together or the fraud being driven solely by a fraudster based

outside the UK. Which? also shared how AI tools such as ChatGPT and Bard can be used to create convincing corporate emails from the likes of PayPal that could be misused by unscrupulous fraudsters. In this instance, such AI-assisted crime is simply an extension of the existing email fraud and scams we are already used to. If we imagine that it is not emails from a corporation but video calls or cloned voice messages from loved ones, we might suddenly see the scale of the risk.

I am aware that I have been referring to various reports and stories, but let me please give some context to what these scams can look like in real life. Given the time available, I shall give just a couple of recent examples reported by the media. Perhaps one of the most extreme was reported in *The Independent*. In the US, a mother from Arizona shared her story with a local news show on WKYT. She stated that she had picked up a call from an unknown number and heard what she believed to be her 15-year-old daughter “sobbing”. The voice on the other end of the line said, “Mom, I messed up”, before a male voice took over and made threatening demands. She shared that

“this man gets on the phone, and he’s like, ‘Listen here, I’ve got your daughter’.”

The apparent kidnapper then threatened the mother and the daughter. In the background, the mother said she could hear her daughter saying:

“Help me, mom, please help me,”

and crying. The mother stated:

“It was 100% her voice. It was never a question of who is this? It was completely her voice, it was her inflection, it was the way she would have cried—I never doubted for one second it was her. That was the freaky part that really got me to my core.”

The apparent kidnapper demanded money for the release of the daughter. The mother only realised that her daughter was safe after a friend called her husband and confirmed that that was the case. This had been a deepfake AI cloning her daughter’s voice to blackmail and threaten.

Another example was reported in the *Daily Mail*. A Canadian couple were targeted by an AI voice scam and lost 21,000 Canadian dollars. This AI scam targeted parents who were tricked by a convincing AI clone of their son’s voice telling them that he was in jail for killing a diplomat in a car crash. The AI caller stated that they needed 21,000 Canadian dollars for legal fees before going to court, and the frightened parents collected the cash from several banks and sent the scammer the money via Bitcoin. In this instance, the report shared that the parents filed a police report once they realised that they had been scammed. They said:

“The money’s gone. There’s no insurance. There’s no getting it back. It’s gone.”

These examples, in my view, are the canary in the mine.

I am sure that, over recent years, we have all received at least one scam text message. They are usually pretty unconvincing, but that is because they are dumb messages, in the sense that there is no context. But let us imagine that, like the examples I have mentioned, the message is not a text but a phone call or even a video call and that we can see a loved one’s face or hear their voice. The conversation could be as real as it would be if we were speaking to that loved one in person. Perhaps they will ask how we are. Perhaps they will mention something we recently did together, an event we attended, a nickname we use or even a band that we are a fan of—something

that we would think only a friend or family member would know. On the call, they might say that they were in trouble and ask us to send £10 or perhaps £100 as they have lost their bank card, or ask for some personal banking information because it is an emergency. I am sure that many people would not think twice about helping a loved one, only to find out that the person they spoke to was not real but an AI scam, and that the information the person spoke about with an AI-cloned voice was freely available on the victim’s Facebook page or elsewhere online.

Imagine that this scam happens not to one person but to hundreds of thousands of people within the space of a few minutes. These AI-assisted criminals could make hundreds of thousands of pounds, perhaps millions of pounds, before anyone worked out that they had been scammed. The AI technology to do this is already here and will soon be unleashed, so we need to protect consumers now, before it arrives on everyone’s phone, and before it impacts our constituents and even our economy in ways that we cannot imagine.

Because of the precise topic of the debate, I will not stray too far into how this technology raises major concerns for the upcoming election. We could easily debate for hours the risk of people receiving a call from a loved one on the day of the election convincing them to vote a different way, or not to vote at all.

Everything that I have said today is borne out by the evidence and predictions. The Federal Trade Commission has already warned that AI is being used to “turbocharge” scams, so it is just a matter of time, and time is running out. How do we protect consumers from AI scams? First, I am aware that the Government are on the front foot with AI. I was fortunate to attend the Prime Minister’s speech on AI last year—a speech that I genuinely believe will be considered in decades to come to be one of the most important made by a Prime Minister because, amid all the global challenges we face, he was looking to a long-term challenge that we did not know we were facing.

I appreciate that the Government have said that they expect to have robust mechanisms in place to stop the spread of AI-powered disinformation before the general election, but the risks of deepfakes go far and wide, and the economic impact of AI scams is already predicted by some media outlets to run into the billions. The Daily Hodl reports that the latest numbers from the US Federal Trade Commission show that imposter scams accounted for \$2.6 billion of losses in 2022.

The Secretary of State for Science, Innovation and Technology has said that the rise of generative AI, which can be used to create written, audio and video content, has “made it easier” for people to create “more sophisticated” misleading content and “amplifies an existing risk” around online disinformation.

With the knowledge that the Government are ahead of the game on AI, I ask that the Minister, who knows this topic inside out, considers some simple measures. First, will he consider legislation, guidelines or simple frameworks to create a “Turing clause”? Everyone knows that Turing said technology would one day be able to fool humans, and that time seems to be here. The principle of a Turing clause would be that any application or use of AI where the intention is to pretend to be a human must be clearly labelled. I believe we can begin this by encouraging all Government Departments, and all organisations that work with the Government, to have

[Dean Russell]

clear labelling. A simple example would be chatbots. It must be clearly identified where a person is speaking to an AI, not to a real human being.

Secondly, I believe there is a great opportunity for the Government to support research and development within the industry to create accredited antivirus-style AI detection for use in phones, computers and other technology. This would be similar to the rise of antivirus software in the early days of the world wide web. The technology's premise would be to help to identify the risk that AI is being used in any communication with an individual. For example, the technology could be used to provide a contextual alert that a phone call, text message or other communication might be AI generated or manipulated, such as a call from a supposed family member received from an unknown phone number. In the same way as anti-virus software warns of computer users of malware risks, that could become a commonplace system that allows the public to be alerted to AI risks, and it could position the UK as a superpower in policing AI around the world. We could create the technologies that other countries use to protect their citizens by, in effect, creating AI policing and alert systems.

Thirdly, I would like to find out what, if any, engagement is taking place with insurance companies and banks to make sure they protect consumers affected by AI scams. I am conscious that the AI scams that are likely to convince victims will most likely get them to do things willingly, so it is much harder for consumers to be protected because before they even realise they have been fooled by what they believe is a loved one but is in fact an AI voice clone or video deepfake, they will have already given over their money. I do not want insurance companies and banks to use that against our consumers and the public, when they have been fooled by something that is incredibly sophisticated.

A further ask relates to the fact that prevention is better than cure. We therefore need to help the public to identify AI scams, for example, by suggesting that they use a codeword when speaking to loved ones on the phone or via video calls, so that they know they are real. The public should be cautious about unknown callers; we need to make them aware that that is the most likely way of getting a phone call that is a deepfake or is by a cloned voice and that puts them at risk. We should also encourage people not to act too quickly when asked to transfer money. As stated by the hon. Member for Strangford (Jim Shannon), the most vulnerable will be the older people in society—those who are most worried about these things. We need to make sure they are aware of what is possible and to make it clear that this is about not science fiction, but science fact.

Finally, I appreciate that this falls under a Department different from the Minister's, but I would like to understand what mechanisms, both via policing and through the courts, are being explored to both deter and track down AI-assisted crime and criminals, so that we can not only find the individuals who are pushing and creating this technology—they will, no doubt, be those in serious and organised crime gangs—but shut down their technologies at source.

To conclude, unlike some, I do not subscribe to the belief that "The end of the world is nigh," or even that "The end of the world is AI." I hope Members excuse

the pun. However, it would be wrong not to be wary of the risks that we know about and the fact that there are many, many unknown unknowns in this space. Our ability to be nimble in the face of growing risks is a must, and spotting early warning signs, several of which I have outlined today, is essential. We may not see this happen every day now, but there is a real risk that in the next year or two, and definitely within a decade, we will see it on a very regular basis, in ways that even I have not been able to predict today. So we need to look beyond the potential economic and democratic opportunities, to the potential economic and democratic harms that AI could inflict on us all.

Scams such as those I have outlined could ruin people's lives—mentally, financially and in so many other ways. If it is not worth doing all we can now to avoid that, I do not know when the right time is. So, along with responding to my points, will the Minister recommend that colleagues throughout the House become familiar with the risk of AI scams so that they can warn their constituents? I ask Members also to consider joining the fantastic all-party group on artificial intelligence, which helps these things—the scams, the opportunity and much more—to be discussed regularly. I thank the Minister for his time and look forward to hearing his response.

9.38 pm

The Parliamentary Under-Secretary of State for Science, Innovation and Technology (Saqib Bhatti): First, let me put on the record how pleased I was to see my hon. Friend the Member for Watford (Dean Russell) back in his place, having heard about his health issues. I say that not just because his parents are constituents of mine or because he was born and brought up in my constituency, but because he is a dear friend of mine.

I thank my hon. Friend for securing this debate and raising the important issue of AI scams and the use of AI to defraud or manipulate people. I assure him that the Government take the issue very seriously. Technology is a fast-moving landscape and the pace of recent developments in artificial intelligence exemplifies the challenge with which we are presented when it comes to protecting our society.

I will start by being very clear: safely deployed, AI will bring great benefits and promises to revolutionise our economy, society and everyday lives. That includes benefits for fraud prevention, on which we are working closely with the Home Office and other Departments across Government. Properly used, AI can and does form the heart of systems that manage risk, detect suspect activity and prevent millions of scam texts from reaching potential victims. However, as my hon. Friend rightly identified, AI also brings challenges. To reap the huge social and economic benefits of AI, we must manage the risk that it presents. To do so, and thereby maintain public trust in these technologies, is key to effectively developing, deploying and adopting AI.

In the long term, AI provides the means to enhance and upscale the ability of criminals to defraud. Lone individuals could be enabled to operate like an organised crime gang, conducting sophisticated, personalised fraud operations at scale, and my hon. Friend spoke eloquently about some of the risks of AI. The Government have taken a technology-neutral approach. The Online Safety

Act 2023 will provide significant protections from online fraud, including where AI has been used to perpetrate a scam. More broadly, on the services it regulates, the Act will regulate AI-generated content in much the same way that it regulates content created by humans.

Under the Online Safety Act, all regulated services will be required to take proactive action to tackle fraud facilitated through user-generated content. I am conscious that my hon. Friend may have introduced a new phrase into the lexicon when he spoke of AI-assisted criminals. I am confident that the Online Safety Act will be key to tackling fraud when users share AI-generated content with other users. In addition, the Act will mandate an additional duty for the largest and most popular platforms to prevent fraudulent paid-for advertising appearing on their services. This represents a major step forward in ensuring that internet users are protected from scams.

The Government are taking broader action on fraud, beyond the Online Safety Act. In May 2023, the Home Office published a fraud strategy to address the threat of fraud. The strategy sets out an ambitious and radical plan for how the Government, law enforcement, regulators, industry and charities will work together to tackle fraud.

On the points raised by the hon. Member for Strangford (Jim Shannon), the Government are working with industry to remove the vulnerabilities that fraudsters exploit, with intelligence agencies to shut down fraudulent infrastructure, and with law enforcement to identify and bring the most harmful offenders to justice. We are also working with all our partners to ensure that the public have the advice and support that they need.

The fraud strategy set an ambitious target to cut fraud by 10% from 2019 levels, down to 3.3 million fraud incidents by the end of this Parliament. Crime survey data shows that we are currently at this target level, but we are not complacent and we continue to take action to drive down fraud. Our £100 million investment in law enforcement and the launch of a new national fraud squad will help to catch more fraudsters. We are working with industry to block fraud, including by stopping fraudsters exploiting calls and texts to target victims. We have already blocked more than 870 million scam texts from reaching the public, and the strategy will enable us to go much further.

Social media companies should carefully consider the legality of different types of data scraping and implement measures to protect against unlawful data scraping. They also have data protection obligations concerning third-party scraping from their websites, which we are strengthening in the Data Protection and Digital Information Bill. That Bill will hit rogue firms that hound people with nuisance calls with tougher fines. The maximum fine is currently £500,000; under the Bill, it will rise to 4% of global turnover or £17.5 million, whichever is greater, to better tackle rogue activities and punish those who pester people with unwanted calls and messages.

Jim Shannon: I thank the Minister for a comprehensive and detailed response to the hon. Member for Watford; it is quite encouraging. My intervention focused on the elderly and vulnerable—what can be done for those who fall specifically into that category?

Saqib Bhatti: It is a great honour to be intervened on by the hon. Gentleman, who makes an important point. The Government will be doing more awareness raising, which will be key. I am willing to work with the hon. Gentleman to ensure that we make progress, because it is a key target that we must achieve.

Consumers are further protected by the Privacy and Electronic Communications (EC Directive) Regulations 2003, which govern the rules for direct marketing by electronic means. Under these regulations, organisations must not send marketing texts, phone calls or emails to individuals without their specific prior consent. We are also strengthening these regulations, which means that anyone trying to contact someone with unwanted marketing communication calls can be fined if they could cause harm or disturbance to individuals, even if they go unanswered by victims.

Beyond legislation, the Home Office and the Prime Minister's anti-fraud champion worked with leading online service providers to create an online fraud charter. The charter, which was launched in November last year, sets out voluntary commitments from some of the largest tech firms in the world to reduce fraud on their platforms and services and to raise best practice across the sector.

This includes commitments to improve the blocking of fraud at source, making reporting fraud easier for users and being more responsive in removing content and ads found to be fraudulent. The charter will also improve intelligence sharing and better educate users about the risk on platforms and services, in response to the point of the hon. Member for Strangford.

Public awareness is a key defence against all fraud, whether or not AI-enabled. As set out in the fraud strategy, we have been working with leading counter-fraud experts and wider industry to develop an eye-catching public comms campaign, which we anticipate going live next month. This will streamline fraud communications and help people spot and take action to avoid fraud.

None the less, it is important to remember that this work is taking place in a wider context. The UK is leading the way in ensuring that AI is developed in a responsible and safe way, allowing UK citizens to reap the benefits of this new technology, but be protected from its harms. In March last year, we published the AI regulation White Paper, which sets out principles for the responsible development of AI in the UK. These principles, such as safety and accountability, are at the heart of our approach to ensure the responsible development and use of AI.

