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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Wednesday 1 May 2024

House of Commons

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

SCOTLAND

The Secretary of State was asked—

Spring Budget 2024

1. **Ms Anum Qaisar** (Airdrie and Shotts) (SNP): What recent assessment he has made of the impact of the spring Budget 2024 on Scotland. [902547]

5. **Chris Stephens** (Glasgow South West) (SNP): What recent assessment he has made of the impact of the spring Budget 2024 on Scotland. [902551]

12. **Gavin Newlands** (Paisley and Renfrewshire North) (SNP): What recent assessment he has made of the impact of the spring Budget 2024 on Scotland. [902559]

The Secretary of State for Scotland (Mr Alister Jack): We have again seen calamitous events in Scotland this week. However, I wish Humza Yousaf very well for the future. I always found him to be a very decent man to work with, and there is no doubt that he was dealt a rotten hand.

Although I do not want to dwell unduly on the private grief of SNP Members, I very much hope that whoever becomes First Minister will work with us on the issues that really matter to people in Scotland, such as public services and our economy, and will not continue to obsess with independence.

This Government are taking long-term decisions to cut taxes for working people and to grow the economy. The spring Budget represented a significant milestone in the UK Government's levelling-up mission, with investment into Scotland bursting through the £3 billion mark. In addition, the Scottish Government will benefit from a £295 million funding uplift through the Barnett formula for 2024-25.

Ms Qaisar: The reality is that the Chancellor's regressive spring Budget left the people of Scotland behind. In contrast, the SNP Scottish Government took the bold step of implementing a progressive tax scheme.

The Westminster establishment argued that Scotland's income tax rates would somehow cause people to leave the country. Last week, however, it was revealed by His Majesty's Revenue and Customs that the opposite is true, with many more taxpayers moving to Scotland than leaving. Will the Secretary of State join me in welcoming this brilliant news and congratulating the Scottish Government on standing up for the people of Scotland?

Mr Jack: The hon. Lady's point would be relevant if that report were not from 2018-19, long before we entered into six tax bands in Scotland, versus three in the rest of the UK. I absolutely do not agree with her.

Chris Stephens: The Secretary of State mentioned levelling up, which is curious. We know that the Budget cut public services across the board and cut Scotland's capital funding, yet levelling up seems to benefit places such as the financial district of Canary Wharf, which has benefited by £16,000 per head. Is he suggesting that Scotland, but not other parts of the UK, should accept austerity from this Government?

Mr Jack: That is a ridiculous remark. The levelling-up agenda in Scotland has been fantastically successful, and there has been absolutely no austerity. The Scottish Government have received a record block grant of £41 billion, the highest since devolution began. I am surprised that the SNP wants to talk about the Budget, because the Scottish Government's Budget put taxes up and cut vital public services, so Scots are actually paying more and getting less.

Gavin Newlands: What utter nonsense. The hypocrisy of this Tory party, which is busy gaslighting the Scottish public by complaining about cuts to capital spending while the Tory Government are busy cutting 16%, or £822 million, from the Scottish Government's capital block grant allocation, is quite astonishing. With Westminster holding Scotland back yet again, can the Secretary of State tell us, as Scotland's man in the Cabinet, whether he argued against these cuts? Will he argue for the Scottish Parliament to have the ability to raise more capital borrowing to mitigate these savage Westminster cuts and to help drive Scotland forward?

Mr Jack: In the fiscal framework settlement, we made it very clear and agreed with the Scottish Government that resource funding could be reallocated, if they so wished, from the record block grant into capital funding. That is what has happened. Additionally, they have the ability to borrow £450 million, if required.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): I also begin by passing on my best wishes to Humza Yousaf and his family. I always found him very personable in my dealings with him, although I disagree with virtually everything he has said or done as First Minister of Scotland, particularly putting up taxes and delivering poorer public services.

Is my right hon. Friend aware that businesses in my constituency are struggling to recruit employees from other parts of the United Kingdom because of the higher tax rates in Scotland, which are damaging our local economy?

Mr Jack: My right hon. Friend makes a good point. I am well aware, as are businesses in Dumfries and Galloway, that having six tax bands in Scotland but three in the rest of the UK is not the way to incentivise people to go to work in Scotland or even to relocate their businesses there.

Mr Speaker: I call the shadow Secretary of State.

Ian Murray (Edinburgh South) (Lab): On this International Workers' Day, May Day, Scottish Television journalists are striking for fair pay. I am sure the Secretary of State will join me in insisting that STV gets back around the table with its journalists to thrash out an acceptable deal. Given all the news that is happening this week, we need them back on the television.

I too pay tribute to the outgoing First Minister, Humza Yousaf. We may not have agreed on everything, but his historic appointment marked a pivotal moment in our multicultural public life in Scotland, and I wish him and his family well for the future.

The spring Budget was just another moment that exposed the damage done by the chaos of the former Prime Minister's kamikaze Budget. The Secretary of State has been spinning that it brings taxes down, but is it not the case that the tax burden in Scotland and across the rest of the UK continues to rise? The Prime Minister now wants to mirror his irresponsible predecessor with an unfunded £46 billion policy to get rid of national insurance altogether. The Secretary of State sits around the Cabinet table, so which one of these have they discussed to pay for this: pensioners, the NHS or income tax rises?

Mr Jack: I agree with the hon. Gentleman that the tax burden in Scotland is too high and rising, and people are paying more and getting less. Fortunately, the UK Government have taken the decision to partially offset that, not through income tax cuts but through national insurance cuts, with 4p coming off NI. To pick up on his last point, he was referring to an aspiration that this Government have. We have already reduced NI by 4p, a third, and we aspire to remove it altogether, because it is a tax on jobs.

Ian Murray: This is a £46 billion, unfunded aspiration, and the Secretary of State and the Government will not tell us where they will get the money from. Scotland is trapped between two chaotic and failing Governments; we have had three Prime Ministers, and we will have had three First Ministers, in as many years. All the while, the right hon. Member for Aberdeen South (Stephen Flynn) thinks he is already the First Minister and calling the shots, although he has been shooting himself firmly in the foot. What is abundantly clear to the people of Scotland is that neither the Scottish Government nor the UK Government are even interested in delivering the change that Scotland needs. With neither Government wanting to let the people decide, will the Secretary of State tell the House who he thinks is most scared of a general election, the Tories or the Scottish National party?

Mr Jack: We absolutely do not fear an election, whether for Holyrood or a general election. As I watch the nationalists implode again, I say, "Bring it on." I hear them say the same from a sedentary position. *[Interruption.]* Bring it on! Chaps and chapesses over there, start polishing up your CVs.

Mr Speaker: I call the SNP spokesperson.

Tommy Sheppard (Edinburgh East) (SNP): I, too, on behalf of the SNP group, put on record our sincere thanks to Humza Yousaf for his public service over the months and years. I wish him, Nadia and the rest of his family all the best in their future.

Let me also observe that fewer people in Scotland will see our proceedings today as Scottish Television is currently blacked out because of a strike by TV journalists. I implore the management of STV to get back around the table with the National Union of Journalists, improve its pay offer and try to settle this dispute.

The Budget that was approved a few months ago also contains forward planning assumptions on income and expenditure over the next three to five years. What assessment has the Secretary of State made of those assumptions on the Scottish public finances?

Mr Jack: As I have said before, we have a record block grant. It is running over a three-year period and it averages out at £41.6 billion, and then there are Barnett consequential added to that. This year, that figure is £295 million, based on the spring Budget's figures.

Tommy Sheppard: That sounds like no assessment at all has been made. The truth is that, according to the Institute for Fiscal Studies, these forward planning assumptions involve public service cuts of up to £20 billion. That can only imply savage cuts to the Scottish block grant in the next two to three years. Sadly, these planning assumptions and the framework are endorsed by the Labour party. So if people vote either Conservative or Labour at the coming election, are they not consenting to massive cuts in public services in Scotland?

Mr Jack: Of course I do not agree with those figures. Public services in Scotland are in a desperate state. In their recent Budget, the Scottish Government froze council tax, thereby putting more pressure on local authorities to deliver those public services.

Defence Spending

2. **Bob Blackman** (Harrow East) (Con): What recent discussions he has had with the Secretary of State for Defence on the level of defence spending in Scotland. [902548]

14. **Rob Butler** (Aylesbury) (Con): What recent discussions he has had with the Secretary of State for Defence on the level of defence spending in Scotland. [902561]

The Secretary of State for Scotland (Mr Alister Jack): Scotland Office Ministers have regular discussions with the Ministry of Defence on all matters relating to defence. Defence spending contributes significantly to delivering thousands of high-skilled jobs and investment in Scotland. I welcome the announcement by the Prime Minister that we will increase our defence spending to 2.5% of GDP in response to rising global threats.

Bob Blackman: Clearly it is good news for the United Kingdom, and Scotland in particular, that 2.5% of GDP will be spent on defence. Will my right hon. Friend update the House on the number of jobs that will be protected and potentially be created in Scotland as a result of this decision?

Mr Jack: The short answer is that the increased investment announced by the Prime Minister will be focused on firing up the UK industrial base. The whole United Kingdom will benefit from that, and it will ensure that our armed benefit from the latest technology.

Both of those things will bring economic benefits and support jobs across the whole of the United Kingdom, including Scotland. At this time of heightened global tension and an illegal war in Ukraine, sparked by the Russians, I am confident that Scotland will play a growing role, as the UK Government ramp up their spending.

Rob Butler: Thanks to the armed forces parliamentary scheme, I have been lucky enough to meet some of the amazing military personnel and civilians working at His Majesty's Naval Base Clyde. Will my right hon. Friend confirm that the increase in defence spending announced last week by the Prime Minister will bring benefits across the whole country, whether at RAF bases in my own constituency or at the many military establishments in Scotland, and that it is another clear demonstration that it is the Conservatives who can be trusted to defend and protect our entire United Kingdom?

Mr Jack: My hon. Friend is absolutely correct. It is the Conservatives who are trusted to defend the whole of the United Kingdom. The SNP has consistently proposed abandoning our nuclear deterrent, including in its most recent independence paper. The irony is that the SNP wants to be part of the NATO alliance, but not part of a nuclear NATO alliance.

Wendy Chamberlain (North East Fife) (LD): A vital part of defence spending is ensuring that military personnel live in safe and suitable accommodation. At last week's debate on the Renters (Reform) Bill, my hon. Friend the Member for North Shropshire (Helen Morgan) ensured concessions from the Government on the standards of military accommodation. What assessment has the Secretary of State made of that in Scotland?

Mr Jack: The hon. Lady is absolutely right. As the father of a serving soldier, I completely agree with her. I hear from members of the military that they are disappointed with the standard of accommodation. I have raised the issue on a UK-wide basis and discussed it with the Defence Secretary. He said the programme of improvements, which started before last winter, amounts to £400 million of spending.

Deidre Brock (Edinburgh North and Leith) (SNP): Further to the Secretary of State's comments about nuclear bases, I hope he is aware of the alarming rise in more serious nuclear safety incidents at Scotland's Trident nuclear bases on the Clyde. My questions have revealed 179 incidents were logged in 2023 and 2024, including six with a risk of radiation leakage to the environment, the first category A incidents in 15 years. Has he concerns if there was a radioactive leak beyond safe levels in many of these incidents? What reports will his Government produce to reassure crew and those living nearby that the nuclear infrastructure is not, as one former Downing Street adviser described it, "dangerously rotting"?

Mr Jack: I have visited Faslane, our base on the Clyde. It is an absolutely fantastic facility. We do not comment on matters relating to Faslane. If the hon. Lady has any more specific questions, she should ask them at Defence questions, but regarding our nuclear deterrent and our nuclear facility, we do not comment on things that happen there.

Youth Mobility: European Commission Scheme

3. **Alyn Smith** (Stirling) (SNP): What recent discussions he has had with Cabinet colleagues on the potential impact of the European Commission's proposal for a youth mobility scheme on young people in Scotland. [902549]

7. **Anne McLaughlin** (Glasgow North East) (SNP): What recent discussions he has had with Cabinet colleagues on the potential impact of the European Commission's proposal for a youth mobility scheme on young people in Scotland. [902554]

9. **Richard Thomson** (Gordon) (SNP): What recent discussions he has had with Cabinet colleagues on the potential impact of the European Commission's proposal for a youth mobility scheme on young people in Scotland. [902556]

The Parliamentary Under-Secretary of State for Scotland (John Lamont): I am in touch with Home Office Ministers regularly to discuss immigration matters that affect Scotland. This Government have youth mobility schemes agreed with 13 countries and we remain open to new arrangements with our international partners, including individual EU member states.

Alyn Smith: I have to say that I am bemused by that answer. I will never shake in my view that Brexit was an act of gross harm against the next generation, particularly in Scotland, where we rejected it. But we are where we are, and the EU has offered the UK a comprehensive youth mobility scheme up to the age of 30 for four years. That strikes me as a fantastic deal. Scotland wants to do it, so why is the Minister so keen to hold Scotland back? But my actual question is: is he as delighted as I think he must be that the Labour party completely agrees with him?

John Lamont: The hon. Member and the SNP continue to obsess about Brexit and the decision of the United Kingdom to leave the European Union. This Government are absolutely committed to offering young people opportunities to travel around the world during their education, as demonstrated through our association with the Horizon scheme and through the Government's Turing scheme.

Anne McLaughlin: The youth mobility scheme would allow young people in my constituency of Glasgow North East and across Scotland to participate in youth exchanges, work, study and travel across Europe. The Minister got to do that. Is his message to my constituents that this freedom was for the likes of him, but not for the likes of them?

John Lamont: The UK Government currently operate 13 successful bilateral youth mobility schemes with international parties. The countries with which we already have arrangements include Andorra, Australia, Canada, Hong Kong, Iceland, India, Japan, Monaco, New Zealand, San Marino, South Korea, Taiwan and Uruguay. [Interruption.] SNP Members may scoff at these countries, but these countries are offering unique opportunities for Scots to travel internationally and to learn, as many of us did as well.

Richard Thomson: Anyone in Scotland watching this will be incredibly disappointed with the responses that we have had from the Minister to date. In March 2021, the hon. Member for West Aberdeenshire and Kincardine (Andrew Bowie) said on BBC Scotland that young people were not reaping the benefits of Brexit. I do not often agree with my constituency neighbour in the south, but he was absolutely right then and he is still absolutely right now, is he not?

John Lamont: The biggest obstacle to opportunities for young people in Scotland is the SNP Government. By restricting the number of places for Scottish students at Scottish universities so heavily, the Scottish Government seem intent on driving young people out of our country.

Kevin Foster (Torbay) (Con): Having been involved in running a number of our youth mobility schemes, I am fairly familiar with the concepts that they involve, such as capped numbers; reciprocity—the idea that we do not have a large flow one way without it happening the other way; limited terms; no access to the welfare system; and the fact that people cannot take dependants with them given their temporary status. Will the Minister assure me that we will maintain the position that we had under the former Prime Minister, Boris Johnson, that we will do this where it is in the UK's economic interest and where we know that the main drivers of issues such as immigration abuse do not exist? That is why we have the schemes that we do with Australia, Canada and New Zealand, and why we should maintain that open approach.

John Lamont: I pay tribute to my hon. Friend for his work in this area and his continued interest in it. The Government have made it absolutely clear that we have no plans to agree an EU-wide youth mobility scheme for the reason that he has highlighted, but we are open to negotiating with individual member states individual arrangements that suit the United Kingdom and Scotland.

Cost of Living

4. **Liz Twist (Blaydon) (Lab):** What recent discussions he has had with Cabinet colleagues on the cost of living in Scotland. [902550]

The Parliamentary Under-Secretary of State for Scotland (John Lamont): This Government have demonstrated their commitment to supporting households across the United Kingdom and in Scotland with the cost of living, with a £108 billion package of support—one of the largest in Europe. Inflation is now at 3.2%, which is less than half its recent peak, and is expected to fall to its 2% target one year earlier than expected.

Liz Twist: According to the Scottish Parliament's own research as well as the Fraser of Allander Institute, the Scottish Government's child poverty targets for 2023-24 are not set to be met. Given the dereliction of their net zero targets and the widening attainment gap, does the Minister agree that the Scottish Government have given up on governing and given up on the future of Scottish children?

John Lamont: I agree with the hon. Member: the SNP gave up governing in Scotland a long time ago thanks to its continued obsession with independence and referendums. The UK Government remain committed to supporting

households across Scotland, demonstrated through our 6.7% increase in working age benefits, our maintaining the triple lock for 12 million pensioners and our cut to national insurance.

Mr Speaker: I call the shadow Minister.

Michael Shanks (Rutherglen and Hamilton West) (Lab): I wish Humza Yousaf well for the future, but after his year in office, nobody in Scotland is better off, and that is coupled with our having a Prime Minister who is clinging on to power. Child poverty is up. Life expectancy is falling. NHS waiting lists are up. Drug deaths are up. Homelessness is up. Economic growth has flatlined. Is it not the inescapable truth that Scots have been failed by two Governments for far too long? Does the Minister agree that what Scotland needs now is to be rid of both these distracted, incompetent and hopelessly out-of-touch Governments?

John Lamont: I certainly agree that the SNP Government have not been focused on the day job. They have been neglecting Scotland's schools, NHS and transport network. They have not been getting on with the day job, but the harsh reality is that whoever is elected to replace Humza Yousaf as First Minister will still have the same obsession with independence and referendums.

UK Internal Market

6. **John Stevenson (Carlisle) (Con):** What recent assessment he has made of the impact of the UK internal market on the Scottish economy. [902553]

The Parliamentary Under-Secretary of State for Scotland (John Lamont): The Government's assessment is that our internal market is the essential basis on which businesses are able to trade freely across the United Kingdom, minimising red tape and maximising opportunities. In Scotland, 60% of outgoing trade is with the rest of the United Kingdom—more than with the rest of the world combined.

John Stevenson: The internal market is beneficial for all parts of the United Kingdom. It is, however, more important to those areas where there is a border. Does the Minister therefore agree that the internal market should be very helpful in maintaining and developing economic activity in the borderlands area, and will he consider a second borderlands growth deal, which would certainly help the area on both sides of the border?

John Lamont: My hon. Friend is absolutely right: the UK's internal market is essential to promoting economic activity, ensuring that businesses in the borders—in my constituency, in Carlisle and beyond—benefit from frictionless trade with the rest of the United Kingdom. The borderlands growth deal, which includes a £265 million investment from the UK Government, was signed in July 2021, and is developing a range of projects to further boost economic growth.

Angus Brendan MacNeil (Na h-Eileanan an Iar) (Ind): When the BBC has the headline on its webpage, "Why has Ireland got so much surplus cash?" is it not clear that the reality is that independent Ireland is more successful in the European and world markets than

Scotland, trapped in the UK? Ireland has a surplus of £8.6 billion to spend on its society. The UK has a deficit and cuts, which are hurting people. Will the Minister remind us of the size of the UK deficit?

John Lamont: I am very clear that Scotland is better served by being at the heart of a strong United Kingdom. The spending figures of the Scottish Government are very clear, in terms of their dependency on Scotland being part of the UK to support vital public services like the NHS, schools and the transport network.

Mr Speaker: I call Stewart Malcolm McDonald—not here.

Rivers and Streams: Biodiversity

10. **Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): What discussions he has had with the Scottish Government on the biodiversity of Scotland's rivers and streams. [902557]

The Parliamentary Under-Secretary of State for Scotland (John Lamont): Water quality policy is devolved in Scotland. The Scottish Government are responsible for biodiversity in rivers and streams in Scotland, not the United Kingdom Government. It is for the Scottish Government to take action in this vital area.

Mr Sheerman: Is it not the truth that Scottish waters, streams and rivers are purer and cleaner because the Scottish people rejected the privatisation of water and, led by Scottish Labour, made sure that we had Scottish water in the public realm and delivered clean water for everyone?

John Lamont: The hon. Member is absolutely wrong. According to a recent report, untreated sewage has been released into Scottish waters and seas more than 58,000 times over the past five years, but only 4% of sewage overflows in Scotland are required to be monitored, unlike in England and Wales, where nearly 100% are monitored, thanks to the efforts of this Government. Unlike this Government, the Scottish Government and Scottish Water are failing to take tough action to monitor sewage overflows and protect our very important waterways.

Protection of Free Speech

11. **Jerome Mayhew** (Broadland) (Con): What recent discussions he has had with the Scottish Government on the protection of free speech in Scotland. [902558]

The Secretary of State for Scotland (Mr Alister Jack): This Government are committed to protecting free speech. It is the responsibility of the Scottish Government and Scottish Parliament, working with Police Scotland, to ensure that the hate crime legislation is implemented and enforced in a way that protects freedom of speech and has the confidence of people in Scotland.

Jerome Mayhew: The Scottish Government's Hate Crime and Public Order (Scotland) Act 2021 came into force this month and is already having a chilling impact on free speech. What lessons can the UK Government learn from the introduction of this poor legislation in Scotland?

Mr Jack: Yes, and Police Scotland already has stretched resources—not least because it has been checking up on the SNP finances for the last three years. My hon. Friend is absolutely right, and we do have concerns that the legislation could have a potential chilling effect on free speech, but it is for the Scottish Government to speak to their own devolved laws. For my part, I believe it is an awful piece of legislation; it lacks clarity on what constitutes an offence, and, importantly, my right hon. Friend the Prime Minister has made it very clear that the UK Government will not enact similar legislation.

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

Pete Wishart (Perth and North Perthshire) (SNP): Never before has such rubbish been uttered about a piece of legislation as has been uttered about the Hate Crime Act. In one week, the Tories have tried to repeal it—which, given that it mainly consolidates existing legislation, will leave us unprotected against islamophobia, racism and homophobia. Will the Secretary of State now issue one of his famous colonial decrees and tell the Scottish Tories to back off?

Mr Jack: First of all, those laws already existed—that is the important thing. Secondly, I was right about police resources. There were 8,000 hate crime reports in the first week, more than in any of the seven preceding years. It is a ridiculous, unnecessary piece of legislation.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [902597] **Kirsten Oswald** (East Renfrewshire) (SNP): If he will list his official engagements for Wednesday 1 May.

The Prime Minister (Rishi Sunak): I know the thoughts of the whole House are with the people of Hainault in east London following yesterday's appalling attacks. Such violence has no place on our streets. It is absolutely heartbreaking that a teenage boy has died, and I cannot imagine what his family are going through. We send them our heartfelt condolences and offer our very best wishes to all those injured. I reiterate my thanks to the police and other emergency first responders for embodying the highest standards of public service under such awful circumstances. I know our thoughts are also with those injured this morning in an attack at a school in Sheffield.

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

Kirsten Oswald: We know that more than one in five teenagers are vaping, with some experts describing it as an epidemic. Yesterday, new research suggested that teenagers who vape could be at risk of exposure to toxic metals, potentially harming brain or organ development. I agree with the Prime Minister in his wish to reduce the harms caused by smoking and vaping through the Tobacco and Vapes Bill. Does he agree that permitting football strips to be sponsored by vaping companies sends entirely the wrong message to young people, and that it is time to ban vape companies from advertising on sports strips?

The Prime Minister: I thank the hon. Lady for her question. Obviously, decisions about kit sponsorship will rest with individual teams, but I agree with her that it is important that we do everything we can to tackle the scourge of teenage vaping. That is why I am glad that she supports our Bill, which will not only clamp down on marketing and availability of flavours, targeting point-of-sale purchases, but improve funding for trading standards to clamp down on those selling vapes illegally to children.

Q2. [902598] **Dr Lisa Cameron** (East Kilbride, Strathaven and Lesmahagow) (Con): My husband is a veteran, and the defence of the country is the Government's first duty, in order to protect people across the United Kingdom. Can the Prime Minister reassure the House that he has a plan in place for backing our world-leading armed services, and does he know why the Opposition refuse to back his plan?

The Prime Minister: I start by paying tribute to my hon. Friend's husband and all our veterans for their service to our country. In the most uncertain times since the cold war, it is right that we build our security, protecting our values, our interests and indeed our nation. That is why this Government have taken the step to increase defence spending to 2.5% of GDP, making us the biggest spender in Europe under NATO. When the Labour leader stands up, I hope he stops dithering, does the right thing and confirms that he will back our plan to increase defence spending.

Mr Speaker: I call the Leader of the Opposition.

Keir Starmer (Holborn and St Pancras) (Lab): I join the Prime Minister in his words about yesterday's awful events in Hainault. I am sure that the whole House will want to commend the first responders and send our deepest condolences to the family of the 14-year-old boy who was murdered. I join the Prime Minister in his remarks about the attack in the school in Sheffield as well.

I know that everyone in the House will be delighted to see His Majesty the King returning to his public duties and looking so well. We all wish him and the Princess of Wales the best in their continued recovery.

I welcome my hon. Friend the Member for Central Suffolk and North Ipswich (Dr Poulter) to his place on the Labour Benches. After nearly two decades as a Tory politician and an NHS doctor, he has concluded that if you care about the future of our country and our NHS, it is time for change; it is time for this changed Labour party. As of today, he is our newest Labour MP, but I am sure he will not mind my saying that I hope he loses that title on Friday. When a lifelong Tory and doctor says that "the only cure" for the NHS is a Labour Government, is it not time that the Prime Minister admits that he has utterly failed?

The Prime Minister: I am glad to actually see the hon. Member for Central Suffolk and North Ipswich (Dr Poulter) in the House, because he recently pointed out that residents under his local Labour council are "charged much more in council tax but in return receive...lower quality"

services. He has been wrong about some things recently, but on that point he is absolutely right, and this week, people everywhere should vote Conservative.

Keir Starmer: The Prime Minister comes out with all that nonsense, but he locks himself away in his Downing Street bunker, moaning that people are not grateful enough to him. The reality is that Tory MPs are following Tory voters in concluding that only the Labour party can deliver the change that the country needs. I say to those Tory voters that if they believe in a better Britain, they are safe with this changed Labour party, and it is for them. In the two weeks since we last met at the Dispatch Box, has the Prime Minister managed to find the money for his completely unfunded £46 billion promise to scrap national insurance?

The Prime Minister: We addressed that a few weeks ago, and I am happy to address it again. I know that economics is not the right hon. and learned Gentleman's strong point, but he would do well to listen to his shadow Education Secretary, the hon. Member for Houghton and Sunderland South (Bridget Phillipson), who just this morning said, "No, that's not how it works." Indeed, the Institute for Fiscal Studies has also said that the link between national insurance and public services funding is "illusory"—just like Labour's economic plans. However, it is crystal clear that there is one party that will deliver tax cuts for working Britain, and it is the Conservative party. *[Interruption.]*

Mr Speaker: Order. Whoever is banging the furniture will have to pay for it if they damage it. Can we have less of that? We are not in the sixth form now.

Keir Starmer: That was a long, rambling non-answer to the question, which was: has the Prime Minister found the money to fund his £46 billion promise to abolish national insurance? Whenever he is asked about the date of the election, or about people's pensions, he acts as if answering straightforward questions is somehow beneath him, but pensioners and those who are planning their retirement deserve better than his contempt for their questions. If £46 billion were cut from its funding, the value of the state pension would almost halve, so I do not apologise for asking him again—*[Interruption.]*

Mr Speaker: Order. Mr Gullis, you have the next question, which you are not going to reach at this rate, and you have the ten-minute rule Bill. I would be quiet for a while if I were you.

Keir Starmer: I do not apologise for asking on pensioners' behalf again whether the Prime Minister will finally rule out cutting their state pension to fulfil the enormous black hole in his spending plans.

The Prime Minister: Of course we can rule that out. The right hon. and learned Gentleman should stop scaremongering, because it is thanks to the triple lock that we have increased pensions by £3,700 since 2010, and they will rise in each and every year of the next Parliament. It is Labour who always hit pensioners hard. It is his mentors, Blair and Brown, who broke their promises, raised pension taxes by £118 billion, and delivered an insulting 75p rise in the state pension. As one former Labour adviser just said, Brown "destroyed our pensions system". They did it before, they will do it again. Labour always betrays our pensioners.

Keir Starmer: It is clear that the Prime Minister cannot answer the question of where he is going to find this £46 billion. *[Interruption.]* No, he has said where it

is not coming from; he has not said where it is coming from. Luckily for him, one of his peers, Lord Frost—yes, him again—does know. He says that to solve the problem of the Tories' spending plans, the state pension age should be raised to 75. Understandably, that will cause some alarm, so will the Prime Minister rule out forcing people to delay their retirement by years and years in order to fulfil his £46 billion black hole?

The Prime Minister: I have answered this multiple times for the right hon. and learned Gentleman, but I am happy to say it again: the Conservative party is the party that has delivered and protected the triple lock. Ultimately, he is not worried about any of this, because as we all remember, he has his very own personal pension plan. Indeed, it comes with its very own special law: it was called the Pensions Increase (Pension Scheme for Keir Starmer QC) Regulations. It is literally one law for him and another one for everyone else.

Keir Starmer: The Prime Minister wants to abolish national insurance, which will cost £46 billion, and he will not tell us where the money is coming from. We are no closer to an answer. I am going to persevere. Last year, the Prime Minister was apparently drawing up plans to remove the winter fuel allowance from pensioners. His Paymaster General went a step further, saying:

“these are the sorts of things I think we need to look at”.

Will the Prime Minister now rule out taking pensioners' winter fuel payments off them to help fund his £46 billion black hole?

The Prime Minister: It was this Government who, just this winter, provided double the winter fuel payment to support pensioners. What is crystal clear is that we believe that the double taxation on work is unfair. We believe that hard work should be rewarded, which is why this week, we are cutting taxes by £900 for everyone in work. In contrast, it is Labour's newest tax adviser who thinks that pensioners should be taxed more—those are his words. This adviser calls them “codgers”. He thinks that supporting them is a “disgrace”, and he believes that their free TV licences are “ridiculous”. It is Labour who hit pensioners with tax after tax, and they would do it all over again.

Keir Starmer: Is it any wonder that the Prime Minister's MPs are following Tory voters in queuing up to dump his party? Even the Mayors who he is apparently pinning his political survival on do not want to be seen anywhere near him, because until he starts setting out how he is paying for his fantasy economics, he has a completely unfunded £46 billion promise that puts people's retirement at risk. How does it feel to be one day out from elections with the message, “Vote Tory, risk your pension”?

The Prime Minister: Tomorrow, voters will have a choice. It will be a choice between Mayors like Andy Street and Ben Houchen, who are delivering, or Mayors like Sadiq Khan, who simply virtue-signal. It is higher taxes, more crime and the ultra low emission zone with Labour, or lower taxes and better services with the Conservatives—that is the choice. From the West Midlands to Teesside to London, there is only one choice: vote Conservative.

Q4. [902600] **Jonathan Gullis** (Stoke-on-Trent North) (Con): We can see the Rwanda deterrent is working, and we have now deported our first illegal migrant, but, unsurprisingly, Labour just does not care. The shadow Home Secretary is busy posing for pics encouraging more boats to come over. The leader of the Labour party has said he would cancel the Rwanda flights. He took the knee when signing letters stopping us deporting foreign national offenders who have committed crimes such as murder and rape, and he would do a deal with the EU, surrendering our borders to 100,000 legal migrants. Is it not right that only the Conservatives will stop the boats and cut legal migration?

The Prime Minister: My hon. Friend is absolutely right. Our plan is working. Legal migration, the latest figures show, is down by 24% and student dependants down by 80%. We all know Labour's big idea: it is to scrap the Rwanda plan even when it is operational. However, as one senior Labour adviser said to Andrew Marr just yesterday:

“We can't just come in, tear it up, and have nothing to put in its place”.

I am sorry to break it to Labour Members, but that is exactly their policy. While we are getting on and stopping the boats, all Labour would do is stop the planes.

Mr Speaker: I call the SNP leader.

Stephen Flynn (Aberdeen South) (SNP): On Monday, the Armed Forces Minister could neither confirm nor deny that UK troops may soon be deployed on the ground in the middle east. The public watching will be hoping that Members of this House do not have a short memory when it comes to the potential deployment and involvement of our military in the middle east. Can I ask the Prime Minister to provide some much-needed clarity: is he giving active consideration to the deployment of UK forces in the middle east—yes or no?

The Prime Minister: Mr Speaker, you would not expect me to get into any operational planning details, but what I will say is that we are absolutely committed to supporting international effort to get more humanitarian aid into Gaza, which I think the whole House would support, by land, sea and air. We have tripled our aid commitment, and right now—together with the US, Cyprus and other partners—we are setting up a new temporary pier off the coast of Gaza to get aid in as securely and quickly as possible.

Stephen Flynn: Let us all be in no doubt: aid is required in Gaza, and it is required because, when people are not being bombed, they are starving to death. The solution to that is a ceasefire and the opening of safe ground aid routes, not the involvement on the ground of UK military personnel. These are dramatic and potentially dangerous developments, so will the Prime Minister confirm to the House today that, before he makes a decision, all Members will be afforded a vote?

The Prime Minister: I am not going to apologise for our armed forces playing a leading role in supporting international effort to get more aid in. Indeed, we are sending Royal Navy support ship RFA Cardigan Bay to the region to support that effort. The right hon. Gentleman

talks about this conflict; the fastest way to end it is to ensure that we have a hostage deal that gets hostages out and aid in, and for there to be a sustainable pause in the fighting. It seems clear that there now is a workable offer on the table, so I hope he joins me in encouraging all parties, including Hamas, to accept that deal so we can move towards a sustainable solution.

Q5. [902601] **Sir Bill Wiggin** (North Herefordshire) (Con): My right hon. Friend's decision to cancel HS2 led to £207 million for Herefordshire's potholes and transport infrastructure; Hereford hospital has a new ward, more beds and a new diagnostic centre on the way; £35 million has been allocated to the River Wye recovery plan; inflation is down; the Rwanda Bill has been passed; and defence spending is increasing. Does my right hon. Friend agree with me that, if he carries on like this, he is going to win the next election?

The Prime Minister: I am thankful for my hon. Friend highlighting the work that the Government are doing, whether that is increasing our defence spending to keep us safe, securing our borders with our Rwanda Act, cutting taxes by £900 or raising the state pension by £900. I am also pleased that, locally in Herefordshire, we are filling in potholes, helping to save the River Wye and improving local health services. It is crystal clear that it is the Conservative Government who have a plan and are delivering a brighter future for our country.

Caroline Lucas (Brighton, Pavilion) (Green): In February, the Foreign Secretary said that it would be difficult for a ground offensive on Rafah to avoid harming civilians and destroying homes, and just yesterday, the Deputy Foreign Secretary admitted that he was struggling to see how such an attack could be compliant with international humanitarian law. All the signs are that Netanyahu is about to defy the international community, and that an attack on the 1.5 million Palestinians sheltering in Rafah is imminent. If that attack begins, will that be the moment when the Prime Minister finally finds the moral backbone to ban arms exports to Israel, and if not, how much more suffering has to happen before he acts to prevent further UK complicity in crimes against humanity?

The Prime Minister: What the hon. Lady did not acknowledge at all is that Israel suffered an appalling terrorist attack that killed hundreds of its citizens, and it does have the right to defend itself. Of course, as I have been crystal clear, we want to see humanitarian law respected and adhered to by all parties. Too many civilians have been killed, and we want to see Israel take greater care to avoid harming civilians. I have made these points repeatedly to Prime Minister Netanyahu, specifically about the impact of any military incursion into Rafah, and we continue to say to the Israelis at all levels that we want to see more aid going in, and bring about a hostage deal so that we can move towards a sustainable ceasefire.

Q6. [902602] **Andrew Selous** (South West Bedfordshire) (Con): The 60% increase in funding for special educational needs and disabilities is extremely welcome, but challenges around the recruitment of community paediatricians mean that some children in Leighton Buzzard, Dunstable and Houghton Regis are waiting too long for an assessment. What can the NHS do to attract more of the 39,000

additional doctors recruited under this Government into community paediatrics, as a specialty that is incredibly rewarding and important?

The Prime Minister: My hon. Friend is right, and he joins me in welcoming the significant action that we have already taken to improve children's health, whether that is reducing sugar in children's food, or the £600 million we have invested to improve the quality of sport and physical activity in schools. The NHS has established a special group to ensure that the recovery of paediatric services keeps pace with that of adult elective care, and he will be pleased that the NHS long-term workforce plan, which we have fully backed, doubles the number of medical school places in England and increases specialty training places. That will increase the size of the pool from which community paediatricians can be drawn in the future.

Q3. [902599] **Mr Alistair Carmichael** (Orkney and Shetland) (LD): I know that you, Mr Speaker, want to join me in sending condolences to the friends, family and colleagues of our former colleague, Lord Andrew Stunell, who served with exceptional diligence and grace as MP for Hazel Grove in this House, and who passed away very suddenly on Monday.

When the BBC ends longwave radio transmission next year, that will also end access to electricity tariffs such as Total Heating Total Control, which is relied on by almost 1 million households across the United Kingdom. Switching to smart meters will not fix that for most people, not least because the roll-out programme is so far behind. Will the Prime Minister, or possibly the Secretary of State for Energy Security and Net Zero, get energy companies, the regulator and customer groups together, so that we can stop passing the blame around, and find a solution that does not yet again leave people in the highlands and island behind and out in the cold?

The Prime Minister: I understand that an agreement has now been reached to ensure that radio teleswitch services will continue until June next year. Ofgem is also engaging with energy suppliers on their plans to support consumers through the transition. While households currently covered by the service should not be disadvantaged by the switch-off, energy suppliers are best placed to advise on tariffs for those who have been switched to a smart meter. However, I will ensure that the right hon. Gentleman gets a meeting with the relevant Minister, to ensure that his constituents are not left behind during the transition.

Q8. [902605] **Peter Aldous** (Waveney) (Con): The east of England is playing a lead role in delivering the UK's energy security, and without our contribution the country will not be able successfully to transition to a renewable energy supply system. In recent months, our coast has taken a battering, and projects such as the Lowestoft flood defence scheme have been postponed. Will my right hon. Friend ensure that Departments are fully co-ordinated, so as to provide the region with good supporting infrastructure, proper protection for coastal communities, and every opportunity for local people to take up exciting new jobs?