The UK Government showed international leadership in this space when we hosted the world's first major AI safety summit last year at Bletchley Park. This was a landmark event where we brought together a globally representative group of world leaders, businesses, academia and civil society to unite for crucial talks to explore and build consensus on collective international action, which would promote safety at the frontier of AI.

We recognise the concerns around AI models generating large volumes of content that is indistinguishable from human-generated pictures, voice recordings or videos. Enabling users and institutions to determine what media is real is a key part of tackling a wide range of AI risks, including fraud. My hon. Friend has brought forward the idea of labelling to make it clear when AI is used.

[Saqib Bhatti]

The Government have a strong track record of supporting private sector innovation, including in this field. Innovations from the safety tech sector will play a central role in providing the technologies that online companies need to protect their users from harm and to shape a safer internet.

Beyond that, Government support measures provide a blueprint for supporting other solutions to keep users safe, such as championing research into the art of the possible, including via the annual UK Safety Tech sectoral analysis report, and driving innovative solutions via challenge funds in partnership with GCHQ and the Home Office.

DSIT has already published best practices relating to AI identifiers, which can aid the identification of AI-generated content, in the “Emerging processes for frontier AI safety” document, which is published ahead of the AI safety summit. In the light of that, DSIT continues to investigate the potential for detecting and labelling AI-generated content. That includes both assessing technical evidence on the feasibility of such detection and the levers that we have as policymakers to ensure that it is deployed in a beneficial way. More broadly, last year the Government announced £100 million to set up an expert taskforce to help the UK to adopt the next generation of safe AI—the very first of its kind. The

taskforce has now become the AI Safety Institute, which is convening a new global network and facilitating collaboration across international partners, industry and civil society. The AI Safety Institute is engaging with leading AI companies that are collaboratively sharing access to their AI models for vital safety research.

We are making the UK the global centre of AI safety—a place where companies at the frontier know that the guardrails are in place for them to seize all the benefits of AI while mitigating the risks. As a result, the UK remains at the forefront of developing cutting-edge technologies to detect and mitigate online harms. UK firms already have a 25% market share in global safety tech sectors. AI creates new risks, but as I have set out it also has the potential to super-charge our response to tackling fraud and to make our everyday lives better. The Government are taking action across a range of areas to ensure that we manage the risks and capitalise on the benefits of these new technologies. I thank all Members who have spoken in the debate, and I again thank my hon. Friend the Member for Watford for introducing this debate on AI scams, which I assure him, and the House, are a Government priority.

Question put and agreed to.

9.49 pm

House adjourned.

Westminster Hall

Monday 22 January 2024

[MRS SHERYLL MURRAY *in the Chair*]

Groceries Supply Code of Practice

[Relevant documents: Oral evidence taken before the Environment, Food and Rural Affairs Committee on 14 November 2023 and 9 January 2024, on fairness in the food supply chain, HC 160.]

4.30 pm

Christina Rees (Neath) (Ind): I beg to move,

That this House has considered e-petition 643216, relating to the Groceries Supply Code of Practice.

It is always a pleasure to serve under your chairpersonship, Mrs Murray. The petition asks the Government

“to amend the Grocery Supply Code of Practice (GSCP) to require retailers, without exception, to...Buy what they agreed to buy...Pay what they agreed to pay...Pay on time”.

The petition also states:

“Almost half (49%) of a panel of 100 UK fruit and veg farmers fear they will have to give up their farm within the next 12 months, and many raised concerns about the behaviour of supermarkets, with 69% agreeing that tougher regulations are required to redress the imbalance of power between farmers, processors and the supermarkets.

The current GSCP contains provisions that are meant to protect suppliers, but allows supply agreements to be varied in certain circumstances.”

The petitioners

“believe a stronger, clearer code of practice is needed to make sure that all supermarkets stick to fair practices when dealing with farmers.”

There are complex perspectives on the code and the issues raised in the petition that need to be unpacked, but it is worth beginning with an overview of the salient facts and how the situation came into being. The groceries supply code of practice was introduced in 2009, following an investigation by the Competition Commission, in a bid to strengthen the food supply chain and improve relationships between growers and retailers. The Groceries Code Adjudicator, or GCA, was established by the Groceries Code Adjudicator Act 2013, and is responsible for enforcing the code.

Despite its success and the best intentions, the code has faced criticism from farmers and academics. The main issues are that the code does not cover the relationships between farmers and any processor or intermediary, that the code does not cover pricing, that there is an imbalance of power and risk, that the GCA is under-resourced, and that the GCA is both adjudicator and arbitrator. I want to unpick each issue in turn, but let us first recognise the integral role that farmers play in our society: they are the stewards of our land, custodians of our food security and backbone of our economy. However, the code’s structure often leaves farmers vulnerable to unfair trading practices, and places them at a significant disadvantage in negotiations with powerful retailers.

Jonathan Edwards (Carmarthen East and Dinefwr) (Ind): I congratulate my hon. Friend on her introductory remarks and welcome the debate. The last few years have been very difficult for farmers, with inflation in the wider economy increasing their input costs substantially: we need only to look at fertiliser for one example. The reality is that they are very exposed in the supply chain, so we need to look at how we can strengthen support for our primary producers.

Christina Rees: My hon. Friend is a champion for the farmers in his constituency, and I hope to come to those issues later in my speech.

Selaine Saxby (North Devon) (Con): I thank the hon. Lady for giving way and for her excellent speech on this important topic. Does she agree that farmers such as those in North Devon have a huge role to play in our green transition and that supermarkets have a duty to ensure that farmers are getting a fair and just price for their produce, otherwise they have no hope of producing it sustainably?

Christina Rees: Definitely, and I will come on to that. I thank the hon. Lady for her intervention.

Fleur Anderson (Putney) (Lab): I welcome this debate not only for those constituencies with many farmers, but for urban constituencies such as mine. Many constituents have written to me about this important issue and have signed the petition, because it matters so much to have good fresh produce and fair terms and conditions for growers. We in Putney are shocked that half of British fruit and veg growers now fear that they will go out of business. We would like supermarkets to use their power to support small-scale farmers, not to undermine them. Does my hon. Friend agree?

Mrs Sheryll Murray (in the Chair): Order. Interventions should be brief.

Christina Rees: I agree completely with the points made by my hon. Friend.

The first significant issue to explore is that of intermediaries within the food supply chain. The code has brought many positives, including the removal of back-door illegal practices. Although the code has overseen improved practices, it does not cover the relationships that intermediaries have with either farmers or retailers. Its explicit purpose is to regulate supermarket behaviour to bring value and choice for consumers; it is not, and was never, about producers. The use of intermediaries has the potential to allow retailers to circumvent the code.

When I was preparing for the debate, I heard directly from farmers and about how such practices create problems for them. They rarely have a written contract, so a request for 100,000 lettuces during the first week of September could turn into a downgrade to 70,000 lettuces if the sun suddenly disappears and salads become less favoured than soups. That leaves the farmer with 30,000 unpurchased lettuces and a considerable threat to their business. There are perfectly sensible reasons for intermediaries to exist—in particular in the meat supply chain, where a farmer would not sell a whole carcass to a single retailer, and therefore a processor or intermediary sells different

[Christina Rees]

parts to different customers—but the potential for unfair and unsustainable practice is significantly increased without regulation.

A second issue to consider is pricing. Much of the criticism of the code centres on the fact that it does not cover pricing in the food sector, and the issue is exacerbated by the frequent misconception that it does. However, pricing was never covered by the code and the legislation does not allow for its regulation. Coercion by retailers has also had an impact as the cost of a product is squeezed beyond break-even as retailers put pressure on farmers to reduce their prices to allow them to factor in costs such as packaging, marketing and overheads. Instances of such practices have declined, but still pose a problem in achieving a fair price.

We must also look into the imbalance of power and risk. Pricing can illustrate the problem of unequal power and risk within the food supply chain. In 2008, the Competition Commission inquiry found that grocery retailers were transferring excessive risks and unexpected costs to their suppliers. Furthermore, examples such as the one I mentioned previously—when the size of a produce order is suddenly scaled back—illustrate the inequitable distribution of risk, with the grower shouldering most of the burden while the retailer can quickly adapt an order according to market forces without the same risk.

The response to that was the creation of the code and enforcement by the GCA. Several mandatory reviews by Government, as well as supplier surveys, have shown significant improvements in supplier-retailer relations during the past decade or so. Despite that fact, fear remains in the industry. Many call on the GCA to make greater use of its powers to issue fines.

Some suggest that the GCA is hugely under-resourced. It is widely recognised that the cost of a single investigation is greater than its entire annual budget. The result is a perception that the GCA is toothless. The GCA's opinion is that it is effective within the current parameters of the law, and it is not for it to say whether those parameters should be expanded. However, it is acknowledged that additional funding and powers would be needed to expand the remit of the GCA. The most common criticism of the code and the GCA is that they do not cover the whole supply chain, which means that they apply only to direct suppliers of the 14 biggest retailers, including Tesco, Morrisons, Sainsbury's and Aldi. That leaves indirect suppliers unprotected, including many small farmers and primary producers. The Competition Commission predicted that problem back in 2008 and suggested two responses: to extend the code and the GCA to cover indirect suppliers or to introduce complementary codes to cover intermediaries and primary producers. Both options, though, ignore the issue of how such codes and regulators are funded so, finally, we must explore the issue of a regulator being both adjudicator and arbitrator.

The GCA is funded via a levy on 14 retailers. This is not uncommon for sector regulators, which are almost always funded via the organisations they oversee. However, that can leave them open to criticism of unfair practice and of not being hard enough on retailers. Although collaboration and arbitration are often useful ways of working, it can be argued that such circumstances pose

a challenge if a situation requires the regulator to become an adjudicator and enforce fines. The GCA's opinion is that the code is flexible enough to deal with a range of issues, including online sales, and that amending it might make it too rigid. When farmers are direct suppliers, the three issues raised by the petitioners are clearly covered and regulated.

What reforms are needed? It can be argued that the criticism levied at the code and the GCA is somewhat unfair as most issues, such as pricing and intermediaries, are simply not covered by the existing legislation and procedures. However, that does not preclude the fact that the issues exist and need to be dealt with. To that end, several reforms have been suggested and need exploring, including expanding the number of retailers covered by the code by lowering the threshold for compliance from £1 billion in turnover to £500 million, preventing retailers circumventing the code by purchasing through intermediaries, increasing the powers and remit of the GCA to cover issues such as pricing and processes, and setting up separate regulators with separate obligations.

The groceries supply code of practice is a vital tool that can either support or hinder the wellbeing of our farmers. It is our responsibility to advocate for reforms that ensure fairness, transparency and sustainability in the supply chain.

Sir Julian Lewis (New Forest East) (Con): Like many other Members here, I was not aware of this issue until several constituents contacted me. Does the hon. Lady know whether there is any mechanism whereby small farmers and other suppliers can report it to the regulator when they are put in this difficult situation as a result of promises to make purchases not being kept? I do not see how the regulator can regulate if they do not have adequate information about where suppliers are being let down.

Christina Rees: The right hon. Gentleman makes a very important point. Applications are made to the adjudicator, but there is a certain amount of confidentiality involved, and sometimes the farmers reporting want to remain anonymous, so some reporting is done behind the scenes. However, I thank him so much for his intervention; as always, he makes a very valuable point, and it would be interesting to hear what the Minister says about it.

By advocating for reform, we not only support our farmers but contribute to building a more resilient, ethical and sustainable food system for generations to come. Furthermore, a reformed code should prioritise sustainability and ethical practices. Our farmers are not only responsible for feeding the population but for stewarding our environment. It is imperative that the code encourages and rewards environmentally friendly and sustainable farming practices, which could include provisions for fair compensation for using sustainable farming methods, and penalties for practices that harm the environment.

Additionally, the reforms should incorporate measures to address the issue of market access. Farmers, particularly small and local producers, often face barriers that limit their ability to access a diverse range of markets. The groceries supply code of practice can be reformed to encourage retailers to seek out and support local farmers, fostering a more diverse and resilient agricultural system.

In conclusion, although the groceries supply code of practice was established with good intentions, it requires significant reform to provide better support for those who toil tirelessly to bring food to our tables. It is imperative that we acknowledge the challenges faced by our farmers and work towards creating a more equitable and supportive system. We must reform the code to ensure a fair distribution of power and risk in the supply chain. This could be achieved through the establishment of a transparent and accountable framework, possibly involving a new regulator, separate from the GCA, that promotes fair pricing, timely payments and equitable contractual relationships. By empowering farmers with the tools that they need to negotiate fairly, we can foster a more balanced and sustainable agricultural sector. Let us stand together in solidarity with our farmers and work towards a future in which their invaluable contributions are acknowledged, respected and fairly compensated.

While I was preparing for this debate, I met the petitioners and many stakeholders, and I would be pleased if the Minister could explain his Government's position on the code and give his opinions regarding the issues I have raised. I also invite him to meet me and the petitioners, so that we can explore these issues in greater depth.

4.49 pm

Mr David Jones (Clwyd West) (Con): It is an unalloyed delight to serve under your chairmanship, Mrs Murray. I congratulate the hon. Member for Neath (Christina Rees) on her excellent introduction to this important debate. The large number of signatures to the e-petition indicates the huge concern in the agriculture sector about the supply chain practices of some of the larger supermarkets and their impact on small-scale farmers and growers. The petition has so far attracted over 112,000 signatures, and special mention should be made of Guy Singh-Watson of Riverford Organic Farmers, who initiated it.

As the hon. Lady said, small suppliers are the backbone of the food supply industry in this country—many of my constituents fall into that category. Not only do they help to feed us; they look after our countryside and make sure that our environment is clean. Without them, our rural landscapes would look very different.

At the other, consumer-facing end of the food supply chain are the large supermarkets. Around 95% of the food consumed in this country is sold by just 12 retailers, many of which are multibillion-pound listed companies. The disparity in bargaining strength between those companies and the small family firms that I mentioned is obvious. The supermarkets have the power to drive hard bargains with their suppliers, most of whom are not farmers but commercial intermediaries. Inevitably, the pressure that the supermarkets exert down the supply chain is felt most keenly by the small farmers and growers at the beginning of that chain. According to the agricultural charity Sustain, farmers often receive less than a penny of the profit generated by their produce, with farm businesses increasingly relying on subsidies to break even, and 40% of farms earning less than £25,000 annually.