The Prime Minister: We are levelling up across the United Kingdom and investing in places that need it the most, including, as my hon. Friend rightly highlights,

our coastal communities. Almost £1 billion of levelling-up funding has been allocated to the east of England, including £75 million for coastal places. I know that he welcomes the town deal for Lowestoft in particular. I will ensure that he gets a meeting with the relevant Minister to discuss how we can further support his region with its role in our energy security, and, in particular, its coastal communities.

Q7. [902603] **Deidre Brock** (Edinburgh North and Leith) (SNP): Greenpeace Unearthed found 36 supposed grassroots campaign groups that were actually administered by Conservative staff and activists and which were forums for vile racism, antisemitism and Islamophobic attacks on Sadiq Khan. While the Prime Minister is above such co-ordinated efforts against 20 mph zones in Wales, will he shed some light on these shady groups spreading abuse, including on their funding and their links to his party, and whether he is aware of similar operations existing elsewhere in the UK? If he will not, will he at least commit today to investigating and taking action to tackle the sources of this grubby gutter politics?

The Prime Minister: I am not aware of the topic that the hon. Lady raises, but I am not going to make any apology for Conservatives pointing out the record of the SNP in Scotland or the Labour Government in Wales, because that is exactly what the democratic process is about. She might not like it when we highlight their record, but we will keep doing that so that we can deliver for people across the United Kingdom.

Q9. [902606] **Dr Neil Hudson** (Penrith and The Border) (Con): I welcome our Government's commitments to boosting defence spending and supporting Ukraine, made possible by this Conservative Prime Minister's international leadership and sound management of the economy. My constituents have been doing us proud supporting Ukraine, with the Pot Place Garden Centre delivering ambulances, medical equipment and supplies, and Steve Hodgson providing vital aid. Will the Prime Minister join me in paying tribute to my constituents and people up and down the land for their support for Ukraine and reaffirm that we will continue to stand with Ukraine for the sake of freedom, democracy and global security?

The Prime Minister: I join my hon. Friend in thanking people up and down the country, including his constituents, for their fantastic work in supporting the Ukrainian community in the face of Putin's illegal invasion. We remain steadfast in support of Ukraine.

In total, since the war began, we have pledged over £12 billion of aid to Ukraine. Last week, we announced an additional half a billion pounds of funding, which will be used to deliver much-needed ammunition, air defence and engineering support and drones. More importantly—President Zelensky welcomed this—we are now able to say, because of the historic increase in our defence spending, that we will continue with this level of support for as long as it takes. It is crystal clear that, on the Government Benches, we can say that our support for Ukraine will never waver.

Q10. [902607] **Margaret Greenwood** (Wirral West) (Lab): In 1969, my constituent Georgina Jacobs gave birth to a baby boy whom she named Robert. Sadly, Robert was born asleep. In those days, the hospitals would ask the

father to collect the baby's body, take it to the cemetery and leave it there for burial. For 53 years, Georgina did not know exactly where Robert was buried. When she eventually found him, she shared her story on social media, and other mothers who had been through the same experience got in touch. Since then, she has located over 60 babies on behalf of grieving parents and has deservedly been presented with the Wirral award for her achievements. Will the Prime Minister join me in congratulating Georgina on her award and on having brought comfort to so many parents and families? Will he, on behalf of all previous Governments, apologise for that former practice, which left grieving parents with nowhere to visit their buried children?

The Prime Minister: I thank and commend the hon. Lady for raising that case, and I pay tribute to Georgina for what she is doing. I often say that one of the most incredible things about doing this job is meeting people like Georgina, who have suffered tragedy in their lives but used that to campaign, inspire and bring about a better life for everyone else. She is a prime example of that, and she deserves nothing but our praise and admiration. I am so pleased that she has brought comfort to so many other people, too.

Q12. [902609] **Mark Pawsey** (Rugby) (Con): Since I was elected in 2010, Rugby has seen employment grow by nearly 6,000, with 10% more of my constituents in work. Much of that has been driven by investment in advanced manufacturing in places such as Ansty Park, where we have got the Manufacturing Technology Centre, which the Prime Minister visited, the High Temperature Research Centre, Rolls-Royce, Parker Meggitt, Fanuc and the London Electric Vehicle Company. Given that every Labour Government have left office with unemployment higher than when they came in, can the Prime Minister see any reason why anybody would want to put this fantastic progress at risk?

The Prime Minister: On a recent visit, I was pleased to see for myself that my hon. Friend is a great champion for his constituents. I was very pleased to see the thriving local technology and manufacturing industry, which will help us deliver on our ambitions to make the UK a science and technology superpower. He is right that we have a record 1 million fewer workless households, and unemployment near record lows. He is also right that we need to stick to the plan, because that is how we will deliver the long-term change that our country needs and a brighter future for families up and down the country, including in his constituency.

Q11. [902608] **Carla Lockhart** (Upper Bann) (DUP): Hypocrisy needs to be called out. Everyone in this House will recall the former Irish Prime Minister in Brussels with a photograph of a bombed customs post, lamenting that any border between Northern Ireland and the Republic of Ireland was unworkable, in breach of the Belfast agreement and could result in such troubles again. The hypocrisy of the Irish Government position has not been not lost on us, with the Irish police now tasked to patrol the border to protect from the unsubstantiated, unfounded 80% of asylum seekers who supposedly—actually, the reverse is true—make their way to the Republic of Ireland from the UK via Northern Ireland. Will the Prime Minister challenge and call out

those actions, and confirm what representations he has made to the Irish Prime Minister and the Irish Justice Minister about the integrity of our UK border?

The Prime Minister: The House will be aware that we have made commitments to avoid a hard border on the island of Ireland. The hon. Lady makes a very important point that the Irish Government must uphold their promises, too. We cannot have cherry-picking of important international agreements. The Secretary of State is seeking urgent clarification that there will be no disruption or police checkpoints at or near the border. I can confirm that the United Kingdom has no legal obligation to accept returns of illegal migrants from Ireland. It is no surprise that our robust approach to illegal migration is providing a deterrent, but the answer is not to send police to villages in Donegal but to work with us in partnership to strengthen our external borders all around the common travel area that we share.

Q14. [902611] **Sir Desmond Swayne** (New Forest West) (Con): I was the Lord Commissioner who signed into law the special pension of the right hon. and learned Member for Holborn and St Pancras (Keir Starmer). He owes me one! The Prime Minister is right: Labour's 75p was an insult to pensioners, yet last year our triple lock afforded pensioners the highest increase in 30 years. The Prime Minister is going to continue to deliver dignity in retirement, is he not?

The Prime Minister: My right hon. Gentleman is right that we will provide dignity to all those in retirement. That is why we introduced the triple lock and why this year the state pension is rising by £900. I am also proud of our record to bring 200,000 pensioners out of poverty. As I have said previously, the state pension will increase in each and every year of the next Parliament. He reminds us of the 75p increase—unlike Labour, pensioners in this country can trust the Conservatives.

Q13. [902610] **Gareth Thomas** (Harrow West) (Lab/Co-op): In only one of the 194 local authority areas in England are NHS ambulances meeting the national response time targets for potential heart attack and stroke victims. Does the Prime Minister know which one it is?

The Prime Minister: When it comes to ambulance waiting times in A&E, of course there is work to do, but the place where they are the worst in the country is in Labour-run Wales. Thanks to our plan, we have seen an improvement in A&E and ambulance times this winter compared with last winter. We have 800 more ambulances on the road, faster discharge out of our emergency care centres and 10,000 virtual ward beds. As I said, there is more to do, but the contrast with Labour-run Wales is crystal clear: it has the worst A&E performance anywhere in Great Britain.

Stephen Crabb (Preseli Pembrokeshire) (Con): For six months, thousands of my constituents have lived with foul polluted air from the Wwithyhedge landfill site. The company is owned by someone with previous convictions for environmental crimes, who a few months ago gave £200,000 to help Vaughan Gething become First Minister

of Wales, after another of his companies was loaned £400,000 from the Development Bank of Wales, overseen by the then Economy Minister Vaughan Gething. Does the Prime Minister agree that this serious matter demands an independent investigation? It is not some internal Labour party matter. Ultimately, that company needs to get out of my constituency and let people in Pembrokeshire have their quality of life back.

The Prime Minister: My right hon. Friend brings up an incredibly important issue. I know that people in Wales are concerned about the relationship he mentions. I also agree with him on the need for transparency and an investigation regarding the Welsh Labour leader, because it is very clear that the situation is not at all transparent and answers are needed.

Catherine West (Hornsey and Wood Green) (Lab): It has been revealed by *The Observer* newspaper that the Conservative candidate for the Mayor of London is a member of the six Facebook groups mentioned by the hon. Member for Edinburgh North and Leith (Deidre Brock). They are full of Islamophobia, antisemitism and the most disgraceful incitement to damaging property. The worst bit, for those of us who were in the House when our Members of Parliament were taken, are the death threats to the current Mayor of London, Mr Khan. Will the Prime Minister close down those Facebook pages, which were begun by Conservative members of staff, and will he investigate the role of the current candidate and her membership of those disgraceful racist Facebook groups?

The Prime Minister: The election tomorrow will be fought on the substance of the issues that Londoners face. The Labour record is crystal clear: house building in London has collapsed; knife crime is rising; mayoral taxes are up 70%; and drivers have been hit with ULEZ charges. The Labour Mayor simply panders to unions and has decimated London's night-time economy. That is his record and that is how he will be judged. People across London know that they will be safer with the Conservatives, with lower taxes and better services.

Dame Karen Bradley (Staffordshire Moorlands) (Con): Today is Staffordshire Day, when we celebrate all the brilliant things about the county of Staffordshire. Will my right hon. Friend join me in paying tribute to our brilliant police, fire and crime commissioner, Ben Adams, and encourage the people of Staffordshire to vote for Ben tomorrow to ensure that Staffordshire remains one of the safest places to live, work and visit?

The Prime Minister: I wish everyone a happy Staffordshire Day. My right hon. Friend mentions the police and crime commissioner elections. It is right that she does, because under this Conservative Government and previous Conservative Governments we have cut crime by over 50% and delivered 20,000 more police officers. People with a Labour police and crime commissioner are more likely to be victims of burglary and are twice as likely to be victims of robbery. As I said, last year knife crime in London went up by 20%. The facts speak for themselves: vote Conservative for safer streets.

Immigration Update

12.38 pm

The Minister for Legal Migration and the Border (Tom Pursglove): With permission, I would like to make a statement on immigration.

The Government are committed to reducing immigration—both legal and illegal—into the United Kingdom. Legal immigration has risen in recent years in part because we have extended the hand of friendship to people fleeing conflict and persecution in Ukraine, Hong Kong and Afghanistan. That was the right thing to do. But another factor has been the numbers of overseas students and workers and their dependants rising to unsustainable levels. The steps that the Secretary of State for the Home Department, my right hon. Friend the Member for Braintree (James Cleverly) announced last year to cut net migration will mean that around 300,000 people who would have been eligible to come to the UK will now not be.

We have restricted most students from bringing dependent family members, increased the salary that most skilled worker migrants need to earn in order to obtain a visa by nearly 50% to £38,700, stopped overseas care workers bringing dependent family members with them, raised the minimum income for family visas to ensure that people are supported financially, and scrapped the 20% going rate salary discount for shortage occupations and replaced the shortage occupation list with a new immigration salary discount list. The latest estimates from the Office for National Statistics show that net migration in the year to June 2023 was 672,000, 73,000 lower than it was six months earlier. The figures are provisional and we need to go further, but these are encouraging signs.

The latest statistics show that the numbers applying for skilled worker, health and care and study visas in the first three months of 2024 were down by 24% on the same period last year. We removed, from 1 January, the right of students starting courses—other than those on postgraduate research programmes and Government-funded scholarships—to bring dependants to the UK via the student visa route. The number of applications for student dependant visas has fallen by 80% since our changes came into force. From 11 March 2024, we have stopped overseas care workers bringing family dependants here, and have required social care firms in England to be registered with the Care Quality Commission to sponsor visas. In the year ending September 2023, an estimated 120,000 dependants came here via that route. In the first three months of 2024, the number of applications for health and care visas was down by 28%—and this is just the start; most of our changes have only just come into force.

Meanwhile, we remain committed to stopping the boats. Following Royal Assent for the Safety of Rwanda (Asylum and Immigration) Act 2024 and the ratification of our treaty with Rwanda, we can operationalise our plan to relocate illegal migrants to Rwanda. Rwanda is a safe country that has repeatedly shown its ability to offer asylum seekers a chance to build new and prosperous lives. It has a strong and successful track record of resettling people, hosting more than 135,000 refugees, and it stands ready to accept thousands more who want to rebuild their lives and who cannot stay in the UK.

Once flights begin, we will have added another vital deterrent to crack down on the people-smuggling gangs who treat human beings as cargo. The first illegal migrants set to be removed to Rwanda have now been detained, following a series of nationwide operations this week. Operational teams within the Home Office have been working apace to detain, safely and swiftly, individuals who are in scope for relocation to Rwanda, with more activity due to be carried out in the coming weeks. This action is a key part of the plan to deliver flights to Rwanda in the next few weeks.

We have made solid progress in stopping the boats, although we need to finish the job. The number of small boat arrivals fell by more than a third in 2023, and our work with international partners prevented more than 26,000 crossings last year as well as helping to dismantle 82 organised crime groups since July 2020. Our new agreement with Albania has cut Albanian small boat arrivals by more than 90%, and we recently signed a groundbreaking deal with Frontex—the European Border and Coast Guard Agency—which marked another crucial step in the securing of our borders. An initial cohort in the thousands of suitable cases for removal to Rwanda has been identified and placed on immigration bail, with strict reporting conditions. We have a range of measures in place to ensure that we remain in contact with individuals, including both face-to-face and digital reporting, and Immigration Enforcement has a range of powers to trace and locate any individuals who abscond, as well as a dedicated team of tracing officers who work with the police, other Government agencies and commercial companies to help trace individuals and bring them back into contact. It would, of course, be inappropriate for me to comment further on operational activity.

Immigration has enriched this country beyond measure, but it needs to be sustainable and it needs to be fair. Legal immigration should be focused on helping those in genuine need, and on ensuring that our economy has the skills that it needs in order to flourish. It is simply not right for those who can afford to pay gangsters to jump ahead of those who would play by the rules, and whose need is greater. No one needs to flee to the UK from a safe country such as France. Both illegal immigration and unsustainable legal migration place intolerable burdens on communities, and over time they will undermine support for immigration in general, which would be a tragedy. That is why this Government have a plan, which we are putting into action. There is further to go, but we are seeing its positive impact already. I commend this statement to the House.

Mr Speaker: I call the shadow Minister.

Stephen Kinnock (Aberavon) (Lab): I thank the Minister for advance sight of his statement, but I have to say that this really is getting quite difficult to watch. Not for the first time, the Minister has come to the Dispatch Box desperately fishing for compliments, when it is his Government, his Home Secretary and his Prime Minister who are the cause of the catastrophic state of both the work-based migration and asylum systems. This is their bin fire—their chaos—yet they expect praise each time they half-heartedly attempt to throw a single teacup of water towards the flames.

Net migration has trebled since 2019 to a barely comprehensible 745,000. Under this Government, the number of people crossing in small boats has spiralled

[Stephen Kinlock]

from a few hundred in 2018 to tens of thousands every year. It was toe-curlingly embarrassing to watch the Minister claim that he has made “solid progress” on stopping the boats, when this year the number of crossers is at the highest level on record—more than 7,000 between January and April.

It was excruciatingly painful to watch the Home Secretary boast on social media about removing people with no right to be here, when the removal of failed asylum seekers has collapsed by 44% under this Government since 2010, when the removal of foreign criminals has plummeted by 27%, and when he has completely lost track of the 3,500 asylum seekers he claims have been identified for deportation to Rwanda. It is also painful to hear Government figures bragging in the media that their Rwanda policy is somehow a success because a single person, who did not even cross the channel on a small boat, has chosen to fly to Rwanda voluntarily, with thousands of pounds of Government money stuffed into his pocket by the Home Secretary. This is not a policy; it is a headline-chasing gimmick, a fiasco and a farce.

Labour has been absolutely clear that we reject the £500 million Rwanda scheme, based on its unaffordability and unworkability. It will cover only 1% of small-boat asylum seekers, and the Government have no plan for the other 99%. We will repurpose that money to smash the criminal smuggler gangs with our new cross-border police unit and a security partnership with Europol. Crucially, our new returns and enforcement unit will ensure that more flights take off to other countries, which will remove foreign criminals, failed asylum seekers and visa overstayers so that we can restore some control and integrity to our asylum system in a way that is firm, fair and well managed. We will also end the use of 250 asylum hotels and other inappropriate accommodation for asylum seekers, which is costing the British taxpayer millions of pounds every single day.

It is painful to hear the Minister bragging today about the reduction in the number of health and social care visas awarded as a way of bringing down net migration—first, because it is based on such a small data sample; secondly, because this is only one sector of the economy; and, thirdly, because the Minister seems to care not one iota what the reduction in workers will mean for our elderly parents. Where is the impact assessment, and where is the plan to recruit local talent?

Can the Minister explain why net migration has trebled since his party pledged during the 2019 general election to lower it? Will he admit that the huge surge in work-based migration over recent years is evidence of this Government’s total failure to deliver on domestic skills and training? Labour pushed the Government into scrapping the unfair 20% wage discount for jobs on the shortage occupation list, which allowed companies to undercut British workers by hiring overseas. Can he explain why it took so long for his party to steal our policy?

On asylum, Home Office sources have told *The Times* that only 400 to 700 detention spaces are reserved for migrants who are due for deportation to Rwanda. Can the Minister confirm that this equates to less than 1% of the current asylum backlog in the UK? The Prime Minister promised to detain everyone who has crossed

the channel on a small boat—over 30,000 last year. Given that we have only 2,200 detention spaces, what will happen to the remaining 28,000?

The Government’s immigration and asylum policies have failed. We need to put the grown-ups back in charge so that we can fix this broken system and once again give our country an asylum and immigration system that it can be proud of.

Tom Pursglove: What a quite extraordinary response! The fact is that this is a Government who have a credible plan to bring net migration down by 300,000, and all those measures are now in flight. As I have been able to set out for the House, it is beginning to deliver the results we said it would deliver.

I will take no lectures from the shadow Front Bench about the issue of domestic employment. I was one of the Ministers in the Department for Work and Pensions that was proud to bring forward the back to work plan and the comprehensive reforms of the welfare system that we are taking forward as a Government. We are also seeing enormous cross-Government join-up to support more domestic workers into those roles. That is the right thing to do: to support people in this country to take on those roles and fill those vacancies. And let us not forget the record of every single Labour Government: without fail, they leave unemployment higher at the time of leaving office than it was at the start. Under this Government, we have seen record low unemployment benefiting communities across the country.

We have begun the process of delivering the measures in relation to legal migration, and we are also delivering when it comes to illegal migration. We have a plan. We are now getting on and closing hotels—150 asylum hotels have been closed. That is a positive thing. It is the right thing to do to make sure that we accommodate people in appropriate accommodation, but get away from the model of providing hotel accommodation for people. What is Labour’s plan on that? We have seen massive gains when it comes to asylum decision making and productivity around those processes. What is Labour’s policy on that? We have seen crossings down by over a third last year compared with the year before. We have seen Albanian arrivals falling by 90%. Again, what is Labour’s offering to achieve likewise? There isn’t one.

We will continue to sustain the progress that we have made, and we know from everything that has been said in recent days that the Rwanda policy is beginning to have the desired effect: the deterrent is clear. When it comes to the hon. Gentleman’s meagre offering, I would just say that we have already doubled funding for the National Crime Agency for organised immigration crime work, and we already have approximately 5,000 officials working on these matters within migration and borders. That is all that Labour Members are offering; it virtually resembles a blank sheet of paper. The truth is that they offer no deterrent. They have nowhere to send people. They have no plan. They have no solutions. They try to bluff that they do, but they are kidding nobody. They are terrified that our plan is going to work. They are terrified that they will have to scrap it, and they are terrified that they have no alternative. Only we have a plan. It is delivering results and we will see it through.

Tim Loughton (East Worthing and Shoreham) (Con): Again, no hint of a plan for how we deal with failed asylum seekers from countries to which they cannot be

returned without the Rwanda scheme. I am pleased with the progress that the Minister has made on reducing net migration, but I am worried about the figures that came out yesterday. Of the 5,700 migrants who have been identified for removal, only 2,145 can be located. This reflects the evidence from the second permanent secretary to the Home Affairs Committee earlier in the year, when some 17,000 failed asylum seekers who should have been removed could not be located. Where are these people, and what is the Department doing about tracking them down and making sure that they can be removed, as needs to happen as swiftly as possible?

Tom Pursglove: My hon. Friend will appreciate that I cannot go into the granularity of the operational work that is ongoing to ensure that we can deliver on this policy, but I can say that an initial cohort of suitable cases of around 2,000 people has been identified for removal, and they have been placed on immigration bail with strict reporting conditions.

For those outside that group, there is still a wide range of tools to maintain contact with them. That includes, as I said earlier, face-to-face and digital reporting, and many individuals also reside within Home Office accommodation. The Minister for Countering Illegal Migration, my right hon. and learned Friend the Member for Mid Dorset and North Poole (Michael Tomlinson) leads on this work and he is confident of the whereabouts, once the decision to detain is made, and this is just one of the cohorts of people who may be eligible for removal to Rwanda. The policy is clear and we are getting on and operationalising it. That includes detaining people for the purposes of relocation.

Mr Speaker: I call the Scottish National party spokesperson.

Alison Thewliss (Glasgow Central) (SNP): It is hard to know where to start with this complete and utter drivel. The Minister comes here today proud of this tawdry, pathetic, self-defeating piece of fascist nonsense—*[Interruption.]* The Tories—*[Interruption.]* They do not like it, but it is true and I will explain to them why. The Home Office has put out—*[Interruption.]* Mr Speaker, they do not like the truth. The Home Office has issued a promo video this morning of people being detained, and it absolutely turns my stomach. This is a Government who glorify their state-sponsored people trafficking plans as they cuff people and take them out of their beds to be sent to another country against their will. It is sickening.

These plans are damaging to our society, to our economy, to the people who need care and to the people who want to love, live and study here. Universities are up in arms about the cuts to student numbers. It makes absolutely no sense. The draft rules that the Government have issued on adults at risk in immigration detention were released this week, but instead of taking action on the serious recommendations of the Brook House inquiry, the Home Office is instead doubling down on its policy of indefinite detention. And Labour Members are going along with all of this. Shame on them.

Far from what the Minister said, small boat arrivals are up this year. Rwanda is no deterrent because none of their other policies has proved a deterrent. The thousands of people they want to send there have disappeared, never to be seen again, and who can really

blame them, if they are going to be plucked from their beds and taken away by Ministers and sent to countries against their will? Indeed, who can blame them? The risk is that these people will end up being exploited because they have gone into hiding. They will be exploited, they will be trafficked and they will be vulnerable. Why is the Minister not acknowledging the impact that this policy will have on vulnerable people?

Finally, if it is indeed the case that the person the Government sent to Rwanda has not been granted refugee status in this country, why are they not being returned to their country of origin? Is it perhaps that that country is actually unsafe? If that is true, why were they not given refugee status here in the first place?

Tom Pursglove: It is a perfectly respectable position to want to protect our borders. It is right and proper to want to ensure that we have a fair and balanced system of legal migration that is sustainable. I make no apology whatsoever—and nor will this Government or any of the Ministers in the Home Office—for placing front and centre the determination to protect people's lives. We have seen too many lives lost in the channel at the hands of evil criminal gangs with no regard whatsoever for human life who take people's money, exploit them and send them out to sea in unseaworthy vessels. Candidly, beyond that, I am not going to edify the hon. Lady's contribution with anything further.

Damian Green (Ashford) (Con): I very much welcome the fact that the Minister is able to come to this House with the first encouraging signs of lower migration numbers, which will be welcomed widely outside this House—including, I suspect, in Scotland. Does he agree that the lesson we should draw from this is that taking practical, detailed measures to crack down on the exploitation of certain types of visa routes is the way to make progress on bringing immigration numbers down, rather than the windy rhetoric we heard from the Opposition spokesman?

Tom Pursglove: My right hon. Friend is a distinguished former Home Office Minister who had responsibilities in the immigration space, and I would argue that a lot of the measures that we have announced, and that are now all in flight, build on the earlier efforts of colleagues such as him. He is absolutely right that the policies are balanced and measured and that they deliver on the legitimate aim of wanting to reduce inflows of legal migration into our country, to ensure fairness, to ensure that the model is sustainable and to ensure that people who come here are able to be properly supported. I think that that is something that the British people strongly support, and I entirely share his sentiments.

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

Dame Diana Johnson (Kingston upon Hull North) (Lab): The National Audit Office estimates that it will cost £11,000 per person to fly people to Rwanda. Can the Minister tell the House which airline he will use to transport people to Rwanda? What is his estimate of the number of people who will be sent to Rwanda in the first three months of operating the policy?

Tom Pursglove: The Chairman of the Select Committee, for whom I have enormous respect and admiration, will understand why I am not going to get into operationally

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or commercially sensitive matters on the Floor of the House. We have consistently seen great efforts to thwart this policy, in a whole host of senses, over the course of weeks, months and years. We will not be thwarted. We have made commitments, and we will get on with delivering this policy. There is a plan and, as the Prime Minister has said, we will send a flight within the next 10 to 12 weeks. That is where our focus lies, and it would be entirely inappropriate to share the logistics on the Floor of the House.

Sir Jacob Rees-Mogg (North East Somerset) (Con): As mass migration has been shown to depress GDP per capita, and as it is clear that it is easier to control the much higher number of legal migrants, may I encourage the Government to return to their promise of having migration in the tens of thousands?

Tom Pursglove: Again, I am not going to set out today what the Government's future ambitions may be. What I am able to say is that we have a package of measures that is delivering a reduction of 300,000 in net migration, spanning various different routes. I think it is a very credible offer to meet the ambition of the British people to bring those numbers down, not least for the reason that my right hon. Friend touches on: legal migration to this country needs to be sustainable. When we consider, for example, that we saw 100,000 care workers come with 120,000 dependants, I do not think that any fair-minded person would, by any objective yardstick, think that that was a reasonable position. That is why we are bringing it to an end, and I am pleased that the measures we have introduced are delivering results.

Mr Alistair Carmichael (Orkney and Shetland) (LD): *The Times* reports this morning that the number of visas granted for care workers in March this year was 83% down on the figure for March 2023. Does the Minister expect that reduction to continue? If he does, who will do the work that those carers would have done, and what impact does he think it might have on the national health service?

Tom Pursglove: We have committed to monthly reporting on the net migration measures we have introduced to allow Parliament and others to take a view on our progress. There are extensive efforts across Government to employ more people from our domestic labour force. I wish Liberal Democrat Members were as enthusiastic as I am about the back to work plan and our work on recruitment and retention. We are taking forward those credible efforts to try to support more people in this country into these roles. We are also working intensively to improve the processes for rematching individuals who are already here on health and social care visas. These are the right steps to take, and I will not pre-empt what the figures might look like in the coming months. The right hon. Gentleman will be able to look at them in the same way as everybody else.

Kevin Foster (Torbay) (Con): It is interesting to hear the Minister's comments and to see the impact of things that, I think it is safe to say, he and I would have wanted to do slightly earlier, such as abolishing the 20% discount on the SOL. Does he agree that the core problem is that,

all too often, people see immigration as an alternative to policies that affect the domestic labour market, rather than as something that supports those policies? Sectors and businesses that will be very keen to have a meeting with him in his new role were not quite so keen to meet him when he was trying to promote the Disability Confident scheme as Minister for Disabled People. What are the Government's plans to make sure that future migration policy clearly links up with our wider policy for the UK labour market, and to make sure that it is not open to lobbying to try to avoid it?

Tom Pursglove: My hon. Friend speaks with real authority and experience on this issue. I recall our conversations in our previous ministerial roles, and he is absolutely right that immigration ought not to be the first port of call in meeting our skills needs and filling vacancies. That is why the Government have a co-ordinated plan, with our immigration policies, our back to work plan, our health and disability benefit reforms, and our reforms in a host of other areas. That should be our focus. I would argue that there is a strong moral case that investing in our domestic labour force to get people into vacancies is the right thing to do. Where there needs to be a practical approach to migration, we should look at it, but it most definitely should not be the first port of call.

Ian Paisley (North Antrim) (DUP): I welcome the comments on legal migration, which is very important to many sectors in Northern Ireland.

On the important and perplexing issue of illegal migration, can the Minister say something about what the Irish Republic's Government said this week about pushing back returnees to Northern Ireland? Can he confirm that the Irish Justice Minister made up the fact that 80% of the problem stems from Northern Ireland? Will he say something about the Republic of Ireland's courts claiming that the United Kingdom is an unsafe destination to return people to in the first instance? Will he please assure me that Northern Ireland will not become a dumping ground for the right-wing problems being faced across the EU?

Tom Pursglove: As the Prime Minister has rightly said, including at Prime Minister's questions, we are not going to accept returns from the EU via Ireland when the EU does not accept returns to France, from where illegal migrants are coming to the United Kingdom. The UK Government's position is clear. We have regular and ongoing work on the abuse of the common travel area, which is right and proper. We also stand by our obligations under the Good Friday agreement. I would argue that the Prime Minister has made our position very clear.

Vicky Ford (Chelmsford) (Con): Chelmsford is a very welcoming community. We have welcomed Ukrainian refugees, the families of those brave Afghans who stood beside our soldiers, and the Hong Kong Chinese. We have amazing domestic abuse services, and we have welcomed women and their families from all over London and the south-east who are fleeing violent men. We have built thousands of new homes and, because the Labour Mayor of London has so spectacularly failed to build new homes, we have welcomed social housing tenants from all across London, but this cannot go on. We have

400 families who are unable to find a home in temporary accommodation. We have to control migration. I am delighted that the Minister is closing 100 hotels. Will he please close the Atlantic hotel and the Legg Street flats in Chelmsford? Chelmsford has welcomed so many, and we cannot home everyone.

Tom Pursglove: I am very mindful that my right hon. Friend's community in Chelmsford has been incredibly generous. The UK Government have been delivering work in conjunction with communities to provide sanctuary for those fleeing the most dreadful conflicts around the world, including in Ukraine, Afghanistan and Syria, as well as those fleeing the situation in Hong Kong. She is also right to touch on the abuse of routes, which is precisely why we are introducing greater Care Quality Commission oversight and accreditation of the health and social care visa system.

I hear my right hon. Friend's representations on accommodation, on which we have had conversations. Reducing inflow is critical to allowing us to get on with closing hotels across the country, and to getting the accommodation picture into a more manageable state. It is clear that only this Government have a credible plan to reduce the inflow of people coming here illegally via small boats across the channel. We will see that through to make sure that we can get on with closing more hotels.

John McDonnell (Hayes and Harlington) (Lab): As the policy is rolled out, it is seen to be the brutal and inhumane financial fiasco that it is. Asylum seekers were detained as they turned up for their normal monthly reporting yesterday, causing immense distress. A number of them will inevitably be sent to the detention centres in my constituency. We have experience of what happens when people are distressed in this way. We have seen suicides, self-harm and mental breakdowns. Can I have an assurance from the Minister that the charities that support asylum seekers in detention, including Care4Calais, will have direct access to these detained individuals, and that these individuals will have access to legal advice?

Tom Pursglove: There are, of course, established processes whereby people can access the support that is appropriate in the circumstances. I have a principled disagreement with the right hon. Gentleman on this point about detention, and I recognise that those in the Scottish National party do not support detention either for the purposes of removal. However, where people are here who have no right to be here, I think it is appropriate that they are detained for the purposes of removal. That is done entirely properly, in accordance with the law, with the proper safeguards around it. As ever, that will continue to be the case during the ongoing work as part of the Rwanda relocations.

Mr Mark Francois (Rayleigh and Wickford) (Con): I welcome the statement and, in particular, the news that in some categories at least immigration is finally beginning to fall. On asylum specifically, the Irish Foreign Minister and former Taoiseach, Micheál Martin, complained bitterly just a few days ago that large numbers of asylum seekers were moving from Northern Ireland into the Irish Republic. Sky News reported yesterday that the Irish Government are seriously contemplating moving police officers to the border to interdict that

flow. In effect, that would create a hard border on the island of Ireland. Some of us were lectured for years, including by today's Opposition spokesman, that the Irish Government would never contemplate that in any circumstances, so the stench of hypocrisy is strong. Will the Minister assure me that we will never allow the Republic to return those people to Northern Ireland unless and until we can remove illegal cross-channel migrants to France? As for the contemptible remarks of the SNP spokesman, let me say that at least the UK has a Government, which is more than we can say for Scotland this week.

Tom Pursglove: My right hon. Friend knows that this Government are resolutely opposed to a hard border on the island of Ireland. I understand that the Secretary of State for Northern Ireland has requested an urgent meeting with the Irish Government to seek assurances that there will be no adverse implications for the smooth operation of either the common travel area or the Good Friday agreement. That is an important meeting and he is right to seek it. I reiterate that we would welcome a returns agreement with the EU. We think it is right that we explore those opportunities and we will continue to pursue that.

Joanna Cherry (Edinburgh South West) (SNP): When I was first elected to this House, we often debated safe and legal routes, but we do not hear much about that any more. Many of my constituents are writing to me because they want a family reunion scheme for their relatives in Gaza. I recently co-authored a report with Helena Kennedy recommending that the UK Government have a humanitarian visa for women in Afghanistan and Iraq. Will the Minister therefore tell me whether the Government have any plans to announce any safe and legal routes before the next general election?

Tom Pursglove: I am sure the hon. and learned Lady has followed the position closely. Through the Illegal Migration Act 2023, we made a commitment, which was reflected in the legislation, to publish the cap and the statutory instrument that sits alongside it, which will support our efforts to provide resettlement opportunities in this country for people in the years ahead. That work is on track and we will deliver on that commitment, and I will be able to say more in due course.

Steve Brine (Winchester) (Con): In December, Care England appeared before my Select Committee and told us that the care sector had been "blindsided" by the change to ban overseas care workers from bringing dependants to the UK. The Government's impact assessment said that the policy would not affect the number of those applying to come here and help look after our constituents, yet today's figures show that care worker applications have decreased by more than half. We all want to see a care sector sustained by domestic labour—why wouldn't we? However, with 152,000 vacancies to the end of March this year, is that decrease the intention or the unintended consequence of these changes?

Tom Pursglove: As I have consistently described, the situation on dependants has been unsustainable. As I said in answer to an earlier question, we saw 120,000 dependants coming with 100,000 care workers. That position could not realistically continue to be sustained. We are in the very early stages of the delivery

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of these measures; the health and social care changes have only just come into force. My hon. Friend will want to satisfy himself on this having looked at the figures across a number of months, but I reiterate that there are huge opportunities associated with domestic recruitment and enormous work is going on in government with a focus on retention. That is the right way to deal with these challenges, but a health and social care visa route is still available for people. It is not unreasonable to think that in future individuals without dependants will come—they will still be able to come—and that is entirely appropriate.

Jeremy Corbyn (Islington North) (Ind): When the Minister gave a statement to the House, he said that the Government had extended the hand of friendship to those fleeing persecution and oppression. Is he aware that a considerable number of people who are in Calais, or who have crossed the channel and tried to get to this country, are victims of human rights abuse, environmental disaster and wars, some of which this country has been involved in, such as in Afghanistan? His answer is to demonise them and to try to force them to go to Rwanda. Should he not think for a moment of a sense of humanity about people in a desperate situation, through no fault of their own, looking for a place of safety in a country that was involved in the war in Afghanistan in the first place?

Tom Pursglove: I am exceptionally proud of the work that this country, supported by the Home Office and its teams, has done as part of the enormous resettlement efforts we have taken forward in recent years. Only last week, I had the real privilege to spend some time with a team who had been supporting new Afghan arrivals through the Afghan citizens resettlement scheme. I was incredibly moved by that work. Those individuals had come through a safe and legal route, and we will continue to see those commitments through. The UK has played its part and it will continue to do so. But what is not right, in any sense, is to give the impression that anybody ought to be getting in a small boat, having paid an evil criminal gang to do so, and coming across the channel and risking their life. We saw a young girl lose her life only last week. Nobody needs to leave those French shores in order to find safety. We do have safe and legal routes, and it is right that people come through those.

Sir Edward Leigh (Gainsborough) (Con): Fifteen months after the Government announced that they were taking over the whole of RAF Scampton and putting 2,000 migrants there, not a single one has arrived. We have fought the Home Office to a complete standstill and everything we have said has been proved correct; the costs are rising exponentially from £5 million to £27 million, and the buildings are decaying, as is the runway. The Labour party has now joined me in my early-day motion against this proposal. We have involved the Levelling Up Secretary, who is now imposing all sorts of conditions on the Home Office. Will the excellent, first-class Minister before us today now ensure that his attention is laser-focused on working with us and doing what we have argued for from the beginning: releasing the entire site to Scampton Holdings so that we can get the biggest and best levelling up we have ever had on a former RAF base?

Tom Pursglove: My right hon. Friend is a tireless campaigner for his constituents. He knows that I am exceptionally sympathetic to trying to deliver this regeneration project for Lincolnshire. I appreciate entirely the enormous economic benefit and opportunity that it presents for people in the Scampton area, from a perspective of not only amenities but jobs. We are working intensively with him and with the local authority to move this forward. We do of course need to realise our accommodation ambitions for that site in the short term, but I also want to find and agree a way forward that means that those regeneration ambitions can also be realised as quickly as possible.

Clive Efford (Eltham) (Lab): We now know that it is the Government's intention to pay board and lodging for five years for anyone voluntarily removed to Rwanda. That commitment will fall heavily on the next Government, if this one are even successful in getting anyone to Rwanda. So how much is this nonsense going to cost?

Tom Pursglove: It is fair to say that if we were to adopt the approach of the Labour Front Benchers, which the hon. Gentleman no doubt subscribes to, we would continue to have uncontrolled immigration to our country via the channel. He offers no alternative solution to the one that the Government are taking forward. That is an unsustainable position. I am confident that the Rwanda policy will help to bring to an end the channel crossings, put the evil criminal gangs out of business and get the issue under control. That has to be right. What is clearly unacceptable is to parade around with no credible policy alternative and just pretend that everything is going to be okay.

Jack Brereton (Stoke-on-Trent South) (Con): It is very encouraging to hear the news about the progress on tackling both legal and illegal migration, and particularly about the operationalisation of the Rwanda policy. I pushed on a number of occasions for further schemes with other third countries, because we need to see that deterrent, but I was told that we were waiting for the delivery of the Rwanda scheme. Now that we have delivered the Rwanda scheme through Parliament, will the Minister look again at further schemes with other third countries, so that we can offer the maximum possible deterrent to those trying to come here illegally?

Tom Pursglove: My hon. Friend is right on the point about deterrents. He has been very supportive of our work that has seen Albanian arrivals fall by 90%. Again, that shows the value that deterrents have. I know the Minister for Countering Illegal Migration has been having conversations with the Vietnamese about the small boat arrivals we have seen from Vietnam. We will continue to work hard to deliver more international co-operation in this space. I also think it is right that the Home Secretary is spending considerable amounts of his time and energy on informing the conversation internationally about what more we can do to tackle these migratory flows. We know that where we led the way in announcing our Rwanda policy, others internationally are seeking to follow.

Anne McLaughlin (Glasgow North East) (SNP): Yesterday, my 21-year-old Springburn constituent, Abdullah Salimi, was detained. He was then taken on a 10-hour journey from Scotland to England, I suspect because in Scotland he would get legal aid and he would have legal

representation, but down here he will have none. During the 10-hour journey, he was given no water and no food. Is that right? Is that acceptable? What is the reason for that? He had his phone taken off him so he could not contact anybody or tell anybody. Is that right? Is that acceptable? What is the reason for that?

Tom Pursglove *rose*—

Anne McLaughlin: I haven't finished. I emailed the Home Office last night and I went to the Home Office this morning, but officials refused to give me any information. I went with a letter for one of the Minister's colleagues, but they refused to take the letter. I am Mr Salimi's MP. I have the right to know what is going on in his life and the right to try to represent him. Why am I being denied that and why is he being denied the rights that the Minister enjoyed at the age of 21?

Tom Pursglove: I am a British citizen who is in this country legally. *[Interruption.]* If the hon. Lady will allow me to finish the point, it is entirely right and proper that people are detained on a legal basis for the purposes of removal under this policy, but there are always safeguards around that. I will gladly accept the letter from the hon. Lady and ensure it reaches the right destination in the Home Office. We will, in the normal way, look carefully at any concerns she wishes to raise. I recognise that she is entirely opposed to the policy objective we are seeking to advance. There is a principled disagreement there—she thinks I am wrong about this, I think she is wrong—but if she would like to share those specific points with me, I will gladly ensure that she receives a full response.

Nigel Mills (Amber Valley) (Con): The signs of a fall in net migration will be welcomed across Amber Valley. Can I raise my concerns about the situation where a young UK national works abroad for a while and forms a relationship, but is not yet earning enough to sponsor their spouse to live in the UK? Is there more we can do to help in this situation, perhaps by clarifying in the guidance that they can use both their salaries to meet the earnings threshold?

Tom Pursglove: There has been no change to the way that the various family visa requirements can be met, through savings and the like. We had a good debate last week in Westminster Hall on the important safeguard of article 8 rights. As part of the consideration of any application, all those factors are given proper and due consideration to ensure we get the right decisions on individual cases. We think it is right to introduce these salary changes—they are being increased incrementally and not applied retrospectively—but as I say, there is an important safeguard around article 8 rights.

Sammy Wilson (East Antrim) (DUP): We have supported this policy, albeit with some reservations, because we believe it is important to break the criminal gang model and ensure the stability of the United Kingdom. However, I am not convinced today by the Minister's argument given that we are sending one person to Rwanda with £3,000 in their pocket and we are still looking for half the people who are meant to be sent there.

This week, the Irish Government, in an attempt to divert attention from their own domestic failures on housing and immigration, have started a row about

immigrants coming from the United Kingdom into the Irish Republic and have refused to publish the deal—it is the usual Brit-bashing exercise that they engage in. The Minister has been asked twice today but has not given an answer, so will he tell us what specific measures he will put in place to ensure that the cynical Irish Government do not simply bus immigrants to the border and dump them in Northern Ireland?

Tom Pursglove: The situation he describes would not be appropriate. That is a matter for the Minister for Countering Illegal Migration, who leads on that work within the Home Office. We have been clear that if there is a desire for a returns deal, that needs to be done with the EU in the way the British people would rightly expect.

On the right hon. Member's earlier point about Rwanda, the voluntary return we saw is part of an established approach to voluntary returns that was in place even when the last Labour Government were in office. We are now getting on and delivering a wider scheme. The Prime Minister has been clear that we will operationalise that over the course of the next 10 to 12 weeks. We are determined to send individuals with no right to be here to Rwanda and to put out of business the evil criminal gangs responsible for the misery in the channel.

John Stevenson (Carlisle) (Con): I welcome the news about the reduction in the number of legal migrants. Immigration must be set at sustainable levels so that migrants can integrate properly into our country. Does the Minister agree that to fill any skills gap, it is vital that we ensure that we upskill our own people and not become dependent on immigration? Will he confirm that his Department is working with the Department for Education and the Department for Work and Pensions to ensure we achieve that?

Tom Pursglove: My hon. Friend is absolutely right about that. There is concerted effort going on across Government, building on the back to work plan. I am playing my part in discussions with colleagues from the Department for Education, the Treasury, the Department for Work and Pensions and a whole host of other Departments, including that of the Minister of State, Department for Business and Trade, my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), who is in his place. We are going sector by sector looking at what more we can do to support the domestic recruitment of staff in the first instance. That is the right approach to this. It is not right to resort to immigration as the first port of call. My hon. Friend's support for those efforts and endeavours is appreciated.

Ruth Cadbury (Brentford and Isleworth) (Lab): Labour pushed the Government into scrapping the unfair 20% wage discount on jobs on the shortage occupation list. Will the Minister explain why it took so long for the Government to adopt our policy?

Tom Pursglove: I do not see it like that. Labour's policy is a blank sheet of paper. This Government's policy is a credible offering to get on and deliver on legal and illegal migration. The good news is that those efforts are delivering results.

Carol Monaghan (Glasgow North West) (SNP): The Minister has said that the numbers of applications for skilled worker health and care visas and for student visas are down 24%. Astonishingly, he is proud of that. International students bring massive economic benefits to the UK. In my constituency alone, that is worth £83 million per annum. They are also highly mobile. If the graduate route is closed, we lose out economically but, more importantly, our businesses lose skills and the ability to develop and expand. Will the Minister confirm that there are no plans to close the graduate visa route?

Tom Pursglove: The hon. Member presents the Government's position in, I would argue, an inaccurate and disingenuous light. The fact is that we want to see a balanced approach to migration. The position around dependants was not sustainable. She will also recognise that there is a proper process, which is ongoing, in relation to the graduate route. The Migration Advisory Committee is looking at that route, looking at the data and taking representations and will report in a proper way to the Department. Ministers will then take decisions around those recommendations, taking full account of the facts and having proper conversations within Government about the right way forward, but it is entirely right that we wait for the Migration Advisory Committee's findings.

Deidre Brock (Edinburgh North and Leith) (SNP): Can the Minister explain what will happen to the more than 150,000 people whom the Refugee Council estimates cannot be removed to Rwanda or returned to their home country since the introduction of the Illegal Migration Act 2023? Does he accept that those people, stuck in limbo, are likely to be reliant on Home Office support or go underground?

Tom Pursglove: I will not get into the operational specifics of the work that is ongoing to operationalise the Rwanda policy. We are clear that there is a basis on which we can send people to Rwanda for the purposes of relocation, with the ultimate objective of putting out of business the evil criminal gangs who are responsible for bringing people here, but we work cohort by cohort and we take appropriate decisions for individuals according to the circumstances that are relevant in each specific case.

Jim Shannon (Strangford) (DUP): I thank the Minister for his answers to all the questions today. Clearly, the Government have a policy that they are trying to implement, and I think they need some support from Members across the Chamber to make that happen. The Home Office has stated that a crackdown on visas has led to an 80% fall in skilled worker visas. Does the Minister agree that our fishing sector relies on the provision of skilled workers? What steps can be taken to ensure that the fisheries do not suffer as a result of what the Minister has said today?

Tom Pursglove: Historically, the Government have been very generous and allowed the fishing and seafood processing sectors to have a privileged position within the immigration system, with quite considerable support. There has been some legitimate and understandable concerns raised around the risks of exploitation and the need to safeguard people properly. I make this offer again having made it previously to the sector: if it has ideas about how we can still uphold those duties to safeguard people and about how the English language requirement can still be met in a way that is conducive to helping the industry, I would welcome those representations and that evidence base.

UK Trade Performance

1.32 pm

The Secretary of State for Business and Trade (Kemi Badenoch): With permission, I would like to make a statement on the UK's trade performance.

When I am overseas, as Secretary of State for Business and Trade, other countries speak with nothing but admiration and respect for what we are achieving in Britain. As the chief executive officer of Nissan Global recently remarked:

“It is surprising to hear people asking why they should choose the UK”—

because, in his words,

“we have both great people and great talent here.”

Certainly, in the firms that I have visited up and down this country, I am proud to see our employers and exporters firing on all cylinders. Yet, when I return to Westminster, some people seem unaware of the progress that we have made as an independent trading nation. Today, I want to put that right.

The latest trade data, published by the Office for National Statistics and also by the United Nations Conference on Trade and Development, should give everyone in this House cause for celebration and renewed pride in our country. They confirmed that the strategy the public voted for on 23 June 2016 is delivering. Leaving the European Union was a vote of confidence in the project of the United Kingdom, and we are seeing results. Since that referendum, the UK economy has grown faster than that of Germany, Italy and Japan, and contrary to gloomy predictions, our manufacturing productivity has grown more than that of Germany, France, Italy and the USA.

According to the latest UN statistics, the UK, outside the EU, became the world's fourth biggest exporter in 2022, overtaking Japan, the Netherlands and France. The value of UK exports was £862 billion in the 12 months to February 2024. That builds on progress we have made in growing our exports outside the confines of the EU. Exports are now 2% above 2018 when adjusted for inflation. Services exports are at an all-time high. A summary of these figures, along with the most recent business and labour statistics, were published on gov.uk in April. Together, they definitively disprove the claims of those who prophesied a catastrophic economic collapse when we left the EU to become a sovereign nation.

Today, we are selling not only more services to EU countries than ever before, but record amounts of services to the rest of the world, too. We are the largest net exporter of financial and insurance services in the world. Far from an exodus of businesses out of the UK, European firms have doubled down on their commitments to the UK. In 2020, Unilever chose to headquarter exclusively in London over Rotterdam. Since 2022, Cadbury has brought more chocolate production back to the UK from Germany. In the same year, Shell moved its headquarters out of the Netherlands and into the UK.

We are tearing down the barriers to trade. Since the start of 2022, we have resolved barriers all over the world, estimated to be worth more than £15 billion to UK businesses over a five-year period. In 2023, this was equivalent to removing around £1 million-worth of trade barriers every single hour. British pork farmers

are benefiting from newly agreed access to the Mexican market, which is worth £80 million over the same period. Our work on bottle labelling for UK gin and whisky has driven up exports to Chile by tonnes. We have ended the US ban on British beef and lamb.

We are working to deliver a strategy on a situation that faces the whole world, not just our friends and neighbours in Europe. This is crucial if we are to lock Britain into the future of where global growth will be. In 2022, the EU took more than 60% of UK goods exports. In 2023, this was 47%, because UK goods exports to the EU remained broadly flat, while exports to non-EU countries rose by around 70% in real terms.

We are going further to seize the benefits of an independent trade policy. We have deals with 73 countries around the world, with more to come under this Government, plus the most comprehensive trade deal to which the EU has ever agreed. Later this year, we will join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, one of the world's biggest trading blocs. This will mean that more than 99% of UK goods will be eligible for zero tariffs in some of the Asia Pacific's most dynamic economies. British business is set to benefit.

As well as service exports, where Britain excels, our top goods sales were in cars, mechanical-powered generators, medicines, pharmaceutical products and aircraft components. We have one of the world's largest manufacturing sectors. Productivity in our manufacturing industry has grown faster than in every other G7 nation since 2010. Hundreds of businesses in steel, chemicals and other sectors stand to benefit from the newly introduced British industry supercharger, which is bringing energy costs down for key industries. Our £4.5 billion advanced manufacturing plan is opening new markets and removing obstacles to growth while helping to crowd in new funding for plants and factories throughout the UK. Every penny the UK Government spend on manufacturing is matched fivefold by the growth creators of the private sector. This pro-investment approach is working: the UK's automotive sector attracted £3.7 billion-worth of greenfield foreign investment in 2022 alone.

The Labour party will remember Mr Alastair Campbell, who asserted during the referendum that if we leave the EU, Nissan will leave. Nissan is still here. The two new 100% electric models are set to be built at its Sunderland this year. More Minis are rolling off production lines in Oxfordshire today, thanks to a £600 million investment from BMW. These are firms that look for opportunities the world over and decide that the UK is the place to be. Listening to some of the remarks made in this House and elsewhere, people would think that our country was not worth investing in at all. Let us be clear: the British ingenuity and industry that made this country prosper in the past still exists today, and even if those on the Opposition Benches cannot see it, international investors certainly can.

The statistics published by my Department show that the UK's inward FDI stock has reached more than £2 trillion. Our FDI stock is the highest in Europe—more than Germany, France and Italy combined. The most recent OECD data show that our employment rate is higher than that of the US, France and Italy.

The regulatory freedoms that we gained by leaving the EU have allowed our smarter regulation programme to cut the red tape that has been holding them back. We

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have already reformed the working time directive reporting requirements, saving businesses up to £1 billion per year. We recently announced that we will raise the thresholds that determine company size, reducing burdens on smaller businesses, and remove low-value and overlapping reporting requirements.

Those changes will make reporting simpler and deliver savings of around £150 million per year to UK companies, with small and medium-sized companies benefiting by around £145 million. It is no surprise that the most recent NatWest SME business activity index shows that output is increasing strongly, driven by renewed manufacturing sector expansion, and companies' activity expectations remain upbeat. These things do not happen by accident, and I hope that hon. Members on both sides of the House will welcome those figures.

I have no doubt that this statement will disappoint some people, as it does not align with the story that they want to tell of a nation riven by injustice and economic stagnation, clinging to Europe for any hope for the future. That is not to say that everything is perfect—of course there is still more to do—but we are not alone in our problems. Ministers in other countries are quick to remind me about supply-chain issues affecting everything from getting car components to stocking supermarket shelves. They tell me about how they are coping with problems in the jobs market, as societies from Germany to Japan get older.

Only when I am back in the UK am I told that all these issues are down to Brexit. Far from it. Our plans are working, and Britain is thriving as an independent sovereign home of free enterprise and free trade. That is what the recent figures published by my Department, by the ONS, and by the UN tell me. It is what our businesses, exporters, employers and investors all tell me, and I hope that hon. Members present can see it too. I commend this statement to the House.

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

1.41 pm

Gareth Thomas (Harrow West) (Lab/Co-op): As usual, I am grateful to the Secretary of State for advance sight of her statement. I am always pleased to hear any positive news on trade and investment, but she appears, presumably inadvertently, to have missed out one or two facts and issues in her statement.

Under the Conservative party, business has suffered from endless U-turns and policy changes that undermine investment. There have been constant changes on policies, from net zero to corporate governance. The Government's failure to address the big challenges facing business, such as skills shortages, infrastructure issues and net zero, have undermined business confidence. Foreign direct investment figures are down nearly 30% since 2016-17, according to the Government's own figures. Without an industrial strategy, and with constant policy uncertainty, more businesses will not have the confidence to invest in the UK.

Specifically on trade, British exports in the past decade have grown slower than those of any other member of the G7 besides Japan. According to the Office for

Budget Responsibility, since the Secretary of State was appointed, British exports have dropped and are expected to decline again this year, with at best anaemic growth in each of the next three years. Ministers have cut funding to help small businesses get to the international trade shows that they need to attend in order to find new export markets, and have cut funding to allow business groups to lead their own trade missions to win vital new orders for British business.

Farmers and Conservative members think that the Government's record on trade negotiations is one of giving away far too much for far too little in return. Ministers delivered a poor trade deal with Europe that has put up barriers to trade, raised costs for businesses and helped to drive up prices, and there is no sign of any plan to use next year's review of the trade and co-operation agreement to try to address at least some of those issues. Then there is the Conservatives' failure to deliver on the promises in their manifesto at the last general election to have trade agreements in place with at least 80% of the world, and to have a trade deal with the United States. The target to deliver £1 trillion of exports has been moved many times, and will at best be delivered 15 years late.

Perhaps the right hon. Lady could answer the following questions. Last week, we heard about the impact that the Government's constant flip-flopping is having on the automotive sector, with Stellantis airing serious warnings. What discussions has she had with the Transport Secretary to try to mitigate the impact of the Conservative party's chaos? As the devastating news from south Wales continues to come, we have heard next to nothing from the Secretary of State on the damage that she has allowed to our steel industry. Does she still think that spending millions of pounds of taxpayers' money to make thousands of people redundant and leave us as the first developed country with no primary steelmaking capacity was "a great deal", as she said at the time?

Given that this House has repeatedly been promised an amazing trade deal with India, usually by Diwali, will the right hon. Lady update the House on the state of free trade agreement negotiations with India? Lastly, given the media reports at the weekend, which have caused concern, will she update the House on whether FTA negotiations with the Gulf Co-operation Council are still ongoing or have stalled?

Kemi Badenoch: I thank the hon. Gentleman for his questions. I could see that it was very difficult for him to find things to pick at in the statement, so I broadly welcome some of what he said, which implied that the good news is true.

The hon. Gentleman started with the OBR. He picked that statistic very selectively. Of course exports fell during covid; exports overall have grown. Many Opposition Members will say, "Oh, it's just services." That is because they do not understand the UK economy. The UK economy is 80% services, so it is good that services exports are going up. That is what we mainly do in this country.

The hon. Gentleman asked about Stellantis, and talked about U-turns. I remind him that the whole House voted for the net zero by 2050 target. It happened under a previous Conservative Government, but with the consent of the whole House. When business talks, we listen. The Opposition criticised us for making the changes that

Stellantis asked for, so why is he now raising those comments? The Transport Secretary, the Prime Minister and I had a discussion—we do have discussions—and we extended the zero-emission vehicle mandate to ensure that we were not imposing undue costs on people if they were not ready to take up electric vehicles. We listen; the Opposition do not. Look at their plans for net zero. I assure the hon. Gentleman that businesses are absolutely terrified about what Labour would do with its new green deal, and all the measures that would just put costs on businesses and consumers.

The hon. Gentleman asked about steel. I am afraid that I need to correct several points. We saved jobs in Port Talbot—8,000 jobs were going to be lost, and we saved 5,000. If we want a net zero transition, we will have to move to electric arc furnaces, which require fewer staff. The Opposition cannot blame the Government for that while demanding a transition to net zero. We saved 5,000 jobs in Port Talbot. We invested £500 million out of a total £2 billion investment made with Tata. It is wrong to say that the Government are not saving steel; we are the only ones who have a plan for steel. The Opposition have no plan. We have a great plan, which will transform and regenerate south Wales.

The other thing that the hon. Gentleman said that was incorrect was about us having no primary steel production. We still have British Steel in Scunthorpe. There may be changes in Port Talbot around moving to electric arc furnaces, but he needs to remember that even the steel production that we have there relies on imports. We do not have iron ore here, so I recommend that he gets a briefing on exactly what is going on with steel production in the UK.

On India, the hon. Gentleman is right that a deal was promised by Diwali under a previous Prime Minister, but as soon as I became Trade Secretary, I said in this House over and over that it is about the deal, not the day. We do not sign trade deals that will not make businesses happy. We are keen to ensure that whatever we do will do right by our farmers. The Opposition laughed when I paused the FTA discussions with Canada. That was because what the Canadians were offering was not going to be good. The industry there is complaining that the UK got too good a deal from the CPTPP, but the Opposition do not talk about that. We are negotiating great deals for this country. I am very proud of the work that my Ministers and my Department are doing. I thank the hon. Gentleman for his questions.

Sir John Redwood (Wokingham) (Con): I am grateful for the statement. It is wonderful news on exports; it shows that all the pessimism at the time of the referendum was completely wrong. I fully support the approach of the Secretary of State in delaying the target for battery vehicles, because people are not buying them in enough quantities, but will she add to that by adopting the advice of Stellantis not to fine motor manufacturers here for producing good petrol and diesel cars before people are ready to buy electric ones, because that is putting off investors?

Kemi Badenoch: I understand the point that my right hon. Friend makes. This is something that we have heard from some bodies in industry. The auto sector is giving us two different messages. Some people want us to bring the mandate forward and make the change

faster; others want us to delay it. It is a very tricky balance. We understand the concerns. We do not want to put additional burdens on business, so he is right to make that point. I have made representations to the Transport Secretary, but this is his policy area, and he will make the ultimate decision.

Madam Deputy Speaker (Dame Rosie Winterton): I call the SNP spokesperson.

Alan Brown (Kilmarnock and Loudoun) (SNP): With these selective statistics, the Secretary of State would clearly make a good cherry-picker, while clutching at straws at the same time. The reality is that we still have a cost of living crisis, and I would welcome her to my constituency to tell people there how rosy things apparently are in the UK. Real GDP growth in the UK—growth since before the pandemic—is just 1%. That is one third of the EU average figure, and one eighth of US growth.

The here and now figures are even worse. The UK economy shrank in 2023, whereas there was significant growth in the G7 and the OECD average. Now is probably the only time in living history that the UK economy has been on a par with Germany's—but sadly that is because Germany is also an international outlier in lacking economic growth. Volumes of UK goods imports and exports are 7.4% smaller than in 2018—the biggest five-year decline for which comparative records exist.

The Secretary of State is right that exports to the EU are up, but imports from the EU are also up, so the trading deficit with the EU has increased by more than 5%. Allianz Trade has estimated that the introduction yesterday of new customs and checks procedures on animal and plant products and goods entering the UK will cost British business £2 billion a year. UK Energy also estimates that energy bills are £1 billion a year higher due to post-Brexit trading arrangements.

Instead of talking up the minimal savings from what the Secretary of State calls “cutting red tape”, I wish she would tell the truth about the trading cost increases resulting from Brexit red tape for businesses in the UK, not to mention the impact of labour shortages. This Parliament is set to break a lot of records: we have the biggest drop in living standards, the longest decline in GDP per capita, the steepest five-year decline in volume of trade, and the stock market shrinking at its fastest pace in history. Which of these record-breaking achievements for broken Britain is she most proud of?

Kemi Badenoch: It was very interesting to hear the hon. Gentleman talk about his constituents. What he should tell them—certainly what I would, if I was there—is that under the seven-year Administration of First Minister Nicola Sturgeon, the SNP welfare economy grew at half the growth rate of England's economy. If the SNP had achieved growth in line with England, it could have increased Scotland's economy by £15 billion. Instead, that welfare economy means no growth, because of Scotland having the highest income tax rates in the UK, and higher wages in the public sector than in the private sector. The SNP's policies are not helping.

The hon. Gentleman asks questions—*[Interruption.]* He does not want to hear the facts, but I will give him the facts. He talks about the real, pre-pandemic GDP figure. Of course the pandemic had an impact; we

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cannot stand here and pretend that it did not. Even the statistics I am quoting showed that covid had a far bigger impact than leaving the EU ever will, just as Russia's war in Ukraine will have a far bigger impact than leaving the EU. He talks about international outliers, which shows that he is the one who is cherry-picking. We have to look at our peer countries, because we will not grow as quickly as developing countries. It is astonishing that he is also complaining that imports from the EU are up. That shows that, despite our leaving the European Union, trade is doing well and things are going well. If his Scottish Government took some lessons from the UK Government, they would see much better things happening for their constituents.

Mark Logan (Bolton North East) (Con): I welcome the Secretary of State's statement, and especially the fact that Japan was mentioned on, I think, five or six occasions. The latest statistics show there has been a £777 million increase in total trade between our two countries, which works out at an increase of 2.9%. I would also welcome her to an event that we are hosting with Baker McKenzie in the first week of June, launching Baker McKenzie's UK Japan Connect, which seeks to foster business and trade between our countries.

Kemi Badenoch: I thank my hon. Friend for the question; I will check my diary to see if I am available for the event, but I am glad that he raises the issue of trade with Japan. We signed an upgraded FTA with Japan after leaving the EU, so these roll-over deals are no longer roll-over deals, because we are adding more into them, especially the digital trade chapters. These are deals fit for the 21st century—the age we live in—rather than the 20th century.

Madam Deputy Speaker (Dame Rosie Winterton): I call the Chair of the Business and Trade Committee.

Liam Byrne (Birmingham, Hodge Hill) (Lab): It is good to see the Secretary of State in the House again. I know she has a difference of opinion sometimes with the Office for Budget Responsibility, but can she confirm that the OBR's figures for March 2024 show that the UK has the lowest trade intensity in the G7? There was important progress, as she has reported today, but much of it rests on progress in our services trade, which provokes the question of why we are not pursuing services-only trade agreements in a more expansive way, not least as the Minister for Trade Policy was unable to confirm whether any comprehensive free trade deals would be signed before the election when he came before the Committee yesterday. He said that services-only deals were not allowed under World Trade Organisation rules, which of course is flat-out wrong.

The question I want to put to the Secretary of State is about our goods trade. The Office for National Statistics figures show that our goods exports have fallen by about £31 billion over a year. The risk is that that number will be hit even harder by the chaos at the border. The new border operating model involves data that is submitted by traders, but then not shared with ports; sometimes two hours' notice is needed for a journey that only takes 90 minutes; there is no

standardisation of inspection charges; and British Chambers of Commerce says that many businesses will be hit by thousands of pounds-worth of customs bills that they did not know they were on the hook for.

The question is this: did the Secretary of State warn her colleagues in Cabinet that there would be complete chaos, and that the EU checks that we are introducing would be a disaster? That is what small business is saying to me, and I know it is what small business is saying to her.

Kemi Badenoch: I thank the right hon. Gentleman for his questions. He asks why we are not pursuing services-only deals. We have done two of those: one with Singapore and one with Ukraine about digital trade exclusively. However, it is an area where we need both sides to agree, and most countries still want a goods deal; for many of the countries that we are negotiating with, goods are still the larger part of their economy. We have to bear that in mind, because trade deals are not a one-way story.

I am glad that the right hon. Gentleman welcomes my statement. He will of course know that I am not somebody who pretends that everything is perfect and nothing could be better. I do think things could be improved, but one thing we have to acknowledge, in reference to his comments about the border operating model, is that the people voted to leave the European Union. There will be opportunities and there will be costs. Farmers regularly tell us that they want better food standard checks and other checks at the border. That will impose a cost. We have done everything we can to minimise those costs—we have even found cost savings in doing so. I have heard many scare stories about what businesses will see at the border, but not all of them will apply. We are doing everything we can to minimise the burden, but the fact is that the EU imposed the same measures on the other side, and we need to give our producers a level playing field.

Julie Marson (Hertford and Stortford) (Con): It is a pleasure to follow the Chairman of the Business and Trade Committee. I am a relatively new member of the Committee; I joined this year. I recall my first meeting, at which we heard that the UK has had the third-highest foreign direct investment over the past years; we are behind only the US and China. This week, at our meeting with the Minister for Trade Policy, we heard about our trade deals with over 70 countries, including the landmark CPTPP. Does my right hon. Friend the Secretary of State agree that that track record of success contrasts starkly with Labour's track record? Under Labour, the UK's share of global trade declined. Does she agree that, just perhaps, aside from the Chairman of the Select Committee, there is not a single Labour Back Bencher in the Chamber who wants to hear about that track record of success, because they do not have a leg to stand on?

Kemi Badenoch: I thank my hon. Friend for the question. She is right, and I am sure that the hon. Member for Harrow West (Gareth Thomas), who was a Labour Trade Minister, could verify those figures about our trade dropping.

Gareth Thomas *indicated dissent.*

Kemi Badenoch: He is shaking his head. In answer to my hon. Friend's question, we were often told that we would never be able to get those 73 trade deals—we were mocked—and that nobody would sign any deals with the UK that were like what we had in the EU. We got 73 done, and many of them we have actually improved on. We in this House must remind people that we have done much good; they may forget. People live in the moment, and we have to remind them of our record—and this is a record we should be proud of.

Paul Girvan (South Antrim) (DUP): As much as we welcome the good figures that have been produced, Northern Ireland still suffers from not having full access to the trade deals that the United Kingdom has struck throughout the world with 70 countries. What measures would ensure that we can take advantage of those deals and get rid of the injustice of the protocol and the difficulties that it causes businesses in Northern Ireland?

Kemi Badenoch: We have been doing a lot in Northern Ireland to increase investment and make up for any shortfall, whether through our trade deals or otherwise. The Windsor framework, for example, is one thing that the Prime Minister has worked on to iron out some of those issues. We are looking at where Northern Ireland can exploit the benefits of being part of both the EU single market and the UK single market, which is a unique position. We know that there are some areas in which things are not exactly the same as in GB, but we can look individually in specific trade deals at what we can do. In services, for example, that should not be an issue; we really see the difference in goods. We can do a lot more and we continue to work on that.

Sir Julian Lewis (New Forest East) (Con): Does the Secretary of State agree that, if we cast our minds back to the time of covid, when we were spending hundreds of billions of pounds just to keep the country functioning, none of us could have imagined sets of statistics as positive as those that she has given us? May I re-emphasise a point that has already been made in slightly different terms? There appear to be eight times as many people sitting on the Conservative Front Bench as there are on the entirety of the Labour Back Benches. Does she take that as a vote of confidence in the Government's positive message?

Kemi Badenoch: My right hon. Friend is absolutely right. It is clear that Labour does not like good news. As soon as there is any, Labour Members exit the Chamber unless they absolutely have to be here. It is disgraceful that there is not a single Back-Bench Labour Member, other than the Chair of the Business and Trade Committee, the right hon. Member for Birmingham, Hodge Hill (Liam Byrne). The shadow Minister, the hon. Member for Bethnal Green and Bow (Rushanara Ali), is blushing because she knows that it is true. That is one reason why it is important for us not to assume that people see these statistics. If we do not talk about them, nobody else will. Enough people out there—certainly on the Labour Benches—will tell us how terrible everything is, but we need to remind people about the good that is happening.

Wera Hobhouse (Bath) (LD): In complete contrast to the rosy picture that the Government are trying to paint, there are some inconvenient truths that have been

left out. From this week, new checks on food imports from the EU will see costs for importers rise by 60%, which will have a severe impact on small businesses and consumers alike. Will the Secretary of State take this opportunity to lay out how consumers and small businesses will be protected from those severe new costs?

Kemi Badenoch: I seem to remember a time when some Liberal Democrats were complaining that we did not have any checks at the border, and that that showed that standards in this country were low. If we do something, they immediately make the opposite argument—there is no consistency whatsoever. I explained in response to an earlier question why we are doing this and how it is of benefit. It is about maintaining standards. The other thing that the hon. Lady should realise is that we have been able to reduce tariffs on loads of products—thousands of products—from across the world, which also helps to reduce prices and tackle inflation.

Theo Clarke (Stafford) (Con): I welcome this statement on the Government's progress on business and trade. It is fantastic news to hear that the UK has been the fourth biggest exporter in the world. As the Prime Minister's trade envoy to Kenya, I have been meeting British businesses regularly to better understand how the Government can help them to export to that key market. During my most recent visit to Nairobi, I have been focused on delivering the UK's flagship projects, including Nairobi Railway City and the High Grand Falls dam. Will my right hon. Friend continue to remove barriers for British businesses to ensure that they can grow their exports to key markets such as Kenya?

Kemi Badenoch: First, I thank my hon. Friend for all her work as the Prime Minister's trade envoy to Kenya. She will know that officials have been engaging with their Kenyan counterparts to progress work on market access barriers, including working closely with UK industry and Kenya's Anti-Counterfeit Authority to address the issues facing British exporters. We are doing a lot of work to deepen collaboration between the UK and Kenya, which wants our expertise, especially in important sectors such as healthcare and financial services. I hope that I will be able to work further with my hon. Friend to deliver more trade between the two countries.

Jim Shannon (Strangford) (DUP): I thank the Secretary of State very much for her positivity, which is encouraging for the House, for the country and for this United Kingdom of Great Britain and Northern Ireland, and I ask this question constructively. Figures have shown that from 2021 to 2023 there was a slight decrease in the number of new jobs created in the United Kingdom. What discussions has she had with the Department for the Economy, and the NI Assembly, about Northern Ireland's contribution to creating new employment in 2024-25, so that the figures can remain on the increase, as they did in the years prior to 2021?

Kemi Badenoch: I think the point that the hon. Gentleman is making is that we cannot be complacent about what is happening in either country. Even as we talk about good news, we need to continue working to ensure that those things do not disappear. He is right that we should do as much as we can with the Department for the Economy. Now that a Minister is in place, it will

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be a lot easier for us to co-ordinate and see how we can work together to increase employment and improve wages and productivity in both regions.

Martin Vickers (Cleethorpes) (Con): I welcome the Secretary of State's statement. It was particularly encouraging to hear the news about the manufacturing sector. However, as she will be aware, if growth in that sector is to be maintained, continued Government support will be needed. Will it be forthcoming?

Kemi Badenoch: We have put in place a £4.5 billion advanced manufacturing plan for the manufacturing sector. Firms will need to ensure that they qualify for that funding. We are also doing what we can to bring in investment—especially foreign investment—which will help to drive productivity. It is good to see that business and investors globally want to invest all across the UK, not just in London, and not just in financial services but in manufacturing, certainly, and in our green industries of offshore and renewables. There is so much that we can do that will create industries and companies fit for the future.

Rob Butler (Aylesbury) (Con): I congratulate my right hon. Friend on ensuring that these superb trade figures are brought to the attention of Parliament. Trade between the UK and Morocco has grown consistently since the entry into force of the UK-Morocco association agreement just last month. A UK consortium won the tender to design the Casablanca stadium for the 2030 World cup, which will be the second largest stadium in the world by seating capacity. Does she agree that it is thanks to Brexit that we can forge such one-to-one trade agreements that are of real benefit to British businesses, and does she share my view, as the Prime Minister's trade envoy to Morocco, that we should continue to prioritise work with Morocco, which is a dynamic and growing trade partner?

Kemi Badenoch: My hon. Friend is absolutely right. We should continue to prioritise trade with Morocco and countries like it. I remember that when we had a tomato shortage in western Europe, Morocco was one of the countries that had cheaper supplies, and we can drop tariffs on such products when shortages are affecting all of western Europe, not just the UK. So much flexibility comes of being able to have our own independent trade policy. I pay tribute to him for his work as trade envoy to Morocco, as I should have done to my hon. Friend the Member for Cleethorpes (Martin Vickers) for his work as trade envoy to the western Balkans. There are so many trade envoys in the Chamber today, and I am grateful for all their work to support our Department and deliver the good news stories that we are talking about today.

Lia Nici (Great Grimsby) (Con): I welcome my right hon. Friend's statement, particularly with regards to growth in manufacturing and exporting. Great Grimsby has a huge amount of opportunity in carbon capture and storage, as well as in our UK seafood processing industry, which is the biggest such cluster in the country. Does she attribute some of the developing growth to UK freeports, one of which is in Grimsby? I look forward to welcoming her very soon.

Kemi Badenoch: Yes, freeports are another policy that has come about from our ability to leave the European Union. We are doing everything we can to bring in that investment. Carbon capture and storage is one area in which we think the UK can lead. We have the expertise and a lot of the talent and skills. Many of the people who want to understand that technology are coming to the UK. I hope that we can do more for my hon. Friend and her constituents in Great Grimsby, and I will look into what we can do to ensure that I or another Minister comes to see the good work taking place there.

Dr James Davies (Vale of Clwyd) (Con): I hugely welcome the upbeat nature of this statement and the Secretary of State's reference to Britain joining CPTPP. Snowdonia Cheese, which is based in my constituency, also looks forward to the UK's accession to CPTPP and the generous, tariff-free access to the Canadian and Mexican markets that it will bring. It is understood that that access may be available as soon as later this year, so would my right hon. Friend kindly ask one of her officials to get in touch with that company to keep it updated on progress?

Kemi Badenoch: I am very happy to do so. My hon. Friend is right that our accession to CPTPP is carrying on: as he knows, we have ratified the Bill in Parliament, and three of the CPTPP countries have completed their own processes—there are only a handful to go—so I do think this is something that will be possible. I will arrange for officials to meet representatives of the business in my hon. Friend's constituency to have that conversation.

Richard Fuller (North East Bedfordshire) (Con): We are in the Chamber to talk about the progress of British business, so it is telling that Labour MPs have not bothered to show up. If today's *Financial Times* is to be believed, that is because they are desperately trying to find businesses to talk about the latest reversal of Labour party policy, which is on Labour's very damaging approach to the labour market. Its approach would place additional laws on business that would stifle enterprise and hand out more bungs to its paymasters in the trade unions, so does my right hon. Friend agree that the right way to back British business is to get the right regulation, not the stifling legislation that the Labour party would put in place?

Kemi Badenoch: I absolutely agree with my hon. Friend. We are doing so much to get our regulatory environment right, and I thank my hon. Friend for all the work he has done in this area. I know it is something that he cares about, and I thank him for many of the suggestions and much of the advice that he has provided to me.