The impact of that behaviour is felt throughout the supply chain. My constituents Liz Kameen and her husband trade as Vale Grocer in Prion, Denbeigh. They supply

vegetable boxes in the locality. They are small-scale growers who have chosen not to try to sell to supermarkets directly. Instead, they have created their own customer base, which they supply. She tells me:

“As we supplement produce we grow with produce from organic farms around the UK, we are very concerned about the impact of supermarket behaviour on those producers.

If we lose any of our suppliers we cannot continue offering the amazing veg and fruit we do currently.”

The pressures inherent in the food supply chain have long been recognised. They led to the creation of the groceries supply code of practice, which, as we have heard, is enforced by the Groceries Code Adjudicator. Although the code is welcome so far as it goes, it does not go far enough to afford adequate—or, indeed, any—protection to smaller famers. That is because it only governs the relationship between the supermarkets and their contractual suppliers, who are very rarely the farmers and growers. The GCA is therefore unable to intervene where the practices of supermarkets cause hardship to those small family firms.

In September last year, the GCA published a report on his deep-dive survey of the conduct of supermarkets, in which he noted complaints that some supermarkets had chosen to conduct “warfare” with suppliers and had displayed a lack of good faith in negotiations. Such behaviour ultimately has a heavy impact on small producers.

The campaign launched by Mr Singh-Watson calls for new powers for the adjudicator that would enable him to take a more effective and, in appropriate circumstances, punitive stance against unfair practices in the supply chain. It further calls for the code of practice to be revised, embedding the principles that retailers must buy what they agreed to buy, pay what they agreed to pay, and pay on time without exception. Those are entirely fair and reasonable requests; decent retailers should be only too happy for the code to be amended in that way, because that is the way they should be behaving anyway. However, that is not always how they behave. Riverford Organic Farmers cites the example of a potato farmer who was told that his potatoes were no longer wanted by the supermarket he was supplying. He was left with 60 tonnes of potatoes and no customer. Such practices will naturally have a devastating impact on farmers.

Research conducted by Riverford indicates that 49% of farmers fear that they will go out of business in the next year; 61% said that supply chain unfairness was adversely affecting their mental health. It is entirely unacceptable that people with a vital role in the nation's food supply should be driven to feel this way. Riverford, Sustain and the other campaigners are right: the code of practice needs to be brought up to date and up to standard.

I know the Government recognise the unfairness in the food supply chain. The Agriculture Act 2020 enables the Department for Environment, Food and Rural Affairs to introduce statutory codes of practice, but it has been questioned whether it makes sense for two regimes to co-exist, especially if they will be enforced by two different regulators. The answer should be to amend the code of practice, as called for in the petition. The Government are consulting on contractual relationships in the fresh produce industry, and I understand that that consultation will close on 22 February. I very much hope that its outcome, informed by this debate, will be

[Mr David Jones]

that those amendments will be made as soon as possible to provide fairness for the United Kingdom's farmers and growers.

4.56 pm

Helen Morgan (North Shropshire) (LD): It is a pleasure to serve with you in the Chair, Mrs Murray. I thank the hon. Member for Neath (Christina Rees) for opening the debate and outlining the issues so eloquently.

I might have mentioned on one or two occasions that my constituency of North Shropshire is rural. The issues that face the farming industry are core to everything that happens in it; farming and food production are core to the economy and our landscape, and are very important in our communities, so the issue affects us all very strongly. It is important to recognise that the farming sector has found itself in the pincer between how the cost of living affects farmers' business and how it affects consumers. As we know, despite the problems facing the farming industry, food inflation has been running very high, and there is huge pressure from the supermarkets to keep people's food prices low. It is our food producers who are finding themselves caught in the grip of that pincer.

On Friday afternoon, I had the pleasure of visiting Lower Lee dairy farm in North Shropshire, which is a great place to visit. It has cutting-edge technology, with a robot-orientated milking and feeding programme, so it is at the top end of animal welfare. The cows do not have to interact with people too much—I did not hear a single moo while I was there. It is a really important business; though it may be rural and looks very pretty, the technology has required enormous investment. There are growing borrowing costs for farmers, on top of the supply chain issue. If we want these good, modern businesses to thrive, we really need to think about how we will support them.

Dairy farmers are feeling the squeeze and worrying about their future. A survey last summer by the National Farmers' Union found that 23% of dairy farmers were unsure whether they would carry on producing into 2025. That is because the price that they receive for their milk often does not cover the cost of production. As the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards) mentioned, soaring input costs such as energy, feed and borrowing costs are fed into farmers' operating model and have made things increasingly difficult. As we know, the price of milk is affected by global markets, and it has come down from the post-covid highs to leave many dairy farmers in a very difficult position. They often contract directly with a big supermarket or a dairy, and some supermarkets have attempted to improve the model on which they pay farmers to a cost-plus model, which is to be welcomed, but even in those instances, they are strongly incentivised to keep their costs low, and even under-report them in some instances. In the past, the big supermarkets have abandoned the most expensive 10% of producers in the contract.

If those producers go out of business, there will not be enough milk for UK demand—it is finely balanced at the moment—and it will have to be imported. It is important to think about the environmental and animal welfare implications of importing milk, because our cattle are some of the most well looked after and

environmentally friendly in the world. So this is not just about maintaining our landscape and our economy; it is the right answer for the environment and animal welfare. It is really important that we support dairy farmers to be paid a fair price for the milk they are producing.

We not only have cows in Shropshire, but grow fruits, vegetables and other crops as well. When I meet constituents, they raise the issue of intermediaries and people who process food. Just before Christmas, I went to see the director of Maincrop Potatoes Ltd, who trades potatoes throughout the UK. Potato farmers have had a particularly torrid time over the last winter with the rainfall we have seen and the difficulty in getting potatoes out of the ground. They are not well positioned to benefit from the sustainable farming incentive because of the things that have to be done to grow potatoes and the way crops need to be moved around from year to year. They are squeezed to a horrendous extent.

A major producer of chips and other similar types of potato goods increased payments to its contracted suppliers by 0.4% this year in the face of increased costs for fertiliser, fuel, machinery and doing business that are clearly way in excess of that. That has taken its toll: potato acreage is falling and we are starting to increase our imports of potatoes from countries such as Egypt. We face the same problem of damaging our food security and importing goods from countries where we do not have control over whether they take the environmental steps required to produce in the most sustainable way.

We need to recognise the importance of food security and affordability. I do not think anybody here would like to see food prices rocket for consumers. That is where the Groceries Code Adjudicator is so important: it is not just about the margin that the supermarket takes. Supermarkets have made absolutely astronomical profits during the cost of living crisis and have not been feeling the squeeze in the same way that farmers and consumers have. However, we also need to look at food producers that intervene in the supply chain before things reach the supermarket. There are people like me who do not cook everything from scratch and do not always use a raw potato or a raw carrot—they buy some processed food as well. We need to make sure that those producers are not gouging prices from farmers. I would really like to see the code of practice extended to anybody who buys produce from farms so that the balance of power between the producer and the processor is appropriately managed.

In conclusion, I echo the calls of the petitioners to extend the code to intermediaries and producers, and to resource the adjudicator properly so it can make sure that those provisions are being enforced and that the farmer, who is often a small business, does not have the teeth to shout up and is in fear of losing their contract, is properly protected by the arrangements we have put in place. I support the petitioners, our farmers and our food producers, and I would like to see the amount of profitability through the supply chain looked at and managed so that we keep our farmers in business and do not have to import food from across the world.

5.4 pm

Alicia Kearns (Rutland and Melton) (Con): It is a pleasure to serve under your chairmanship, Mrs Murray. I congratulate the hon. Member for Neath (Christina Rees)

on securing and leading this important debate. This issue matters so much to my farmers. I rise on behalf of the 400-plus farmers in Rutland, Melton, the Vale and the Harborough villages—people such as Ben Whytes, a fifth-generation farmer in Empingham—as well as all those in Stamford who reached out and asked me to speak today. At its best, the grocery supply code of practice should ensure a degree of stability in an industry that, by its nature, is risk-facing and vulnerable to external shocks and price fluctuations. Sadly, as we all know, farmers have faced a number of recent shocks to their livelihoods, ranging from fertiliser and feed prices, which rose after Putin's renewed illegal invasion of Ukraine, to flooding, cold weather damage and the spread of avian flu over the last two years.

We all know that national food security is a Government priority, yet all too often there seems to be a disconnect between the recognition of the importance of food and how it is produced, and the reality where farmers are often left feeling that this rests solely upon their shoulders. To support farmers, we need to ensure that we speak up for them and help them to do their job, not only feeding our nation, but conserving the precious character of our countryside.

When it comes to food and drink, very few can compete with Rutland and Melton. Whether it be bison and lamb, chicken and eggs, dairy, elderflower, beef, sugar beet, crops—you name it, we have it. There is also the infamous stilton and Melton Mowbray pork pies—I considered pausing to allow the audience in the Gallery to provide that line, but we shall just move on swiftly. I would also like to give a specific shout-out to the amazing Allerton Project in Loddington, which I know the Minister visited. It leads a lot of the research into how we do sustainable farming and is decades ahead of the rest of the country—it really is leading the way.

Although we may say otherwise sometimes, farmers largely put their heads down, pull their socks up and crack on with producing the food we need. When they speak, we need to listen, and this is one of those times. This petition is not asking for the world, and the requests it makes are balanced, fair, and in my view—and clearly that of so many others—worthy of adoption by the Government. It also reflects the requests that so many of us have made since we came to Parliament.

I fully support the three asks: first, that suppliers should buy what they have agreed to buy; secondly, that suppliers should pay what they have agreed to pay; and thirdly, that the grocery supply code should ensure that they pay on time. It is really not that much to ask. The grocery supply code applies only to retailers with an annual turnover of £1 billion or more. These companies are surely more than capable of honouring the amount bought, the price given and the date of payment agreed. Time and time again, farmers have said that the balance of power is weighted towards large suppliers, leaving them underpaid and under-informed and feeling undervalued. These three common-sense additions to the code go some way to evening the scales towards fairness.

We saw this during the recent issue over the price of British sugar beet. While a deal has finally been reached, it was disappointing that so many farmers, particularly in my constituency, faced uncertainty over what price they would get for their crop. I know Ministers were very active in helping to resolve the dispute, and I thank

them for their efforts, but we need to bring the same energy to this issue. It is therefore in that spirit of hope that I am also calling for the lowering of the threshold for inclusion in the supply code to retailers with a revenue of £500 million. That would spread the benefits of the code to many more farmers and provide a degree of economic certainty in these uncertain times.

We should acknowledge that the conversations we are having today are only possible because of the extra powers that we voted to give Ministers in the Agriculture Act 2020. I commend the Government for their drive to clamp down on unfair practices in food supply chains, but we need to use these powers to go that bit further, and demonstrate that we have a steadfast commitment to British farming by adopting the three simple asks in this petition.

I would like to take this opportunity to reiterate my ask for the establishment of a gas fertiliser price index, as we need to ensure transparency and fairness in the fertiliser market. We already have indexes for grain and many other commodities, and a fertiliser index would bring clarity to a market that is currently opaque and prone to damaging fluctuations.

I also thank the Government for announcing the biggest upgrade to UK farming schemes since we left the EU. We are seeing an increase of 10% to rates for the environmental land management scheme, which my farmers raised with me and are thankful for. We have seen plans to improve food labelling to protect farms better. We have seen far less paperwork—I am really hearing that on my monthly visits to a farm in my constituency—and enhanced payment for protecting our environment.

I thank the hon. Member for Neath again for leading this vital debate, and I thank the 286 people in Rutland and Melton, and the 276 in Stamford and Grantham, who signed this petition calling for reform to the grocery code. I hope this debate tells them that they have been heard. I am sure my right hon. Friend the Minister will show the Government's willingness to help when he makes his comments, just as I stand here today and reassure you, if you are a farmer in Rutland, Melton, the Vale, the Harborough villages and the Stamford villages, that I, for one, will always stand on your side.

5.9 pm

Sarah Dyke (Somerton and Frome) (LD): It is a pleasure to serve under your chairship, Mrs Murray, and I thank the hon. Member for Neath (Christina Rees) for opening this crucial debate.

We need to get fair about farming, because farmers are often disenfranchised in the agrifood supply chain. It requires a concerted effort to tackle the systemic issues, promote equitable relationships and ensure a sustainable and fair system so that British farmers can produce high-quality food for our tables. I rise on behalf of the many farmers in Somerton and Frome, who, like many others across the constituency, are key drivers of the rural economy. They are also the custodians of our natural environment. We must therefore ensure that they get a fair deal for the work that they do and the food that they supply.

The public agree. Polling from More in Common shows that 88% of the public think it is important that farmers are paid fairly for their work, and they would

[Sarah Dyke]

even pay a little more if they knew the money went to support British farming. However, food does not need to be expensive; just a bigger proportion needs to go back to the farmer. Tackling contractual unfairness in the agrifood supply chain is central to ensuring fairness. Farmers are operating in a marketplace where they have little control or say over who they sell their produce to.

Research from Sustain shows that producers receive less than one pence in the pound of the profit that they produce. Forty-nine per cent of British fruit and veg farmers fear that they will go out of business within the next 12 months, with three quarters of them stating that supermarket behaviour is a significant factor. To highlight the stark reality of the issue, Riverford Organic Farmers placed 49 scarecrows outside Parliament earlier today, representing those farmers. As well as farmers in my constituency, farmers in Totnes have said that the Government are not listening to them over subsidies, have let them down on the Australia trade deal and should do more to ensure fair pricing from supermarkets.

Mrs Sheryll Murray (in the Chair): Order. Can the hon. Lady confirm that she spoke to the hon. Member for Totnes (Anthony Mangnall)?

Sarah Dyke: Yes, Mrs Murray. My office contacted the hon. Gentleman's office an hour before the debate.

One farmer described the Government's trade deal with Australia as a "disaster", and another as "criminal". Another said it would

"only benefit Australia, New Zealand and the UK supermarkets".

It seems that the strong arm of the supermarkets is leaving farmers stranded at the bottom of the supply chain. The imbalance needs to be equalised if we are going to ensure food security in the UK. Many farmers are on the brink, but that is nothing new. The decline has been a long time coming, with 110,000 farms lost since 1990. Growing up in a farming community, I know how damaging that has been to my family, friends and neighbours. Our hard-working farmers know that quality food should not cost the earth, either for the consumer or our precious environment.