The right regulatory environment can and will deliver growth. I am terrified by some of the things that I see the Labour party putting forward, and businesses do not like them either. Those flexible rights from day one would mean that if a business employs someone and they do not turn up to work on their first day, that business could not sack them, which would be a disaster. We have done so much on labour rights, but it is not the area that is going to deliver growth, certainly not with the policies that Labour is putting forward.

Jonathan Gullis (Stoke-on-Trent North) (Con): I warmly welcome the Secretary of State's statement, particularly when it comes to manufacturing and exports. I thank her personally for the time she took yesterday to meet Johnson Tiles, Churchill China and Steelite—great manufacturers of ceramics in Stoke-on-Trent North, Kidsgrove and Talke—as well as Rob Fello, the chief executive officer of Ceramics UK. Despite what has been a very challenging time for the industry, particularly due to the rise in energy prices sparked by Vladimir Putin's illegal and immoral war in Ukraine, can the Secretary of State assure me that the ceramics industry will be able to take part fully and play a big role in ensuring that we export the very best of Britain around the world, particularly through future free trade agreements with countries such as India?

Kemi Badenoch: Yes, that is right. With our FTAs, we are trying to ensure that we deliver for businesses; if businesses are not happy, those FTAs will not work. The FTAs are going to be used by businesses, not by politicians—it is not about the photos that are taken.

I thank my hon. Friend for the meeting he organised yesterday with representatives of the ceramics industry and ceramics producers in his constituency. We understand the difficulties that they face, with energy costs having risen following the war in Ukraine, and we are doing everything we can; I talked about the supercharger, which should help to deliver for those who are electricity users. We understand the changes and burdens that net zero is placing on those businesses, and are doing everything we can to mitigate them as we try to deliver that target.

Miriam Cates (Penistone and Stocksbridge) (Con): Like all of my colleagues, I warmly welcome my right hon. Friend's statement, and very much welcome her focus on the balance of trade. We do not talk enough about that; we forget that until 1997, this country had a broadly neutral or positive balance of trade, but between 1997 and 2010, that balance went very negative. We have struggled to restore that balance, which has made us dependent on foreign debt and our economy fragile, so I very much welcome these figures—it looks like we are turning the tide.

I also welcome my right hon. Friend's focus on manufacturing, which has a very important part to play in our balance of trade, but we must not forget about the small manufacturers. She has rightly focused on the larger ones, but nearly 6,000 jobs in my constituency are dependent on export. What help is available from the Government to help smaller manufacturers, which often face more barriers to exporting, to also be part of this excellent recovery?

Kemi Badenoch: My hon. Friend makes a very good point. Through our export strategy, we are doing a lot to provide support for businesses that may not be familiar with exporting or that need additional help. We do that work with our trade commissioners in every region around the world, as well as with international posts.

One thing we have said in the Department for Business and Trade is that this is the year of the small and medium-sized enterprise. Quite a lot of the time, the news that we give is about the big billions for the FTSE 100 companies, but most people who work in this country work for small and medium-sized businesses. That is one reason why we want to reduce the threshold at which they count for the purposes of corporate reporting and regulations, which should make their lives easier and give them fewer barriers to trade. It will help them to improve their exports, as well.

BILL PRESENTED

RUSSIAN STATE ASSETS AND RECONSTRUCTION OF UKRAINE BILL

Presentation and First Reading (Standing Order No. 57)

Rehman Chishti, supported by David Morris, Afzal Khan, Dr Matthew Offord and Henry Smith, presented a Bill to make provision about the seizure, freezing and transfer of Russian state assets; to require the Secretary of State to publish proposals for the use of such assets for the reconstruction and rebuilding of Ukraine, including an assessment of the needs of Ukraine; and for connected purposes.

Bill read the First time; to be read a Second time Friday 17 May, and to be printed (Bill 211).

Road Traffic (Testing of Blood)

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

2.15 pm

Jonathan Gullis (Stoke-on-Trent North) (Con): I beg to move,

That leave be given to bring in a Bill to amend section 7A of the Road Traffic Act 1988 to provide that a specimen of blood may be subjected to a laboratory test without the permission of the person from whom it was taken; and for connected purposes.

Since I was elected in 2019, my team and I have dealt with thousands of cases to support my constituents across Stoke-on-Trent North, Kidsgrove and Talke. However, no case has been as moving and upsetting, or has had as much of an impact in the community, as the tragic death of six-year-old Sharlotte-Sky Naglis on 19 June 2021. Sharlotte was out for a walk with her father along Endon Road in Norton Green to get some sweets when she was hit and killed by John Owen, who was two times over the drink-drive limit with class A drugs in his system and speeding while on his phone. The impact on the local community is impossible to overestimate. I know that friends of Sharlotte still fear crossing the road or walking to school by themselves—a milestone that, as any parent knows, is an essential part of growing up—and I know of parents who are so much more concerned about their children going out to play because of the fear that the same thing could happen to their loved ones.

As a father myself, I am humbled every time I work with Sharlotte's brave and inspirational mother, Claire Reynolds. Although she sadly cannot be with us today as she is recovering from surgery, she has not stopped trying to get justice for her daughter. Claire and I first started working together after John Owen was given a shockingly lenient sentence. The judge, who told Mr Owen that he was

“an accident waiting to happen”,

sentenced him to just six years and four months in prison, where he would only serve two and a half years behind bars. Claire, Sharlotte's family, and I believe it to be an insult that the criminal who killed Sharlotte would spend less time behind bars than Sharlotte was alive.

However, I pass on my thanks to the Secretary of State for Justice for supporting Claire and I by blocking the ludicrous and affrontive suggestion that John Owen could have been moved to a category D prison after serving just 12 months of his sentence. That would have rubbed more salt into the wounds of all those close to Sharlotte, and I am grateful that that sickening move did not go ahead.

While we were unable to increase John Owen's sentence, what Claire and I wanted more than anything was to leave a lasting legacy in Sharlotte's name. We seek to amend section 7A of the Road Traffic Act 1988 by introducing Sharlotte's law. This legislative change has one simple intention: to put victims of road traffic incidents and their families first. Under the current legislation, blood samples can be taken without consent when someone is unconscious and has been involved in a fatal collision. However, those blood samples are not allowed to be tested unless that individual gives their consent. That not only delays the conduct of the police

investigation, but more importantly, it prolongs the pain for victims who are desperately seeking answers. Claire told me that her experience was like torture: for eleven weeks, the family waited, not knowing whether John Owen would wake up and be held accountable for his crimes, nor when they would get answers about what led to Sharlotte's life being taken.

To add further confusion, if an individual regains consciousness but refuses consent for the blood sample to be tested, they will be guilty of failing to allow testing and will receive up to two years in prison. However, if that individual has taken substances or consumed alcohol to a certain limit that would act as a more serious aggravating factor and could increase their sentence beyond that additional two years, we could perversely end up with testing of blood samples being refused so that the accused could try to get a lesser sentence.

Simply put, this Bill seeks to achieve a tidying up of the law, enabling answers to be gathered by the police much more quickly, avoiding potential evidence becoming contaminated and giving answers to the victims by stating in law that, once a blood sample is taken, it can be tested. This seems particularly uncontroversial, especially as the most intrusive part of this process—the blood sample being taken—is already legal.

Claire has been so brave and courageous since her daughter passed away, and it is a testament to her selflessness, strength and resilience that, in spite of all that has happened, she is prepared to fight for justice and ensure that no other family experiences the same fate as hers. The petition supporting Sharlotte's law has had more than 5,500 signatures. We have received the endorsement of leading drink-driving charities such as Brake, SCARD and the Campaign Against Drink Driving, as well as the unanimous support of Stoke-on-Trent City Council, Staffordshire's police, fire and crime commissioner, Ben Adams, and *The Sentinel* newspaper.

Claire and I have met the Lord Chancellor and the former Roads Minister, my right hon. Friend the Member for North West Durham (Mr Holden), to discuss our campaign. I was pleased last week to meet the current Minister—the Under-Secretary of State for Transport, my hon. Friend the hon. Member for Hexham (Guy Opperman)—who updated me on the upcoming call for evidence and consultation for victims of drink-driving incidents. This is absolutely vital because victims of these tragic cases need to be able to explain how it feels when the law is working against them.

However, having been informed late last year that this process would be starting imminently, I urge the Minister to provide a specific timeframe for when this will take place. Victims of drink driving incidents need to be prioritised, and this cannot come soon enough. I hope that during the process, when it comes, the Minister and his officials will back Claire and me in our ambition to put victims first, and to change to section 7A of the Road Traffic Act 1988 to introduce Sharlotte's law.

Before I conclude, I would like to take this opportunity to praise the hard work of Councillors Dave Evans and Carl Edwards, as well as the Norton Green Residents Association, who have relentlessly campaigned since this very tragic accident for new measures to slow down traffic along Endon Road to keep residents safe.

I am extremely proud that this Bill has the support of Members from across the House. This place always works far better when we work together, and I want to

thank my right hon. and hon. Friends who are backing this important legislation. This law is imperative. The trauma and torture of losing a loved one is impossible to imagine, let alone when it then appears that the law is blocking someone's hope for justice. I want to see this legislation changed for Charlotte and other victims of these heinous crimes, so that when their families, friends and communities go through untold grief, they can have confidence that the legal system will protect and support them, not the monsters who get behind a wheel with no thought for anyone else.

More than anything, Claire Reynolds, who saw the murderer who killed her six-year-old daughter put away for just two years after going through eleven weeks of pain in not knowing what put him behind the wheel on that day, deserves to see the law changed so that no family suffers as hers did. If anything, her selflessness deserves it.

Question put and agreed to.

Ordered,

That Priti Patel, Sir Brandon Lewis, Dame Karen Bradley, Jack Brereton, Jo Gideon, Sarah Champion, Jim Shannon, Andy McDonald, Lee Anderson, Cat Smith, James Wild and Jonathan Gullis present the Bill.

Jonathan Gullis accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 14 June, and to be printed (Bill 210).

Automated Vehicles Bill [Lords]

Consideration of Bill, as amended in the Public Bill Committee

[Relevant documents: Seventh Report of the Transport Committee of Session 2022-23, Self-driving vehicles, HC 519, and the Government response, Session 2023-24, HC 264.]

New Clause 1

REPORT ON USE OF PERSONAL DATA IN RELATION TO AUTOMATED VEHICLES

“(1) Within one year of the day on which this Act is passed, and every year thereafter, the Secretary of State must lay before Parliament a report on the use of personal data collected from automated vehicles.

(2) The report in subsection (1) must cover but need not be limited to—

- (a) levels of compliance with data protection legislation within the automated motor industry,
- (b) instances where the Secretary of State has made regulations under section 42(3) of this Act (protection of information), and the impact of those regulations on personal data protection, and
- (c) any significant trends in the collection of personal data and whether further action is needed to regulate the collection of personal data.”—(*Wera Hobhouse.*)

This new clause would require the Secretary of State to report to Parliament on the collection of personal data from automated vehicles.

Brought up, and read the First time.

2.23 pm

Wera Hobhouse (Bath) (LD): I beg to move, That the clause be read a Second time.

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

New clause 2—Consultation with the Information Commissioner's Office in relation to personal data—

“Before making regulations under section 42 of this Act (Protection of information), or any other regulations or requirements in relation to the provision of personal data in automated vehicles, the Secretary of State must consult the Information Commissioner's Office.”

This new clause would require the Secretary of State to consult the ICO before making regulations in relation to the provision of personal data relevant to automated vehicles.

New clause 3—Establishment of an Advisory Council—

“(1) The Secretary of State must, within six months of the passing of this Act, establish a council to advise on the implementation of this Act, with a focus on learning lessons from any accidents involving automated vehicles.

(2) The Advisory Council must include representatives from—

- (a) consumer groups;
- (b) organisations representing drivers;
- (c) road safety experts;
- (d) relevant businesses such as automobile manufacturers, vehicle insurance providers and providers of delivery and public transport services;
- (e) trade unions;
- (f) the police and other emergency services, including Scottish and Welsh emergency services;
- (g) highway authorities, including Scottish and Welsh highway authorities;
- (h) groups representing people with disabilities;

- (i) groups representing other road users, including pedestrians and cyclists; and
- (j) groups representing the interests of relevant employees including delivery providers, those involved of likely to be involved in the manufacture of automated vehicles, emergency service workers, and public transport workers.

(3) The Secretary of State must designate a relevant officer of the Department to send reports to the Advisory Council on the roll out of self driving vehicles and any issues of public policy that arise.

(4) The Advisory Council must include nominated representatives of the Scottish Government and the Welsh Government.

(5) The Advisory Council must report regularly to—

- (a) Parliament,
- (b) the Scottish Parliament,
- (c) Senedd Cymru

on the advice it has provided, and any related matters relevant to the roll out of self driving vehicles and associated public policy.”

New clause 4—Accessibility information for passengers in automated vehicles—

“After section 181D of the Equality Act 2010, insert—

‘Chapter 2B

AUTOMATED VEHICLES PROVIDING AUTOMATED PASSENGER SERVICES

181E Information for passengers in automated passenger services

(1) The Secretary of State may, for the purpose of facilitating travel by disabled persons, make regulations requiring providers or operators of automated passenger services to make available information about a service to persons travelling on the service.

(2) The regulations may make provision about—

(a) the descriptions of information that are to be made available;

(b) how information is to be made available.

(3) The regulations may, in particular, require a provider or operator of an automated passenger service to make available information of a prescribed description about—

- (a) the name or other designation of the service;
- (b) the direction of travel;
- (c) stopping places;
- (d) diversions;
- (e) connecting local services.

(4) The regulations may, in particular—

- (a) specify when information of a prescribed description is to be made available;
- (b) specify how information of a prescribed description is to be made available, including requiring information to be both announced and displayed;
- (c) specify standards for the provision of information, including standards based on an announcement being audible or a display being visible to a person of a prescribed description in a prescribed location;
- (d) specify forms of communication that are not to be regarded as satisfying a requirement to make information available.

(5) Regulations under this section may make different provision—

- (a) as respects different descriptions of vehicle;
- (b) as respects the same description of vehicle in different circumstances.

(6) Before making regulations under this section, the Secretary of State must consult—

- (a) the Welsh Ministers;
- (b) the Scottish Ministers.”

This new clause mirrors existing provisions in the Equality Act 2010 relating to the provision of information in accessible formats to bus passengers and applies them to automated passenger services.

New clause 5—Publication of list of information to be provided—

“(1) The Secretary of State must, by regulations, make provision for the publication of a list detailing—

- (a) the information related to the data for authorisation of automated vehicles which must be provided;
- (b) the parties by whom such information must be provided;
- (c) the parties to whom such information must be provided; and
- (d) the purposes for which the information must be provided.

(2) Regulations under subsection (1) must provide for the content of the list to be subject to public consultation.”

This new clause would require the Secretary of State to publish a list of information which is to be provided to and by certain parties on the operation of authorised automated vehicles, and to hold a public consultation on the list.

New clause 6—Liability of insurers—

“Section 2 of the Automated and Electric Vehicles Act 2018 (liability of insurers etc where accident caused by automated vehicle) is amended as follows—

- (a) in subsection (1)(a), leave out “when driving itself”;
- (b) in subsection (2)(a), leave out “when driving itself”.”

This new clause would remove the need for people to have to prove that an automated vehicle was “driving itself” if they make a legal claim for compensation under Section 2 of the Automated and Electric Vehicles Act 2018.

Amendment 8, in clause 6, page 5, line 10, at end insert—

“(6) A person may not be an authorised self-driving entity unless they meet the following requirements—

- (a) they have obtained a certificate of compliance with data protection legislation from the Information Commissioner’s Office for their policy in regard to the handling of personal data,
- (b) their policy in regard to the handling of personal data clearly outlines who has ownership of any personal data collected, including after the ownership of a vehicle has ended, and
- (c) they are a signatory to an industry code of conduct under the UK General Data Protection Regulation.”

This amendment seeks to probe a number of concerns around data protection and ownership and seeks to prevent authorisation of companies as self-driving entities unless robust personal data practices are in place.

Government amendments 1 and 2.

Amendment 6, in clause 50, page 33, line 22, at end insert—

“(4) The Secretary of State must obtain and lay before Parliament the written consent of the Scottish Government to make regulations under this section which amend—

- (a) an Act of the Scottish Parliament,
- (b) any instrument made under an Act of the Scottish Parliament.

(5) The Secretary of State must obtain and lay before Parliament the written consent of the Welsh Government to make regulations under this section which amend—

- (a) an Act or Measure of Senedd Cymru,
- (b) any instrument made under an Act or Measure of Senedd Cymru.”

This amendment requires the Secretary of State to obtain the consent of devolved governments before exercising the Clause 50 power in relation to devolved legislation.

Amendment 7, page 33, line 22, at end insert—

“(4) The Secretary of State must consult the Scottish Government before making regulations under this section which amend—

- (a) an Act of the Scottish Parliament,
- (b) any instrument made under an Act of the Scottish Parliament.

(5) The Secretary of State must consult the Welsh Government before making regulations under this section which amend—

- (a) an Act or Measure of Senedd Cymru,
- (b) any instrument made under an Act or Measure of Senedd Cymru.”

This amendment requires the Secretary of State to consult the devolved governments before exercising the Clause 50 power in relation to devolved legislation.

Government amendments 3 to 5.

Wera Hobhouse: I have tabled three amendments that seek to strengthen the provisions made for data protection in the Bill. New clause 1 would require the Secretary of State to report to Parliament on the collection of personal data from automated vehicles within one year of the day on which the Act is passed and every year thereafter. This report must cover

“levels of compliance with data protection legislation within the automated motor industry...instances where the Secretary of State has made regulations under section 42(3) of this Act...and the impact of those regulations on personal data protection, and...any significant trends in the collection of personal data and whether further action is needed to regulate the collection of personal data.”

For sustained public confidence in automated vehicles and the data protection issues that arise, it is important that we have this continued monitoring and reporting. With a new technology, it is inevitable that new issues will arise over time, particularly as automated vehicles learn and change their behaviour accordingly. The reporting is necessary to keep the regulations on data protection under review as the technology develops. The Government must give further assurances in the Bill that people’s personal data will be protected before this Bill becomes law and commit to the annual reporting set out in this new clause.

This Bill would also be strengthened by new clause 2, which would require the Secretary of State to consult the Information Commissioner’s Office before making regulations in relation to the provision of personal data relevant to automated vehicles. As I have mentioned, new clause 1 would maintain monitoring of the provisions made for data protection, and new clause 2 would make this monitoring and reporting process easier, as advice can be taken from the ICO rather than using parliamentary time. Again, this will instil public confidence in the legislation as the advice will come from an independent body.

In order to operate, automated vehicles must be able to collect data, and much of this data will be personal. The information collected will help to make AVs safer as the system learns more about the road and those using it. Strengthening the process of how any changes to future protections are made will again assure the public that their personal data will be secure. Further assurances would be given by amendment 8, which seeks to probe a number of concerns about data protection

and ownership, and seeks to prevent the authorisation of companies as self-driving entities unless robust data practices are in place. This amendment would ensure that a person may not be an authorised self-driving entity unless they meet the following requirements:

“they have obtained a certificate of compliance with data protection legislation from the Information Commissioner’s Office for their policy in regard to the handling of personal data,...their policy in regard to the handling of personal data clearly outlines who has ownership of any personal data collected, including after the ownership of a vehicle has ended, and...they are a signatory to an industry code of conduct under the UK General Data Protection Regulation.”

Jesse Norman (Hereford and South Herefordshire) (Con): I would be very interested, with regard to the latter new clause, if the hon. Lady could explain why she feels—or what feedback or evidence she has to think—that the safety regulation system that is put in place will be inadequate to handle the concerns she raises.

Wera Hobhouse: On Second Reading, I think I was very positive about the Bill’s introduction, and I see it as the bright new future, but we should be careful to ensure we are taking people with us. As I have said, this is basically about making sure that people feel confident that their personal data is really handled in the most secure way possible. I have tabled the amendments to provide assurance for the public that the Government and everybody involved in this bright new future will really take a very careful look at all data protection measures.

Jesse Norman: If I may quickly respond, given that this Bill has had a remarkably untroubled passage through both Houses to date and that both Houses are informed by enormous amounts of information from relevant parties and Members’ constituents, has she any such reason? I think what she is saying is that she has no reason, apart from a general worry about consent, to think that what she is talking about will be necessary, because she has no reason to think that the regulator will not be able to take this stuff into account when it comes to a review?

Wera Hobhouse: We will not push new clause 1 to a vote, but I want the Government to ensure that all necessary and possible protections are being put in place. This issue has been debated several times, but we are looking into the future and who knows what the future holds? We know that people are increasingly worried about their personal data, and that sometimes regulations are not as robust as possible. This is basically a plea to the Government to ensure that all possible assurances are in place.

2.30 pm

There will inevitably be a huge overlap between personal and commercial data with the roll-out of automated vehicles. Personal data should be ringfenced and access restricted so that it can be used only by the relevant parties in a pseudonymised form. We must consider questions such as how insurance companies will be able to access data. For example, could insurance companies track someone’s movements in an AV to raise insurance premiums? If a person is a regular visitor to hospitals or

mental health clinics, that data would be attractive for insurance companies—that is an answer to the questions from the right hon. Member for Hereford and South Herefordshire (Jesse Norman). Data sharing is still not as protected as some may wish, and the amendments we have tabled are there to reassure the public. In the absence of such protection, different parties might be able to share data in an unregulated way. We must ensure that the Bill does not lead to the marketisation of people's data.

I am also concerned that the Government have not provided adequate protections for disabled people in the Bill. Alongside the provisions set out in new clause 1 for continued reporting on data protection from the Minister, the establishment of an advisory council as set out in new clause 3 would give disabled people assurance that they must be consulted if access issues arise.

The Bill takes the first step towards the creation of a framework within which automated vehicles can operate. New clauses 1 and 2 would ensure that strong data protections are in place from its beginning. As I said on Second Reading, I am otherwise supportive of the Bill. It is an issue we need to consider for the future, and I am glad that the Government are introducing the Bill.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): I rise in support of new clauses 1 and 3, which are based on measures that we tabled in Committee. I will also speak to amendments 6 and 7 that stand in my name and those of colleagues in Plaid Cymru, but I will not detain the House too long as it is clear that there is broad agreement on the wider principles of the Bill and the implications of the details in it, notwithstanding the amendments. As a member of the Transport Committee, it has been clear to me for some time that this framework legislation is required. By and large the Government have done a good job, with the sector largely content and no real opposition in this place to the vast majority of the Bill—*[Interruption.]* Okay, I will change that to “a decent job”; the Minister was too grateful.

That said, I must return to the issues around clause 50, which gives the Secretary of State power to legislate on devolved matters. That may not be the Bill's intention, but the possibility remains a concern. I am grateful to the Minister for meeting me to discuss the problems with clause 50. In the end, the meeting came after Committee stage had concluded. That was disappointing, but it was a reflection of the wild agreement and consent on all sides for the vast majority of the Bill, resulting in an extremely swift conclusion to the Committee. The Scottish Government and their Ministers and officials have been engaged with the UK Government and their Ministers and officials on at least two occasions to discuss the implications for devolution of clause 50, and the proper remit of both Governments. In Committee, the Minister was forthcoming about discussing matters further with the Scottish Government, and I thank him for that. I believe those discussions have taken place.

It would be helpful if the Minister gave a commitment on the record on the Floor of the House that the Scottish and Welsh Governments will be consulted fully before the relevant powers in clause 50 are used by the Secretary of State. That being the case, would it not make more sense for the Government to accept amendment 7, because that is all it seeks? The fact remains that it would be infinitely preferable to have a statutory basis

for the changes that the UK Government propose to make, and one that respects and acknowledges the legal framework that exists under devolution.

In Committee, the Minister maintained the line that the legal advice he and his Government have received indicates that these matters are all reserved, but the Scottish Government are clear that their similar advice indicates that the matters are devolved. My amendment would simply reflect the legal position as understood by the Scottish Government and outlined by the Cabinet Secretary for Transport at the Scottish Parliament's Net Zero, Energy and Transport Committee last month. She said that

“things that relate to offences under devolved legislation and offences that would be part of devolved areas, these are the areas that the provision would allow the UK Government to legislate on or make provision for in the future...we think it's a genuine issue of concern.”

In the same session, George Henry, national operations manager for road safety policy and education for Transport Scotland, said:

“I will just try to provide an explanation or an example. There will be devolved legislation that has been brought in either by roads authorities or even through the Scottish Parliament that clause 50 allows the Secretary of State to change. That is the reason why we are not supportive of that. This Parliament—”

that is the Scottish Parliament—

“could make a decision to implement a measure for good reasons—such as a low-emission zone in an area—that could potentially be changed through clause 50.”

Whether or not that is the intention, it gives the Secretary of State the power to do that.

I hope it is clear to the UK Government that this is not an issue of confected conflict—something we are often falsely accused of—and there is clearly a desire to make the Bill work. Equally, however, we need it to work for everyone, including the devolved Administrations. As I highlighted in Committee, if the Government's objective is to ensure complete alignment between Scottish and English traffic laws, that ship sailed a long time ago. We have a different speed limit regime, different drink-driving laws, and a different approach to road traffic regulation in general. Wales, too, has indicated different priorities to England by, at least initially, rolling out a national 20 mph speed limit. Clearly there should be consistency across the island, where appropriate, about the basic framework under which automated vehicles will operate, and the devolved Administrations have worked with their UK counterparts to make that happen. However, that cannot be allowed to undermine the devolved position with regard to enforcement of the law where the Bill will affect devolved law.

The Minister has been forthcoming with me, including in Committee, about his commitment to constructive discussion with the devolved Administrations, and I welcome that again. However, with the greatest of respect for him, in around six months we are expecting a change of Government and he will likely no longer be there, and whatever pledges or commitments have been made cannot bind his successors. We need a commitment in legislation that it would take an Act in this place to amend or scrap.

Amendment 6 would ensure that where devolved competences, such as those referred to in clause 50, are at stake, the devolved Parliaments are guaranteed their role as the providers or otherwise of legislative consent

for this Parliament to legislate on their behalf, as has been the accepted norm for devolved matters under the Sewel convention for nearly 25 years.

Amendment 7 would in essence codify the pledges made by the Minister in Committee about consulting the Scottish Government. That is good, and I wait to hear his response to the debate. However, I believe a better solution with respect to devolution is amendment 6, which would require a legislative consent motion to be passed by the Scottish Parliament, and indeed the Welsh Senedd, before a UK Minister could act, rather than just a consultation.

I do not think that is particularly controversial. If there are such disparate views from legal advisers about where the line of devolved powers lies, surely the UK Government, as a self-proclaimed champion of devolution, would be happy to codify exactly where that line lies, and guarantee the Scottish Government and Parliament, of whatever political hue, the right to determine their own laws and regulations around automated vehicles now and in the future. I will wait to see what representations the Minister makes in his remarks before deciding whether to push amendment 6 or 7 to the vote.

Madam Deputy Speaker (Dame Eleanor Laing): I call the shadow Minister.

Bill Esterson (Sefton Central) (Lab): Labour has tabled four amendments at this stage of proceedings to build on the work in Committee. The context of the amendments is that the Bill follows four years of work by the Law Commission, which included three public consultations, and the commission's recommendations represent one of the most thorough pieces of work that it has ever carried out.

The Bill builds on and provides further clarity to the Automated and Electric Vehicles Act 2018, which originally set out the insurance framework for automated vehicles. It was the first piece of legislation to set out an insurance framework for the operation of automated vehicles.

The Transport Committee published a report on self-driving vehicles in 2023, and its recommendations included a new legal framework in primary legislation. The development of automated vehicles has a number of potential benefits, and after losing our place as a leader in the development of the technology, the Bill can play its part in recovering Britain's international position and establishing one of the most robust frameworks for AVs in the world. Let us remind ourselves of some of the potential benefits.

Automated vehicles could create a market worth £42 billion by 2035, and 38,000 new jobs. They have the potential to make roads safer, including for pedestrians and cyclists, by removing the human error that causes 88% of road traffic incidents. Research from the Society of Motor Manufacturers and Traders suggests that if automated vehicles are deployed in substantial numbers, 3,900 lives could be saved and 60,000 serious incidents prevented up to 2040. Better road safety also means significant savings for the NHS. Research by AXA shows that in 2022, road traffic incidents cost the economy £42 billion, of which £2.3 billion was a direct cost to the NHS in medical treatment and ambulance services.

AVs can improve connectivity in areas where our public transport is failing passengers. However, such an improvement needs to be made alongside long-overdue

improvements in bus services rather than seen in isolation. Better access to transport is important for a great many people, including in rural areas, for older people and for disabled people. An Age UK study found that driving remains the most common form of transport for older people.

Most US states, Germany and France are moving forward with their own AV frameworks, so it would be a mistake for the UK to fall further behind in an industry that could be worth £750 billion globally by 2035. The UK is already running numerous automated vehicle programmes, including those by Wayve, Oxa and Starship.

Let us consider where we are with the legislation in front of us and how we might build on the Bill. Labour's four amendments cover the following issues: the establishment of an advisory council; the accessibility format required of automated vehicles if used as public transport; the requirement for the publication of a list of data required to be supplied; and removing the need for people injured by an automated vehicle to prove that the vehicle was driving itself if they make a legal claim for compensation.

Let us start with new clause 3. In Committee, the Minister said—multiple times, in fact—that he is in agreement on the need for proper consultation, and he insisted that the Government will consult properly. However, there appears to be something of a gap between the Government's stated commitment to consultation and what is happening in practice. For example, Government guidelines on minimum engagement for AV trials do not currently specify that disabled people's organisations need to be consulted. If the Minister agrees on the importance of consultation, why is that not stated in the Bill?

Jesse Norman: If I may say so, that is a remarkably weak criticism. As the hon. Member acknowledges, the Bill has been developed—I say this with a degree of ownership—over a considerable period of time, with enormous input from involved parties. It is obviously of direct relevance to older people, people with difficulty with mobility and people with disabilities. The suggestion that somehow the Government have, by implication, neglected those constituencies is wholly mistaken.

Bill Esterson: I will give the right hon. Member credit for his role in getting the Bill to this stage, and he is quite right that the Bill largely has strong support on both sides of the aisle and across society. I think it does set the framework, but there are concerns about it, and this is one of them. I will further set out the evidence base for that, but before I do, I turn to the impact of deindustrialisation and its legacy of inequality, which has been sown into the fabric of our country.

2.45 pm

The failure to work with trade unions meant that the voice of working people was ignored. Communities across the country are still paying the price for the reckless approach taken. The Bill does not address directly the potential impact on jobs from the introduction of automated vehicles. Automated vehicles must be used for public good, and consideration must include the future of jobs.

As much of the detail will be addressed through secondary legislation, it is essential that unions and other stakeholders be consulted on it, not least to

ensure a jobs transition. Will the Minister clarify, once and for all, whether he and the Government will commit to consulting trade unions throughout the roll-out of automated vehicles, so that we avoid repeating over and over the mistakes made in deindustrialisation? Labour's proposed council would include a wider scope of groups, including those representing people with disabilities, pedestrians, cyclists, emergency services, road safety experts, highway authorities, public transport services, manufacturers, drivers and insurance providers.

I turn to the comments of the right hon. Member for Hereford and South Herefordshire (Jesse Norman). Transport for All has highlighted that there is still no requirement in the Bill for disabled people to be consulted or involved in developing the legislation, which is crucial because of how much of the detail will be finalised in secondary legislation. It has warned that if disabled people are not consulted before this becomes statute, "inaccessibility could be become woven into the fabric of this new mode of transport, before it even hits the road."

What discussions has the Minister had with Transport for All to address those concerns? How does he propose combating the risks that it has outlined?

The approach to new clause 4 is consistent with the approach that we have suggested in new clause 3. New clause 4 mirrors the provisions in the Equality Act 2010 on providing information in accessible formats to bus passengers, and applies them to automated passenger services, bringing the Bill into line with the Bus Services Act 2017. The question for the Minister is: if there is such provision in the Bus Services Act, why is there not in the Bill?

The point about consultation with disability groups applies to new clauses 3 and 4. The Law Commission's report repeatedly stressed the importance of co-production with disabled people, and recommended that an accessibility advisory council be established. It seems odd that the Government accepted many parts of the Law Commission's report but not that one.

I turn to new clause 5 and data sharing. In Committee, the Minister recognised the significance of the availability of data to investigators and insurance companies. How does he plan to ensure that availability if there is no requirement for data sharing in the Bill? That is a concern for the industry. He said that safety data will be collected by the vehicle, monitored by the operator, and scrutinised by the Government. Will he explain how that approach will address the intricacies of insurance access and dispute resolution? How will the approach avoid disputes between vehicle operators and manufacturers?

The Minister's response to the Committee was limited to the subject of sharing data about safety concerns. However, for the successful growth of this emerging market, competitive market conditions are needed, so in-vehicle data cannot be restricted to vehicle manufacturers, or withheld in real time from other market players. That was recognised by the Competition and Markets Authority in the guidance on motor vehicle agreements published in June 2023 to accompany the Competition Act 1998 (Motor Vehicle Agreements Block Exemption) Order 2023. The guidance states:

"In particular, the advent of 'connected vehicles' places suppliers of motor vehicles in a privileged position, enabling them to access and use vehicle information in a way which may restrict competition between them (including their Authorised Networks) and independent operators."

The Bill intends to allow the UK to be world leaders in automated vehicles. However, our international competitors are making strides ahead of the UK; they are holding comprehensive consultations to prevent anti-competitive practices by vehicle manufacturers, and undertaking ongoing policy development. For example, the EU has extensively consulted on this broader issue in addressing the regulation of data under the proposed EU Data Act. Could the Minister therefore address the concerns outlined in new clause 5?

On new clause 6, a victim involved in a collision with an automated vehicle currently has to prove whether the vehicle was in self-driving mode at the point of collision. Could the Minister explain how we can guarantee that victims will be compensated when the burden of proof is always on the claimant in a legal claim, and neither the Bill nor the Automated and Electric Vehicles Act 2018 changes that? Could he provide absolute clarity on whether that is the case? If it is, how will costly and lengthy legal disputes over insurance be avoided?

Our four new clauses and amendments are designed to clarify matters and build on the framework of the Bill, which we support. I look forward to the Minister's responses to my questions.

The Parliamentary Under-Secretary of State for Transport (Anthony Browne): I thank the Opposition parties for their broadly positive approach throughout Second Reading and Committee. There is clear consensus across the House that we should embrace this new technology, given all the opportunities set out by the hon. Member for Sefton Central (Bill Esterson). I also thank my predecessor, my right hon. Friend the Member for Hereford and South Herefordshire (Jesse Norman). As has been mentioned, he helped steer the legislation through this place, and clearly still has great interest in the Bill, which I welcome.

I will be brief. All the new clauses and amendments apart from one were raised in identical form in Committee, and my comments will not change much from what I said then. By and large, we agree with their various objectives, but we do not think they are necessary, and in a couple of cases we think they are inappropriate. On new clauses 1, 2, 5 and 8, data protection is clearly very important, and the Government support it, but the new clauses largely duplicate measures that are already in the Bill, or in other legislation.

This Government take protection of personal data very seriously. It is an important issue and requires careful consideration. The Bill does not seek to replace or change personal data protection legislation, nor does it enable that legislation to be contravened. It is not a Bill about data protection. Any changes to data protection legislation are beyond the scope of the Bill. It is the role of the Information Commissioner's Office to regulate data protection issues. The ICO has an obligation to report annually to Parliament on the commissioner's activities. Any report by the Department for Transport, such as that required by new clause 1, would risk duplicating that work. Also, the Department for Transport is not the data controller of information collected by regulated bodies, which means that reporting would be inappropriate.

The purpose of the Bill is to create a comprehensive and effective safety framework for self-driving vehicles. Information may need to be shared to achieve that;

public safety and security must come first. Any regulations made under the powers in the Bill that permit further sharing or use of information would be developed in discussion with stakeholders and subject to consultation, and would be laid before the House before coming into force. That provides multiple opportunities for input into and scrutiny of proposals. Regulations will also be subject to a data protection impact assessment. The Secretary of State already has a duty under article 36(4) of the General Data Protection Regulation to consult the ICO on proposals for legislative measures. New clause 2 therefore duplicates a requirement already in law.

New clause 5 is unnecessary because all information-related regulations made under the powers in the Bill will already be subject to consultation under the requirements of clause 97. Clause 14 specifically requires that regulations that require information to be shared by an authorised self-driving entity or licensed operator must specify the purpose for which that data is to be shared. It would be unnecessary and onerous to duplicate those publication and consultation requirements.

Turning to amendment 8, the protection of personal data will be considered alongside the detailed development of authorisation requirements. These requirements will be set out in secondary legislation and will be subject to consultation and impact assessment. The amendment would place an additional burden on industry over and above what is required under existing data protection legislation, such as the legislation that covers the data in our mobile phones. At present, a certificate of compliance is not mandatory under GDPR. In addition, the schemes referred to in the amendment are industry-led and therefore not within the control of Government, so there is a risk that they would not achieve the intended result.

On new clause 3, the hon. Member for Sefton Central talked at length about the inadequacies of Government consultation. As my right hon. Friend the Member for Hereford and South Herefordshire said, there has been incredibly extensive consultation throughout this process. I have counted five different ways in which we will ensure consultation and engagement. The Law Commissions of England, Wales and Scotland have been looking at the issue for four years, and have been consulting throughout. The Secretary of State for Transport, who has joined us in the Chamber, and I held a roundtable with a whole range of road user groups, including groups representing disabled people, about the impact of the legislation. I will also meet disabled groups once the legislation moves through this House to consider some of the issues. We recognise that engagement with all groups, including the devolved Administrations, is incredibly important. The Bill will provide new powers relating to technical safety requirements, which will be set out in statutory guidance and secondary regulation. There will be consultation on those requirements with stakeholders, including but not limited to the stakeholders identified clause 2(4).