Our farmers are the guardians of the countryside. They know that farming and the environment are intrinsically linked. They are responsible for keeping our natural biodiversity flourishing. If we drive family farms out of business, they will be replaced with larger, industrial farms that will be less entrenched in our communities and care less about protecting biodiversity. A *Guardian* article from 2021 summed it up perfectly when it said that the alternative could be "factory farming with a" thin "green veneer."

I cannot emphasise this point strongly enough: if we want to maintain our beautiful British countryside, we need to protect our farmers. Farmers need to be able to plan ahead. They need commitment from others in the supply chain, but all too often, that trust is broken as supermarkets vie for cheaper food, reject produce at short notice or simply change their minds, leaving farmers without a market, without an income or security, and so often without a future.

Some farmers are able to avoid selling to supermarkets, but many are left exploited on an industrial scale. Most often, the exploited farms will be small family farms struggling to produce food to suit the ever-changing demands of the supermarkets, whose focus is the pursuit of ever-cheaper food at any cost.

As I have said, the public want farmers to be paid fairly, and they want to be able to access healthy, quality food, but the current system does not allow that to happen. As Liberal Democrats, we want to give the Groceries Code Adjudicator more teeth to address unfairness in all supply chains, not just the transactions related to those who directly supply retailers. Alongside my Liberal Democrat colleagues, I am calling for the Competition and Markets Authority to investigate any profiteering that has taken place among the big supermarkets and food multinationals, and for tougher rules to prevent them from raising food prices more than they need to.

This disenfranchisement among farmers in the agrifood supply chain is complex, with significant social and economic implications, but so many of the Government's decisions are made in silos, all the while leaving farmers facing financial hardship and food rotting in the fields. The Liberal Democrats listen to farmers, and we know they need a fair deal. We want to give an extra £1 billion boost to British farms to enable more sustainable family farming and to allow them to continue providing the public plate with high-quality, locally sourced, seasonal food at a fair price.

5.16 pm

Anthony Mangnall (Totnes) (Con): I apologise for being late, Mrs Murray—I was stuck on the train. I also apologise to the hon. Member for Neath (Christina Rees) for missing the first part of her speech, but I congratulate her on bringing this issue forward and on championing an extraordinary campaign that has seen well over 100,000 people across the country sign a petition of the utmost importance—one that is trying to make farming work, make farming pay and make farming fairer. I commend the Riverford campaign for all its work not only to create the organic market but, once again, to speak up for small farmers across the country.

The five principles have been mentioned already, but it is important to ensure that they are hammered home: buying what you committed to buy, paying on time, committing for the long term, agreeing on fair specifications and paying what you agreed to pay. Those are not radical ideas or concepts that would be out of place in any other sector, yet farmers often find themselves on the wrong side when supermarkets change tack. We often talk in this place about certainty and about how we want to create it for businesses, small and large, across this country, but where do farmers fit into that? We should strive every day to ensure that the people who fill our bellies and put food on our tables are supported, so that they can carry on doing so.

Having listened to the speeches made in this Chamber already, I find it extraordinary that the Liberal Democrats have at no point mentioned the legislation that has been passed, which might facilitate some of the things they are asking for. We could talk, for instance, about the Procurement Act 2023—I accept that many colleagues

might not be interested in it, because it is perhaps one of the most boring pieces of legislation that has ever passed through this place, but it is also one of the most important. It is designed to shorten supply chains, to help small businesses and small farmers access the supply chain, and to ensure that they can provide food for public organisations. That then opens up the idea—this came up in the debate I held a few weeks ago on this very subject, at which none of the Liberal Democrats were present—that we could use the £4.6 billion of taxpayers' money we spend in this regard to support small farmers in the fruit and veg markets and farms across this country. The opportunity is there for us to be constructive in this place and to come up with ideas as to how we can use that legislation to the most effect. I ask the Minister, when he stands up to speak, what steps he will take to ensure that the Procurement Act comes forward and that we look at how we can change our methodology.

I agree entirely with my hon. Friend the Member for Rutland and Melton (Alicia Kearns) about ensuring that the Agriculture Act is used to the most effect, amending the supply chain and updating the Groceries Code Adjudicator. I also point out that there is a requirement in the Act for the Secretary of State to update the House on food security every few years. What is the purpose of that, if we have no farmers producing food? If that threshold of just under 50% of farmers go out of business, we should be deeply alarmed. Not only will we see our food security targets reduced, but our whole structure of supporting and rewarding our farmers will go down the can. While we have time, can we use the Agriculture and Procurement Acts to proper effect on a cross-party basis—there is clearly agreement on this—to find ways to make sure the food security target is heading in the right direction?

As I have said many times in this place, we should sometimes think about being a little more French. We must think about how we structure our farmers' markets and how we can allow them to diversify. There will be no telling what we can do if we ask for fairness in a contractual agreement that can create certainty and opportunity for small farmers and ensure that taxpayers' money is spent in the right way—to support those farmers, while also opening up new avenues for them. We could create a new generation of farmers who will be able to supply us with our needs.

My last point is about ELMS. Even the *Guardian* columnists who live in my constituency have commented that, in their eyes, the one benefit from Brexit has been the invention of ELMS—the end of our involvement in the common agricultural policy and the introduction of the new environmental land management scheme. As colleagues have mentioned, there is no doubt that there have been positive steps, but to make the scheme as effective and impactful as possible, we must ensure that ELMS goes further for small farmers, who do not always have the ear of Parliament or the ability to raise their voices—although, obviously, the Riverford campaign has shown what small farmers can do. We must make sure that their voice is always heard at our meetings and that we can diversify those markets.

There is a huge opportunity in front of us. I hope the Minister will listen, because not only could there be a cross-party working group on this issue, but we could start it in rapid order as well.

5.21 pm

Ben Lake (Ceredigion) (PC): It is a pleasure to serve under your chairmanship, Mrs Murray. I thank the hon. Member for Neath (Christina Rees) for securing this important debate and the petitioners for bringing it to the attention of the House. It is also a pleasure to follow my friend, the hon. Member for Totnes (Anthony Mangnall). I was struck by the constructive point he made about how, in the spirit of cross-party consensus and co-operation, we can address many of the concerns in rapid order. It is in that vein that I make my own remarks this afternoon.

The strengthening and broadening of the scope of the groceries supply code of practice is necessary; as has been rehearsed already by those far more eloquent than I, it is also very timely. It is important to emphasise at the outset that our farmers, including those in Ceredigion, find themselves in a situation of severe uncertainty. We have already heard quite a bit about the impact of inflation; I do not need to rehearse the statistics, other than to say that the spikes in input and production costs have been severe.

Although inflation in terms of many of those input costs has come down, they are not reducing—there has not been deflation. Many of our farmers are still struggling with heightened input costs. This is also a time when unfair and quite extraordinary trading practices have been exercised by too many of the large grocery industry businesses. As the hon. Member for North Shropshire (Helen Morgan) mentioned, there has been a pincer effect on many of our farmers, who find themselves vulnerable. It is timely that we should be debating some of these changes this afternoon.

Farmers across the United Kingdom, and specifically in my own constituency of Ceredigion, value certainty. The businesses are built on long-term models, due to the investments required in agriculture and the growing and production cycles. So, yes, as we have heard, farmers are particularly vulnerable to inflation spikes but also to the extraordinary and unfair trading practices that arise from the severe power imbalance that many Members have described in detail this afternoon.

The fact is that the buying power of the groceries sector affords it a significant ability to apply short-term pressures on suppliers and producers, without much understanding of the long-term consequences. We have seen that power dynamic play out to disastrous effect over the past 18 to 24 months, particularly in the horticultural and poultry sectors. Other sectors also complain of severe practices being aggressively applied by some of the larger companies. It is quite appalling to hear about people being told at the very last moment that they are no required to produce as much, and the hon. Member for Neath mentioned lettuces. Others are finding that their contracts or verbal agreements are being changed with little notice. Indeed, some growers find out the price they will be paid for their produce only when they come to harvest. For an industry that is so dependent on certainty and long-term planning, these practices are simply disastrous, so it is right that we debate ways to address them and to restore some balance of power across the supply chain.

The right hon. Member for, I believe, Vale of Clwyd—

Mr David Jones: Clwyd West.

Ben Lake: I hope the right hon. Gentleman can forgive me—Clywd West is the better of the Clywdian constituencies. He mentioned how dominant the larger grocery retailers are and that the UK food retail market is dominated by the nine to 14 largest supermarkets. They are the ones that seem to be deploying the most aggressive practices, but we also need to remember that consolidation in the processing sector over a decade or more means that it has an important role when it comes to buying directly from farmers. Many farmers in my constituency will not have a direct relationship with the supermarkets; they will sell their produce to an abattoir or to other processors, so it is important that those are also brought into scope. That link in the supply chain should be covered by regulation, so that we can ensure that some of these unfair practices are not deployed there as well.

I refer Members to the example of the dairy industry, where many people have suffered from consolidation. Consolidation in the processing sector has its benefits, but one downside is that it often leaves primary producers with less choice about whom to sell their produce to, and the problem is particularly acute in the dairy industry. If we were to extend the code, as many Members have called for this afternoon, it would not only ensure that we have a greater balance of power across the supply chain, but help to balance some of the risks throughout the supply chain—something other Members have mentioned.

Why should we be so concerned about this issue? The fact of the matter is that many of these awful practices are causing such strain for farmers across the UK that far too many are considering whether they have a future in the industry. Some 25% of dairy farmers are considering whether they will still be milking in a year's time. The impact that that has on not just our productive capacity but our food security is quite severe. I agree with the hon. Member for Totnes that this should be a cause for real concern for Members of all political parties because, in a world with a changing climate, many growers and producers overseas will not be in a position to fill the gap if we lose our domestic productive capacity.

I will end by reiterating the call from the petitioners and the Riverford farming campaign not only to strengthen the Groceries Code Adjudicator so that it is empowered to take effective and, if needs be, punitive action against those committing unfair trading practices in the supply chain, but to extend the groceries supply code of practice to intermediaries as well. It beggars belief that we are here debating the importance and urgency of enshrining the simple principle that retailers should give suppliers certainty that they will buy what they agreed to buy, pay what they agreed to pay and pay on time. If we could make swift progress on this issue, it would go some way towards addressing a key concern for many of our farmers, and especially those in Ceredigion, about the future. In so doing, it would ensure that we have the productive capacity in the United Kingdom to safeguard our food security for the future.

5.29 pm

Greg Smith (Buckingham) (Con): It is a pleasure to serve under your chairmanship, Mrs Murray, and to follow the powerful speech by the hon. Member for Ceredigion (Ben Lake). I thank the hon. Member for Neath (Christina Rees) for the powerful way in which she opened today's

debate on behalf of the Petitions Committee. As has been mentioned, the petition has been signed by over 112,000 people. Although I have no formal declaration of interest, I draw the House's attention, for transparency's sake, to the fact that my wife's family are farmers and I chair the all-party parliamentary group on farming.

In fear of replicating some of the arguments that have already been made by other hon. Members, the point I really want to land today is that this is fundamentally about fixing a broken market. It is about ensuring that there can be a functioning market between our farmers and those that buy their produce—be that food processors, retailers or the supermarket giants. It is clear that we have a market that has become broken in many respects, and which needs extra regulation so our farmers have an extra tier of safety. The groceries supply code of practice should be a cornerstone of fair dealing in our agrifood supply chains.

Before I come on to those arguments, it is important to recognise the indisputable impacts of the covid-19 pandemic, coupled with the effects of Putin's invasion of Ukraine. Those have resulted in a storm of challenges that have tested the resilience of all our farmers and our agrifood supply chain, and posed an existential threat to the very fabric of British agriculture. I see that in my own constituency: 335 square miles of north Buckinghamshire, where 90% of the land is agricultural. I talk to farmers regularly, and I have seen at first-hand the impacts that some of those hard-working farmers—deeply rooted in agriculture—are grappling with. The surge in input costs, not mirrored by a rise in prices from processors and retailers, has pushed many to a tipping point.

John McDonnell (Hayes and Harlington) (Lab): I declare an interest as well, as I am a Riverford customer. The hon. Gentleman mentions the recent impact of external events, but does he recall that the adjudicator's code was tested before these events, particularly with regard to below-cost selling and marketing in the baking sector, which had its ramifications for farmers as well? Although there were interventions by the ombudsperson at that time, the code was nevertheless found wanting in that instance, as evidenced by the submission made by the Bakers, Food and Allied Workers Union to the EFRA Committee last year.

Greg Smith: I am grateful to the right hon. Gentleman for his intervention. I do fundamentally agree with him that this problem predates covid and the war in Ukraine. The market has been broken in some sectors for a very long time; perhaps from even before the right hon. Gentleman's time in this House, let alone mine. This code was meant to—I highlight the phrase “meant to”—fix some of these problems. However, it has not, and that is why we are in Westminster Hall this afternoon arguing, with a fair deal of consensus across the political divide, that action needs to be taken.

The Promar report of December 2023 attests to the severe cost increases within the horticulture sector: energy costs have soared by 218%, fertiliser by 47%, and labour by 24%. In addition, in 2023, for example, egg production in the poultry sector fell to its lowest level in over nine years, culminating in the evident shortage of eggs on the shelves in 2022 and 2023. Meanwhile these spikes—and this is the important bit—are not being reflected in the

prices the tertiary sector is willing to pay. That blatant mismatch has all but erased profits, leaving consumers with stark consequences: a diminished output, shelf shortages and the regrettable loss of over 8,000 agricultural businesses in recent years.

The groceries supply code of practice was instituted with the aim of promoting a functioning market—a fair market. But, as I think we have all agreed this afternoon, its reach falls short, and its grasp lacks the precision needed for effective oversight. As it stands, the GSCOP regulates entities with a turnover exceeding £1 billion. That threshold, as others have said, is disproportionately high, leaving countless suppliers—and by extension, our farmers—unprotected. An adjustment is desperately needed. It is imperative that we prioritise lowering the threshold to, I would suggest, the NFU's ask of £500 million; although we can always debate the precise numbers around that. That change would increase accountability and ensure more comprehensive coverage.

To secure our agricultural backbone, we must also adamantly support the extension of the GSCOP's reach, if not for the sake of fairness in our markets and the wellbeing of our invaluable farmers, then for the preservation of our nation's food security and rural economy. The reach must expand beyond supermarkets to encompass processors, the hospitality sector and manufacturers, which are key players in the supply chain that can exert just as much pressure on our farmers as the largest retail giants. The foundation laid by the Agriculture Act is robust, but it is not the only solution. It is but the ground upon which we must build that fairer market, and we must not falter in doing so.