Following the passage of the Bill through the House of Lords, we have included a statutory requirement to consult the three groups with the most direct interest when developing the statement of safety principles: road safety groups, road user groups and the self-driving vehicle industry. That is not a comprehensive list of those likely to be consulted, but it shows the breadth of the consultation. Once in place, the safety requirements

for authorisation, licensing and in-use regulation will be monitored and enforced by the Department for Transport and its motoring agencies, on behalf of the Secretary of State. In line with all public bodies, the Department and its agencies will be subject to scrutiny.

In addition, there is an expert advisory panel on the Department's self-driving vehicle safety assurance work, which has been consulted. It provides advice and challenge. The panel includes representatives from industry, academia and road safety groups. We have given a non-statutory commitment to setting up an accessibility advisory panel. The Bill establishes a new independent no-blame incident investigation capability, which will ensure that we learn effectively from incidents that involve self-driving vehicles. Finally, the hon. Member for Sefton Central will be reassured to learn that clause 38 already creates a general monitoring duty that requires the Secretary of State to publish an annual report on the performance of self-driving vehicles. I hope that all those engagements that I have made demonstrate that the Government share the hon. Member's view that scrutiny of implementation and learning from experience are vital. All those future engagements are there, which is why new clause 3 is not necessary.

On new clause 4, accessibility is an incredibly important issue. I have made it clear, as has the Secretary of State, that accessibility is one of the strong arguments for legislating for self-driving cars. For many disabled people, particularly partially sighted or blind people, self-driving cars could have an incredible impact on their quality of life. I thank the hon. Member for Sefton Central for the new clause, but it replicates powers held by the Secretary of State on the provision of accessible travel information about buses to automated passenger services. Automated passenger services provide a great opportunity to make travel more accessible and inclusive. Under the Bill, we already have the power to mandate that information be provided to users in accessible formats, through the permit conditions. That is more flexible tool than the regulations. Conditions attached to individual permits can be adapted to fit a wide variety of services. Some services may have alternatives to the provision of accessible-format information; for example, there may be a member of staff in a vehicle who can focus entirely on helping passengers and providing that information. In addition, the Bill expressly requires the appropriate national authority to consider accessibility in decisions to grant permits. That ensures that accessibility considerations are built into services from the start. It enables innovation to come forward in this nascent sector, and operators to consider the best way for their services to be accessible and inclusive. Finally, licensing and franchising authorities will also be able to steer requirements about accessible information formats. They can champion local needs through their role in providing consent for granting permits. As a result, we do not think that new clause 4 is necessary.

New clause 6 extends insurer first-instance liability for incidents involving automated vehicles to all circumstances, even when an individual is driving. The compulsory insurance regime in the Automated and Electric Vehicles Act 2018 was created to ensure that victims of incidents caused by automated vehicles receive prompt compensation. The Bill amends the 2018 Act to ensure it applies to authorised automated vehicles. However, there is no change to the principle that insurer first-instance liability applies only when the self-driving feature is

[Anthony Browne]

switched on. New clause 6 would create an unnecessary discrepancy in insurer liabilities for manual driving, depending on whether the vehicle has a self-driving feature or not. I therefore ask the hon. Member for Sefton Central to withdraw new clause 6.

On the SNP amendments relating to clause 50, we consider that the user-in-charge immunity is a reserved matter. Indeed, the immunity will predominantly affect the application of reserved traffic offences, as the hon. Member for Paisley and Renfrewshire North (Gavin Newlands) recognised. There is a limited range of devolved legislation in this area and immunity will have only a minor incidental impact on the Bill. We did meet to talk about it and we discussed it in Committee, but just to make it absolutely clear, this is not about what the traffic regulations are in Scotland—what the speed limit is, whether it is an offence to break the speed limit or drive in a bus lane. It is about whether liability rests on the driver or on the software company ASDE in a self-driving car. It therefore has no impact on direct legislation in Scotland.

More generally, public understanding and confidence will be key to realising the benefits of self-driving vehicles. It is vital that we have clarity and consistency across Great Britain about how these vehicles can be used, and what individuals' responsibilities are. This was the first recommendation by the Scottish Law Commission and the Law Commission of England and Wales in their joint report. They stated that they did not think the public would be able to understand different or partial immunities based on distinctions between devolved and reserved laws. The power in clause 50 is necessary to ensure clarity and consistency in the immunity's application.

As the hon. Member acknowledged, I met him and the Cabinet Secretary for Transport in the Scottish Government to talk about that. I sent a letter of assurance afterwards and I repeat what I mentioned in that letter. I assure him that where we propose to use the regulation-making power in clause 50, we will always consult with the Scottish Government and with other devolved Administrations.

Mr Deputy Speaker (Sir Roger Gale): I understand that the hon. Member for Bath (Wera Hobhouse) wishes to withdraw new clause 1. Is that correct?

Wera Hobhouse: I beg to ask leave to withdraw the clause.

Clause, by leave, withdrawn.

Clause 43

FEEES

Amendments made: 1, page 29, line 19, after “State” insert “or by a traffic commissioner”.

This amendment corrects a drafting omission, by allowing no-user-in-charge operator licensing functions conferred on traffic commissioners to be taken into account in setting fees under Part 1.

Amendment 2, page 29, line 22, at end insert—

- “(3) Money received by a traffic commissioner as a result of regulations under section 13 must be paid into the Consolidated Fund in such manner as the Treasury may direct.”—(*Anthony Browne.*)

This amendment is one of two that clarify what happens to fees, penalties or costs under Part 1 if they are made payable to traffic commissioners by regulations.

Clause 89

PROCEDURAL AND ADMINISTRATIVE MATTERS

Amendment made: 3, page 63, line 18, at end insert—

- “(8) Regulations under subsection (7) made by the Scottish Ministers or the Welsh Ministers—
- (a) if they apply to a function in respect of which a fee is payable, must also apply to the function of charging and receiving that fee;
 - (b) if they apply to the function of issuing a notice under paragraph 1 or 2 of Schedule 6 (compliance notices and monetary penalty notices), must also apply to the functions under paragraph 4 of that Schedule (costs notices) so far as exercisable in connection with the first function.
- (9) Money received by a traffic commissioner as a result of regulations under subsection (7) must, unless subsection (10) applies, be paid into the Consolidated Fund in such manner as the Treasury may direct.
- (10) Money received by a traffic commissioner under paragraph 2(2) of Schedule 6 (monetary penalties) as a result of regulations under subsection (7) made by the Scottish Ministers or the Welsh Ministers must be paid to those Ministers.”—(*Anthony Browne.*)

This amendment makes provision about fees, penalties and costs made payable to traffic commissioners by regulations under Part 5.

Schedule 1

ENFORCEMENT ACTION UNDER PART 1: PROCEDURE

Amendments made: 4, page 78, line 7, after “Part” insert “(other than section 43(1))”.

This amendment is consequential on amendment 1.

Amendment 5, page 78, line 14, at end insert—

- “(5) Money received by a traffic commissioner as a result of regulations under this paragraph must be paid into the Consolidated Fund in such manner as the Treasury may direct.”—(*Anthony Browne.*)

This amendment is one of two that clarify what happens to fees, penalties or costs under Part 1 if they are made payable to traffic commissioners by regulations.

Third Reading

3.3 pm

The Secretary of State for Transport (Mr Mark Harper): I beg to move, That the Bill be now read the Third time.

I was going to say a number of things, but the Under-Secretary of State for Transport, my hon. Friend the Member for South Cambridgeshire (Anthony Browne) covered them in his response. I will resist the temptation, which is not often resisted, to repeat them. All I will do by way of my remarks is say a few thank yous.

We are debating a Bill to have self-driving vehicles, but since we have not yet reached the point where we have self-driving Bills, I want to thank my hon. Friend the Minister for his work in steering the Bill not just on Report today but through Committee. I thank the Chairs and the members of the Public Bill Committee for their work both in Committee and in taking evidence. I also want to thank hon. Members on both sides of the House, even where there are differences on some of the detail, for their overall support for the Bill.

The Bill is part of our strategy to ensure Britain is at the forefront of this exciting new technology; to ensure that we can create well-paid, secure jobs in this country and lead this industry; and to ensure that we have safer roads, with technology which will contribute to an improvement in road safety and continue Britain's leadership in that position.

I am grateful for the support of colleagues and hope the Bill will be read a Third time without a Division.

3.5 pm

Bill Esterson: I wholeheartedly agree with the Secretary of State about the desirability of the Bill. We have had a very good series of discussions on it. I am grateful to the Minister for the way he has engaged with all Members who took part in Committee and the other stages. I add my thanks on the record to the Clerks, the Law Commission, those who submitted written evidence and the Minister for his responses, through letters, after the Committee stage. I agree on the benefits of improving road safety and the potential economic opportunities that the introduction of automated vehicles provides. We look forward to the rest of the transport legislation coming forward, in however many weeks the current Government may have, on e-scooters, e-bikes and minimum standards for taxis in the transport Bill that they previously promised. But today we can agree that the Bill should get its Third Reading and I am grateful to all who took part in its consideration.

3.6 pm

Gavin Newlands: I thank the Clerks, the Chairs, the members of the Public Bill Committee and all those who submitted evidence to it. As the hon. Member for Sefton Central (Bill Esterson) said, the engagement by the Minister has been excellent. I will be keeping a close eye on the Minister—and indeed his Secretary of State, who has come in at the last minute to steal his thunder on Third Reading!—to ensure that the commitments made specifically with regard to clause 50 are met. If they are not, they will be hearing from me. [*Laughter.*]

3.7 pm

Jesse Norman: May I say that, very far from the sentiments just expressed, the Secretary of State has been a very strong friend to the Bill from the very beginning? Having steered the Bill until the point where the Under-Secretary of State for Transport, my hon. Friend the Member for South Cambridgeshire (Anthony Browne) took over, as he noted, I pay tribute, as he has,

to the quality of the work done by officials at the Department for Transport and the Bill team. I remind the House that this is an extraordinary moment. We have taken the next step in pioneering a technology, as a single polity, in advance of anywhere else. It builds on the work done in 2019, and presages a very important, safer and, in many respects in transport terms, more prosperous future.

3.8 pm

Wera Hobhouse: I add my thanks to everybody who worked so hard to bring the Bill forward. As I have said before, the Liberal Democrats have been very supportive. This is a brave new world and I assume that, as we go along exploring the new technology, we will keep a very close eye on the data protection issues that I raised. This is not the end of the road; it is the beginning, but it is an exciting beginning.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Business without Debate

IMMIGRATION

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

That the draft Immigration (Leave to Enter and Remain) (Amendment) Order 2024, which was laid before this House on 11 March, be approved.—(*Mr Gagan Mohindra.*)

Question agreed to.

PETITION

3.9 pm

Christina Rees (Neath) (Lab/Co-op): I rise to present a petition on behalf of my constituents, and I commend the work of my right hon. Friend the Member for Kingston upon Hull North (Dame Diana Johnson). The petition states:

The petition of residents of the constituency of Neath,

Declares that people who received infected blood and who have suffered as a consequence have, along with their families, waited far too long for redress.

The petitioners therefore request that the House of Commons urges the Government to implement the recommendations in the Second Interim Report of the Infected Blood Inquiry without delay.

And the petitioners remain, etc.

[P002939]

UK Trade: Aviation

Motion made, and Question proposed, That this House do now adjourn.—(Paul Holmes.)

3.10 pm

Henry Smith (Crawley) (Con): I thank Mr Speaker for granting me this debate on the importance of aviation to UK trade and to the future of our nation's economy more generally. Let me start by declaring my interest as the founder and current chair of the all-party parliamentary group for the future of aviation.

I believe that aviation is a strategic enabler of the kind of export-led, high-growth economy that Members on both sides of the House want to see. Research being prepared by Manchester Airports Group and WPI Economics, of which I have been given advance sight, shows not only the potential for the UK to become a services sector superpower but the way in which we, as an island trading nation, are disproportionately reliant on aviation in comparison with similar economies. My argument this afternoon is that we should recognise that the UK aviation network—the third largest in the world—is a vital asset and a key component in the economy that we are seeking to build further, and that we therefore need the right kind of supportive policy environment to help it to flourish. That includes leaning into the benefits and opportunities on offer from decarbonising aviation for the sake of environmental protection, going faster and further than other countries precisely because of how much we have to gain economically from the sector, including the great British exporting businesses that rely on aviation for their own success.

Figures published recently by the Office for National Statistics show a 63% real-terms growth in the export of services in the 14 years to the end of 2023. As for goods, the UK air freight contribution across all sectors of the economy is more than £87 billion.

Against that backdrop and given that the UK is already the second largest exporter of services after the United States, respected think-tanks such as the Resolution Foundation are saying that the path to transformative economic growth for the country lies in its becoming a services sector superpower, and striking up new services trade agreements with countries such as Singapore, Japan and Australia.

Sir Robert Syms (Poole) (Con): The World Bank recently conducted a survey in which it looked at the future of world trade. It said that services were the area in which trade was mostly likely to grow and that Britain was very well placed to take advantage of that, especially in the light of all the trade deals that we are doing.

Henry Smith: My hon. Friend is entirely right. The United Kingdom has a strong record of being a services economy, and we could go still further now that we have left the European Union and are realising those trade deals, both trans-Pacific and involving other parts of the globe.

The UK should be selling more high-value services in areas such as banking and architecture, in which we have a competitive advantage, to boost productivity and tax revenues and raise the trend rate of growth. In the light of that, Manchester Airports Group has commissioned WPI Economics to study the export

growth potential of key sectors such as technology and financial and professional services, in which—as my hon. Friend has just pointed out—we clearly have great strengths. Given the UK's status as an island trading nation and our distance from some of the key export markets that we need to target, the research is also exploring the importance of aviation and international connectivity to the growth and trade prospects of British businesses in those sectors. The research findings will be published later this month and its publication will be marked by an event here in Parliament, but I am pleased to be able to share a few of the key headlines with the House today.

The sectors in the economy that are most reliant on air travel, from real estate to finance and insurance, create or induce some £1.5 trillion of gross value added—or economic contribution—for the United Kingdom. Key growth sectors of vital importance to the economy and reliant on air travel, such as financial services, creative industries and real estate, are projected to grow by 54%, 25% and 54% respectively in the period to 2033. In 2023 the UK was ranked fourth out of 132 countries in the global innovation index, and the researchers have found that innovation and international connectivity are positively correlated. If the UK wants to grow an innovation-based economy with a concentration of knowledge-intensive industries, it must maintain and grow its direct connections with the outside world. The UK has been ranked fourth in the global knowledge index—the global economy would lose almost 1% of GDP were the UK not to send business travellers abroad—and in respect of the total value of exports, adding more than £900 billion to the British economy and supporting hundreds of thousands of UK businesses.

Having more direct flights from the UK regions to international destinations could help to boost investment, trade, tourism and education opportunities as local businesses seek to leverage the additional connectivity at their disposal. In the north of England, for example, that could play a supportive role in the Government's levelling-up policy. As for London and south-east England, Gatwick airport's northern runway proposals would support more long-haul services, enabling increased volumes of cargo and services trade to and from key destinations such as north America, the middle east and Asia. London's Heathrow airport accounted for more than £200 billion in UK trade passing through in 2022, delivering a positive trade balance of more than £300 billion.

Businesses in these sectors have been interviewed and have set out the role that international connectivity plays, and will continue to play, across a range of key activities: securing investment, clinching deals, building, maintaining and inspecting global supply chains, and promoting knowledge transfer. If we accept that business travel and a healthy, growing aviation sector are preconditions for the type of services-led economic growth that experts say the country should be going after, we need to be clear-eyed about the No. 1 strategic challenge that it faces, namely the achievement of net zero in carbon emissions by 2050 that is the Government's ambition.

As the UK is disproportionately reliant on aviation to support growth, given its status as an island nation, we should lean into the economic benefits available from its decarbonisation, going further and faster than other countries. The key technology to decarbonise aviation in the medium term is SAF, or sustainable

aviation fuels, which can reduce lifecycle emissions by 70% in comparison with conventional jet fuel. The choice for this country is between importing SAF from other countries to decarbonise UK aviation and reach net zero by 2050 and investing in our own domestic sector, which provides a secure, home-grown supply of low-carbon jet fuel to build resilience into the economy and generate thousands of skilled jobs in the process. If we end up importing SAF, we will be at the mercy of volatile international energy markets and, in the event of global scarcity of supply, it will push up airfares, which in turn will push up the cost of doing business for precisely those companies identified in the research I referred to—companies that UK business needs to be travelling and exporting more to grow our economy.

It has to be said that last week the Government made a very positive announcement about measures concerning SAF. First, they are enshrining a sustainable aviation fuel mandate, which means that 10% of all jet fuel needs to come from low-carbon fuels by 2030. Secondly, they are consulting on a revenue certainty mechanism, which could help to incentivise and encourage the building of SAF plants and infrastructure here in the UK. However, a wider package of policy support is needed to create the right environment for this industry to take off, and for the UK to become a global leader. For example, the Department for Environment, Food and Rural Affairs' waste hierarchy needs to be amended to secure domestic—or “black bin bag”—waste as a viable feedstock or input into making sustainable aviation fuels.

Using household waste to make green jet fuel is not just important because of the way it protects and helps to sustain a strategic enabler in aviation; research from transport sustainability experts ICF shows that using such waste to make SAF, instead of its current use in incineration to produce electricity, would help cut UK carbon emissions too. Indeed, the reduction in carbon emissions would be at least five times greater, not least because nearly half of all electricity in the UK already comes from renewable sources—again, thanks to the great strides that have been made over the last decade by this Government.

A cross-departmental plan is needed across Whitehall to recognise aviation's role in our make-up as an island trading nation, and in the type of economy we need to grow to become even more competitive. My suggestion to the Minister is that the Department for Business and Trade has a critical role to play in this plan because of the sector's role in underpinning the success of services exports on which this country's future prosperity relies.

The UK does not have to choose between growing our economy through international travel, or travelling less and protecting our environment. By innovating and being global leaders in new sustainable aviation fuels technology, we can increase our services and goods sectors, and be at the forefront of new green technologies. We have some iconic British brands that have already demonstrated this. Last November I experienced the first transatlantic flight to use 100% sustainable aviation fuel when Virgin Atlantic, headquartered in my constituency, flew from London Heathrow to John F. Kennedy airport in New York, powered by Rolls-Royce Trent 1000 engines using sustainable aviation fuels. I believe that we should be optimistic about our future economy and our environmental protection, with Britain a global leader in both.

3.23 pm

Sir Robert Syms (Poole) (Con): May I pay tribute to my hon. Friend? He has been an extremely persistent advocate of the aerospace industry and Gatwick in all the years I have served with him in Parliament. I am sure that if, after he retires, he goes through all the meetings in his diaries that he had about aviation, his life will whizz past him, because he not only always stands up for the industry, but thinks very carefully about where it needs to go if it is to continue its success, grow and deliver the prosperity that our country needs.

I agree with my hon. Friend that, having gone through covid, many of us wondered whether the aviation industry would bounce back as quickly as it has done. I noticed that Heathrow said the other day that it was busier than it has ever been. The last time I went to Gatwick, I got the same impression—it really is back on four cylinders now.

We are very good at aviation. It is probably one of the legacies of the second world war, when a large amount of our GDP went into fighters, bombers and technology. Post war, we have always punched above our weight in aviation. I was surprised the other day when I saw some figures from the Treasury that showed that half of all airliners sold across the world in an average year have wings made in Wales—of course, Airbus has half the world market. They are very good wings, and they provide some very good jobs. We still have Rolls-Royce punching above its weight and producing innovative engines, many of which are designed to run on new fuels. It means that the company is going to be a major player in future years.

I do not think we will ever have a hub airport in the same way that others do. I have one observation for the Department for Business and Trade: some of the express railways to our airports go very slowly, and more investment in the links between central London and the airports would help the sector substantially. There is a great opportunity there. We have some really good airports circling London, and we have some very good regional airports, including Manchester and others. We have Bournemouth airport in Hurn, which is in the local authority of Bournemouth, Christchurch and Poole. All the airports generate lots of jobs and opportunities, and there is a world of great competition out there. Many other countries are putting in runways and terminals. They see the advantages of investing in aviation, and we have to keep up with them and continue to punch above our weight.

I thank my hon. Friend for what he has done for aviation. I look forward to hearing what the Minister is going to say in response.

3.25 pm

The Parliamentary Under-Secretary of State for the Cabinet Office (Alan Mak): I thank my hon. Friend the Member for Crawley (Henry Smith) for introducing this debate, and for his work in establishing and leading the all-party parliamentary group for the future of aviation. I was glad to hear him refer to the report by Manchester Airports Group and WPI Economics, which have done some important research. I wish them well for the launch of their report. My hon. Friend gave an excellent speech, and he is right on so many counts.

[Alan Mak]

The air transport sector is critical to the UK's success as a trading nation. Its speed and efficiency gives our exporters the edge and connects this country to the world, enabling the face-to-face meetings that are the lifeblood of our world-leading services sector, as my hon. Friend the Member for Poole (Sir Robert Syms) rightly highlighted. I entirely agree that the Government must keep striving to ensure that this vital sector thrives and continues to act as an enabler of global trade.

As my hon. Friend the Member for Crawley points out, the world is changing fast. To succeed tomorrow, the UK's aviation industry needs the right fundamentals in place today. That is why my colleagues at the Department for Transport have developed "Flightpath to the Future", which is the Government's 10-point plan to ensure that the UK continues to develop aviation as part of our critical national infrastructure. It is our blueprint to make sure that we have the skills, technology and infrastructure to deliver for aviation over the next 10 years. It will ensure that the UK maximises the benefits of aviation, delivering economic growth, increased trade and improved services for businesses and passengers.

I also highlight that aerospace as a major export is, in its own right, integral to the UK's achievements as a trading nation, as my hon. Friend rightly said. It adds some £11 billion a year to our economy and employs over 100,000 people across the country. Factories in north Wales, Bristol, Derby, Prestwick and Belfast deliver critical components for the world's airliners and air freighters. Almost every aircraft that hon. Members have flown on relies on British engineering. I always find it inspiring that roughly half the wings of all new commercial airliners are made in the UK and that a third of global aircraft seats are made in Northern Ireland. Here again, we are striving to ensure that we keep our leading edge and seize the advantages of a jet zero future, which my hon. Friend has so rightly highlighted.

That is why the Government and industry together have created the Aerospace Technology Institute and the ATI programme, delivering long-term and predictable funding that allows industry-led mid-stage R&D projects to get off the ground. The ATI's objective is simple: grow the UK's share of the global aerospace market while reducing aviation emissions. The results have been nothing short of transformative. Consequently, the UK's aerospace industry's productivity has soared.

Thanks to the ATI co-investment alongside industry, the UK is leading the Airbus Wing of Tomorrow programme, exploring radical new approaches to aircraft wing manufacture and design. We are also powering ahead in the field of engine manufacture, with the world's most efficient jet engine—the Rolls-Royce UltraFan—on the horizon. The ATI has supported over 400 R&D projects worth £3.6 billion since it was founded, helping some incredible innovations developed by industry disruptors to take flight and attracting foreign investors to these shores, including Boeing and Safran. Given these achievements, it is only right that we continue to strengthen the UK's position in the

global aerospace manufacturing sector, and in the Government's most recent autumn statement we extended the ATI programme budget for a further five years.

In addition, our jet zero strategy sets out our plan for achieving net zero aviation by 2050. It includes the new aircraft technologies developed in partnership by industry and the ATI programme. There is clearly a bright future ahead. Last year we got a glimpse of this promise—as my hon. Friend mentioned, he got more than a glimpse—when the first net zero flight crossed the Atlantic powered by Rolls-Royce engines and using 100% sustainable aviation fuel.

I turn next to airports, the beating heart of the UK's trading economy. Already, the UK—and therefore its businesses—boasts the third largest aviation network in the world after the USA and China. As my hon. Friend knows, Gatwick continues to demonstrate incredible innovation with its existing assets, with the busiest and most efficient single runway in the world. I know that there have been various proposals over the years to construct another runway at Gatwick, and I understand that Department for Transport Ministers will be looking carefully at the latest proposal.

All our airports are supported by our world-leading supply chains, which are at the forefront of digital innovations and sustainable technologies when it comes to developing airports ready for the future. For example, NATS, the UK's air navigation services provider, leads the way in providing next-generation solutions to enhance airport capacity and performance.

I reassure my hon. Friend that my Department fully recognises the importance of airports in underpinning the connectivity that is so vital to trade. We will continue to work closely with other Departments, particularly the Department for Transport, and airport stakeholders to encourage investment into the sector, while supporting our supply chains to export their expertise to the world. I also commend to the House our recent "Future of Flight" action plan, which provides a strategic plan to deliver the economic, environmental and social benefits that could be unlocked by exciting technologies such as drones and electric vertical take-off and landing aircraft.

I want to thank my hon. Friend again for his work as a passionate advocate for the aviation sector. I reiterate my thanks to him for providing this opportunity to celebrate the achievements of aerospace and aviation in the UK and to discuss how this Government can even better support the sector and our exporters. The Government have a clear vision for the future of aviation in the UK. We see it as a critical enabler of trade long into the future, allowing communities across the country to benefit from the prosperity it brings. From Crawley to Havant, from Poole to Uxbridge via the Hamble Valley and across the entire United Kingdom, the future of aviation is bright. I thank my hon. Friend for his leadership in this sector.

Question put and agreed to.

3.32 pm

House adjourned.

Westminster Hall

Wednesday 1 May 2024

[SIR PHILIP DAVIES *in the Chair*]

Chatham Docks Basin 3 Redevelopment

9.30 am

Kelly Tolhurst (Rochester and Strood) (Con): I beg to move,

That this House has considered the redevelopment of Chatham Docks Basin 3.

It is a pleasure to serve under your chairmanship, Sir Philip.

The debate over the future of Chatham docks has stirred strong emotions in our community. On one side, Peel Waters has proposed a residential-focused mixed-use development, but closer examination raises concerns about its sustainability and impact on our already thriving industries. The proposal has prompted legitimate worries about the quality of jobs, uncertainty surrounding investments and the overall environmental footprint, echoing sentiments that I have been expressing for several years.

In response to those concerns, I have been championing an alternative vision alongside the Save Chatham Docks campaign. It centres around the SPPARC Architecture masterplan, which sets out revitalisation focused on modern industrial space, emphasising job creation, economic growth and environmental sustainability—all essential for the future of the port's activities. I appreciate the opportunity today to highlight that cause and to bring further information forward as to why saving the docks is the only sensible solution.

Chatham docks was part of the old Royal Navy Dockyard Chatham estate, which has stood proudly for 457 years.

Neil Coyle (Bermondsey and Old Southwark) (Lab): Sir Philip, is it not normal to declare interests at the start of a debate? Is the right hon. Lady intending to make any such declarations?

Kelly Tolhurst: I am not too sure what the hon. Gentleman refers to.

Neil Coyle: Sir Philip, you may wish to explain the rules—but I think it is a requirement that where we have interests in a particular area, or a potential financial interest, we declare them before we comment on or speak to that issue. I again invite the right hon. Member to make any declarations that are relevant.

Kelly Tolhurst: I would like the hon. Gentleman to elaborate on which financial interest he thinks I have.

Sir Philip Davies (in the Chair): Order. We can carry on this exchange, but it is for a Member to determine whether they have an interest to declare. If they decide they do not have an interest to declare, that is a matter for them. I do not know if that satisfies the hon. Member for Bermondsey and Old Southwark (Neil Coyle), but it is for the Member themselves to determine that.

Kelly Tolhurst: Thank you, Sir Philip.

The dockyard has stood proudly for 457 years as a symbol of Medway's economic backbone and our local heritage. On the banks of the River Medway, the docks embody the spirit of our community, connecting us to our past while paving the way to our future. Generations of families, including mine, can trace their stories alongside the history of Chatham docks. My mum's family tells a familiar tale, with ancestors who have worked and served our country from those docks. Growing up in Medway meant always meeting people who shared similar connections—each a demonstration of the impact that the docks have had on generations across our community.

During its heyday, Chatham dockyard was the most important shipbuilding and repair dockyard in the country, contributing more than 500 ships to the Royal Navy and employing more than 10,000 skilled artisans. However, the closure of the Royal Navy Dockyard Chatham 40 years ago marked the end of an era, prompting a transformation that has been nothing short of remarkable.

The dockyard estate was split into three sections, and it has been revitalised into a mix of commercial, residential and leisure spaces. The establishment of Chatham Historic Dockyard Trust has ensured that a piece of our heritage remains accessible to all, serving as a living museum that educates visitors. It has played host to the sets of some of our favourite TV dramas and films.

English Estates took over another section of the old dockyard estate at the time, which is now host to basins 1 and 2 of the complex. Those have been formed into the Chatham Maritime Marina and a water sports facility, respectively, alongside significant retail and commercial office space. The northern section of the parcel is St Mary's Island, which hosts a development and is now home to more than 5,000 residents.

Today, our focus lies on the third section—the easternmost—which surrounds basin 3 and is designated under Medway Ports Authority. It is a bustling commercial port and manufacturing hub that drives economic growth and offers fantastic opportunities for local businesses and residents. Basin 3 at Chatham docks is unique: it is the only non-tidal enclosed dock in Kent. It is regionally significant, as it plays a critical role in facilitating the transportation of vital materials to London and other regions across the UK in an environmentally sustainable way. Currently, it hosts nearly 20 businesses, and boasts a roster of notable multinational businesses such as ArcelorMittal, Aggregate Industries and European Active Projects Ltd, all of which have established UK bases within the port premises. In turn, they provide a number of high-quality jobs, particularly for local residents; they directly employ 795 people, including 750 full-time equivalent staff, and indirectly support an additional 1,500 jobs through the supply chain network. Those figures translated into a combined turnover of nearly £175 million in 2021.

Matthew Pennycook (Greenwich and Woolwich) (Lab): Am I right in thinking that ArcelorMittal is the only tenant in basin 3 that has not agreed to relocate?

Kelly Tolhurst: My understanding is that there are other organisations operating within the port facility that want to stay where they are. Some have relocated because they unfortunately did not have another option; their leases meant that they were unable to stay.

[Kelly Tolhurst]

The operations at Chatham docks span a diverse range of high-value industries. Materials and goods are brought in via water channels, undergo processing and manufacturing, and are subsequently exported.

Neil Coyle: Two of the companies that have been operating in Chatham docks for marine repairs are EAPL and Stick-Mig Welding. Does the right hon. Lady have anything to say about the relationship between Skipper Ltd and those two companies?

Kelly Tolhurst: I think the hon. Gentleman is referring to Skipper (UK) Ltd, which I am still a director of—and which has no customers or interests in Chatham docks or any of the businesses that operate in Chatham docks.

A sometimes overlooked aspect of the incumbent operations at Chatham docks is the strong commitment to nurturing talent. The array of apprenticeship programmes provides excellent avenues towards rewarding careers. In 2020 alone, 16 apprenticeship programmes offered 20 positions per 1,000 jobs, massively surpassing the Medway average of about nine apprenticeships for every 1,000 jobs. The investment in people not only benefits the individuals involved but strengthens the workforce of the entire region, offering high-quality careers that make a real difference.

Importantly, the jobs offered at Chatham docks provide above average wages, raising the median wage in Medway. The average annual earnings were £43,000 in 2023—nearly 9% higher than the Medway median wage. These positions serve as a crucial driver of economic stability, especially in an area where 13.5% of Medway's workforce earn below two thirds of UK median pay as of 2021. It is clear that Chatham docks are absolutely essential for the local population. In 2019, it was found that 20% of its workers lived in the Chatham docks three-digit postcode—ME1—and 45% across Medway.

The economic significance of the docks extends beyond direct employment and wages: it contributes significantly to the regional economy, accounting for more than 4% of Medway's gross value added and generating approximately £89 million in GVA annually. In addition to its economic contribution, Chatham docks also plays a vital role in generating tax revenues, which contribute essential funding for local services and infrastructure. The annual tax revenues are estimated to range between £27 million and £36 million, and the annual business rates payments are about £2 million. Those revenues also provide financial resources to support the community.

The main issue at hand, and my reason for calling this debate, is the progress of Peel Waters' attempt to end the use of Chatham docks as a commercial port, displacing the businesses within it, with the loss of high-quality jobs. Peel Waters has a vision to implement a residential-led, mixed-use development across the site. It has been over a decade since Peel Waters first set its sights on the redevelopment of Chatham docks, and started to redevelop part of the land. Its 2013 application initially boasted that development of Chatham Waters would provide 3,549 permanent jobs once fully developed, or 2,418 net additional jobs, with an associated GVA of around £92.4 million.

The projections suggested a substantial boost to both employment and the local economy. Looking deeper into the plans as time progressed, however, all is not as

it seemed. The 2013 planning statement provided a more specific breakdown of the employment that would be delivered. It showed a significant proportion of projections included employment for retail and hospitality. For the projected 764 jobs as part of phase 1, 400 to 450 would be provided at the Asda retail food store, 40 to 50 at the pub and 20 at a coffee shop. I have long championed the hospitality industry, but this would be a stark contrast to the jobs that they would replace from the manufacturing, construction and transport industries.

Matthew Pennycook: The right hon. Lady is being generous in giving way, which I appreciate, so that I can better understand the specifics of the case. My understanding is that the local plan has not been updated since 2003. Can she give us her view on why that is the case? Why have previous Medway Council administrations not brought that plan up to date to set out a viable and feasible dock retention policy?

Kelly Tolhurst: I thank the hon. Gentleman for his comments. He is right that Medway Council is out of a local plan. The previous local plan, which is occasionally referred to regarding planning applications, clearly designates Chatham docks as a commercial rather than residential area—hence my campaign, with others across the Medway towns, to demand and ensure that Chatham docks remains a commercial site, rather than a residential-led development.

Peel has also claimed that, on completion, 2,701 jobs will be in office space. Without the density specified, that would pose a risk of under-utilisation of the available area. Independent analysis revealed that in reality we have seen a shortfall in job creation, with around only 200 full-time jobs materialising since the plans were first introduced more than 14 years ago. That represents 26% of phase 1 jobs estimates and 6% of the total jobs promised across the whole of the Chatham Waters development—a far cry from the lofty estimates put forward.

It transpired that in 2019 Peel had desires to redevelop the Chatham docks site into primarily residential areas. The updated plan was led by 3,600 homes and claimed it would support over 2,000 jobs on site. Although the shift towards housing development appeals to Medway Council's housing targets, it raises concern about the potential impact on existing jobs and industries at the docks.

It has been clear that Medway's housing targets have been disproportionately affecting my constituency of Rochester and Strood. Over the past 15 years, we have seen delivery of thousands of new homes, with thousands more in the pipeline for my constituency, while sites such as Chatham docks are now at risk due to Medway's focus on meeting targets. We require a more strategic approach to housing development, focusing on suitable locations with adequate infrastructure.

Theresa Villiers (Chipping Barnet) (Con): Does my right hon. Friend agree that, with these important sites, it is crucial to respect the character of the surrounding area in deciding what is to be built? In particular, there is a need for larger family homes, but many developments of this sort seem focused almost entirely on small flats.

Kelly Tolhurst: My right hon. Friend is right that one concern around developments such as this is that the focus is on number and units of flats, as opposed to delivering the type of accommodation that local people in the Medway towns desire in the locations. The numbers are a challenge, but the type of accommodation is just as important.

Rochester and Strood have spearheaded Medway's efforts to meet housing demand, but Medway's annual target, calculated using the standard methodology, remains at 1,667 new homes, culminating in 28,339 homes by 2040. Currently, the council has plans for 7,583 homes in the pipeline, with an additional 3,000 windfall sites predicted, which means the council faces the task of finding suitable locations for just over 19,000 additional homes. Unfortunately, Medway Council has cited the need to reach those targets as the reason why a unique, regionally important infrastructure asset such as Chatham docks is even being considered as part of the local plan process.

There is now a live application for part of the site currently occupied by ArcelorMittal that proposes to replace its operation with a different type of commercial space. This move aims to shift existing commercial activity, but signals a broader trend that could lead to the displacement of crucial industries and jobs. Sadly, in my view the application is the thin end of the wedge, threatening to pave the way for the loss of important industries, high-value jobs and the ability of the commercial port industries' use of basin 3. The application is just the beginning, setting the stage for Peel's larger plan to develop a large number of residential units across the site.

Following the campaign by fellow Conservative MPs urging the Government to initiate a consultation on changes to the national planning policy framework, the Department for Levelling Up, Housing and Communities responded by amending the NPPF, notably by clarifying housing targets to be an advisory starting point rather than being mandatory, thereby promising positive outcomes for communities where there was robust evidence to support a difference. The new NPPF introduces several key provisions aimed at making local planning processes more effective and responsive to community needs. First, it empowers local authorities by giving them greater flexibility to address housing requirements specific to their area. That means they can tailor solutions to fit local circumstances rather than adopting a one-size-fits-all approach.

The framework emphasises the importance of maintaining the character of a local area by preventing densities that would be "wholly out of character". That helps to safeguard the integrity of local plans and ensures that new developments complement them rather than distract from the existing surroundings. Additionally, the NPPF introduces measures to help councils to resist speculative housing developments, giving them more control over how their communities grow. It also outlines criteria for when alternative approaches can be justified, ensuring that decisions are made with careful consideration of exceptional circumstances.

For local planning authorities, the changes mean a renewed focus on accurately assessing and meeting local housing need and on gathering robust evidence to support decisions. Although they are required to use a standard methodology for determining housing need, they have the flexibility to adjust plans according to local constraints

and needs. That flexibility allows targets to be fine-tuned to reflect specific local circumstances, whether that means preserving the character of neighbourhoods or protecting green spaces. Ultimately, the reforms strike a balance between national objectives and local priorities.

In the light of the changes, Medway Council has an opportunity to produce a local plan that fits the needs of our community. Given the adjustments, Medway Council should reconsider the plans for Chatham docks. By prioritising the preservation of our commercial port and protecting jobs and an infrastructure asset that has national importance, we can sustain the local economy and its future development. The economic significance of businesses at Chatham docks should not be underestimated and destroyed. The area needs this type of industry and employment.