5.35 pm

Richard Foord (Tiverton and Honiton) (LD): It is an honour to serve under your chairship, Mrs Murray. The front page of today's *Western Morning News* reads: "'Scarecrow' protest goes to Parliament". That was a reference to the 49 scarecrows that were just outside in Victoria Tower Gardens this afternoon. Each of those scarecrows represents 1% of those farmers who, when polled, say they consider that they might not be farming in the future. One of the reasons for that is the way the code of practice, which we have been hearing about this afternoon, operates.

I have been meeting with farmers across mid and east Devon villages in recent months. It is plain to me that, when we talk about farming, we are not just talking about a job—farming is a vocation; it is a way of life. It employs huge numbers of people, not just in farming but in the supply chains, both up and down. Simply, farmers are the beating heart of our countryside.

I pay tribute to the people who came up with this petition, which 112,780 individuals have signed. Of the 650 constituencies in the UK, mine was seventh in terms of the number of constituents who signed; the neighbouring constituency to my west has 840 signatories and is sixth on the list. Plainly, this is a real priority for constituents in my part of the world.

Mrs Sheryll Murray (in the Chair): Order. Did the hon. Gentleman ensure that he informed the Member for that constituency that he would mention that?

Richard Foord: I did, before this debate.

In recent years, the British farming sector has come under enormous pressure. Uncertainty over the amount of support and the way the Government give the support have been central to that, but we have talked on other occasions about the deleterious effect of some of the trade deals that have been struck, such as those with Australia and New Zealand. The pressure has pushed many small farmers almost to the brink, and threatens the future of the countryside itself. I invite hon. Members to do what I did in December. I went to the top of Hembury fort, which is in the area I represent, and surveyed the countryside. It is very apparent that farmers do a whole lot more than produce food for our families: they tend to the land, provide public goods and provide solutions to climate change mitigation, which we all need. If we want to create thriving communities, we have to ensure that our farmers get a fair price for their produce. I am afraid that that it is often not the case: many struggle against the big supermarkets.

Some of the supermarkets operate a little like a cartel. I am not alleging that there is a cartel, but they are operating a little like a cartel. To give an example—again from December—Aldi stated just before Christmas that it would sell six vegetables for 15p: for example, people could buy a bag of carrots for 15p. That is way below the cost of production. That would be one thing, but then it was copied by the other supermarkets: Asda, Tesco, Lidl and Morrisons stated that they would sell their vegetables at these rock-bottom prices in the pre-Christmas period. That is less about veg as a loss leader than about a complete lack of leadership. I am afraid that that is a loss to this country. If our vegetable producers find that they cannot make ends meet, we will end up importing more and more food. That comes back to a lack of reliability on the part of the Groceries Code Adjudicator. We find that some producers are being paid not only insufficiently for the goods that they produce, but late or in a way that means their original contracts are not being honoured.

We often hear about retail being an industry with small profit margins, but not in this case. Tesco, for example, ahead of Christmas saw sales increases of 6.6%, which delivered £2.7 billion in profit. It simply cannot be right that the big supermarkets walk away with so much money, when the people who actually put in the work to produce the food are not seeing it. The majority of British producers run fragile businesses that are already subject to the vagaries of the weather, without being held hostage by the key players in the food supply chain.

I pay particular tribute to Guy Singh-Watson who created Riverford Organic. Arriving by train today, I saw a Riverford stall at Paddington station, selling that excellent produce. But how are such brilliant producers supposed to compete when our supermarkets are selling at silly prices? That does not apply just to vegetables. As we have heard, we saw fewer eggs last year—egg production fell to its lowest level in nine years. I heard about that directly from one of my constituents, Liz Warner, who serves on the National Farmers' Union poultry board.

In recent months, I have travelled to meet In My Back Yard, an online farmers market selling local, ethical food sourced in Devon, Dorset and Somerset, and partnered with Good Food Loop. It has volunteer collection points in Honiton, Ottery St Mary, Seaton and Sidmouth. Such initiatives are great and it is fantastic

[Richard Foord]

that people support local produce, but if most people get their staple food from supermarkets, we have to look at the Groceries Code Adjudicator to sort things out.

This afternoon, we have heard reference already to the environmental land management scheme and specifically to the sustainable farming incentive. My Liberal Democrat colleagues and I are wholly supportive of the end that we want to get to with ELMS and SFI, but the implementation has been utterly botched. Recently, a farmer went past me, then he backed up his 4x4, wound down the window and said: “DEFRA: that stands”—in his mind and that of his colleagues—“for the Department for the Extinction of Farmers.”

One thing that Ministers and civil servants can do right away would be to ensure that the Groceries Code Adjudicator is empowered to take more effective action against unfair practices. That would make retailers honour the payment of the price that they agree to in the first place, and would ensure that they pay on time, so that our farmers do not have to wait months to be paid. While big companies can sit on their hands, those further down the supply chain are left to suffer, despite holding up their end of the bargain. We must ensure that fairness is imbued throughout the system, and we must ensure that our farmers get the fair deal that they deserve.

5.43 pm

Simon Jupp (East Devon) (Con): It is a pleasure to serve under your chairship, Mrs Murray.

I am glad we have found the time to debate the reforms to the groceries supply code of practice, and there is clearly significant strength of feeling on this subject in Devon. The petition was signed by 840 of my constituents and 8,490 people in Devon. I wanted to be here today to put on the record my backing for the petition. Its message is clear: first, farmers and producers should be better protected; and, secondly, the big retailers and supermarkets should buy what they agree to buy, pay what they agree to pay, and pay on time.

Farmers in East Devon work hard around the clock to keep great quality food on our plates, and they deserve a fair price and fair practices. They are not getting that at the moment. Our farmers are at the heart of our rural economy, bringing jobs and opportunities to East Devon. I regularly hold farming roundtables across my constituency with local farmers to hear their concerns, the most recent ones being in Talaton and Sidford. Last year, I had the pleasure of welcoming the Minister to Ottery St Mary, a visit attended by a range of local dairy, livestock and horticultural farmers. I thank the Minister for that visit.

This Conservative Government listen to our farmers. That is not to say that we get everything right first time, and I am certainly no stranger to ruffling a few Government feathers on farming. In the summer of 2020, I supported an amendment to the Agriculture Bill on food standards, which was tabled by the much missed Neil Parish. It is clear that the Government are taking steps in the right direction already. Last year at the Farm to Fork summit, they announced a review into contractual relationships with the UK egg industry. That announcement was certainly welcome to egg producers in my constituency, and I urge the Minister to publish a Government response to the consultation as soon as possible.

It is also clear that the groceries supply code of practice needs to be fit for purpose, and I hope the Government listen and act there too. It does not cover indirect suppliers to grocery retailers. That must be looked at, especially as dairy and pig producers often do not directly supply grocery retailers. I also back the National Farmers Union’s ask that the scope of the groceries supply code of practice be expanded beyond the biggest players in the market.

This debate goes right to the heart of fairness in the food supply chain. If changes are needed to address contractual issues, I hope the Government can use powers under the Agriculture Act 2020 to bring that forward with haste. Strong action is undoubtedly needed because supermarkets occupy a privileged and dominant position—and that can be abused. They are effectively the middlemen between a public, who want to buy local and support our farmers, and producers.

British people clearly value our farmers; an NFU survey reveals that 86% of the public wants to buy more British food, and why not? I firmly believe that farmers’ high quality British produce deserves VIP status and must be easily identifiable to shoppers. The Government have drawn up plans to ensure that British produce will stand out from the crowd. Last year, I signed a public letter written by my hon. Friend the Member for Bosworth (Dr Evans) calling for supermarkets to introduce a “Buy British” button on their websites. I understand that, so far, only Morrisons has stepped up to the plate, which is disappointing to say the least. This debate demonstrates that supermarkets need to give our farmers a fair deal. East Devon produces some of the best food and drink in the country, and I will continue to work with producers and the Minister to support our fantastic farmers and producers.

5.47 pm

Keir Mather (Selby and Ainsty) (Lab): It is a pleasure to serve under your chairmanship, Mrs Murray. I thank the Petitions Committee for selecting this debate, the hon. Member for Neath (Christina Rees) for securing it, and the 167 people in my constituency of Selby and Ainsty who signed the petition.

Farms both large and small are the bedrock of communities in my constituency. North Yorkshire’s farmers are crucial to national supply chains, keeping our shelves stacked and shielding consumers from spiralling prices to the greatest extent they can. Under those circumstances, reforms to the GSCOP seem well overdue. But we suffer from a problem. In naval circles, the term “sea blindness” describes insufficient awareness of the challenges that Britain faces as an island nation overwhelmingly dependent on maritime trade. In 2024, I would argue that we face a similar form of land blindness for UK farming, as many are unaware of the extent to which agricultural production forms both the foundation stone of our national security and the lifeblood of our economic vitality. We must all, including our largest supermarkets, play our role in ensuring that farmers, who form the crucial link in that chain, are given a fair deal.

We know that the supply chain in which UK farmers operate today is volatile, but it is also characterised by very limited market choice, which makes GSCOP reform so necessary. Currently, 95% of Britain’s food is sold through just 12 retailers, which curtails consumer choice

and limits farmers' bargaining power when negotiating contracts with shops that cannot be relied on to properly honour their arrangements.

Moreover, the sector has experienced significant shocks, which have been borne disproportionately by farmers and their families. Unjust trade deals negotiated by this Government, covid-19, the war in Ukraine and multiple climate events have precipitated a form of permacrisis that farmers must navigate through every single day. Meanwhile, many of the supermarkets that farmers supply have seen their profits skyrocket in a climate of inflationary pressures and rising prices.

GSCOP reform would ensure that those retailers played by a fair set of rules and helped farmers to weather some of the global shocks that they are currently experiencing. Those trials are only the start of what farmers in my constituency of Selby and Ainsty face. Between Cawood, Wistow and Kelfield in my constituency, hundreds of acres of prime arable land have been submerged for weeks underneath floodwater, which has killed crops that add to the hundreds of thousands of pounds' worth of losses that local farmers have so bravely borne and been forced to endure due to repeated flood events.

The farmers not only keep food on all our tables across the UK; they quite literally hold back the water in my part of North Yorkshire to stop homes from flooding. They hold back water that would otherwise reach people's doorsteps in Selby; they receive no compensation for doing so and get inadequate support from local agencies.

In that context, the very least we can do is ensure that some of the effects are ameliorated for farmers by ensuring that they are paid for what they produce and in a fair and timely fashion. Our farmers require more than just thanks for the service that they provide to the British people: they need to know that they have a Government who are on their side. That is why I am pleased to support the Labour party's pledge to use Government purchasing power to back our agricultural businesses, ensuring that British produce makes up at least half of the food used in schools, hospitals and prisons. This Prime Minister may have paid lip service to the NFU's Buy British campaign, but it is the Labour party that is committed to putting those values into practice.

Finally, we must stand alongside the businesses that do their bit to ensure a fair deal for North Yorkshire's farmers. I draw particular attention to Sedamyl, an agribusiness operating in my constituency that is committed to getting wheat and alcohol production from within 60 miles of its North Yorkshire plant. That is a North Yorkshire business putting its money where its mouth is to support local farmers and preserve our rural way of life. It does not need to be told to meet its obligation to farmers in my constituency, but it is clear that reform of the code is necessary to compel those supermarkets that do not have the same respect for our farming communities to do the right thing and get behind British farmers.

Those efforts will go some way to strengthening the hand of farmers across Selby and Ainsty, giving their family businesses a fair chance at a viable future. They will level the playing field and reshape a system that, for far too many, penalises farmers, and they will hopefully create a stable basis for farmers in my constituency to carry on their family businesses long into the future.

5.52 pm

Kirsty Blackman (Aberdeen North) (SNP): Thank you for masterfully chairing this debate, Mrs Murray. I congratulate the hon. Member for Neath (Christina Rees) and thank her for taking this issue forward today. I also congratulate the petitioners, the Petitions Committee, and all those who signed the petition and allowed us the opportunity for this debate, which is incredibly important.

Hon. Members will realise that I am not my hon. Friend the Member for Coatbridge, Chryston and Bellshill (Steven Bonnar), who unfortunately has been caught up in the travel chaos as a result of the storms. I am super-subbing it today, so I hope that everybody will forgive me if I do not know the answers to any questions that may get thrown at me.

I declare an interest: my mum's sister owns a small farm, and my mum's sister and brother both own sheep and a handful of cows. The number of sheep varies throughout the year, but it is less than 500 at any time. The hon. Member for Rutland and Melton (Alicia Kearns) talked about somebody who was a fifth-generation farmer. I asked my mum about farming in our family, and she said that she does not know of any of her direct ancestors who were not farmers. My dad's family do not know of any of their direct ancestors who were not fishermen, so we have food production running through our veins. However, I am firmly a toonser rather than a teuchter, and I visit the farm about once a year just to see the lambs. That is about as good as it gets when it comes to my farming, I am afraid.

However, farming is vital to Scotland. Some 67,000 people throughout Scotland are directly employed in agriculture, and throughout the UK about 400,000 people are employed in food manufacturing, as well as 500,000 people in farming and fishing. We are absolutely clear that farmers must be paid what they are owed because they provide a secure, fair and sustainable future for British family farms on these islands. I am sad that I missed the scarecrows today, but I thank you for all the work you have done in bringing this to the attention of people. I hope that it gets the attention it deserves from not just around the House—

Mrs Sheryll Murray (in the Chair): Order. The hon. Lady is speaking through me—just a gentle reminder.

Kirsty Blackman: My apologies. I hope that it gets the attention it deserves from not just around the House—it is clear that all sides agree that there is a problem and it needs to be solved—but the wider public; although some of them have taken the opportunity to sign the petition, others may not have heard of it. Hopefully, this debate will bring a bit more attention to it and ensure that more people are aware of the problems facing farmers right now.

I have some points from the Scottish Government and from a Scottish perspective. We are looking for clarity and certainty on the future of rural funding. We are committed to maintaining direct payments, but it would be incredibly useful to know exactly what will happen in the future. We are also still looking for more information on the EU labelling rules—the labels that say, "Not for EU". The Scottish Parliament has the right to make decisions on labelling because it is a devolved matter. However, the UK Government are making decisions

[Kirsty Blackman]

and saying that they apply across the whole UK. We do not want that burden to be put on our farmers when we are not choosing for that to happen. Anything the Minister can do to ensure that there are communications with the Scottish Government so that they are kept as up to date as possible on the labelling issue would be useful.