The lock gates, which allow access into basin 3 via the River Medway, have long been cited by Peel as a stumbling block to Chatham docks' future economic viability, claiming that the cost of repairs or replacement is prohibitive. That assertion is refuted by surveyors and tenants who, based on studies carried out, believe that with a proper maintenance and renewal programme an ongoing commercial port operation has the capacity to flourish.

An important but often overlooked factor when considering the cost implications of repairs to the lock gates is the water management agreement, which has been in place since the initial split of the dockyard estate into the distinct areas described earlier. It governs the management of water flow through basins 1, 2 and 3, as well as access for naval vessels to basin 2 from the river. It was only back in 2019 that we welcomed the new HMS Medway to Chatham. Peel has a responsibility and the obligation remains, as outlined in the deeds, to maintain the lock gates as the custodians of the asset, whatever the future of the site.

The current closure of the gates is significantly affecting businesses within basin 3. Moreover, the blockage of salt water flow through the basin complex directly affects the water quality in basin 2, where the Chatham Maritime Trust, of which I am a trustee, operates a water sports centre. I am concerned that compromised water quality could render the basin unsuitable for such activities in future.

A clear example of one of the most successful businesses based at Chatham docks is the principal tenant, ArcelorMittal, which has called it home since 1988. Its presence at the docks speaks volumes of how it values their strategic location. The company is dedicated to the docks, and has further shown its engagement by commissioning Volterra Partners to conduct an independent socioeconomic assessment, which has evaluated whether there is a case to support ArcelorMittal's future and the viability of investment in basin 3.

As the second largest steel producer in the world, ArcelorMittal supplies approximately 30% of the UK's steel reinforcement and is a leading wire rod manufacturer in the UK, with influence extending far beyond Medway. Its involvement in landmark projects, ranging from Crossrail to the Shard and from Heathrow terminal 5 to the London Stadium, has marked its imprint on the iconic skyline of the UK. As London gears up for massive infrastructure investments totalling £27 billion until 2032-33, ArcelorMittal stands ready to supply the essential materials required in those ambitious projects.

[Kelly Tolhurst]

ArcelorMittal relies heavily on water transport, sourcing around 85% of its steel through that method, primarily from overseas locations such as ports in Hamburg. To be clear, this is an operation that cannot simply be located to an inland site. ArcelorMittal has made it clear that should it lose its Chatham docks site, it would be forced to shift its operations entirely to continental Europe, to the detriment of the region and the national economy.

It should also be noted that shipping products produce far less emissions than transporting the equivalent via heavy goods vehicles and certainly when transported by aircraft. Maintaining and potentially expanding operations in the area would therefore be environmentally preferable to a total shutdown, given the transport emission savings. The commitment to sustainability is evident in ArcelorMittal's production methods, with more than 98% of its steel reinforcements made from recycled scrapped steel. Its embracing of innovative technologies such as hydrogen also leads the way towards greener practices for steel production.

In recognising the importance of the location, ArcelorMittal is committed to expansion and enhancements. Currently, £5 million of inward investment is on hold, with a potential additional £20 million, pending the approval of the SPPARC masterplan. Although ArcelorMittal is the largest tenant at Chatham docks, it is just one of the many examples of successful businesses that make up the thriving commercial dockyard and manufacturing hub.

I have long been a supporter of the campaign to save Chatham docks. Back in 2021 I held an Adjournment debate on the issue, using the platform to highlight the thriving businesses already operating at the docks. Then, in summer 2022, the alternative vision from the Save Chatham Docks campaign was launched, laying out plans to ensure its long-term viability.

Key components of the SPPARC masterplan include a riverfront route, the green buffer zone and a port facility upgrade, all aimed at revitalising the area and attracting new opportunities. The anticipated impact of the masterplan is staggering, with projections suggesting the creation of up to 2,570 full-time job equivalents, while safeguarding the high-value, high-skilled jobs that exist today. That would result in a significant boost in worker expenditure, estimated at between £2.4 million and £4.2 million annually.

Furthermore, with the improvements proposed in the masterplan we could see a substantial increase in the amount of materials transported by sea freight, potentially reaching 600,000 tonnes per year, which would translate into a direct economic output of £119 million to £177 million, equivalent to 18% to 27% of Medway's total GVA in the manufacturing sector.

The masterplan is all about unlocking the potential on the site, ushering in a new era of prosperity. The potential tax generation it could bring is also worth noting, with projected annual tax revenues estimated to rise to an amount between £36 million and £71 million, providing vital funding for essential services. Additionally, the influx of businesses could generate another £6.1 million per year in business rate payments, which would offer much-needed relief to Medway Council's financial position.

The masterplan is not just about figures and statistics, though: it represents hopes and opportunities for people in Medway and the surrounding areas. It is a shot at creating a better tomorrow, not just for now but for future generations in my community.

Beyond the immediate concerns lie the environmental implications. As an island nation, nearly 95% of the UK's imports and exports are transported by water, and Chatham plays a huge part in that. Approximately 85% of the materials imported into Chatham docks are transported by sea freight, contributing significantly to the reduction of carbon emissions. Analysis has shown that in 2019 the use of sea freight at the docks resulted in a saving of approximately 9,100 tonnes of CO₂ emissions compared with emissions from heavy goods vehicles. That is equivalent to about 13,000 lorry trips.

If the docks were redeveloped in a way that shifted waterborne transport on to our roads, it would pose a significant environmental risk, in turn worsening air quality and potentially making Chatham one of the worst-affected areas in the UK outside central London. That would be a step in the completely wrong direction when it comes to the progress we are making on our emissions and the path to net zero.

National Highways has also raised concerns about the transport impacts stemming from the consequential increased use of heavy goods vehicles, particularly concerning the safety, reliability and operational efficiency of the M2 strategic road network. I too am concerned by that, and further concerned by the knock-on effects that it would have on local traffic and road conditions—issues that have already posed real difficulties in our area.

Local opposition to Peel Waters' plan has been robust, with countless constituents contacting me on the topic and Medway residents and Chatham docks employees sending in over 170 letters of rejection to the current live application. I have been overwhelmed by not only the local support but the support from businesses and groups in other parts of the country. It makes no sense that such high-quality jobs, valuable industry and infrastructure assets could be lost in the pursuit of short-term profit for organisations. These industries are important now and will remain so in the future.

We cannot prioritise the short-term profits of developers over our community's livelihoods and existing industries. The recent amendments to the NPPF that make housing targets advisory and allow more flexibility for local authorities should mean that Medway Council is under less pressure to develop a housing development at Chatham docks, and I hope that it, too, can see the importance of preserving the commercial port for our long-term local economy.

Local opposition to Peel Waters underscores the community's strong desire to preserve the docks' heritage, protect high-quality jobs and ensure sustainable development. We owe it to our community, the workers and the future generations as we approach these challenges and make sure that we save Chatham docks.

9.59 am

Matthew Pennycook (Greenwich and Woolwich) (Lab): It is a pleasure to serve with you in the Chair, Sir Philip. I congratulate the right hon. Member for Rochester and Strood (Kelly Tolhurst) on securing this important debate. I know that a great many of her constituents value

immensely the contribution that Chatham docks has made to Medway over many decades. I recognise that there is a general desire among them for greater clarity on the future of the site as a whole and the jobs linked to it, including, but not confined to, the 18-acre basin 3 plot that is the subject of this debate.

Constrained as I feel I am from delving into the fine detail of what is a live planning application, I will take a step back and place the debate in a wider context. As we all know, previously developed brownfield land is a finite resource and subject to competing demands when it comes to future use. The intense competition for such land in urban areas and the ever-present tension between economic and residential uses that results is precisely why a brownfield-first approach to development, which Government and Opposition agree on in principle, cannot mean a brownfield-only one, and it is why the current plot-by-plot approach to development will never be sufficient to meet total housing need across England. It is precisely because the Opposition recognise that the shortage of employment land is a growing concern that, although we are determined to improve on the Government's lacklustre record when it comes to brownfield build-out rates, we intend to take a more strategic approach to planning in terms of both green-belt land release and planning for many more large-scale new communities, whether new towns or urban extensions, so that we are better able to sustain housing and employment growth across the country.

As things stand, the Government's persistent failure to support local communities to accommodate housing growth strategically either by means of the development of major sites in their boundaries or through cross-boundary, strategic growth in co-operation with neighbouring authorities forces local planning authorities to wrestle with competing demands for employment and residential uses on the limited brownfield sites available to them.

Theresa Villiers: Many of my constituents are really worried about the statement by the Leader of the Opposition that he proposes to ignore the views of local communities in determining what gets built. Will the shadow Minister distance himself from those comments?

Matthew Pennycook: We certainly will not ignore the views of residents when it comes to planning proposals. However, it is fair to say—this is partly why I find the yimby/nimby debate incredibly reductive—that there is a core of people in the country who do not want development—

Kelly Tolhurst: Will the hon. Gentleman give way?

Matthew Pennycook: I will answer the previous intervention, then I will happily give way.

There is a core of people in the country who do not want development of any kind near them under any circumstances, and we have to take those people on and do so with conviction. There is a much wider group of people who oppose bad development in their constituencies, and we must change the offer of what development means, but that cannot mean that development does not take place. I will address the point on housing targets if it comes up later in the debate.

Kelly Tolhurst: I am grateful to the shadow Minister. However, I would like to pull him up on the point he made about the nimby debate. I want to be clear that this is about the future and jobs. The hon. Gentleman may remember that he wrote to me representing his constituents, who were also concerned about the operations at Chatham docks, because I believe that he has constituents who work there.

Matthew Pennycook: I thank the right hon. Lady for that point. I did indeed write to her; it is a small number, but I have a few constituents who work at Chatham docks. As I said in opening my remarks, I very much recognise the existing concerns about the future of the sites and the jobs linked to them. To clarify what I said, I did not condemn nimbys in the debate: I said that we need to move beyond the incredibly reductive debate between yimbys and nimbys. There is a far more nuanced position out there. As I said, there are people who oppose development under any circumstances, and we are clear that we will take them on. There is a wider group of people who oppose bad development, and we must change the offer to them.

Theresa Villiers: May I respond to one final point?

Matthew Pennycook: I will give way one final time.

Theresa Villiers: I thank the hon. Gentleman. Does he acknowledge that the vast majority of people expressing views about development proposals accept that we need new housing, but we just need the right homes in the right places?

Matthew Pennycook: I take issue with the right hon. Lady on the idea—I think that phrase is used too often to obscure what I think is her real position, to be fair to her—that her local authority should be able to plan for less housing than the standard method that the target implies. We take the opposite view; we have a very legitimate difference of opinion here. We do not think that local authorities should be able to plan for under-housing need targets, and that is where the difference comes on the NPPF changes. It is not a question of whether there should be good development. Yes, we must change what the offer of development means, but it cannot be the case, as the right hon. Lady so often advocates, that no development takes place because of the characteristics of a local area or many other attributes that local authorities can now use as a result of the NPPF to come in under target. That is a clear difference of opinion between the Government and the Opposition.

I will return to the argument I was making. Like many other councils across England, Medway Council now confronts a dilemma with this brownfield site as a result of the nature of the housing and planning system over which the Government preside. First, through changes to national planning policy, Ministers have ensured that there is no effective mechanism for sub-regional strategic planning that might enable what is a relatively small unitary authority in Medway to meet housing need in a co-ordinated manner. That could have been done through a joint plan with neighbouring two-tier authorities in north Kent, as the historic south-east regional spatial strategy did with the Kent Thames Gateway.

[Matthew Pennycook]

Secondly, because central Government support has not been forthcoming, the number of viable potential sites within Medway Council's own boundaries has narrowed. The most pertinent example is the Government's decision to withdraw from the authority £170 million in housing infrastructure grant funding that would have facilitated the construction of 10,000 homes over 30 years on the Hoo peninsula, despite the Department seemingly not having spent £2.9 billion of the £4.2 billion allocated by the Treasury to that fund. As a result, Medway Council now must determine alone how it meets its housing targets across the sites that remain available and viable. As I said, we take the view that they must meet those targets.

The challenge I put to the right hon. Member for Rochester and Strood, leaving aside the considerations of investment required in the docks to bring it up to a viable operation in the future, is for those who take the position that it should remain a working port to identify the collection of sites across Medway that will ensure the authority can build 29,844 homes—the numbers have been slightly updated since the ones she cited were published—between now and 2040, because that is what it will take to meet housing need in that particular authority.

Medway Council proposes—quite rightly, in our view—to make that determination in a considered manner through the local plan development process. I very much welcome the fact that the present leadership of the authority have restarted the process and are working at pace to complete it. The pattern of indecision and delay that characterised the approach of previous Conservative administrations to planning and development in Medway over two decades was lamentable as, it must be said, is the Government's record on boosting local plan coverage across England more generally. It is frankly laughable that, despite the extensive range of powers to intervene that Ministers enjoy, the Government are presiding over a local plan-led planning system in which only a third of authorities—and falling—have a plan that is less than five years old, with the number of plans published, submitted and adopted last year the lowest for a decade.

The local plan-making process in Medway is now firmly underway, and I do not think it is for Members in this place to pre-empt its outcome, but it is worth remarking that Medway Council obviously cannot prohibit Peel Waters from submitting a proposal for mixed-use development on the wider Chatham docks site as part of the local plan preparation process, in the same way that the authority cannot force that developer to make the necessary investment that might sustain the docks as a working commercial port. Just as the contents of the developing draft local plan are ultimately a decision for Medway Council itself, considering not only how to meet housing need but how other economic, social and environmental priorities can be addressed, so is the determination of the basin 3 application submitted for the present industrial state to be redeveloped for employment facilities.

As such, while I certainly appreciate that concerns exist about the employment opportunities changing on the site in question, and whether all the sitting tenants will agree to be relocated or compensated, it would not be appropriate for me to comment on the application,

just as I know the Minister will not be able to discuss details of the proposal, given the quasi-judicial role of the Secretary of State in the planning system.

To conclude, the case of Chatham docks reinforces our strong belief that we need to make changes to the planning system to ensure that the Government take a more strategic approach to development across the country, thereby enabling local planning authorities to better balance competing priorities regarding brownfield regeneration. It also highlights the pressing need to do more to boost local plan coverage. An up-to-date local plan is the most effective means of influencing where and how development takes place in any given authority area for both the housing and jobs that communities need.

The situation is lamentable, and many of the problems we are discussing stem from the fact that the authority has not updated its plan since 2003. Much of the uncertainty that the constituents of the right hon. Member for Rochester and Strood are feeling about the future of Chatham docks would be significantly abated had previous Medway Council administrations prepared and adopted an up-to-date local plan with a robust and viable proposal for the site—the present administration finally doing so is to be commended. It is the elected members of that authority who are best placed through engagement and consultation with the local community to take decisions on local planning matters, including in due course the basin 3 application.

10.10 am

The Minister for Housing, Planning and Building Safety (Lee Rowley): It is a pleasure to serve under your chairmanship, Sir Philip. I congratulate my right hon. Friend the Member for Rochester and Strood (Kelly Tolhurst) on securing this debate. I thank her for the opportunity to be able to talk—in the limited way that I am able to—about the importance of the Medway towns, and getting planning right in them and in her constituency of Rochester and Strood over the years ahead.

My right hon. Friend is a huge advocate for her constituency. We have spoken on a regular basis since I have taken this portfolio, so I know how strongly she rightly feels about ensuring planning is as right as it can be in the area. She strongly advocates for her constituents and for how important it is to get planning right. As the hon. Member for Greenwich and Woolwich (Matthew Pennycook) indicated, it is now Labour members who have the opportunity to make progress with those specific local plans. Given their variation of views in the last few months alone, that does not bode well. However, we wish them well, because we all want them to get it right, and we hope that they will do so, even if their current record does not indicate that this is very likely.

The speech by my right hon. Friend the Member for Rochester and Strood highlighted not only what a strong advocate she is for her constituency but the huge importance of this issue from a historical perspective. She talked about her background and those of many of her constituents in the area. As someone who shares that link with my constituency, I know how important it is that representation is brought to this place, and my right hon. Friend did that in this debate, as well as in others before.

As my right hon. Friend the Member for Rochester and Strood appreciates, and as the hon. Member for Greenwich and Woolwich indicated, there are limits to what I can say. There are some things that I can say and some I cannot. The Secretary of State and Ministers in the Department have a quasi-judicial role within the planning system, which means there is the potential for all planning applications to come to us for final decision, so it is both inappropriate and incorrect for us to talk about individual planning applications. Thus, I am unable to talk about the specifics of the planning application today. I know that my right hon. Friend knows that and appreciates the point I am making.

When I have had debates like this in my constituency, I used to be frustrated by that answer, but it is a necessary one and one that we must honour to ensure that we do not prejudice anything that may come in the future. None the less, I hope I can say a few things about the general position and about planning. In order to enter them into the record, I will say a few things about the national planning policy framework, and the overall framework, not least because the hon. Member for Greenwich and Woolwich has made a number of assertions, which I will come on to in a moment.

The Government set the legislative and policy framework, including the NPPF, within which the planning system operates. Local planning authorities, as has been outlined today, are responsible for preparing a plan, then for making decisions that align with that plan. In doing that, they interpret the national policy and guidance, which is primarily generated through the NPPF, within the legislation and then according to local circumstances.

The stated and avowed purpose of the planning system in this country is to contribute to the achievement of sustainable development that considers economic, societal, social and environmental objectives. Planning policies and decisions should play an active role in guiding developments towards sustainable solutions, but they must and should take into account local circumstances and reflect the local character, needs and opportunities of each area. We recognise that Rochester and Strood is very different from North East Derbyshire, as it is from Chipping Barnet and from Greenwich and Woolwich, which is why it is correct that local politicians lead planning within a broad national framework that the Government of the day set out.

We have talked in much of this debate about the importance of economic development and about protecting commercial activity. The NPPF also sets out the importance of planning for economic development. Planning policies and decisions should help to create the conditions in which businesses can invest, expand and adapt. That is why the NPPF states that significant weight should be placed on the need to support growth and productivity, taking account of both business needs and wider opportunities for development. As hon. Members have outlined, the NPPF was last revised in December 2023 following a consultation process. The changes that we made try to support our objectives of creating a planning system that delivers the new homes we need while taking into account the important areas, assets or local characteristics that should be protected or respected.

Theresa Villiers: One of the important changes in the new NPPF is the affirmation that councils should not be forced to build at densities that are significantly out

of character with the surrounding area. Can the Minister tell the House how that is operating in practice and what difference it is making to developments such as the one we are debating today and others around the country?

Lee Rowley: I am grateful to my right hon. Friend for her question. As she rightly outlines, we made a number of changes to the NPPF, including one to indicate that the character of an area is important to consider within any future local planning. As she will appreciate, local plans often take several years to come through, so we revised the framework a number of months ago. We have been clear that councils should seek to move quicker when they need to. We have asked a number of councils to provide timetables for getting to the endpoint, and we will closely monitor what is happening in the months ahead not just on the point about character, which is important, but on the other changes that we made. We made changes about the potential for local councils to look at alternative methods to assess their needs, the importance of beauty within a system, support for small sites and community-led developments, and greater protections for agricultural land. One of the reasons for the debate today is that, as we all know, the planning system is not perfect, but trying to balance all those individual areas is important.

As a constituency MP who went through an extremely difficult time with local planning a number of years ago—down to the Labour party, which failed our area for many years because it was too unwilling, unable and incompetent to ever put a local plan in place, creating over 1,000 more houses than was necessary—I have seen the pain caused by not doing local plans in a timely manner. I know how important it is to think through the implications that plans have for the local community and the consequences of not making decisions. I appreciate the points made by my right hon. Friends the Members for Chipping Barnet (Theresa Villiers) and for Rochester and Strood.

Before concluding, I will turn to a number of points made during the debate. My right hon. Friend for Rochester and Strood has made a clear case for the position that she and many of her constituents have adopted. I know that she made that case over a number of parliamentary debates before I came into post, and she will continue to make it. We have spoken about the importance of getting planning in Medway into a better place that works for people. As we have just mentioned, the Labour party is now in charge. It owns the situation and it has the choices. It made a series of cases to the electorate a number of months ago, and now it has to work through that.

Matthew Pennycook: For the purposes of clarity for anyone watching, will the Minister confirm that when Medway submits its draft local plan, even under the revised NPPF, the standard method is the starting point, and the authority cannot just move away from the standard method number because it feels it is too high? It has to reason why it is moving away from it, and if it does not reason that appropriately and robustly, the plan will fail upon challenge at the examination stage of the process, will it not? So if the authority is going to move away from it, it has to reason how it will meet housing need, even though it is an advisory starting point, and any move away has to be robustly justified.

[Matthew Pennycook]

It cannot be because the right hon. Member for Rochester and Strood feels that the targets are too high, as she seems to suggest.

Lee Rowley: I am currently in discussion with Medway. We have sent correspondence to indicate that the authority needs to move, so I will not prejudice the outcome of that. The Labour party in Medway, as it does elsewhere in the country, stood on a particular perspective last year. It won legitimately and it now has to deliver. I hope that it can deliver the commitments and promises that it made to the people of Medway and of Rochester and Strood, knowing full well the frameworks within which the planning system operates, because that is what it promised and should endeavour to do.

I turn to the points made by the hon. Member for Greenwich and Woolwich, for whom I have the greatest respect, and we talk on a regular basis about the many elements of planning—

Matthew Pennycook: Far too many.

Lee Rowley: Far too many, as the hon. Gentleman suggests. In doing so, we are definitely aware of each other's differing positions, and he is right to highlight those. In that spirit, I want to tease out a number of those differing positions, because they demonstrate how, for a party that is so keen to indicate that it is ready for Government, when we look under the bonnet at the actual detail, it is not there, and the plans are not where they need to be for the general election later this year.

The hon. Gentleman talked about the need to make changes to the planning system. He is right; that is why we made changes to the planning system back in December. That is why we have tried to strike that balance and ensure that there is greater control for local authorities, but recognising that we still have to build houses in the right places across the country to support our increasing population. He is right that we need development, but if we look at examples of where Labour is in power, rather than Labour talking, it consistently underdelivers on housing. The Mayor of London has consistently underdelivered on his own targets for a number of years, primarily because of the 500-plus page London plan that furs up, screws up and messes around with people being about to deliver housing in London. That is a great example of where Labour talks the talk but does not walk the walk in ensuring not only that people are protected, but that we build the houses people need. I hope that when people look closely at the planning policies of the major two parties, they will recognise that Labour, when it actually has the opportunity to do things, consistently fails to do what it talks about.

The hon. Gentleman rightly talked about a difference of opinion between ourselves, and he is correct about the sometimes reductive nature of the discussion. I absolutely agree with him and share that view. Where we disagree and differ is that the nuance needs to go over into individual policies, including the NPPF. The NPPF issued in December seeks to inject that nuance, strike that balance and recognise that we have to build more houses, but we have to build them in the right places. It seeks to do the things that my right hon. Friend the Member for Chipping Barnet indicated,

such as to talk about the local character of an area and to ensure that alternative processes can be considered for defining housing need or explicitly talking about beauty. Next time the boss of the hon. Member for Greenwich and Woolwich gets the copy and paste out when taking some of our policies and passing them off as their own, but providing no further detail about how they would change them, I hope he will consider that.

Matthew Pennycook: Will the Minister give way?

Lee Rowley: I will give way after one more gentle point, if I may. Finally, on the hon. Gentleman's statement around the approach of the Government on brownfield building, we have been clear over the past few months about the importance of focusing on brownfield. He is right that it is impossible for it to be brownfield only all of the time, forever more with no changes, but what he fails in his otherwise useful remarks to accept is that brownfield often comes with costs. If he is talking about moving even more into wholesale on brownfield than we are doing, encouraging and pushing, the question is, where are his cheques coming from? I am keen to hear from him.

Matthew Pennycook: What I would say to the Minister is to first spend the money that is allocated to the Department by the Treasury, which it is failing to do. Leaving aside the point about brownfield, I put to him that he is trying to have it both ways. He says on the one hand that we have to build the houses; on the other, they have to be in the right places and right locations. What is actually happening on the ground in terms of the immediate outcome of the NPPF changes that this Government have driven through is that scores of local planning authorities across the country are revising local plans and revising down housing targets. Just a few weeks ago, South Staffordshire Council reduced its housing numbers by 46% off the back of the revised local plans. The outcome of what the Government have driven through—for all the rhetoric—is policies that will see the numbers of consents and houses built reduced, moving the Government even further away from that target of 300,000 a year that they have not once managed to achieve in 14 years in office.

Sir Philip Davies (in the Chair): Order. I have shown a huge amount of latitude to both Front Benchers about this. I appreciate that it is the local elections tomorrow in many places and that we may well be in a general election year. However, I just remind everybody that this is a debate specifically about Chatham docks basin 3 rather than a ding-dong about who has the best planning policies per se. I think it is appropriate for me to say that. As I say, I think I have given quite enough latitude for discussion of other issues, but if we could get back to the subject of the debate, I would appreciate it.

Lee Rowley: I am grateful for the clear steer from the Chair and I appreciate the point that you are making, Sir Philip, so I will seek to take greater care with my excitement and interest in talking about housing policy more generally.

It is probably important that I sum up and come back to the point that my right hon. Friend the Member for Rochester and Strood has made. This has been a useful debate. Although I am obviously limited in what I can say regarding individual cases and individual planning

applications, I think the debate has demonstrated the strength of commitment to trying to get planning right across the country, including in specific areas such as the Medway towns, and the commitment of my right hon. Friend the Member for Rochester and Strood to her constituency, both in trying to make planning on progress and more broadly.

The Government have a long-term plan for housing that seeks to build more houses, but we also seek to build houses in the right places. I know that my right hon. Friend, in securing this debate today, in the speech that she gave and in highlighting the importance of getting planning right for her constituents, is working exactly within that spirit of building more homes and building them in the right places.

10.25 am

Kelly Tolhurst: Thank you, Sir Philip, for calling me to wind up. I thank the Minister for Housing, Planning and Building Safety, my hon. Friend the Member for North East Derbyshire (Lee Rowley), for the time he has spared to talk to me prior to this debate. He has been very generous with his time when I have brought to his attention issues that particularly affect my constituency. I also totally understand his unique position in relation to what he was able to say in this debate today. I am sure that he has heard what I have said in this debate and understood the principles that I have tried to outline, and I am grateful for his continued interest in the planning and development of the Medway towns.

I will just pick up on a point made by the shadow Minister, the hon. Member for Greenwich and Woolwich (Matthew Pennycook). It was disappointing to hear from him today that Labour has decided not to be as robust as before in its support of Chatham docks. That has been borne out locally with the local council and my hon. Friend the Minister highlighted the definite change in position by Labour that has been expressed.

It is not my view that the housing targets are not correct; actually, the standard methodology can be calculated in a number of different ways. My argument has always been that I do not agree with the displacement of a major, regionally significant piece of infrastructure, and with it jobs—high-skilled jobs—in industries that can contribute importantly to a local area, and for it to be wiped out in the pursuit of profit for landowners who want to build flats, which I have to say will be used

to accommodate London's failure to deliver on its housing supply, because most of the new developments within my constituency are not being taken up by local residents.

I also want to mention the importance of robust evidence. For me and I think for my local community, robust evidence in plan-making or in any planning application is key. We hope that Medway Council will actually deliver such robust evidence, rather than worrying about how many houses it will build in my constituency, which I reiterate has absolutely been playing its part in reducing the burden that exists and delivering on housing numbers, with the amount of new development that is going on within it. I would like to see such robust evidence being used to support the process of deciding where development sites across my constituency will be located. And I believe that there is robust evidence to support Chatham docks remaining as a commercial entity rather than being used to build flats.

Finally—I want to be clear about this—the businesses operating in Chatham docks are there because it is a non-tidal basin. The River Medway has a 6 metre fall and rise, and therefore a non-tidal basin is massively important for any kind of water-based activity. If certain businesses cannot operate in the docks in the future, they will not be relocated down the river or to an inland facility; they will be displaced and will not operate in the Medway towns any longer. That would have a direct impact on the number of people who are employed.

I am supporting the workers in my constituency, but unfortunately I have yet to see the leader of Medway Council honour the commitment he made when he stood outside with me waving a banner saying, “Save Chatham Docks”. He said that Labour is the party of workers.

I thank my right hon. Friend the Member for Chipping Barnet (Theresa Villiers) for her support in planning matters. She made some great contributions and understands fully some of the challenges that I experience in my constituency. I very much welcome her support and her contributions.

Question put and agreed to.

Resolved,

That this House has considered the redevelopment of Chatham Docks Basin 3.

10.30 am

Sitting suspended.

Financial Conduct Authority: Accountability

10.56 am

Mr Alistair Carmichael (Orkney and Shetland) (LD): I beg to move,

That this House has considered the accountability of the Financial Conduct Authority.

It is a pleasure to serve with you in the Chair, Sir Philip. I welcome the Minister to his place. I know that he has an interest in these issues, and I hope that this debate will be a productive exercise for us all.

It may be worth explaining a little bit about how I came to be interested in the FCA. I probably speak more about fishing than financial services in this House, but the FCA came to my attention as a consequence of constituents who I have been helping. They were victims of a Ponzi scheme, and they lost hundreds of thousands of pounds as a consequence of fraud. The perpetrator was sentenced to 14 years, later reduced to 10 years, in the High Court of Justiciary.

On no fewer than three occasions, the FCA, or the Financial Services Authority as it was initially, failed to read the warning signs and take action. As a consequence, that was allowed to continue. Had it acted at the first available opportunity, there would have been only one victim of Alistair Greig, rather than hundreds.

As is often the case with these matters, a handful of people were determined to fight, but they were rebuffed at every turn. They were told, “No, this is nothing to do with us. It is not a matter of regulation; it is a question of the creation of a principal and of an agent,” and the rest of it. They took court action, which cost them £2 million, and they lost, but eventually the FCA was forced to put them into the financial services compensation scheme, which gave most of them compensation, albeit capped at £85,000. One of my constituents was out for £130,000, so he is £45,000 down and has suffered a further loss as a consequence of the fact that he was one of the brave souls who was party to the court action. The 95 people who were behind that court action are now left with a bill of almost £2 million.

Notwithstanding the fact that this is a consequence of the way that the FCA has gone about its business, it wishes to have no further part in any discussions with the people who were affected. I organised the screening of a documentary in the House a few weeks ago. Even the judge who heard their case turned up. I have never heard of this happening before, but the Financial Conduct Authority did not want to know. No one from the organisation was prepared to come to this House, sit in a room for an hour with the people whose lives had been most dramatically affected by their decisions, look them in the eye and explain what they had done.

Wendy Chamberlain (North East Fife) (LD): My right hon. Friend is outlining a very concerning story. When many hon. Members think about the FCA, including me as an MP from the 2019 intake, it is in relation to its legislative authority for ensuring the changes on access to cash. Does he agree that ensuring that people get the right support so that communities have the access to cash that they deserve is a real concern?

Mr Carmichael: I absolutely agree with my hon. Friend. In fact, as I hope will become clear as my remarks develop, the way that the FCA is going about its duties at the moment is working for nobody. It is clearly not working for the communities most directly involved, for the financial services sector or for members of the public such as my constituents, who have been left to beat their head against a brick wall for years in their dealings with the FCA.

Jim Shannon (Strangford) (DUP): I wholeheartedly endorse what the right hon. Gentleman has said. Does he agree that, for many of us who have brought constituents’ financial issues to the FCA over the years, the FCA often appears to be a barrier rather than a help for the ordinary man or woman? Let us be honest, that perception needs to be altered by a seismic shift in how the FCA engages. I know he feels the frustration that all hon. Members present feel.

Mr Carmichael: I am delighted and relieved to see the hon. Gentleman in his place; he is absolutely right. The engagement of the average constituent—I am legally qualified, but I include myself in that—with the financial services sector is often a matter of supreme consequence. Very often, they have to rely on the judgment and expertise of the people with whom they are dealing, who are regulated by the FCA. That is why this matters for all of us.

The parallels with the Post Office are unavoidable. It is the same situation time and again: a well-resourced public body decides to deny, deny, deny until eventually people have to give in. That worked for the Post Office, although we were able to break through it. That is just one of the most egregious examples. Lower down the food chain, where fewer people are affected, including my constituents, it is much more difficult for anybody to get justice.

That is how I became interested in the first place. As is often the case, when one starts to lift rocks, what is underneath takes one off in other directions. I am afraid that I have found little under any rock that I have lifted to make me think there is anything in the FCA at the moment about which we should be happy or optimistic.

The FCA is consulting on proposals to change its enforcement code. Essentially, it is talking about naming and shaming much earlier people who have become a subject of concern. That has to be viewed in the context of its performance: an average FCA investigation takes at least four years. In 65% of cases referred to it, no further action is taken. For such an industry, the reputational consequences of naming and shaming at such an early stage could be catastrophic. The people most directly affected are not the big City firms, because they are big enough to withstand the damage, but the small and medium-sized enterprises, for which the FCA does not demonstrate the level of concern that it should.

A report by Spotlight on Corruption in February showed that 90% of the value of fines against directors in the financial services sector was levelled against directors in SMEs, and only 2% against senior executives in large companies. It is part of the culture that the regulator seems to be staffed and driven by people in the big City firms, who seem to get a different level of service and, dare I say, protection than the SMEs. That matters in relation to the enforcement code changes

because there is a real risk of undermining this country's reputation for stable and predictable regulation. Given the importance of financial services to the economy as a whole, the wider national economic interest is clearly at play.

The culture also goes wrong when we look at the way in which the FCA runs itself. I have had the benefit of a briefing from Unite the Union, and will turn later to some questions it poses through me. Independently of that, I have spoken privately to a handful of people who work for the FCA. I am not going to tell the House what they told me, because even though what they told me was in general terms—just for my own background and understanding—they were concerned that if something I said allowed them to be identified within the organisation, it would be to their professional detriment. Just hold that thought for a second: they are so concerned, and the culture in the FCA is so poor, that they are not prepared, even anonymously, to speak to Members of Parliament. If anybody doubts that there is a cultural problem within the FCA, that should surely remove those doubts.

The morale among staff is pretty poor. I have to say, though, that the staff I met genuinely understand the importance of the work they do in the public interest; they value the role they play, but clearly feel undervalued by the senior executives and the people at the top—and, actually, they are undervalued. Sixty staff working at the FCA earn salaries of less than £29,500, which is the Joseph Rowntree Foundation's minimum salary recommendation that is required for an acceptable living standard. In fact, that amount would not even allow someone to bring a spouse into the UK under immigration regulations these days.

Unite the Union has surveyed staff extensively and speaks about the toxic environment within the FCA for staff reps, who are given little assistance or support and minimal information. The FCA carries out a quite remarkable performance assessment framework, which is not a million miles removed from the one that I knew when I first became a civil servant at the start of my legal career 30 years ago. I thought we would have moved well away from that, because it was hopelessly inadequate—but no; it seems as if it is almost designed to encourage mediocrity. It is the sort of system that was used by a number of public sector and City companies for a long time, but I do not know of many companies that have used that sort of framework for the last 10 years. It has destroyed the collaborative working environment within the FCA, and 81% of respondents to the Unite survey identified it as being unfair to them.

Unite has posed some questions to me that I will read into the record. I do not expect the Minister to answer them all, but perhaps he could follow up in correspondence. Why does a public sector organisation that pays its chief executive over £450,000 a year find it acceptable to pay a large number of staff below the Joseph Rowntree Foundation's minimum income standard? Why has the FCA not made any cost of living adjustments for its staff in the 2024 pay round, following a punishing cost of living crisis? Why has the FCA not delivered the resource and priority it has promised staff representation in the wake of recent failures? If the FCA is committed to "best in class" staff representation, as the FCA chair Ashley Alder told the Treasury Committee last year, why will it not recognise a trade union?

What are the Government doing to hold the FCA leadership to account for the problematic culture of fear and burnout, the high staff turnover and the sinking morale that Unite the Union has consistently reported over the years? Why has the FCA persisted with a severely outdated model of staff performance grading, long abandoned by the industry it regulates? Surely the FCA should be leading the sector as a role model, should it not? Finally, why has the FCA made no headway in its large disability pay gap? Unite the Union reports that staff with disabilities, neurodivergence or complex personal circumstances are simply getting poorer performance and pay outcomes than their peers.

The FCA as an organisation does massively important work in the public interest but as I said to my hon. Friend the Member for North East Fife (Wendy Chamberlain), it is surely clear that it is working for nobody. It is not working for members of the public who rely on the protection it might give them, as evidenced by my constituents and the impact they felt from the Midas Financial Solutions Ponzi scheme's fraud. It is not working for the benefit of the sector that it regulates, as evidenced by its proposed changes to the enforcement code. It is not working for our communities, as evidenced by the work on access to cash referenced by my hon. Friend, and it is most certainly not working for the benefit of the people it employs.

It is apparent to me that the poor culture in the FCA is driven from the top and then bleeds into every aspect of its work. As an organisation, it has lost direction and lacks leadership from the top. However, we all remember why we have it and why it was set up. For the national economic interest of us all, it is too important to fail, but surely it is apparent that it is failing, and somebody needs to take control and change that.

11.11 am

The Economic Secretary to the Treasury (Bim Afolami):

It is a pleasure to be here. I thank the right hon. Member for Orkney and Shetland (Mr Carmichael) for raising this extremely important issue for debate. Neither he nor the House will be surprised to hear that the Government agree—and I very strongly agree—that accountability for the financial services regulators is of the utmost importance. Before I was in my current post, I set up, chaired and ran the Regulatory Reform Group, which brought together over a dozen Members of this House to think about how we reform the regulatory and accountability structures in this country. I have thought and been concerned about that issue for many years.

The right hon. Member for Orkney and Shetland and other Members will be aware that the FCA is operationally independent and must act to advance the objectives that Parliament has set for it. Independence of the regulators, however, must be balanced with clear accountability; appropriate democratic input, for which this debate is one forum; and transparent oversight. That is why the FCA is fully accountable to Parliament and the Treasury for how it discharges its functions.

To ensure that the regulators consider the financial services sector's critical role in supporting the British economy, as the right hon. Gentleman pointed out, last summer we gave the regulators new secondary objectives to facilitate the international competitiveness of the UK economy and its growth for the medium to long

[*Bim Afolami*]

term. By putting growth and competitiveness at the heart of our regulatory system, while retaining the primacy of protecting the safety and soundness for financial services firms and the wider system, we will ensure that the sector remains at the forefront of the global economy. It is vital that we hold the FCA to account for delivering on those objectives; I take that responsibility very seriously.

I will come on to some of the remarks made by the right hon. Gentleman, in no particular order. What comes to my mind first is that he mentioned the FCA's so-called naming and shaming proposals, which have been covered in the media and elsewhere. The Chancellor has been publicly clear that he thinks the FCA should rethink that approach, and I share his view completely. I am particularly interested in, and strongly support, the remark made by the right hon. Gentleman that it is most often the small players that see the sharp end of that approach. What that does to innovation, competition and actual money for individuals invested in those small players, be they customers or shareholders, is very significant. The right hon. Gentleman explained eloquently that the impact of being named and shamed very early could be significant. I want to put on record, following up on what the Chancellor has said publicly, that I believe the FCA should rethink that and rethink it quickly.

Wendy Chamberlain: That is my concern, given what I have heard today in relation to access to cash. One real concern of communities is that banks rush to leave town and leave one bank standing. When we think about banking hubs and communities, we are thinking about ensuring that the most vulnerable have access, so it is really important those bigger players are held to account. Does the Minister agree?

Bim Afolami: The hon. Lady makes an important and fair point. I agree with her that access to cash—which, as she knows, this Government legislated for—needs primacy in the way she has described. Banking hubs are a replacement when several banks have shut in a town or large village, and I believe that the assessment criteria relating to where they come in and the speed of the roll-out should be looked at again. To be fair, that is not down to the FCA. The expected timeframe for it to finish its consultation on access to cash is the third quarter of this year, and although the FCA is part of that process, it is worth saying that it is not the primary driver; the primary driver is the industry.

Let me come to a case that I know is close to heart of the right hon. Member for Orkney and Shetland: the failure of Midas Financial Solutions. Mr Alistair Greig perpetrated a large-scale fraud over a period of several years, lying to those who trusted him with their pensions and life savings. Those were people who had done the right thing in their lives—they had done everything right—and because of the fraud of that individual and his company, they lost out. The FCA intervened in 2014, following the receipt of intelligence related to the Midas scheme. The Financial Services Compensation Scheme was subsequently able to compensate eligible customers for a significant portion of what was lost, and Mr Greig was charged, found guilty of fraud and imprisoned.

It is imperative that the FCA continues to robustly enforce its rules and standards, not just against firms that are carrying out blatantly fraudulent activity as in the case of Midas, but to ensure that all the firms it supervises meet high standards and deliver high-quality outcomes. The FCA operates a risk-based approach, not a zero-failure regime. It is important Ministers say this: we are not in a world—nor should we aim to be in one—where it is impossible for anything to go wrong ever. What we have to do is say to the FCA, “Your job is to maintain a high standard and high quality in the market for all the firms you supervise.”

Mr Carmichael: I have absolutely no argument with the Minister on that point—it is absolutely sensible—but the fact of the matter is that the regulator was told not once, not twice, but three times, and each time it failed to take the appropriate action. It was sometimes just as basic as putting people through to the wrong extension when they phoned. The truth of the matter is that if my constituent and the 94 others who took legal action had not stuck with it, nobody would have got any compensation from the FCA. That is why there is surely a basic point of fairness and justice here: having been the ones who got the money for everyone, the money that they spent getting that compensation should be recognised.

Bim Afolami: I thank the right hon. Member for that point, which I will consider carefully while I discuss the accountability of the FCA to Parliament and the Treasury. The Financial Services and Markets Act 2000 establishes multiple ways for the Government, Parliament and the public to scrutinise the FCA—through, for example, its annual reports, which must set out how it has advanced its objectives. This year, down to the proposals of this Government and this Treasury, the FCA will for the first time report on how it has embedded its new growth and competitiveness objective. The Treasury can direct the FCA to include extra things in its reports. The FCA also regularly publishes a large amount of data on its performance—for example, on the time taken to respond to applications for authorisation—which demonstrates to the public whether it is meeting its targets. Indeed, the Treasury can shape the focus of the FCA by writing to it to set out which aspects of Government economic policy it should have regard to when advancing its objectives and carrying out its functions.

The right hon. Member mentioned concerns that had been shared with him about the internal culture, and pay decisions by the FCA. It is not appropriate for a Minister to pronounce on those things, beyond saying that I will be with him in scrutinising the annual report when it comes out to see in which areas those things are addressed. I am happy to discuss that with him, as well as the methods for accountability in that regard. It is also important that we set out through the Financial Services and Markets Act 2023 that the regulators are now required to respond annually to the recommendation letters. This provides greater transparency about how the regulators respond to Government recommendations.

The Treasury also has a range of powers to direct the FCA in certain exceptional circumstances. For example, it can require the FCA to conduct an investigation of relevant events where it is in the public interest. That happened once in relation to the FCA; in 2019, the Treasury directed the FCA to review the events relating

to the failure of London Capital & Finance. After that report was done, the FCA subsequently accepted and implemented all recommendations, which included a significant overhaul of its operations through its transformation programme.

In addition to the Government and the Treasury, Parliament also has a vital role in scrutinising the actions and performance of the FCA. We have the Treasury Committee, and there is a new House of Lords Financial Services Regulation Committee, which regularly examines the work of the FCA. I would add that it is important that we think more about how we scrutinise in the most effective way. I fear that sometimes when it comes to the FCA, there are so many methods of accountability that it almost appears that there are none. They are so disparate, bitty and numerous that it is time consuming and expensive for the FCA, and often difficult to follow for Members of Parliament.

There is more work that we can do to streamline the process of accountability to ensure that it is rock solid and firm, and focused on not just consumer outcomes but ensuring the market works—and to do so in a way that makes sense for both Houses of Parliament. For example, between December 2019 and March this year, the FCA provided oral evidence to Select Committees on 36 occasions. That is a lot. In addition, there is constant discussion between Members of this House and the FCA. I think there is accountability, but we need to find ways to ensure that it is streamlined and more focused.

I hope I have reassured the right hon. Member for Orkney and Shetland that the Government take holding the FCA to account very seriously—I know that I do in particular. The legislative framework is designed to strike the right balance between the independence of the regulators and ensuring that they are held properly accountable. The Government have built on that accountability through the Financial Services and Markets Act 2023. This House, and Parliament as a whole, will be able to judge the FCA's progress through things such as the upcoming report on how it has advanced its new secondary growth and competitiveness objective since it came into effect last year, and whether it takes account of the view of this House and the Chancellor on its naming and shaming proposals.

Question put and agreed to.

11.24 am

Sitting suspended.

Youth Homelessness

[DAME SIOBHAIN McDONAGH *in the Chair*]

[*Relevant document: e-petition 642986, Create a national strategy to end youth homelessness.*]

2.30 pm

Paula Barker (Liverpool, Wavertree) (Lab): I beg to move,

That this House has considered youth homelessness.

It is a pleasure to serve under your chairship, Dame Siobhain. I should declare that my husband is chair of YMCA Together, in Liverpool—it is an unpaid role—and that I am a national patron for YMCA. I pay tribute to the colleagues and friends from various organisations in the homelessness sector who are here today. We have representatives from New Horizon Youth Centre, Centrepoint and Depaul. Thank you for the work that you do and for being here today.

Those colleagues who know me well know that I have a very keen interest in all matters relating to homelessness—hopefully, some would say a serious interest. I am also very proud to be a co-chair of the all-party parliamentary group for ending homelessness. I use my role to regularly raise awareness, where and when I can. I am more than happy to be considered a broken record on homelessness. Given that I care deeply about being a voice for those who may feel they have none, I will accept such a charge. I know that if I am a nuisance to the Minister—I have a lot of time for her, as she well knows—and my hon. and very good Friend the Member for Weaver Vale (Mike Amesbury), I will be playing my small part in moving the needle towards progress and change.

Homelessness is multifaceted. Different forms exist. They range from sofa surfing and rough sleeping, to being stuck in temporary accommodation, and so much more besides. Yesterday we saw the latest statistics released by the Department and they once again reveal the scale of the problem—more than 112,000 households and 145,000 children in temporary accommodation.

Of course, homelessness is caused by different factors: poverty, trauma, leaving care, being a victim of domestic abuse—the list goes on and on, and different demographics of people are affected in a multitude of ways. They include women, young people, those who define as LGBTQ+, our veterans, prison leavers and many more. The solution to the homelessness emergency therefore must be multifaceted. Yes, we desperately need to build more homes for truly affordable and social rent, but so too must we properly fund our local authorities and reform the welfare system—although not in the way that we have seen announced this week—and essentially we must tackle the underlying trauma that the vast majority of people who find themselves homeless have experienced in one form or another. All of this will require all of Government—not just one part—to put it front and centre. Anything less is simply not good enough.

Amid such an emergency, young people are often overlooked by the system. There is growing concern that ever greater revenue constraints being placed on local government lead to young people and young adults getting a raw deal from a system already at breaking point. Young people who experience homelessness are

[Paula Barker]

overlooked, in my opinion, by Government, by the Department and, yes, by Members from across this place. Although I know that there are local elections tomorrow, I am saddened that we are not seeing more Members here today for this incredibly important debate.

I am reliably informed that this is the first time in nearly 40 years that such time has been dedicated to the specific issue of youth homelessness. The previous time, in 1985, was largely because the late Alfred Morris, the former Member for Manchester, Wythenshawe and latterly Lord Morris, took it upon himself to raise the matter with the Under-Secretary of State for the Environment. I was reading through the *Hansard* entry and I despaired at the fact that that contribution, the words that Alfred Morris spoke in 1985, could be said here today, in 2024. The former Member for Manchester, Wythenshawe said there was

“no information available on the numbers of homeless adolescents and young people in London and the other major conurbations.”—[*Official Report*, 24 May 1985; Vol. 79, c. 1303.]

He went on to talk about the lack of cross-departmental working to tackle the problem, saying,

“the present piecemeal approach to the problem of homelessness among young people is hampering other valuable work in this sector”, and,

“The DHSS, the Department of Education and Science, the Department of the Environment, the Home Office and local authorities are all involved in different, but not very clearly differentiated, aspects of the problem.”—[*Official Report*, 24 May 1985; Vol. 79, c. 1304.]

It is staggering to think 40 years later how little overall progress has been made. Even where it has been—for example, under the last Labour Government—surely it has since been eroded. We still do not truly know how many young adults find themselves homeless. The data collected by the Department could be so much better and so much more far-reaching. Given that we are almost certain to have a general election at some point in 2024, I truly hope that my Opposition Front-Bench colleagues will consider the demands that I will put to the Government today. Collecting better data on young adults between the ages of 16 and 24 will not alarm any fiscal hawk at the Treasury. It is good policy, and can be achieved very simply: by making amendments to the Homelessness Reduction Act 2017.

As it is, we rely on the likes of Centrepoint, the national youth homelessness charity, which through its databank work has estimated that nearly 136,000 young people approached their local council as homeless in 2022-23. Many of them were not even close to getting formally assessed. Despite Centrepoint’s numbers being much larger than those of the Department, it should be noted that those are a small conservative estimate that do not include the thousands of young people classified as the hidden homeless—for instance, those young people sofa surfing and those who have not approached their local council in any way.

To obtain such information for England, Centrepoint had to make freedom of information requests for every local authority in the country. That is absolutely ridiculous and shameful. How can the Government properly begin to solve the problem if they do not truly understand the scale of it? That is why charities like Centrepoint—teaming up with the likes of the Albert Kennedy Trust, the

YMCA and the fantastic New Horizon Youth Centre, which does so much to help young people in London, and 100 youth organisations—are calling for a national youth homelessness strategy: a plan for the 136,000.

Back in March, campaigners calling for a plan for the 136,000 homeless young people garnered more than 15,000 signatures on a UK Government petition. As they rightly said in their petition,

“no one is talking about this”

and there is no specific national plan to tackle youth homelessness. I ask the Minister to please refrain from trotting out the usual spiel about how much money the Department is throwing at homelessness—with little success, may I add?—and to instead commit today to start putting together a far-reaching and ambitious national youth homelessness strategy this side of the election: a plan for the 136,000.

As Alfred Morris highlighted in 1985, Departments did not work with each other then, and they still do not today. Those experiencing homelessness, not least our young people, are always the ones who bear the brunt of Whitehall working in its traditional silos. Despite a valiant effort by the hon. Member for Walsall North (Eddie Hughes) when he was a Minister to at least secure some cross-departmental buy-in for the rough sleeping strategy, this Government have shown no real vision in operating the cross-departmental working that a national youth homelessness strategy would rely on.

Young people can experience homelessness for a plethora of reasons. Their experience if they do can be nothing short of desperate, and they are routinely institutionally failed by the state. Many are not supported to transition into adulthood and, as such, they face unique barriers that can push them into homelessness. They may lack the documents to evidence their homelessness—for example, written confirmation from their caregiver that they are no longer welcome in the home. I have had the privilege of meeting many young people at New Horizon in London. They told me that they were not taken seriously or believed when they were presented at a council, and many local authorities fail to provide a proper homelessness assessment. Some young people are asked to return home when that may not be safe. Furthermore, they may not know what support is available beyond the family home that they need to leave. So we need wholesale change. Young people deserve better. Our care leavers deserve better.

The cost of youth homelessness to the Treasury is estimated to be £8.5 billion a year, or an average of £27,347 for each young homeless person. Young people are vulnerable to homelessness due to unique barriers, including a lack of visibility, reduced benefits and a shortage of affordable youth-specific housing. I just mentioned the poor outcomes for young people who approach their local council for support. In my city of Liverpool, 1,849 young people approached the council as homeless, but only 332 were assessed by the local authority. A total of 1,743 people were not supported into housing after approaching Liverpool City Council. I do not blame my council; I blame this Government. Resources are scarce and the council is stretched to absolute breaking point. Young people often bear the brunt of local government austerity more than most. Liverpool City Council is projected to see temporary accommodation costs rise from £250,000 in 2019 to £25 million by the end of this financial year, which is a rise of 10,000%.

What could a national strategy achieve? A national cross-departmental youth homelessness strategy could look at extending priority need to all care leavers up to age 25, as well as exempting them from council tax payments. A national strategy could work with colleagues at the Department for Work and Pensions to look at taper rates for those young people in supported housing who are disincentivised from taking on extra hours at work, and as a result cannot move on to independent living. In hotspot areas, a national strategy could see councils adopting localised youth homelessness strategies, with dedicated youth homelessness teams. It could also look at repurposing a small part of the single homelessness accommodation programme to include youth-specific provision. We need a plan for the 136,000. A national strategy could do that and so much more besides.

Behind the headline figures and the policies are human stories of desperation and frustration—stories of untapped potential and young people not being able to fulfil their hopes, dreams and aspirations. I have witnessed first-hand the fantastic work of local charities such as the Whitechapel Centre in Liverpool, the Mustard Tree in Manchester and the New Horizon Youth Centre in north London.

New Horizon's chief executive, Phil Kerry, head of policy, Polly, and their whole team told me the story of Zephyr. At 20 years old, university student Zephyr suddenly had to leave his family home in east London after a family breakdown last summer. He had nowhere else to go, so he spent over a week on the streets of London, which he says was awful. He struggled to find food, so spent much of the week starving. During that time, Zephyr came across New Horizon Youth Centre outreach workers, who invited him into the day centre where he received food and was able to shower. He was given emergency accommodation for a week. After at least three weeks of waiting, he was accepted into a medium-stay hostel where he was able to volunteer.

Being off the streets and in stable accommodation allowed Zephyr to focus on his future. However, he was developing severe issues with his mental health as a result of being homeless and of his financial situation, so he had to drop out of university. Through mental health support, jobs education and training support from New Horizon, he is now in full-time employment as a support assistant for a housing association in London. He is still staying in hostel accommodation and is waiting until he can afford a room of his own in the private rented sector. Zephyr's dream is to become a youth worker to help other young people in situations like his own.

There are at least 136,000 more stories like Zephyr's, and for every Zephyr there is someone like him who may not have a New Horizon Youth Centre to support them. Never mind the economic cost: if a person fails to get angry when contemplating the possible waste of human potential through youth homelessness, I would argue that they are simply not human. Zephyr needs hope, but more importantly he deserves a future. Surely that is why we all entered politics. Austerity economics, the cost of living crisis, low wages and a housing crisis that is out of control have led us to this place.

All our young people are struggling, across the board, but care leavers, those who cannot access mental health support and those who have suffered family breakdown, have untold trauma and then fall on the wrong side of a

homeless emergency—who will speak up for them? The third sector does an absolutely amazing job, but we cannot absolve ourselves of our responsibilities in this place and across Whitehall. This has been going on for far too long. The state has a much more active role to play.

It falls to all of us in this place to speak up for our young people who experience homelessness and, crucially, to make change happen. I hope that the Minister can agree today to changing how data is collected and commit to implementing a youth homelessness strategy. I would also very much welcome a commitment to looking at removing the elements relating to homelessness from the Criminal Justice Bill, which is an issue that I have consistently raised in this place.

2.46 pm

Adam Holloway (Gravesham) (Con): I was going to make a proper speech, but as hon. Members may have noticed, I have a small problem with my voice today. I shall be very brief and make just two observations.

I thank the hon. Member for Liverpool, Wavertree (Paula Barker) for securing this debate. My first observation, when the hon. Lady talked about building more homes, was that we need to start being honest. One of the significant reasons for our housing shortage in this country is net immigration. Last year, we took just under 700,000 new people and built just under 150,000 new homes. We do not have to be rocket scientists to realise that that is absolutely going to drive things in the wrong direction for the sort of people the hon. Lady was talking about.

Secondly, I believe I am the only person in Parliament who has spent a significant time living homeless on the streets of various cities in this country and overseas. In total, I think I have spent about five months homeless, including about four months on the streets of London, for television documentaries where I played the part without cheating. A big observation from that time is that the overwhelming majority of young people who are on the streets of Britain's cities, and indeed those of the United States and so many other places in Europe, are there because of drug addiction. Until we start to treat drug addicts primarily as people who are unwell, and only secondly as committing criminal acts, we will get nowhere with this problem. Particularly for young people, but also across the board, the money, effort and rhetoric that we put into the criminal justice system to deal with drug addicts, who are sick people, needs to be diverted into the health system. Until that happens, we will continue to have relatively large numbers of sick young people living rough on the streets of our cities.

2.49 pm

Jim Shannon (Strangford) (DUP): It is a pleasure to speak in this debate. First, I thank the hon. Member for Liverpool, Wavertree (Paula Barker) for leading the debate and for illustrating the issue so well with the story of Zephyr. Nothing tells a story better than an example like that. It is also an example of what can be done to help that person: he has accommodation and a job to go to, and he wishes to be a councillor and help others. That tells me that if the effort is made, a change can be made. The hon. Lady deserves to be congratulated, as do all the groups and charities that work to ensure that Zephyr and others can have a better life.

[Jim Shannon]

It is also a pleasure to follow the hon. Member for Gravesham (Adam Holloway). I thank him for his interest, his observations, his focus and his two suggestions, which the Government should be encouraged to support.

I will give a Northern Ireland example, as I always do, because it is important that we have a perspective from across the United Kingdom: it adds to the debate and shows that what happens here is also an issue elsewhere. Homelessness has become a major issue across the UK, especially among our young people. The hon. Member for Liverpool, Wavertree referred to early intervention; I believe that there is a real opportunity for early intervention and to ensure that our young people, who are our future, have the means to get the best possible start in life. It is great to be here to talk about the issue and hear about experiences in other constituencies.

“A Place to Call Home”, a report produced by Queen’s University on behalf of the Northern Ireland Commissioner for Children and Young People, included interviews with some 32 participants across three main strands. It showed that the basic minimum to support children and young people in Northern Ireland is not being met. I know that that is not the Minister’s responsibility, but I want to give a flavour of where we are. Now that the Assembly is up and working again, the responsibility for an action plan to address the issue will fall on the shoulders of the Minister in the Northern Ireland Assembly.

The issue of young people and families in temporary accommodation within the Northern Ireland Housing Executive has become a prevalent one back home, as they simply have nowhere to go. That is, without doubt, a form of homelessness. The figures speak for themselves and cannot be ignored. In the period from January to June 2022, households and families accepted as homeless in Northern Ireland included 3,495 children. Furthermore, in July 2022, 3,913 children aged under 18 were living in temporary accommodation in Northern Ireland, an increase from 2,433 in January 2019. That includes children living with their families and young people aged 16 to 17 living independently. That massive increase shows the size of the problem and illustrates that this is an issue not just here, but across the great United Kingdom of Great Britain and Northern Ireland.

Young people not having a decent place to live has a direct impact on other aspects of their life, such as poor health and wellbeing. The hon. Member for Liverpool, Wavertree talked about how Zephyr’s anxiety issues rose as a result of what happened, and depression and mental health had knock-on effects as well. We also have to be aware of wellbeing outcomes and the inability of children to learn at school and beyond. If someone is focusing on their health issues and how they feel mentally and physically, it is quite difficult to have a positive focus for the future.

It is worth noting that Northern Ireland has a major problem with hidden homelessness among our youth, who sleep rough or sofa-surf with friends or family. I probably encounter that every week in my office myself or through my staff: people depending on the good will of family members, or more often friends, living in their cars, sleeping on benches or sofa-surfing.

The Simon Community in Northern Ireland is instrumental in supporting young people with accommodation. It has youth accommodation projects

designed to assist young people aged 16 to 25 in their transition towards independent adulthood. We must recognise just how difficult that is. Those projects provide a nurturing environment where young people can flourish. I give credit to the Simon Community for what it does and for how it tries to address these issues.

The hon. Lady’s introduction emphasised to me and everyone here how sympathetic she is to this cause. She has done some fantastic work on it through her role as shadow Minister for Housing. Data from the Department for Levelling Up, Housing and Communities shows that 54% of homeless people report experiencing homelessness for the first time when under the age of 25.

This debate is so important, because it focuses on a group of young people who we hope will have opportunities for the future, as well as a job, accommodation and relationships that can help them to build the society we live in. Some 48% of those people experience rough sleeping for the first time before the age of 25. The impact of the youth homelessness crisis can be seen all across society. Until the root causes of youth homelessness are addressed, this crisis will continue to escalate.

I am ever mindful of the importance of this debate, and I want to suggest two suggestions that I think will be helpful. We are here not just to raise awareness of this matter, but to give suggestions, as the hon. Member for Liverpool, Wavertree has done. We will hear more from others in this debate, and we look to our Minister to ensure that we can get positive responses.

What can we do? First, we need an early identification programme to ensure that children at school—as early as that—who are at risk are identified and supported. I suggest respectfully that the Minister should co-ordinate our campaign with the Department for Education to ensure that those who are showing signs of having problems at home and who may end up homeless or on the street are identified and supported.

Secondly, we need to have more affordable youth-friendly accommodation, like the accommodation the hon. Member for Liverpool, Wavertree referred to, which saved young Zephyr and many others. Such accommodation will probably save many more lives in the future, but it needs help to make that happen. We need to have a focus on more affordable youth-friendly accommodation that young people can be expected to afford to live in. The hon. Lady outlined the issues: these young people are trying to study for their exams, their money issues are piling up around them, and they are wondering, “Where am I going to go next?”. These issues compound each other. We have all seen the extortionate prices people are paying for rent—it is completely unrealistic to expect a young person to be able to pay that, especially looking at the figures in London.

I look respectfully and honestly to the Minister for solutions. While there is an understanding of this situation, I believe it is so important that we take the appropriate steps to support our young people and, as the hon. Member for Liverpool, Wavertree says, address the issue of youth homelessness. It is a blight on society and it needs to be addressed. I look to the Minister to give us those solutions.

2.57 pm

Mike Amesbury (Weaver Vale) (Lab): It is a pleasure to serve under your chairmanship once again, Dame Siobhain. I speak not only as the shadow Minister responding to

this debate on youth homelessness, but as a former Connexions manager. It was my job, with my team, to get people into education, training, work and housing.

Like other hon. Members, I pay tribute to my hon. Friend the Member for Liverpool, Wavertree (Paula Barker) for securing this important debate. As a former shadow Minister and the joint chair of the all-party parliamentary group for ending homelessness, she has a genuine passion for this subject, as she showed eloquently in her powerful speech. Like myself and many others, she is determined to provide the homes, support and housing that young people need.

Yesterday, as my hon. Friend said, this Government broke even more records on homelessness. Despite bold promises to end the most visible form of homelessness—rough sleeping—by the end of this year, in reality, rough sleeping, which affects many young people up and down the country, rose by 27% last year. That is more than double the number of people recorded as rough sleeping in 2010, when records began.

Despite spending a considerable amount of money—I imagine the Minister will reference a figure around £2.3 billion—the current approach is simply not working. It is broken. It is there for all to see, whether it be a visible form of homelessness on the streets of London, Bristol, Manchester, Birmingham and so forth, or the people many of us know who come to our surgeries and who are sofa surfing or living in temporary accommodation. Is the Minister confident that the Government will deliver on the target of ending rough sleeping by the end of 2024? What is not working? It would be useful to have a response in the not-too-distant future.

Adam Holloway: For street homeless people who are drug-addicted, part of the problem is that if someone needs to beg for a couple of hundred pounds a day to feed their addiction, the answer is not for them to be accommodated somewhere in south London. They need to be at a main station or in a capital city to get the money to pay for the drugs. I think the hon. Member will agree that that is a real conundrum.

Mike Amesbury: I do not disagree with the hon. Member. In fact, I recently met Baroness Casey, who has worked across Governments of all political colours, and she repeated that exact argument. I agree 100%.

Again, as referenced by my hon. Friend the Member for Liverpool, Wavertree, another record was broken yesterday: 112,660 families now live in costly temporary accommodation, costing around £1.8 billion a year—a 12.1% increase since last year. Shamefully, we now have 145,800 children living in temporary accommodation, and in that regard I pay tribute to you, Dame Siobhain, for all the work you have consistently done and will continue to do in championing their cause.

Youth homelessness is also up, with 136,000 young people presenting as homeless to local councils—a 5% rise on the previous figure of 129,000—and that is just the tip of the iceberg, if we take account of those who are sofa surfing, in temporary accommodation or bed and breakfasts, or sleeping in friends' houses on a temporary basis and so on. As my hon. Friend said, young people are often overlooked in the homelessness emergency and get a raw deal from a system that is often overstretched and uninformed. A point echoed by hon. Members across the Chamber today is that training is required to remedy that.

Research by Centrepoint suggests that 67% of young people were not prevented from becoming homeless by local councils last year. I am keen to hear the Minister explain how she will ensure that local authorities, including councils, up and down the country respond to their obligations laid out in the Homelessness Reduction Act 2017.

As a Wythenshawe lad, I was pleased to hear my hon. Friend refer to Lord Morris of Manchester, a previous MP for Manchester, Wythenshawe. She is right; almost 40 years on from his speech on youth homelessness in 1985—the year I left school—and despite innovations by the last Labour Government, which left office some 14 years ago, very little has changed. We still have a Government who lack political leadership, operate in silence, provide insufficient support and are certainly not building the genuinely affordable homes that people need. I came into politics because I genuinely want a socially just society. Ending all forms of homelessness must be a driving goal of any future Labour Minister or Labour Government. I commend the great work of all the charities here today—Centrepoint, New Horizon Youth Centre and Depaul UK—and the hundred youth organisations that came together and called for a national youth homelessness plan for the 136,000.

Let me outline what Labour's approach would be. The four pillars would be, first, upstream and informed; secondly, cross-departmental political leadership; thirdly, the supply of genuinely affordable housing and supported housing for young people; and fourthly, providing a helping hand. Before that, however, an immediate intervention is required on section 21 no-fault evictions. Sadly, since 2019 nearly 80,000 households, far too many of them young people, have been put at risk of homelessness. We must have no more kicking the can down the road with the narrative of court reform. A Labour Administration will end no-fault evictions for good. They will be abolished.

Let me outline the pillars in turn. The first is upstream and informed. On youth homelessness, we need to get upstream of all the problems. All too often, young people become homeless when they are passed between institutions and fall through the many glaring cracks in the system. Early intervention and identification in schools and colleges will be required, with better support for children, parents and carers. I find this quite irritating, because I was previously a Connexions manager and had staff who did exactly that until the coalition Government abolished Connexions. We can learn from some of the good things of the past. My hon. Friend the Member for Liverpool, Wavertree mentioned data collection, which is a clarion call for the 100 or so organisations working in this area. It should be strengthened and not reliant on freedom of information requests. As my hon. Friend pointed out, that could be achieved by a simple change to the Homelessness Reduction Act.

As the hon. Member for Strangford (Jim Shannon) said, for individuals at the heart of the homelessness emergency, trauma and mental health issues are often at the core of their story. Homelessness could be prevented and ended for good if we had person-centred psychological support. I know that Centrepoint and other charities provide such support, but we need to hardwire it into the system. Trauma-informed care must be part of a successful strategy. That would please my hon. Friend the Member for Liverpool, Wavertree.

[Mike Amesbury]

The second pillar is political leadership on ending the silos. We have to stop Government Departments operating in silos. It was mentioned that a previous Minister attempted to do that, but let us look at when we have had some success. I mentioned Dame Louise Casey, whom I met again recently. We created a cross-departmental rough sleepers unit that sat in the Cabinet Office and drove that programme forward, and we saw a real reduction in rough sleeping and the use of temporary housing. That was 14 years ago under the Labour Government, and we can certainly learn from that as we work in the context of a new landscape, with metro Mayors and devolved Administrations across the UK.

Pillar three will be building more genuinely affordable homes—social homes, council homes and housing that is youth specific, with the appropriate stock. Supply is key. We have stated that a future Labour Administration will build 1.5 million homes over five years, and genuinely affordable homes—homes for social rent—have to be a fundamental part of the mix. We will build homes on a scale that people in this country have not seen in generations. Last year, the Government created 9,500 homes for social rent. There are 1.3 million people on the housing need register. If we take into account homes that were bought through right to buy and demolitions, the figure is minus 14,000 every year since 2010. The system is broken. We have to build the houses. Labour has to get Britain building again for all our people, but particularly young people.

Finally, the fourth pillar is about providing a helping hand. The Labour party is the party of work—that is what “labour” means. We were set up by the trade unions and the labour movement to provide good, secure work. The current social security system penalises people, particularly young people living independently and trying to get on with a job, education and training. That has to change. My colleagues in the shadow DWP team are determined to ensure that they have good, secure work. We will deal with the systemic issues. There was a reference to care leavers and council tax and so forth. We will provide a hand up to ensure that people can stay in their homes or move to other homes.

Ending youth homelessness is not just a moral imperative, as stated by my good colleague, my hon. Friend the Member for Liverpool, Wavertree. It costs over £27,000 per individual—£8.5 billion—but the issue is more important than that. It is about young people’s hopes, dreams and futures. I hope that in future as a Minister I can do my bit to provide hope, houses and opportunities.

3.11 pm

The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Felicity Buchan): It is a pleasure to serve under your chairmanship, Dame Siobhain. I thank the House for assembling here to debate the very important topic of youth homelessness, and those in the Public Gallery who have come into Parliament today. I also thank the hon. Member for Liverpool, Wavertree (Paula Barker), who I know well as my shadow Minister, for her thoughtful contribution. I will address her big picture points on data and the youth homelessness strategy, but first I will address a few of the specific questions that I have been asked.

I thank my hon. Friend the Member for Gravesham (Adam Holloway) for his powerful and brief contribution. It is good that he was able to do so with a struggling voice. I agree with him that alcohol and drug addiction are significant drivers of homelessness. That is why the Government are investing £186.5 million over the three-year spending review period, and we allocated £15 million as part of the cross-Government drug strategy. I agree that homelessness is a complex problem, but addiction clearly is part of it. I reassure my hon. Friend that I work incredibly closely with colleagues in the Department of Health.

I also thank the hon. Member for Strangford (Jim Shannon) for his contribution. I particularly thank him for participating since housing is devolved in Northern Ireland. He raised powerful points.

The suggestion that the Government are not working in a cross-Government way and are siloed is slightly ironic, because this morning I chaired the cross-Government rough sleeping board, part of which consists of the senior officials in every relevant Department. I assure the House that there is a lot of cross-Government working happening, which is critical.

Paula Barker: It is wonderful to hear the Minister speak about chairing the cross-Government rough sleeping board, but has she asked why it is failing and why the numbers are consistently going up?

Felicity Buchan: Rough sleeping has ticked up over the past year, but it is still down from the pre-pandemic numbers and the peaks in 2017. Clearly, every single person rough sleeping is one too many. We have particular issues in London with rough sleepers who have no recourse to public funds, and we encourage support for them, but that is an entrenched issue. The Government are working to address any new flow of rough sleepers; I want to give the House a few examples of that.

We have been working incredibly closely with the Ministry of Justice to address those leaving prison. There are sometimes relatively simple solutions, such as not releasing someone from prison on a Friday, given that there is no local authority support over the weekend. I was very happy to hear that the number of prison leavers who are rough sleeping has gone down by one third, but there is clearly still work to be done.

I have also worked incredibly closely with my colleagues in the Department of Health and Social Care to ensure that people are not released from hospital on to the streets. In the winter, we formulated new guidance on that for all hospitals, and we made exceptional money available and suggested that it could be used on hospital discharge.

I work incredibly closely with my colleagues in the Department for Education. The hon. Lady rightly referred to care leavers who are rough sleeping, and I will talk about them in more depth.

We also work very closely with the Home Office. An issue that has come up in the Chamber in the past is that there are a lot of people who have successful asylum claims, and in some instances when they leave Home Office accommodation they go to their local authority for support. We have clearly seen an uptick in successful asylum seekers.

I could not agree more that we need to build more homes, and this Government are on track to achieve our manifesto commitment of 1 million homes during the life of this Parliament; we have a target of 300,000 homes per year. I thought it was a bit rich when the hon. Member for Weaver Vale (Mike Amesbury) said the Labour party would be better at delivering more homes, given that London under the Labour Mayor is the worst-performing region for housing delivery and has required intervention from the Secretary of State.

Mike Amesbury: In the last year of the Labour Government, we built 30,000 homes for social rent. The Minister mentioned 1 million homes, but we are not talking about four and five-bedroom homes built by Redrow, Morris Homes and so forth—nice companies though they are—which are beyond the reach of young people; we are talking about homes for social rent. Sadiq Khan has very ambitious plans to build 40,000 council homes, and I am confident that people will give him a strong mandate tomorrow.

Felicity Buchan: Well, we will see what the electorate decide tomorrow. One thing that is very clear is that in 2022, London was the worst-performing region for housing delivery and the west midlands was No. 1.

Let me get to the substance of my speech. We can all agree that every young person, no matter where in the country they live, no matter what their personal circumstances may be, deserves a roof over their head and a safe place to call home.

Young people are the future of this country; they will help shape the Britain of tomorrow. That is why this Government are committed to delivering the safe, warm, decent and affordable housing that every young person needs, providing the solid, stable foundation to get on in life and achieve their potential. We are committed to tackling all forms of homelessness and are investing £2.4 billion over three years to help achieve that. Importantly, of that £2.4 billion, £1.2 billion is for the homelessness prevention grant. That is critical; we need to prevent homelessness before it occurs in the first instance.

That money—the £1.2 billion—can be used flexibly by local authorities, to offer financial support for people to find a new home, to work with landlords to prevent evictions, or to provide temporary accommodation. I want to say one thing on temporary accommodation. Clearly, we all want people to be in settled accommodation, but temporary accommodation is an important step to get a roof over people's heads, ensuring that young people are given the support that they need to prevent or relieve their homelessness.

Someone posed the rhetorical question: what has this Government done to help young people and their homelessness? I would say it is meaningful that we passed the Homelessness Reduction Act 2017, which was a private Member's Bill that Government supported and came into force in 2018. That Act has been revolutionary in its effect on our approach to youth homelessness. The Act means that local authorities have a duty to assess, prevent and relieve homelessness across the board, not only for those who are vulnerable. We have helped more than 740,000 households avoid homelessness, courtesy of the Act, and it has been revolutionary.

We have come a long way with that Act, but we are not blind to the challenges that we continue to face. The hon. Member for Liverpool, Wavertree asked me about cross-Department strategy to end youth homelessness. We recognise that young people experiencing homelessness are confronted by particular challenges in accessing and maintaining accommodation, but a strategy is very important. That is why this Government published the landmark strategy in 2022 called, "Ending rough sleeping for good", which prioritises prevention.

I am often asked, "Can you ever end rough sleeping for good?" We defined ending rough sleeping as that it should be prevented whenever possible, but if it cannot be prevented it should be rare, brief and non-recurrent. I agree with the hon. Member for Liverpool, Wavertree that data is incredibly important. That is why we are working with the Centre for Homelessness Impact, which has a huge data project in which it is monitoring us and local authorities against these targets: have we got rough sleeping rare, brief and non-recurrent? I have also sat down with the chief statistician and talked to him about the importance of data in homelessness, because it is only when we know what and where the problem is that we can address it.

A key part of our "Ending rough sleeping for good" strategy was the single homelessness accommodation programme, which is worth £200 million in this spending review. We have committed to more in the next spending review. That programme is providing up to 2,000 homes for people sleeping rough or at risk of sleeping rough. It is targeted at young people and at those with complex needs. At least 650 of those homes are reserved specifically for young people. I am delighted to say that Liverpool will receive over £2 million of that funding, delivering 20 homes for single homeless young people to help them live independently. Our rough sleeping initiative in 2024 targets £2.5 million of funding at youth-specific services in eight local authorities across England. That funding provides specialist support for young people, such as outreach workers and prevention officers, and specialist housing for those under 25.