On spending and how farmers are managing at the moment, there continues to be an issue around immigration, in relation to both seasonal workers and food manufacturing—in particular when it comes to abattoirs—despite the fact that the Government have introduced temporary, short-term visas to allow people to take on those roles.

There is a significant issue with vets. Food manufacturing ends up costing significantly more because if it is much more difficult to get vets, it is even more difficult for farmers to get what they need in terms of producing costs. Lastly, the issue around seed potatoes continues to be significant and, as far as I know, does not look like it is going to be solved. It would be helpful if we were able to export seed potatoes again. The Scottish Government have created an £180,000 pilot fund for abattoirs and small food producers. If the UK Government were willing to look at the results of our pilot, once we have them, they may be keen to take on that way of funding small producers and abattoirs to ensure that they continue to keep their heads above water into the future.

We cannot lose our farming industry. We also cannot allow consumers to be ripped off when they are buying food at the supermarket. I have very little sympathy for supermarkets that are making billions when my constituents cannot afford food and farmers are being paid pennies—if that—in every pound for the food they produce.

The UK Government's food security targets are all well and good, but there needs to be more intervention to ensure that they are met: things like the trade deals, for example. During my time on the EFRA Committee, it seemed to me that nobody had thought about how those might impact farmers in these islands. It seemed that it was just, "We have decided that this is a good thing and therefore we are doing it", and that farmers' voices were not heard during those negotiations. I know that lots of things need to be taken into account when trade deals are signed—I absolutely get that. But the fact that farmers seemed to be so sidelined and not listened to in the process really concerned me.

Anthony Mangnall: I thank the hon. Lady for making that important point. She is absolutely right that farmers should not be forgotten in our trade deals. As a member of the Business and Trade Committee, I ask her whether she will therefore welcome the fact that the Trade and Agriculture Commission is on a statutory footing. Will she also recognise that under the Constitutional Reform and Governance Act 2010, we will have a debate on the comprehensive and progressive agreement for trans-Pacific partnership, which will give every Member the chance to debate this issue, talk about farming, and review the advice from the Trade and Agriculture Commission, which will be reviewing all future trade deals?

Kirsty Blackman: I appreciate that the Trade and Agriculture Commission exists, and I appreciate the CRAG processes, but I do not think that is enough.

There should be more say for Parliament. I understand the UK Government's arguments for why the commission does not have that, but leaving some of the most detailed scrutiny to Select Committees is not ideal. Select Committees do a great job, but every Member should have the opportunity to make decisions on this issue—not just to have a say on the CRAG processes.

Anthony Mangnall: I thank the hon. Lady for being so generous in taking interventions. I agree with her; indeed, this is becoming a point of violent agreement. Parliament is getting more of a say, because of the work of the Select Committee—not just my work, but that of many others on that Committee, who have pushed to strengthen CRAG, to ensure that we will have a voice in that process. We have also strengthened the ways in which Members are updated on the progress of trade deals. I gently make the point, because it is important, that over the last four years there have been fantastic cross-party improvements to our trade deals, although that is not to say that there is not further to go.

Kirsty Blackman: I am astonished to find myself agreeing with the hon. Gentleman, but there has indeed been progress. However, there is still further to go. More could be done to allow Members to have a say.

Mrs Murray, in this room you have heard today the voices of people who listen to their constituents and are heavily involved in their constituency. I would like those voices—indeed, voices from all parts of these islands—to have a say, but I still think that we are not quite there yet.

Farmers and crofters absolutely deserve a fair return for the costs and risks involved in their work. They produce the highest quality food and drink. Also, the environmental benefits of their work are significant. The landscape management and climate change mitigation work that farmers do has been mentioned, as well as the economic benefits of farming. All those things are important. Contracts should reflect the real costs of farming and should allow for regular review as well, especially in the event of unexpected shocks.

Although farming is absolutely about long-term planning, farmers cannot work out five years in advance that inflation and fertiliser prices will go through the roof, so contract reviews need to take place, so that they can reflect the costs that farmers face, particularly when those costs go up. Changing the GSCOP is important, as is giving the GCA more teeth.

Lastly on the SNP's position, we agree with NFU Scotland that the UK Government have a key role to play in helping to engage the retailers and food service companies, to ensure that supermarkets do not price-gouge, that food growers and their supply chains are sustainable, and that food processors and producers, farmers, fishermen, food manufacturers and those involved in abattoirs are fairly compensated for their hard work and dedication to feeding the people of these islands.

6.2 pm

Daniel Zeichner (Cambridge) (Lab): It is a pleasure to serve with you in the Chair, Mrs Murray.

I thank the hon. Member for Neath (Christina Rees) for opening this debate on behalf of the Petitions Committee, and for delivering such a well researched and thoughtful introduction to it. I thank colleagues

from all parties for their contributions; there has been a remarkable amount of agreement, and the Minister has been sent a strong message. Of course I also thank Guy Singh-Watson of Riverford Organic Farmers for his work organising the petition, which has secured so many signatories. Clearly, he has touched a nerve.

I also thank the 49 scarecrows that we have heard about. Obviously, I am not referring to parliamentary colleagues, but to the 49 scarecrows that apparently are in Victoria Gardens to represent the 49% of farmers who fear going out of business, with 75% of them citing pressure from supermarkets. That is a powerful image.

I thank Orla Delargy at Sustain and Vicki Hird, now at the Wildlife Trusts, for providing me with very helpful facts and observations about the food supply chain over many years, since the passage of the Agriculture Act 2020. I also thank Lesley Mitchell, whose excellent report for last year's Oxford farming conference is an important contribution to this debate.

It is not a great surprise that the petition has elicited so much support, not least because it is clear that farmers and growers in this country are struggling. They have been grappling with formidable challenges over the last few years: the skyrocketing costs of fertiliser, animal feed and energy; tight profit margins; avian flu; a rocky transition from the common agricultural policy to environmental land management schemes; and more.

Also, of course, over the past four to five years, the sector has experienced significant shocks: in 2019, there were the uncertainties around Brexit, closely followed by the covid-19 pandemic; and then in 2022 there was the start of the war in Ukraine. Additionally, throughout 2023 and into this year, climate events across the globe have impacted on many crops and harvests. Too many farmers have had to endure the distress of seeing the destruction of their crops or livestock due to floods, such as the devastating ones we have seen recently, and sometimes, sadly, because of the persistent shortage of labour.

As we have heard, farmers' tight profit margins have been squeezed at the other end by supermarkets and intermediaries driving a hard bargain. Too often, primary producers get a tiny portion of the final product price, and little or even no profit from selling into mainstream supermarket supply chains. The 2020 report commissioned by Sustain, an independent study, tried to ascertain the profit margins of the suppliers. The report, "Unpicking Food Prices", looked at five everyday foodstuffs—apples, cheese, beefburgers, carrots and bread—and found that, after intermediaries and retailers take their cut, farmers are sometimes left with less than 1% of the profit. That really cannot be a fair reward for the efforts that are made.

Farmers take a large proportion of the risks of production, working with unpredictable natural circumstances and often long timeframes to produce a crop or product. Alongside that, public support payments that, for years, have meant the difference between viability and going bankrupt for a large proportion of UK farmers have been changing. Somewhere in the food supply chain, there is clearly an issue of unfairness and imbalance, and in some cases, as we have heard from other speakers, the situation has become so difficult that farmers are pulling out of producing staples such as eggs and vegetables altogether because it is no longer economically viable. It is reported that almost half of

that panel of 100 UK food and vegetable farmers fear that they may have to give up their farm within the next 12 months. As a consequence of all this, sadly, UK farmers are producing less food than previously.

Put simply, the reward must outweigh the risk if farmers are to continue producing food. For an increasing number of them, that risk-to-reward ratio is out of kilter. Many farmers have raised concerns about the behaviour of supermarkets, with 69% agreeing that tougher regulations are required to address the imbalance of power between farmers, processors and the supermarkets—points well made by my hon. Friend the Member for Selby and Ainsty (Keir Mather).

Farmers and suppliers have repeatedly claimed that retailers—particularly the big supermarkets—are not giving them a fair deal. For example, it is claimed that they take far too long to consider cost price increase requests that are justifiable when costs are rising dramatically; that they take too long to pay invoices; that they do not honour the original order, or change or cancel it; and that they reject produce on grounds of aesthetics, rather than quality—not to mention the wider arguments over de-listings and promotions. As a consequence of all this, there is huge waste in the system. One grower told me that he sells only about 50% at best of the lettuces he grows. The waste is particularly depressing during a cost of living crisis.

For many years, I have heard farmers' reports, as I think we all have, of a really quite problematic and in some cases deeply unpleasant—one might almost say toxic—dynamic in the relationship between buyers and suppliers. This disturbing dynamic, exacerbated by the other pressures that growers have had to face, has understandably taken its toll on the mental health and wellbeing of too many.

I hope and understand that the more unpalatable and aggressive tactics deployed by retailers may be less common than they used to be. Credit must go to successive Grocery Code Adjudicators for their role in curbing such unacceptable behaviour, but I think we were all dismayed to read in the GCA's most recent report that many suppliers feel that we have gone backwards, and that supplier-retailer relations have regressed. Indeed, his report paints a pretty bleak picture of what one stakeholder has called the "brutal" environment that suppliers are being exposed to. The report quotes survey responses that complain about "combative" retailers, who have returned to pre-pandemic behaviour and have chosen to conduct "warfare" with suppliers rather than take collaborative action to handle the flood of cost price increase requests and more recent demands for deflation. The report found that, while supermarkets have been engulfed by demands for CPIs in the past two years, the tide has begun to turn, with retailers demanding cost price decreases. The GCA states:

"Some major retailers have begun asking for price decreases, accompanied by delist threats, forcing suppliers to operate at a loss, which they feel has created an unfair playing field and changed power dynamics."

We must be careful not to jump to conclusions about exactly where the fault lies. Supermarkets are often lambasted as being the sole cause of all ills in the supply chain, which is not entirely fair or accurate. Behaviour varies considerably across the retail sector: some supermarkets really value and nurture constructive long-term relationships with their suppliers. I also appreciate

[Daniel Zeichner]

that they are in tough competition with aggressive rivals, some of whom—I am thinking of some of the relatively new entrants to the market—are not subject to the same pressures to deliver short-term shareholder value as public companies.

Although consumers care very much about the quality of their food, and about where and how it is produced, they understandably want low prices, particularly during a cost of living crisis. We are all deeply unhappy about the soaring price of food over the past 12 months, which reached as high as a 20% increase last spring. The statistics from the Trussell Trust about the escalating reliance of many families on food banks are shocking.

The behaviour of the supermarkets is rightly scrutinised, but the role of the intermediaries—food manufacturers, processors, importers and packers—can be somewhat overlooked in these discussions. Often, the more fraught relationships are between suppliers and intermediaries, rather than the big supermarkets, yet the intermediaries are not required to abide by the GSCOP. Having said that, I have heard worrying anecdotal evidence that some retailers game the system by instructing suppliers to deal with intermediaries as the buyers, rather than with the retailer, so that the latter cannot be held to the code. I was also struck and concerned by the comments of Mark White, the Groceries Code Adjudicator, in launching the most recent report. He said the report showed that supermarkets

“appeared less invested in the continued relationships with their suppliers”,

adding that

“Suppliers feel there is now less good faith shown by retailers in CPI negotiations”.

He expressed disappointment at the feedback from the survey, and concern that poor negotiations over CPI have had a significant impact on the relationships between retailers and suppliers.

I mentioned the 2023 report of the Oxford farming conference. The report from this year’s conference by Ged Futter, founder of the Retail Mind, touched on similar issues. He has predicted that relations will worsen in the months to come—that the next six months in the grocery market will be more brutal than any time in the last four years. He claims that retailers have focused solely on lowering costs, and that they have even asked for cost decreases in some cases in which they did not grant an increase in the first place. There is a problem here that needs to be addressed urgently before the situation deteriorates further.

We know that it has taken the Government a long time to use the powers in the Agriculture Act to look at the dairy and pig sectors. Can the Minister explain what plans the Government have to rectify these system-wide problems? Have the Government, in the first instance, conducted a thorough assessment of the robustness—or lack of it—of the food supply chain? Where exactly are the weaknesses, and how much progress has been made in mitigating them? Why is it taking so long to devise and/or implement the fair dealing codes set out in 2020?

It seems that the Groceries Code Adjudicator has been working hard and is making inroads on improving some retailers’ compliance with the GSCOP. I am encouraged by the tone of the GCA’s remarks following

his recent report; it indicates a willingness to get tough with those who do not abide by the letter and spirit of the code, and to get to the bottom of what is generating negative comments such as those made by suppliers during his deep-dive survey. His determined efforts are to be applauded, but I am aware, as has been referenced, that he has quite limited resources at his disposal. That makes me, too, ask whether those resources are sufficient. Does the GCA have the capacity to be as effective as we need it to be? Relative to other regulators, the GCA is extremely small and understandably constrained in the number of investigations it can conduct, the number of complaints it can investigate and the extent to which it can provide arbitration. It is worth considering whether the size of the GCA is proportionate to the challenges that it faces, particularly as those challenges grow and become more formidable.

I understand that both suppliers and retailers articulated the view that the GCA needs more resources, so I ask the Minister whether the Government have considered that issue. Last year, the Government were considering subsuming the GCA into the Competition and Markets Authority, which I think was widely considered to be a retrograde step. What is the current thinking on this issue? Are the Government committed to retaining the independence of the GCA, and in considering that merger, did they review the remit, responsibilities and powers of that body? It is worth looking at that question closely, because it strikes me that there are gaps in the suite of powers granted to the GCA.

Intermediaries are not obliged to abide by the GSCOP, and the GCA has no remit with regards to the relationship between suppliers and intermediaries. Many stakeholders have suggested to me that the GCA is well placed to take on that additional responsibility. I remind the Minister that the Opposition argued that point during the passage of the Agriculture Act. Have the Government explored requiring more transparency when it comes to data and pricing in supply chains? Many stakeholders are calling for the implementation of rules for transparency in supply chains to ensure that farmers have greater bargaining power when negotiating prices and deals.

In addition to the range of pressures that farmers are having to contend with, I have also become increasingly aware of the growing burden of audits that, according to the Oxford farming conference report, is at “a record high”. The report suggests that one supplier interviewed was audited in 40 out of 52 weeks in 2022, with more than 190 audits, many of which were unannounced. Each audit not only requires people on the day but needs to be followed up afterwards to ensure that any actions are carried out. It seems to me that there must be some room for consolidation and rationalisation. Have the Government considered how they can help by working with the range of bodies that ask for those audits to lighten the burden on farmers, particularly at such a challenging time?

It is perhaps also worth returning to the time-honoured question of whether there is more scope for suppliers to collaborate with one another to strengthen their hand. The culture of fierce independence here in the UK, with a preponderance of small producers doing their own thing, does not always help. In many ways, it is admirable, but I fear that culture may be weakening the bargaining position of farmers and growers. In that environment, one supplier usually capitulates to pressure from the

retailer to suppress prices. The Oxford farming conference report talks about a prevalent mentality of “last man standing”, where some farmers think they can hold out in selling their produce at a very low profit margin until everyone else has crumbled and vacated the market, and then somehow they will emerge triumphant as the monopoly supplier. That pyrrhic approach, however, is usually counterproductive or very short lived, as the retailer usually looks elsewhere and quite often will source the product in question from overseas at a lower price. If collaboration happens, the report claims that it is often a last-resort tactic

“when ‘backs are against the wall’.”

If we look abroad to Spain and France—earlier we were encouraged to be more French sometimes—we can see much more collaboration with many more co-operatives. Co-ops can bolster collective bargaining power to secure better deals from supermarkets and reduce price volatility. However, co-operative farming now constitutes only 6% of our domestic agricultural market, compared with 45% in Spain, 55% in France and 68% in the Netherlands. This morning I visited the Arla Foods dairy in Stourton, outside Leeds, and I could not help noticing that the co-operative has protected the interests of its farmer members very effectively, as well as being highly successful commercially—frankly, we need more of that.

In conclusion, the issue is increasingly urgent, and we need to take complaints from suppliers very seriously. It is not about blocking, hampering or meddling with market forces. It is about making a problematic market, the food supply chain, work much more efficiently, effectively and equitably so that it becomes a market where risks and rewards are shared more proportionally and fairly. The danger is that if nothing is done to improve the supply chain, more suppliers will be driven to the brink and they will pull out of producing food altogether. We are already losing too many British growers and food companies: that is bad for them, bad for the UK in general, and bad for UK food security. The petition is timely and I again thank the petitioners, in particular Guy Singh-Watson and Riverford Organic Farmers, as they have raised a really important issue that merits a strong response from the Minister.

6.18 pm

The Minister for Food, Farming and Fisheries (Mark Spencer): It is a pleasure to serve under your chairmanship, Mrs Murray, and I start by drawing Members’ attention to my entry in the Register of Member’s Financial Interests. I congratulate the hon. Member for Neath (Christina Rees) on leading this important debate and, of course, the petitioners on reaching the threshold for it. The number of people who signed the petition demonstrates how highly the people of the United Kingdom value their farmers, and they want to see them getting a fair deal. It is also telling that the debate has been well attended and there has been quite a lot of cross-party consensus. The contributions have been well informed and a spectrum of information has come from Members, which also demonstrates how important farming is to their constituents.

The petition asks the Government to amend the groceries supply code of practice to better protect farmers from “unfair behaviour”. The Government want all farmers to receive a fair price for their products, and we

are committed to tackling contractual unfairnesses in the agrifood supply chain. We recognise that some poor practices affect producers across several agricultural sectors. We are taking action to address them, but we do not believe that amending the code is the most appropriate way to do so. The key issue is that relatively few farmers sell directly to supermarkets. Far more often, they sell their produce through intermediaries and processors, and the Government are therefore committed to using powers in the Agriculture Act to introduce statutory codes that apply across the whole supply chain to deliver fair prices to all farmers.

I should declare that I was a member of the Bill Committee for the Groceries Code Adjudicator Bill, and the groceries code was put in place following a detailed market investigation by the Competition Commission in 2008 that found that suppliers of groceries to large supermarkets faced unfair risk that adversely affected competition. For producers that supply directly to the 14 largest retailers designated by the Competition and Markets Authority, the code already covers the issues raised in the petition. For example, it prevents the unilateral variation of supply agreements, specifically covers issues such as wastage and forecasting errors, and requires retailers to pay invoices on time. The code is enforced by the Groceries Code Adjudicator, who is appointed by the Secretary of State for Business and Trade. The Secretary of State is required to undertake a review of the effectiveness of the GCA every three years. The most recent review was published in July 2023, and found that the Groceries Code Adjudicator continued to be an effective regulator.

The positive impact of the GCA is clear in the latest results of its annual survey. It now receives responses from over 2,000 suppliers from the UK and abroad. In 2014, just after the GCA was set up, four out of five direct suppliers said they had experienced an issue with the code. That figure has now fallen to fewer than one in three. It is, of course, concerning that suppliers are being let down in some cases, but those achievements have been delivered through the Groceries Code Adjudicator’s collaborative approach to regulation, which involves gathering insight from a range of sources and working closely with a small number of regulated businesses to quickly change their behaviour.

Of course, that does not mean that all unfair practices have been permanently stamped out, and we have heard examples today of farmers who have felt unfairly treated. Unfair practices can be exacerbated by external factors, such as the recent cost price pressures. The Government are aware that there are behaviours throughout the supply chain that are not covered by the GCA, and crucially the code does not always reflect the farmers’ indirect relationship with supermarkets. In 2016, in response to a call for evidence that explored the case for extending the GCA’s remit, we highlighted our intention to target further interventions on a sector-by-sector basis. As a result, we took powers in the Agriculture Act to enable the introduction of statutory codes of contractual practice to protect those farmers. The codes will apply to any business purchasing agricultural products directly from farmers. They will provide greater certainty for farmers by ensuring that clear terms and conditions are set out in contracts. We intend to tailor the powers to those sectors that need them, because we acknowledge that the problems experienced by each sector differ

[Mark Spencer]

quite widely. We must avoid introducing broad regulation that places burdens on sectors that may not require intervention, but we must make ensure that we concentrate on those areas that do.

We carried out the first review, in the dairy sector, in 2020, and it was clear from the responses that a minimum framework of contractual standards was required to offer improved protections to those farmers. We have worked closely with industry to ensure that the regulations are tailored and proportionate, providing the flexibility required in a global commodity market.

Daniel Zeichner: Does the Minister agree that it has been a slow process? We still do not have the regulations. Could he give the House an indication of when we might expect to see them?

Mark Spencer: That is a fair question from the hon. Gentleman. We have been working closely with not only retailers but processors, Dairy UK and the NFU to ensure that the regulations we are about to introduce will work for the sector across the board. I cannot give him a date as I stand here, but I will go out on a limb and commit to him that we will table them before the Easter recess. I acknowledge that we should have done it quicker, but it was more important to get it right. I am confident that we have got it right in the end.

Kirsty Blackman *rose*—

Kerry McCarthy (Bristol East) (Lab) *rose*—

Mark Spencer: I will give way to the hon. Member for Aberdeen North (Kirsty Blackman) first, and I will come back to the hon. Member for Bristol East (Kerry McCarthy).

Kirsty Blackman: If it takes four years for each sector, the process is going to take quite a length of time. I will probably be dead by the time all the sectors are covered. Does the Minister understand that there is some urgency? Taking less than four years would be great, and doing more than one sector at a time would also be helpful.

Mark Spencer: We learned an awful lot from going through the process with the dairy sector. We reviewed the pork sector and some similarities are evident, so we can go through the process much quicker if we find that evidence. The hon. Lady will be aware that we have just concluded a review into the egg sector as well, and there is an ongoing investigation into the fresh produce sector. I encourage those who are working in farming within that sector to contribute to the call for evidence, and to inform the Government of any practices that they may be concerned about so we can consider them.

Kerry McCarthy: I was going to make exactly the same point, but since I am on my feet I will ask about scope 3 emissions within the supply chain. Increasingly, because supermarkets need to reduce their own emissions, they are looking to their suppliers. My concern is that smaller suppliers will be disadvantaged because they are less able to do things such as switch to electric vehicles or retrofit their buildings. There is a real danger that supermarkets will stop seeking supplies from them because of that. Is the Minister doing some work on that?

Mark Spencer: That is slightly off topic, but I can assure the hon. Lady that we are doing quite a lot of work. Again, we are working with major retailers and producers across the food production sector to ensure, first, that we understand the impact of any changes that we might make. Secondly, I am personally concerned about the burden of those changes falling on primary producers, and about major retailers and processors taking any advantage, because the primary producers should benefit from the environmental improvements that they make within their own businesses. It is important that we get that right. I am also concerned about the offshoring of carbon. We must take into account the equation between what is produced here in the UK and what might be imported from abroad, and the carbon footprint that that might have. We are giving a lot of thought to that at the moment. I know that the hon. Lady is committed to these issues, and I am sure that she will have an opportunity to contribute to the debate as we move forward.

We have worked closely with the industry to ensure that the regulations are tailored and proportionate, and provide the flexibility required in a global commodity market. They will create a new enforcement regime, and we will appoint an adjudicator to oversee compliance for our sector-specific codes. The regulations are undergoing final checks before their planned introduction to Parliament, as I say, hopefully before the Easter recess.

In 2022, we followed our dairy review with a review of the pig supply chain, and we published a summary of responses in 2023. We have committed to developing similar regulations to those being introduced in the dairy sector to introduce new rules for supply contracts and to improve market transparency through better market reporting data. We have developed a proposal that sets out the main features of the new regulations. We have been discussing them with industry and we expect to introduce them in summer this year.

Helen Morgan: I am sure the Minister understands as well as everyone else does that it is very important that the regulations take effect before farming businesses go out of business. The barriers to entry are high, there is a high cost of investment and we need to keep people in business, because getting them to come back into the sector will be incredibly difficult. Does he acknowledge that problem?

Mark Spencer: I wholly recognise that challenge. I am an ex-dairy farmer, and we left the dairy sector as a farming family in 2001. We did that because it was economically challenging; we could not make it pay. I think the milk price at the time was around 28p a litre at the farm gate. I can say to her that if I were offered £5 a litre tomorrow, there is no way that I would go back into the dairy sector. Once someone has left the industries, getting back into them is very difficult, and that is recognised throughout the supply chain. Major retailers do recognise it, and it is particularly true for dairy and pigs. It is also true in the fresh produce sector, because the skillsets and machinery that are required take a lot to procure. Going back into those sectors is very difficult. We need to make sure we protect it, but processors and retailers recognise that they must not kill the golden goose that is the UK farming sector.

Last year, we launched two further reviews into egg and fresh produce supply chains. The public consultation on the egg sector supply chain closed on 22 December, and we are in the process of analysing the responses. As I said, the review into fresh produce was published on 14 December and closes on 22 February. Anything that hon. and right hon. Members can do to promote that to their constituents, so that they can feed into it, would be very welcome. We will publish the responses for each review within 12 weeks of the closing dates, and we will provide a summary of the findings and our next steps for each sector. We can only decide what action is needed once we have analysed the responses, but I can assure Members that we will use the powers in the Agriculture Act to introduce legislation wherever it is necessary. I hope this debate will encourage anyone with relevant views in the fresh produce sector to engage in the public consultation.

Anthony Mangnall: The Minister probably knows what I am going to ask. I welcome the update and the announcements he has made, but could he say a few words about the Procurement Act 2023? The measures will take effect in October 2024, so perhaps he will help the House to understand the value of that for small suppliers and small farmers across the country, especially when it comes to spending £4.6 billion of taxpayers' money, predominantly on food.

Mark Spencer: My hon. Friend has made the point himself, but I pay tribute to him and the Business and Trade Committee for the work that they have done to make that opportunity available to smaller producers up and down the country. I encourage those producers

to engage not only with the national Government, but with local government, to try to supply local schools. Of course, the Government have a responsibility to make sure that our procurement assists and helps UK producers.

I hope the debate will encourage anyone with relevant views to feed into the consultations. I hope it will help us to understand the issues being faced by the sector and allow us to protect our farmers, who, in turn, protect our fantastic landscapes and produce beautiful, quality food. As a Government, we want to continue to tackle the unfair practices that still exist by working across the sector to see a thriving retail sector that keeps our supermarket shelves filled but also protects our fantastic farmers, the landscapes that they hold so dear, and the food that they produce.

6.34 pm

Christina Rees: I thank all hon. and right hon. Members for their valuable, thought-provoking contributions and for their support for the petitioners, who have been sitting in the Public Gallery. I thank the members of the Petitions Committee and their Clerks for all their hard work.

I thank the Minister for his positive response, and I am sure that the petitioners look forward to meeting him in the near future. I thank you, Mrs Murray, for chairing this debate with your usual aplomb.

Question put and agreed to.

Resolved,

That this House has considered e-petition 643216, relating to the Groceries Supply Code of Practice.

6.35 pm

Sitting adjourned.

Written Statements

Monday 22 January 2024

BUSINESS AND TRADE

Retained EU Law (Revocation and Reform) Act 2023: June to December 2023 Report

The Parliamentary Under-Secretary of State for Business and Trade (Kevin Hollinrake): The Secretary of State for Business and Trade has, today, laid before Parliament a report outlining the progress made in reforming and revoking retained EU law.

The report fulfils our obligations under section 17 of the Retained EU Law (Revocation and Reform) Act 2023—the REUL Act. This requires the Secretary of State to report to Parliament at six-monthly intervals until June 2026.

Through this process, the Government have taken back control of the UK's laws and have a road map to repeal or reform more than half of all the stock of regulations that were inherited from the European Union.

The REUL Act removed the special status of REUL at the end of 31 December 2023, and REUL which had not yet been revoked became “assimilated law”. EU principles of interpretation no longer apply to these laws. This removed the principle of EU law supremacy in the UK legal system for the first time since 1972. In total, more than 2,000 pieces of REUL have already been revoked or reformed. The Financial Services and Markets Act 2023 and the Procurement Act 2023 will together revoke hundreds more pieces of REUL.

The report sets out the considerable progress the Government have made since the REUL Bill received Royal Assent in June 2023. Twenty-six statutory instruments have been laid using powers under the REUL Act and other domestic legislation. Many of these instruments revoke redundant EU legislation or make significant legislative reforms, and the powers in the Act have already been used to remove over 100 pieces of REUL from the statute book by SI. Important specific reforms that have already been delivered include changes to employment law by reducing record-keeping requirements around working time regulations and simplifying the calculation of holiday pay entitlement. These changes will cut bureaucracy and could save industry up to £1 billion a year. In addition, the Department for Environment, Food and Rural Affairs was able to reform REUL relating to the marketing and production of wine, which will strengthen the wine industry's potential for growth and innovation. These reforms come alongside a number of important transport reforms, including to airport slot allocations, merchant shipping and aviation statistics.

But this is only the start. After 40 years living under EU laws, the Government road map includes a further 500 revocations and reforms of REUL in 2024, and we are on track to have repealed or reformed 3,424 regulations inherited from the EU by June 2026. Laws which are not earmarked for reform by 2026 are either already suited to the UK or are necessary to uphold our international obligations in treaties.

The report provides details of Departments' ambitious plans for REUL reforms in 2024. These include policy areas such as product safety, clinical trials, carbon capture and metrology. These future reforms will support British businesses to innovate and grow the economy.

Today the Government have also updated the REUL dashboard, available on gov.uk. It now tracks 6,757 pieces of retained EU law—now known as assimilated law—concentrated over 400 unique policy areas.

The REUL Act is a key part of the Government's smarter regulation programme, enabling Departments to deliver regulatory reform, reduce regulatory burdens and costs on UK businesses and consumers, and ensure regulations are fit for the UK economy. By regulating in accordance with our smarter regulation principles, the Government will ensure that regulation is deployed only where necessary, and its design and use is both proportionate and future-proof.

Alongside reforms to the stock of regulations, the Government's new better regulation framework will put downward pressure on the flow of new regulation; encourage alternatives as far as possible; and allow for a full consideration of wider impacts, such as effects on competition and innovation. Significant progress is being made to ensure the wider landscape of regulators works for the UK.

The Government will be taking forward the plan to extend the regulators' growth duty to Ofcom, Ofgem and Ofwat, with effect from 6 April 2024, subject to parliamentary approval of the necessary secondary legislation. The Department for Business and Trade's call for evidence on the regulatory landscape invited views from businesses, consumers and regulators to establish areas that are working well and where regulators could improve, and a statement updating Parliament on its findings will be made in due course.

Next steps

The Government are committed to lightening the regulatory burden on businesses to help to spur economic growth. The second parliamentary report will be published in six months, to continue to keep Parliament updated.

[HCWS201]

CULTURE, MEDIA AND SPORT

BBC Royal Charter: Mid-term Review

The Secretary of State for Culture, Media and Sport (Lucy Frazer): The BBC is a unique cultural institution which has provided the model for public service broadcasting across the world. It has been informing, educating and entertaining millions every day, both in the UK and globally, for over 100 years.

Today, having moved into the second half of the BBC's current 11 year royal charter, I am publishing the mid-term review. This evaluates the effectiveness of the governance and regulatory arrangements introduced by the charter in 2017.

The Government published the terms of reference for the review in May 2022. Following a period of targeted stakeholder engagement and consultation with the BBC,

Ofcom and devolved Administrations, we are today publishing our findings with a series of recommendations to deliver better outcomes for audiences. Priority areas considered in the review, and significant recommendations in those areas, include:

Editorial standards and impartiality: If the BBC is to maintain the trust of its audiences it needs to be impartial. While the BBC strives to do this, it can do more. The BBC needs to be more transparent to audiences about how it is delivering its commitment to continuous, long-term improvement on impartiality. We are extending Ofcom's regulation to elements of the BBC's online public service material. This reflects that audiences increasingly consume content online and expect the same standards across the BBC's different services, a change that will also enable Ofcom to better hold the BBC to greater account across its digital services.

Complaints: The feedback of licence fee payers through the complaints system, including concerns about the impartiality of BBC content, is invaluable in helping the BBC deliver its role. Following constructive conversations with the BBC, the mid-term review introduces major reforms that will provide greater external and independent scrutiny of the BBC's complaints handling. The board will be given a new, legally-binding responsibility in the framework agreement to actively oversee the BBC executive's handling of complaints. Pre-broadcast editorial policy and post-broadcast complaints resolution will be separated, with the role responsible for leading complaints handling now reporting directly to the director general. The BBC board sub-committee responsible for ensuring that the BBC complies with its complaints framework, the editorial guidelines and standards committee, chaired by a non-executive director, will be given greater powers to scrutinise and challenge how the BBC executive responds to complaints. These reforms will give licence fee payers greater confidence that their complaints have been handled fairly, and that their views have been heard. We also recommend that Ofcom improves the transparency of its decision-making when the BBC has found a breach of its own editorial standards. If the breach is within Ofcom's regulatory jurisdiction, Ofcom should publicly and clearly record this breach. If it decides not to open a formal investigation into the content against the broadcasting code, Ofcom should clearly explain its rationale in its online bulletin.

Competition and market impact: There must be higher standards of BBC engagement and transparency with competitors. This will ensure that BBC's competitors are better able to understand the BBC's plans, and therefore to provide more valuable feedback to the BBC, and where necessary Ofcom, before it makes changes to its services.

The recommendations are for the BBC and Ofcom to take forward. The Government expect timely implementation of these recommendations. A number of the recommendations require changes to the framework agreement which will be published as soon as possible.

The mid-term review has also helped identify early on some of the other key issues that need to be considered at charter review, which we will conclude by 2027. The Government will, on an ongoing basis, continue to focus on the BBC's impartiality. At the next charter review we will review the effectiveness of the BBC's social media guidelines; assess whether BBC First remains the right complaints model to enable the BBC to best serve all audiences; and examine the BBC's role in the wider market, including its distinctiveness and how the regulatory framework may need to evolve to reflect shifts in technology and consumer behaviour.

A copy of the report will be placed in the Libraries of both Houses.

[HCWS198]

ENERGY SECURITY AND NET ZERO

Local Industrial Decarbonisation Plans and Industrial Energy Transformation Fund

The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Amanda Solloway): My noble Friend the Parliamentary Under-Secretary of State (Lord Callanan) has today made the following statement:

I am pleased to inform the House that two announcements will be made today regarding Government support for industrial decarbonisation: winners of the local industrial plans (LIDP) competition, and publication of guidance documents for phase 3 of the industrial energy transformation fund.

Dispersed industrial sites account for approximately half of the UK's industrial emissions. In the 2021 net zero strategy, the Government committed to explore opportunities for faster decarbonisation of dispersed sites in the 2020s, including funding for mini-cluster industrial decarbonisation plans to develop shared infrastructure and integrated decarbonisation solutions in local areas.

To fulfil this commitment, the Government, in partnership with Innovate UK (IUK), have today announced the 12 winners of the local industrial decarbonisation plans (LIDP) competition, worth up to £6 million. This supports collaborative working between groups of industrial manufacturers and other businesses to start their journey towards a low-carbon future.

The competition provides grant funding to support place-based industrial decarbonisation plans, driving benefits from collaborative partnerships across industries and sectors as they develop plans for the introduction of low-emission technologies. The programme of work will last until March 2025.

The projects which have been offered grants—subject to contract—are:

- Bradford Manufacturing Futures—Up to £726,729
- DECODE Corby—Up to £453,590
- Decarbonising Dalton Industrial Estate—Up to £129,063
- Decarbonising the Midlands Aerospace Cluster (DMAC)—Up to £444,739
- Decarbonising the Port of Poole Maritime Industrial Cluster—Up to £184,487
- Industrial Decarbonisation for Northern Ireland—Up to £595,905
- Making A Better Tomorrow: Decarbonisation of Stakehill Industrial Estate in Atom Valley—Up to £612,376
- NEW-ID (North East Wales Industrial Decarbonisation)—Up to £711,784
- Shoreham Port Industrial Cluster: Local Industrial Decarbonisation Plan—Up to £226,803
- The Solent Cluster: Local Industrial Decarbonisation Plan—Up to £757,601
- West of England Industrial Cluster Local Industrial Decarbonisation Plan—Up to £607,571
- ZCOP I-RMAP: Zero Carbon Oxford Partnership Industrial Roadmap and Action Plan—Up to £265,032.

Companies across England, Wales and Northern Ireland can also benefit from the support offered through the industrial energy transformation fund (IETF). The IETF provides grant funding towards the costs of studies and deployment projects that reduce the energy consumption and emissions produced by industrial sites, including sites in dispersed locations. Phase 3 of the IETF will allocate up to £185 million in 2024. Today we are publishing the guidance documents ahead of the spring 2024 application window which will open on 29 January and close on 19 April.

[HCWS199]

HEALTH AND SOCIAL CARE

Measles

The Parliamentary Under-Secretary of State for Health and Social Care (Maria Caulfield): I wish to update the House on an increase in measles cases across England and the actions that the Government and health system are taking to control the disease's spread.

The current measles outbreak

Following an increase in measles cases across England, the UK Health Security Agency raised its incident response level to a national standard incident on 8 January 2024. There are three categories of incident: routine, standard and enhanced.

In 2023, there was an increase in confirmed measles cases, on which the UKHSA publishes statistics monthly. As of 18 January 2024, there have been 216 confirmed cases in the west midlands since 1 October 2023. NHS figures show that more than 3.4 million children under the age of 16 are unprotected and at risk of catching this serious and completely preventable disease. In response to this and the slow decline in measles, mumps and rubella vaccine uptake, the NHS carried out catch-up efforts in 2023, contacting parents and carers of unvaccinated children aged five and younger. This resulted in a 10% increase in MMR vaccine uptake compared with the previous year.

Measles is a highly infectious illness that can easily be spread between unvaccinated people. Complications from measles can be potentially life changing and include blindness, deafness and swelling of the brain, or encephalitis.

Analysis shows that one infected child in a classroom can infect up to nine other unvaccinated children, making it one of the most infectious diseases worldwide, and more infectious than covid-19. One in five children with measles will need to be admitted to a hospital for treatment—which could put additional pressure on the NHS.

Measles is not just a childhood disease and can be serious at any age. If caught during pregnancy, it can be very serious, causing stillbirth, miscarriage and low birth weight.

Actions under way to protect the public

Measles is a vaccine-preventable disease, with long-lasting immunity provided through the measles, mumps and rubella vaccine. Ninety-five per cent of the population must be vaccinated to provide sufficient population immunity. In some parts of the country, vaccination levels are below this threshold, allowing measles to spread rapidly through communities.

Data shows that the MMR vaccine is safe and very effective. After two doses:

around 99% of people will be protected against measles and rubella

around 88% of people will be protected against mumps

Two doses of the safe and effective MMR vaccine are needed for maximum life-long protection, with the first dose given around the child's first birthday and the second dose given at around three years and four months

old. However, anyone can catch up at any age on any missed doses. It is never too late to protect yourself, and everyone eligible for the MMR vaccination who has not yet taken up the offer should get vaccinated.

To support increasing the uptake of the MMR vaccine, NHS England announced on Friday 19 January a catch-up campaign from February for missed MMR vaccines, as part of a major new drive to protect children from becoming seriously unwell as measles continues to rise across the country. The campaign:

Will be targeted at parents and carers of unvaccinated and partially vaccinated children aged six to 11, encouraging them to make an appointment with their child's GP practice for their missed MMR vaccine.

Builds on the work already done to contact parents of children aged nought to five for vaccination—a campaign which saw a 10% increase in the number of MMR vaccinations compared with the previous year, with two million texts, emails and letters sent to parents between September 2022 and February 2023.

Will target places with low uptake of the vaccine. Initial priority areas are London and the west midlands, with the NHS acting quickly to contact almost 1 million more people, including parents and carers of those aged six to 18, and young people aged 18 to 25, to invite them to catch up on their missed MMR vaccinations.

People who are unvaccinated can get catch-up jabs at MMR pop-ups in schools and other convenient places, including GP surgeries, asylum hotels and libraries.

GPs, teachers, and trusted community leaders are encouraging groups less likely to get their jab to come forward. NHS England, UKHSA and local health partners are also working together to deliver immunisation programmes tailored to the needs of under-vaccinated communities. For example, in the west midlands, MMR pop-up clinics are running in outbreak settings, and whole-school vaccination campaigns will be run in areas with the highest number of at-risk individuals. GP practices are also being supported to improve MMR uptake through convenient, tailored appointments and proactive conversations with concerned parents.

Longer-term actions

The recently published NHS vaccine strategy builds on the success of the NHS's world-leading covid-19 vaccine programme, when local teams found innovative ways to reach people during the pandemic. It reflects views sought from a wide range of stakeholders and delivery partners, including the public, those who work in our health services, community and charity leaders, and colleagues in local government. This strategy will maximise convenience, with more vaccination services at locations that the public can easily access, such as libraries, leisure centres, social clubs or sports grounds, family hubs, support services and places of worship, or at local cultural and community events; with flexible opening hours; and with booking options.

Parents and carers can find out more about the different vaccines their child should have and when by visiting www.nhs.uk and searching for "NHS vaccinations and when to have them".

It is vitally important that everyone takes up the vaccinations they are entitled to. The MMR vaccine is highly effective, safe and the best way to prevent the spread of measles and to protect children from becoming seriously unwell from the disease.

[HCWS200]

Ministerial Correction

Monday 22 January 2024

WORK AND PENSIONS

Child Support Payments

The following is an extract from the Fifth Delegated Legislation Committee on the draft Child Support (Management of Payments and Arrears and Fees) (Amendment) Regulations 2023 on 16 January 2024.

Paul Maynard: On the points that were made about collect and pay and the calculation more generally, we are consulting on how we can improve both those things. I believe that the consultation on collect and pay is yet to start, but we announced in October that we would be consulting on how to collect and

transfer maintenance payments. I understand that the consultation on the calculation side of things will also be launched shortly.

[Official Report, Fifth Delegated Legislation Committee, 16 January 2024, Vol. 743, c. 8.]

Letter of correction from the Under-Secretary of State for Work and Pensions, the hon. Member for Blackpool North and Cleveleys (Paul Maynard):

Errors have been identified in my response to the debate on the draft Child Support (Management of Payments and Arrears and Fees) (Amendment) Regulations 2023. The correct information is as follows:

Paul Maynard: On the points that were made about collect and pay and the calculation more generally, we are **working** on how we can improve both those things. I believe that the consultation on **Direct Pay** is yet to start, but we announced in October that we would be consulting on how to collect and transfer maintenance payments. I understand that **a review of the calculation is ongoing.**

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**not later than
Monday 29 January 2024**

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