We talked about councils being required to carry out their statutory duties, and I want to make it very clear that councils are required to implement the Homelessness Reduction Act, which puts prevention at the heart of local authorities' response to homelessness. If there is reason to believe that an individual or household may be homeless or threatened with homelessness within 56 days, the housing authority must carry out an assessment to determine whether that is the case. Of all households assessed for homelessness, 89% were owed a prevention or relief duty.

We have talked about the hidden homeless. That is very important and I would encourage anyone who is hidden homeless to contact their local authority. Our specialist youth homelessness advisers work closely with housing and children's services across the country, providing advice, support and challenge to local authorities to help improve the delivery of homelessness services and to support compliance with the statutory duties.

We have also discussed the difference between Government data and that presented by Centre Point's databank research. I am tremendously grateful for all the work that the voluntary and charitable sector does in this space. I have had the privilege of doing many Government visits to charities. I went to visit Centre

[Felicity Buchan]

Point in Wandsworth about a year ago, and I have always been impressed by everything that is done by the voluntary sector. They are an integral part of supporting our homelessness efforts.

Just last week, I visited a youth homelessness house in my constituency, Dashwood House, which was run by the Salvation Army Housing Association. That house was for 18 to 25-year-old women. I was incredibly impressed with the service that they were providing and the move-on support they offered. It was wonderful that a lot of people who had lived in Dashwood House, but who had now moved on to their own settled accommodation, came back to visit that day. I am very grateful to organisations for all their research and work to support those dealing with youth homelessness.

Let me explain the difference in numbers. The Government numbers are official statistics and are closely verified and accredited by the Office for National Statistics. One reason for the differential is that the Centrepiece data includes all initial inquiries to a local authority. The Government report on the total number of homelessness assessments and the numbers of young people owed a homelessness prevention or relief duty. I just wanted to clear up the reason why the numbers are different. The Government numbers form part of the official statistics and follow very robust statistical methodologies.

Clearly, I regret the uptick in homelessness—it is very serious and the Government are doing everything to address it—but the most recent homelessness statistics, published yesterday, show that over 17,000 households had homelessness prevented in the fourth quarter of 2023, and almost 50,000 homeless households were supported to secure accommodation in that same period.¹ This shows that local authorities continue to work hard to prevent and relieve homelessness for all households, including young people.

I want to touch on the issue of care leavers, because this is a very important point; I thank the hon. Member for Liverpool, Wavertree for raising it. We know that young people leaving local authority care can be especially vulnerable, which is why, through our strategy on children's social care reform, "Stable Homes, Built on Love", we are working to increase the number of care leavers living in safe, suitable accommodation and to reduce the rate of homelessness among that vulnerable group. To achieve that, the Government are providing the following money: nearly £100 million for local authorities to increase the number of care leavers who stay living with their foster families up to the age of 21; £53 million to increase the number of young people leaving residential care who receive practical help with move-on accommodation, including support from a key worker—that practical help is very important; and £9.6 million over three years to provide extra support to care leavers at the highest risk of rough sleeping.

The hon. Member for Liverpool, Wavertree asked about social housing priority need for care leavers. Care leavers have priority need up to the age of 20; the hon. Lady suggested that it should be up to the age of 25. I want it to be clear that once care leavers reach 21, they will continue to have priority need if they are vulnerable because of having been looked after. That will continue.

On relation wider housing support, my right hon. Friend the Chancellor of the Exchequer announced in the autumn statement that we would restore the local housing allowance rate up to the 30th percentile. That was very important. It took effect in April. It will mean that 1.6 million low-income households will be on average £800 a year better off, and will make it more affordable for young people on benefits to rent properties in the private sector. About one in 10 of those aged 16 to 24 currently lives in the private rented sector. That is one reason why the Renters (Reform) Bill, which passed its Third Reading last week, is so important.

We have talked about building more homes, which I think the entire House would agree is critical. We have the affordable homes programme, which represents £11.5 billion to provide new properties for rent, for low-cost home ownership and for specialist and supported housing. As I have said, we are on track to deliver our manifesto commitment of 1 million new homes within this Parliament.

I conclude by thanking the hon. Member for Liverpool, Wavertree once again for securing this thought-provoking debate. I admire her determination to tackle the causes and impacts of homelessness, particularly for young people today, which is a determination that the Government and I share. I hope I have underlined the scale, depth and diversity of the investment this Government are making to address this challenge. We know that, as a Government, we cannot solve this issue alone. That is why we value so much the support and commitment of local government, charitable partners and great advocates for the homelessness sector across the House, including my hon. Friend the Member for Gravesham and the hon. Member for Strangford.

I thank Members again. Let us keep working towards our shared goal of ending rough sleeping and tackling youth homelessness.

3.36 pm

Paula Barker: I thank all Members for taking part in this important debate.

I thank the hon. Member for Gravesham (Adam Holloway) for his contribution, which was delivered with his usual aplomb even if he was quite croaky today. We disagree on the issue of net immigration and those factors—we have served on the Home Affairs Committee together. I suggest that the immigration problems are part of the wider issue of the Government not getting to grips with the backlog, and also the significant money they are spending on hotels. I am sure we will have that debate outside this place when he has his voice back in full flow.

As a journalist, the hon. Gentleman spent time on the streets, and he spoke about drug addiction in his usual, knowledgeable fashion. I completely agree that we have to do more to support people with drug and alcohol addiction. For me, that starts with trauma-informed services. Trauma-informed and trauma-led services should be mandatory, and that is a challenge that I pose to my good friend on the Front Bench, my hon. Friend the Member for Weaver Vale (Mike Amesbury), if we are lucky enough to form a Government at the next election.

The hon. Member for Strangford (Jim Shannon), who is sadly not in his place, delivered his contribution with his usual knowledge and compassion, and it was very interesting to hear about his contributions in Northern

1.[Official Report, 2 May 2024; Vol. 749, c. 6WC.](Correction)

Ireland. I know how much this debate means to the sector, which does so much to serve our communities, and particularly young people. Once again, I thank all Members for being here today, and I hope that my colleagues have taken something away from the debate.

I thank my hon. Friend the Member for Weaver Vale for his valuable contribution. I know, through our many years of friendship, that he understands the issues, and I am committed to ensuring that, in the months ahead, he loses the word “shadow” from his title. We can then start to tackle some of these matters head on, and hopefully together. I applaud his commitment to increasing housing supply, ending section 21 evictions and tackling all forms of homelessness, including youth homelessness. I hope that the shadow Department for Levelling Up, Housing and Communities team considers how we can learn lessons from the last Labour Government. We had practically eradicated homelessness and rough sleeping by the time we left office in 2010. My good friend spoke about Dame Louise Casey, and I hope we can learn lessons from her marvellous work and have a truly cross-departmental strategy.

I thank the Minister for her thoughtful contribution and reply. I totally respect her commitment to these matters but, sadly, I feel that she is a member of a tired Government who have manifestly failed to deliver on their intention with respect to all forms of homelessness. She has been set up to fail in the same way as some of her predecessors. Homelessness may have briefly been a priority for the Government under the stewardship of the right hon. Member for Maidenhead (Mrs May), but I believe it has since fallen down the agenda.

I finish by imploring right hon. and hon. Members to continue talking about youth homelessness. Please talk up the need for a national youth homelessness strategy and be the voice for those 136,000 young people, because they deserve to have a life well lived in which they can fulfil their potential and realise their dreams, hopes and aspirations.

Question put and agreed to.

Resolved,

That this House has considered youth homelessness.

3.41 pm

Sitting suspended.

Furnished Holiday Lettings: Taxation

4 pm

Peter Aldous (Waveney) (Con): I beg to move,

That this House has considered the taxation of furnished holiday lettings.

It is a pleasure to serve with you in the Chair, Dame Siobhain. I welcome the Minister and other colleagues to their respective places.

This debate arises because of the changes announced in the Budget to the taxation of the furnished holiday letting—FHL—regime, which have already acquired the nom de plume “the staycation tax”. As I mentioned in the Budget debate on 12 March, I am concerned that the proposal could have unintended consequences.

I acknowledge the thinking behind the change, because there are areas of the country where local people are having great difficulty renting local properties, and it is possible—I will put it no more strongly than that—that holiday lettings might be contributing to that. In other areas across the UK, however, holiday lettings are not having such a negative impact, and they are a vital component of local economies all around our four nations. That is the case in the Waveney constituency, although I acknowledge—this may be where we have difficulties—that there are significant challenges for local people looking to rent a home in nearby Southwold, in the constituency of my right hon. Friend the Member for Suffolk Coastal (Dr Coffey).

Duncan Baker (North Norfolk) (Con): I thank my hon. Friend for giving way on that point, which is a good one for North Norfolk, where there are clearly problems with housing supply. I put it to him that, in an area such as mine, which has a large number of second homes, the policy change may well lead to more homes coming on to the market to be snapped up by people who are buying them as second homes, making the situation even worse in picturesque places like North Norfolk.

Peter Aldous: My hon. Friend may have read my speech, because that is one of the issues that I will highlight, and I will mention some statistics that the Professional Association of Self-Caterers—PASC—kindly provided to me to make that point.

Jim Shannon (Strangford) (DUP): I congratulate the hon. Member on bringing the debate forward. I suspect that I might be about to add a controversial opinion, but we will see how it goes. As a representative of what I believe to be the most beautiful constituency in the United Kingdom, Strangford, it is my desire to attract more bed nights to the area, and the Airbnb-type scenario was one way in which we felt that could be done. Does the hon. Member agree that the removal of the tax incentive may prohibit people from doing up the old granny flat in the garden, and so prevent the local economy from benefiting from bed nights? I see the benefits of the incentive, and I think it could be to our advantage.

Peter Aldous: I thank the hon. Gentleman for that intervention. In certain parts of the country, the incentive's removal might well have benefits, but I argue that it is a rather blunt instrument, which could have unintended consequences in other areas.

Mr Alistair Carmichael (Orkney and Shetland) (LD): I understand the concerns about housing shortages, which I have in my constituency. The answer to the shortage of housing, however, is to build more houses; it is not to punish what is a very important part of the local economy, including in parts of the country like mine. The advantage of such a tax provision is that it allows for the improvement and professionalisation of the sector, which at the end of the day can only improve the visitor offering.

Peter Aldous: I agree with the right hon. Member on both counts. There are other measures being introduced, such as the register, that I believe will help bring professionalism into the sector. In fact, I know from the constituents I have spoken to and the businesses that operate this type of furnished holiday accommodation that they are incredibly professional businesses.

Simon Jupp (East Devon) (Con): Several owners and operators in East Devon have been in touch with me about the changes, about which there is widespread concern. Does my hon. Friend agree that the Minister should hold a public consultation about the changes—my hon. Friend might be intending to say that—and consider a list of exemptions, for example if a property cannot be a permanent residence because it is on a working farm?

Peter Aldous: I agree with my hon. Friend wholeheartedly, and I intend to develop some of those points.

Anne Marie Morris (Newton Abbot) (Con): Will my hon. Friend give way?

Peter Aldous: I will give way one more time at this stage, after which I will have to make some progress.

Anne Marie Morris: On the basis of the contributions that have been made, does it not seem obvious that what we need is a proper impact assessment of the reform? We need to look at the impact on the economy, the impact on housing and the impact on the tourism sector. I am sure my hon. Friend will also come to the expected impacts on gross value added and on jobs.

Peter Aldous: I agree wholeheartedly. I had planned to raise a lot of the points that have been made; let me now get on to back them up with the evidence.

Since the Budget, I have been contacted by many constituents highlighting their concerns. I am grateful to them for their feedback, as well as to PASC, the Short Term Accommodation Association and the National Farmers Union for all their briefings and advice.

In some ways, I have a sense of *déjà vu*, in that the proposal mirrors in many ways those put forward in the 2012 Budget to tax Cornish pasties and static caravans. In his Budget speech, my right hon. Friend the Chancellor stated that he had concerns that the current tax regime for FHLs is distorting the market and that there are not enough properties available for long-term rental by local people. Therefore, to make the tax system work better for local communities, he plans to abolish the FHL regime. In the accompanying Red Book, the proposals are described as having the advantages of tax simplification, creating a level playing field and supporting people to live in their own areas. I have concerns that the proposals will not fulfil those objectives, and I hope I can illustrate why.

The Office for Budget Responsibility has calculated that the measure, along with the abolition of the multiple dwellings relief, will raise £0.6 billion of additional receipts by 2028-29. That figure pales into insignificance compared with the potential loss of value added and local jobs, which I shall outline shortly.

Angus Brendan MacNeil (Na h-Eileanan an Iar) (Ind): I am grateful to the hon. Member for giving way and for securing the debate. In a response that I had from the Chancellor last week on this very issue, he talked about housing and the distortion for local people, but there is no evidence that if these houses went on sale they would become affordable houses by any manner of means. To echo the point made by the right hon. Member for Orkney and Shetland (Mr Carmichael), it is many years since the housing charity Shelter told me that there were more second homes in Norway than in Scotland, but there were more first homes in Norway as well. The point is, let us have more first homes, but let us not be damaging the very weak economy of many of Scotland's islands by doing that.

Peter Aldous: I thank the hon. Gentleman for that point, which he made particularly well. Hopefully, it will also come out as I move forward in my speech.

In the first instance, it is necessary for me to set out what I would describe as a few home truths and to set the record straight. First, it is important to point out that the FHL regime is not a tax loophole; it was introduced in 1984 specifically to cater for the fact that a holiday let business is very different from a private rental business. Forty years on, that remains the case, and it should be pointed out that strict criteria are in place if people wish to move into the regime.

Secondly, it should be emphasised that furnished holiday lettings are a long-standing economic lifeline for many coastal and rural areas.

Christine Jardine (Edinburgh West) (LD): The hon. Member is making a lot of very good points, specifically about these lets being a lifeline for areas. I was recently visited by representatives of the furnished holiday lets association in Scotland, who feel that they have been hit by a double whammy: this legislation and the short-term let licensing legislation in Scotland. Should there not have been a joined-up approach? Would it not have been better for the Government to speak to the devolved Administration and find a way forward for the whole industry, rather than hamper one of Scotland's biggest and most profitable sectors?

Peter Aldous: I think the hon. Lady has hit on the way forward. The solution to this problem—if indeed there is a problem—needs to be sorted out locally, in consultation with the devolved Assemblies in Scotland, Wales and Northern Ireland, and with local authorities elsewhere in the UK.

Dr James Davies (Vale of Clwyd) (Con): My hon. Friend is being very generous in giving way. In April last year, the Welsh Government increased to 182 days a year the occupancy threshold that allows holiday lets to qualify for business rates. They have also allowed local authorities to increase council tax premiums to up to 300% in cases where that threshold is not met. Does my hon. Friend agree that that Welsh Government policy is destroying legitimate business among holiday let operations, and damaging the local economy?

Peter Aldous: I do agree, and that point illustrates that this is a multifaceted problem or issue. A whole host of organisations need to sit around the table and come up with solutions that are bespoke and right for their councils or counties, or indeed for their devolved nations.

Angus Brendan MacNeil: The hon. Gentleman is bang on. He is essentially saying that one size does not fit all and that we should find the right solution for every place, because the current provision is a very blunt instrument.

Peter Aldous: I thank the hon. Gentleman for that further observation; he is right.

As I was saying, my second point is that it should be emphasised that furnished holiday lets are a long-standing economic lifeline for many coastal and rural areas. The regime supports micro and small businesses that are the cornerstone of many visitor economies. Abolishing it would hurt those businesses—including farmers who have diversified into tourism, as well as other businesses such as pubs, which rely on the lets for trade—and PASC estimates that even a modest 20% reduction in furnished holiday lets could result in the loss of £1.9 billion GVA and 46,000 jobs. The former figure is considerably higher than the Office for Budget Responsibility's assessment of the additional tax that will be generated.

Thirdly, furnished holiday lets are not the cause of the housing crisis, as I think colleagues have mentioned. PASC estimates that a total of 197,000 properties in the UK fall within the FHL regime. Due to planning restrictions, 39% of those holiday let properties can only be used for holiday purposes. That means that 76,000 furnished holiday lets could not be used as residential dwellings, and only 121,000 furnished holiday lets have planning permission to be used as residential dwellings. The context is important: those 121,000 dwellings without planning restrictions have been established not in the past three or four years but over many decades; however, they represent 0.4% of the 30.1 million total UK housing stock and just 40% of the annual house building target of 300,000 new homes. Although there might be anecdotal evidence to suggest that private rental landlords are moving into the short-term let sector, PASC can find no quantitative data to support that conclusion. Indeed, less than 2% of traditional short-term let businesses had previously rented their properties out as a long-term let.

Anne Marie Morris: Is it not also clear, following the Renters (Reform) Bill, that there has been a haemorrhaging of landlords who do not wish to be in the private rented sector? As a consequence, they used to go to holiday lets, so holiday let individuals are hardly going to be going back to the private rented sector, which they wanted to leave and are leaving in droves.

Peter Aldous: My hon. Friend makes a good point that reinforces my arguments about the unintended consequences of this proposal.

My fourth point is that there is no statistical evidence to suggest that furnished holiday lets have a disproportionate impact on house prices. As part of the consultation on the proposed introduction of the new planning use class for short-term lets in England, the Great British Holiday

campaign commissioned an economic impact study by Frontier Economics on the size, growth and economic importance of traditional holiday lets in rural and coastal communities—unfortunately just in England, but I am sure that is equally relevant to Scotland and Wales. Frontier Economics found that there was no relationship between popular holiday let areas and the growth rate of real house prices between 2015 and 2022.

My final home truth is that there would be unintended consequences of a change to this taxation regime.

Angus Brendan MacNeil: While listening to the hon. Gentleman, it occurred to me that extended family or community members who come back home to an island often use such holiday lets—I could give personal examples from the past year of people returning from New Zealand, Canada and even mainland Scotland. Such properties have a community health aspect to them, over and above the money that they are raising in the economy.

Peter Aldous: I thank the hon. Gentleman for that intervention. He is correct.

The unintended consequences of this taxation regime are that there would be thousands of job losses; a proliferation of empty properties, which could not be used for long-term lets for planning reasons; and a loss of billions of pounds to coastal and rural areas. According to PASC, of its members whose businesses would become non-viable and would have to be sold, 39% believed that the most likely buyer would be a second-home owner; 37% that the property would be bought by another holiday operator; and 16% that the purchaser would come from outside the area. In short, the policy would provide very limited assistance to the group that it is seeking to support: local people looking to rent a local home.

I will finish quickly and not take any more interventions to give the Minister an opportunity to respond. I have nine questions for him. First, what is the Treasury's evidence to suggest that abolishing the holiday letting regime will encourage a significant number of businesses to convert from furnished holiday lets to the private rented sector, so as to justify the harm that it will cause to tens of thousands of small and microbusinesses? Secondly, why was there no consultation prior to the proposal, and will the Treasury now commit to a full public consultation due to the significant number of businesses that expressed concerns subsequently? Thirdly, has the Treasury considered the potential unintended consequences of abolishing the FHL regime, including the risk that it will lead to more empty second homes in rural and coastal areas? Fourthly, if the abolition of the FHL regime results in a reduction of furnished holiday lets, what evidence does the Treasury have to suggest that this vital bedstock of many rural and coastal economies will be sustained by other visitor accommodation?

Fifthly, will the Treasury consider the recommendations of the Institute for Fiscal Studies and reverse the mortgage interest relief restrictions that have stifled the supply of the homes that renters desperately need? Sixthly, why does the Treasury consider that a bespoke tailor-designed scheme for holiday lets that has operated successfully for 40 years should now be abolished if there is scant evidence to suggest that different tax regimes have resulted in private rental landlords switching to furnished holiday lets? Seventhly, will the Treasury ensure that the abolition of

[*Peter Aldous*]

the FHL regime will not result in a group of people who are essentially entrepreneurs being retrospectively taxed at a rate that is 4% higher than the top rate of capital gains tax that applies to a passive investor of listed shares?

Eighthly, does the Treasury consider that the 5,000 new furnished holiday let properties in the UK that PASC guesses may have been created annually since 2016—so 40,000 properties—have had a significant impact on the current housing crisis when compared with the 30.1 million UK homes, 1.5 million empty or vacant homes and the commitment to build 300,000 new homes each year? Finally, will the Treasury align the VAT treatment of holiday lets with that of long-term lets if the policy intention is to align the tax treatment of furnished holiday lets and the private rented sector, or will actively managed FHLs now face a more punitive tax regime than a passive private rental investor?

In conclusion, the proposal does not create a level playing field. If it is to be equitable, it will be necessary to complicate the tax system, not simplify it, and it will have a very marginal impact, if any, on enabling local people to rent homes in their local area. The industry is asking that the Treasury undertakes a full public consultation of any legislation, which I personally think is being remarkably polite.

I cannot see a case for changing the current regime. There should be no future finance Bill to legislate for these changes, and like the proposed taxes on Cornish pasties and static caravans, the proposals should be shelved. Instead, a consultation should take place so that a more targeted localised approach, as opposed to this rather blunt instrument, can be worked up by Government, the devolved Assemblies and local government. That way, more focused and localised solutions can be put in place where they are needed, so as to ensure that more properties are available for long-term rent by local people.

4.23 pm

The Financial Secretary to the Treasury (Nigel Huddleston): It is a pleasure to serve under your chairmanship, Dame Siobhain. I thank my hon. Friend the Member for Waveney (Peter Aldous) for raising this issue today. It is a topic that I have discussed previously with him and with many hon. Members who have participated in the debate, and I am happy to continue to discuss it. I should say up front that there are no plans for a consultation, but that does not mean that hon. Members cannot engage with me.

At the moment, there is broad recognition that the current system is contributing to some distortions. My hon. Friend mentioned having a bit of déjà vu. In my former capacity as Tourism Minister, I travelled around the country and stood in this Chamber discussing the issue. I had colleague after colleague and industry after industry making claims for and demanding the exact policy that we are introducing, so hon. Members need to recognise that there is another side to the argument.

Although my hon. Friend outlined a different pattern in his part of the country, there are parts of the country where the current regime, with beneficial rates for FHL properties, creates an incentive for a disproportionately

large number of properties to be FHL—short-term rentals, rather than long-term rentals—which is causing problems. I have heard hoteliers and owners of B&Bs say that the current system is not fair and reasonable. I have heard owners of pubs, bars and restaurants complain that the large number of short-term lets and FHL properties is undermining their value proposition.

I gently say to hon. Members that we all have colleagues from different parts of the country and there is another side to the argument, although I understand the vehemence and strength of feeling in the Chamber today. I know the pattern is mixed across the country, but the problem is that we cannot do tax treatment, such as income tax relief, ward by ward or constituency by constituency. As hon. Members know, we have a whole range of other initiatives to encourage the supply of housing more broadly and limit the impact, including through local taxation and restrictions on housing.

We are proposing not to abolish FHLs, which play a vital role in our tourism ecosystem across the country, but to change their tax treatment to put them on an equal footing and create a level playing field with long-term lets. The problem is that if I were an investor thinking of buying a property in a certain area, it would make pure economic sense for me to get a short-term let rather than a long-term let. Therefore, in certain communities across the country, when a new property becomes available, there is an incentive for an investor to straightforwardly go for a short-term let rather than a long-term let because there is beneficial tax treatment. We are not eliminating the tax incentives but levelling the playing field so that the perverse incentive no longer exists.

Anne Marie Morris: If the Minister is unwilling to undertake a consultation, is he willing to look at a carve-out—an exemption—for properties that cannot be used in the private rented sector because of covenants on them? That was discussed by the Office of Tax Simplification. Will he look at that seriously?

Nigel Huddleston: I thank my hon. Friend for that point, which she has raised with me previously. I should put on the record that many hon. Members in the Chamber have raised concerns about the implementation of this proposal with me. The challenge is that one of the goals is simplification, and when we start moving into the area of carve-outs and exemptions, it opens up the system to challenges and potential abuse. I hear what my hon. Friend has to say. She will always hear from Ministers that we keep tax policy under review, but as soon as we start moving to an exemption here and an exemption there, it causes great difficulties. I also thank PASC for its constructive engagement with me on this issue and for giving me information.

I have had lots of correspondence and have engaged with colleagues, and I want to make this very clear. There is a belief that when we said we were abolishing the FHL tax regime, that meant we were abolishing FHLs. No, of course we are not. As I said, they play a vital role in the visitor economy, but we want to change the tax policy. The intention is for the tax reform to apply to all properties.

There will continue to be benefits. After the abolition of the FHL tax regime, a higher rate paying landlord with mortgage interest costs of £12,000 per year would still get up to £2,400 taken off their income tax bill

through the relief. If they spend a further £8,000—for example, on insurance, letting agent fees and replacing domestic items such as sofas, fridges, washing machines—they could save a further £3,200 in income tax by using the reliefs that are available for all landlords. It is about levelling the playing field. There will still be tax incentives, but we do not want that distortion. When somebody buys a new property or an existing property, there is a false incentive that is causing some problems, because human behaviour that naturally seeks a better return on investment leads them towards short-term lets, rather than long-term lets. That is what we are trying to correct.

Mr Carmichael: On a point of order, Dame Siobhain. When I intervened, I should have pointed out that I have a declarable interest registered. I apologise to the Chamber for not doing so at the time and I hope the position is now clarified.

Dame Siobhain McDonagh (in the Chair): Okay. That allows me to shorten what I was going to say.

Motion lapsed (Standing Order No. 10(6)).

World ME Day

4.30 pm

Sir Sajid Javid (Bromsgrove) (Con): I beg to move, That this House has considered World ME Day.

It is a pleasure to serve under your chairmanship, Dame Siobhain, and I am extremely grateful to colleagues from across the House for their attendance.

There is no single universal experience of myalgic encephalomyelitis, otherwise known as ME. For those living with the condition, the distressing and familiar pattern can be all too clear: initial signs of fatigue, a drastic change in physical ability and activity, and the loss of mental focus and confidence.

The condition can begin after a battle with a viral infection, but for others the start of symptoms can simply seem unexplainable. Answers and hope are sought by visiting medical professionals, but too often ME patients are misdiagnosed or, at worst, dismissed entirely. Parents and carers who simply try their best can be chastised, as a once healthy person—a loved one—is slowly taken away by this cruel condition.

As a country, we have made tremendous progress in combatting so many diseases and illnesses. There has been a welcome step change in medical advancement and attitudes, but people with ME have not seen that progress—in fact, I would argue that they have been left behind. This debate provides an opportunity to share the experiences of people living with the condition ahead of World ME Day on 12 May and for us to consider what more can be done to improve experiences and outcomes for people across the United Kingdom. Today we are joined in person and online by many people who live with this condition, and I thank them for their continued strength.

When I was appointed Secretary of State for Health and Social Care, we were in the middle of fighting the pandemic. Of course, priorities and resources were naturally stretched, but the emergence of long covid saw renewed attention brought to ME. For me, the fight against that illness was not just an important policy area but simply very personal. My cousin, who is here today, has an amazing daughter who bravely battles this condition. Until the age of 13, she was a happy, healthy teenager. She was academically gifted and a talented netball player. Seven years later, today, her life has completely changed.

As Secretary of State, I set out my vision for a new approach to ME chronic fatigue syndrome in May 2022. I co-chaired a roundtable with the chief scientific adviser, Professor Lucy Chappell, to bring together experts, including people with lived experience, to discuss what needs to happen next. I also announced the Government's intention to develop a cross-Government delivery plan for England. Two years later, although Ministers have understandably changed, I hope the determination that I had to tackle this condition remains in Government.

I was pleased to see the publication of an interim delivery plan by the Government in August last year. Supporting people with ME should be a cross-Government initiative. Although the work is rightly led by the Department of Health and Social Care, I was pleased to see that the plan was jointly published with the Department for Education and the Department for Work and Pensions.

Dame Margaret Hodge (Barking) (Lab): I am very pleased to serve under your chairship, Dame Siobhain. I want to raise the issue of the involvement of multiple Departments, and it relates to my constituent Sienna Wemyss, who is 16 years old. Sienna was diagnosed in 2022, but she still has not got an education, care and health plan. She got a place at our local Barking and Dagenham College, but when she arrived there, despite her mother having spoken to the teachers, she was sent home because she could not attend. She finds it difficult even to comb her hair, so she is at home and has lost out on her education.

Does the right hon. Member agree that it is really important that not only health but education plays its role? While I am on my feet, I should say that Sienna has to travel as there are no local health facilities to respond to her needs and to care for her. She has to travel into University College Hospital—miles from my constituents in Barking. Does the right hon. Member further agree that there should be local healthcare facilities to respond to the needs of people with this condition?

Sir Sajid Javid: I thank the right hon. Member for her intervention, and I agree with her on both points. She first emphasises the importance of the Government's final plan being a proper cross-Government plan; I hope the Minister will speak to the cross-Government nature of the work that he is leading on their behalf. I also agree with her point about local health support. That must also be addressed and covered in the final plan that is published. I have heard very similar stories from constituents and others, and I completely agree with what she said. I thank her again for that intervention.

When I committed the Government to developing a cross-Government delivery plan, I stated in a written statement to this House:

“officials will work with stakeholders ahead of publishing the delivery plan later this year.”

Despite the commitment that the delivery plan would be published by the end of 2022, it was not until August 2023 that an interim plan was published. In the ministerial foreword to that interim delivery plan, the Minister's immediate predecessor—my hon. Friend the Member for Faversham and Mid Kent (Helen Whately)—stated:

“The final delivery plan will be published later this year”.

That was the end of last year. We are now in May 2024, approaching exactly two years since I made the initial commitment.

I am also now hearing disturbing reports that, despite two years of waiting, the final delivery plan may not be published until the end of this year. Everyone knows that the Prime Minister has committed the country to a general election by the end of this year. We also know that when that general election is called, there will be no Government publication of any sort, which means there is absolutely no time to waste. I ask the Minister, when he responds, to give a specific commitment to the House that the final delivery plan will be published before the summer recess—or at the very latest, just after.

Danny Kruger (Devizes) (Con): I pay tribute to my right hon. Friend for the leadership that he has shown, and continues to show, on this issue. I have been contacted by Phoebe van Dyke, a young woman living in my constituency who is struggling with ME. She is concerned about the extent of the skills of the general medical

profession: too many of the doctors she encounters do not understand enough about the condition. Can my right hon. Friend assure me that the delivery plan that he wants the Government to bring forward will ensure that there is much better training across the range of medical professionals, so that they have the skills to understand the condition?

Sir Sajid Javid: I assure my hon. Friend that that is definitely what I want to see in the plan; perhaps more important now, however, is to hear that commitment from the Minister. It is touched on in the interim plan, but we all want to see that issue, among the others, addressed in that final cross-Government plan.

The interim delivery plan set out some of the current challenges that we must address to improve outcomes and experiences for individuals with ME. We must ensure that the final delivery plan focuses at least on two key areas: outcomes and experiences. However, making progress in these areas also requires us to address more fundamental problems. For example, there is a huge cultural problem, when it comes to ME, with a lack of medical understanding and awareness. There is a critical lack of data and research, and there is still no existing cure or even treatments. It is estimated—this number is often cited; I use it myself—that about 250,000 people are living with ME in the UK, but even that figure is 10 years old, highlighting the lack of data and research in this field. Without a clear dataset and understanding, tackling the issue of course becomes an even bigger uphill battle.

That is why there are research projects such as DecodeME. They are vital because they help to increase understanding and they serve as a critical platform for future work.

Helen Morgan (North Shropshire) (LD): Does the right hon. Gentleman agree with me that another issue faced by constituents is that the National Institute for Health and Care Excellence guidelines that were introduced are not being used by every single trust in the country? I think that only 28% of NHS trusts are using the NICE guidelines. Does he agree that consistency of treatment and approach would be an important step in ensuring that people can get the care that they need?

Sir Sajid Javid: Yes, I agree with the hon. Member. Indeed, those guidelines were changed while I was Secretary of State for Health and Social Care. I remember welcoming them, but the expectation of course was that they would be properly followed. As the hon. Member says, in some 70% of cases that does not seem to be the case. We all want that to be addressed. I hope that the Minister will be able to pick up that point when he responds.

Another example of research is a groundbreaking project on long covid and ME diagnostics called LOCOME. It is co-led by Action for ME, the University of Edinburgh and a computational biology company called PrecisionLife. It is hoped that that new project, which is utilising the data that has been gathered from the DecodeME project, will provide insights that will be able to create the first predictive diagnostic tools for ME and long covid. I take this opportunity to thank the charity Action for ME for its world-leading work on the project, its crucial support and the research and campaigning that it does to improve ME research and outcomes.

It is vital that we continue to support organisations such as Action for ME and researchers in this way. The focus of World ME Day in 2024, this year, will be to build a “Global Voice For ME”. In that spirit, it is important that we collaborate with allies across the globe to further research in this area. However, we know that, even with more research, it will be a long journey to achieve our desired outcomes. That is why improving the experiences of those living with ME, and their families, is also vital.

I know from my own engagement that individuals with lived experience often feel dismissed. I recall a recent Channel 4 report that even highlighted the case of a family who saw social services investigate the care of their daughter because they believed that she was being kept in bed against her will. If it were not for campaigning organisations such as Action for ME, the ME Association, the all-party parliamentary group on myalgic encephalomyelitis, Forward ME and the World ME Alliance as well as the work of incredible individuals such as Sean O’Neill, who I believe joins us today and who has led an inspiring campaign in memory of his daughter, Maeve, the situation would feel almost hopeless. That is how it would feel if we did not have these people battling for more work to be done on ME. It is because of them that the case of this community is being heard, and having served in Government for so long myself, I know that when people speak up with the support of many honourable colleagues from right across the House, the Government must listen.

This year, 2024, marks 55 years since the World Health Organisation officially acknowledged ME. For too long, we have failed to recognise the severity of the condition for thousands of people across the UK. As we mark World ME Day on 12 May, we must renew our commitment to improving outcomes and experiences for everyone affected. It is great to see so many hon. Members from across the House in the Chamber, and I am grateful to everyone who has attended today’s debate in the Public Gallery, as well as those who may be joining online. Where such support exists, there is always hope.

The ambition is to improve the lives of people with the condition today, and to ensure that future generations have a brighter future. Helping make that ambition a reality is now the responsibility of the Minister, and I look forward to his response and the contribution of other hon. Members.

Dame Siobhain McDonagh (in the Chair): I remind Members that they should bob if they wish to be called in the debate.

4.45 pm

Fleur Anderson (Putney) (Lab): It is an honour to serve under your chairship, Dame Siobhain, and to be speaking at this important time, ahead of World ME Day on 12 May. I congratulate and thank the right hon. Member for Bromsgrove (Sir Sajid Javid) for securing the debate and for continuing to champion the cause, which is so needed. I also thank Action for ME for its research and campaigning, and for providing visibility for so many people who have ME who are bedbound and housebound, and cannot speak for themselves. That is why I have been championing this condition, because so many of my constituents have been in touch with me.

To be honest, when I was pregnant, I had very severe morning sickness. It was not morning sickness: it meant that I was bedbound for many months. I got an inkling, I think, of what is suffered by people who have ME. However, they suffer for so long with such little hope because, as the right hon. Member said, there is no treatment and no cure. To raise those issues, and to talk about the research and treatment that are needed, and the understanding that is needed in workplaces, schools and the healthcare system, is important. This debate will mark a huge step forward for that.

ME is a chronic illness that affects multiple body systems and leaves those suffering unable to take part in everyday activities. In the UK, we know that at least 250,000 people suffer from ME. However, that is an outdated statistic that has not been updated for over a decade. The real figure is likely to be far higher. An estimated 1.3 million people live with ME or ME-like symptoms, and 50% of people with long covid have symptoms that mirror ME. One in four of those is housebound. Women are five times more likely to develop ME, and to have more symptoms from their ME, than men. I think that might be at the heart of why it has been such an underfunded and neglected disease, because it is predominantly women who are suffering more than men.

People with ME suffer disproportionately high levels of stigma and lack of understanding compared with other major chronic illnesses. That ignorance makes it more of a challenge to address and treat, and they suffer misunderstandings in education, work and healthcare. Many constituents have shared such stories with me. They have told me stories about personal independence payment assessments as well, which do not meet the needs of a fluctuating condition, and do not take account of the condition in the timings and the way that people are assessed, leading to them receiving less support from the state.

Over the last 10 years, only £8.05 million has been spent on ME research. If that had been equitable to other illnesses, ME would have received over £10 million or more. Without urgent research, those estimated 250,000 people in the UK living with the illness—and many more—will continue to feel unseen and left behind. That inaction comes at a significant cost. Without research, people living with ME will continue to suffer from a range of debilitating symptoms that push them towards the edge of society. The links with long covid offer hope for research, and should be entirely embraced. I hope that it will be embraced in the plan that we hope will be published soon and that the Minister will tell us about in his speech.

The Government claim that they want to get people back to work, yet they continue to underfund vital investment in ME that could help thousands of people to rejoin the workforce. While the Government continue to dither and delay on that plan, others are stepping up. Action for ME is co-leading a pioneering research project into ME to uncover its genetic causes. It is called DecodeME and is funded by the Medical Research Council and the National Institute for Health Research. Understanding how ME affects people is the first step towards developing effective treatments.

Although I and others welcomed the Government’s announcement of the cross-Government ME delivery plan, which was announced by the right hon. Member for Bromsgrove on ME Day in May 2022, the publication

[*Fleur Anderson*]

of the final plan, as has been outlined, has been delayed again and again, but it is badly needed by sufferers across the country. My constituents are feeling the direct implications of the lack of funding for research. I especially want to highlight the inadequacy of secondary care.

Zoe, one of my constituents, wrote:

“I’m lucky that my GP is great and recognised the symptoms early and found me a good clinic to go to. But ongoing support in secondary care is non-existent. Compared to others, I was...lucky to have what I got, but it was six appointments with a consultant and his team and that’s it. No ongoing care, no ongoing support. Because of the complex nature of the illness I’ve had to be referred to multiple secondary care clinics to manage all my ongoing symptoms. I go to St George’s, Bart’s, Kings, UCL and the Royal Free, at best they’re well meaning, but not well educated about ME, at worst I experience a huge amount of medical gas lighting or complete indifference, disbelief or disinterest in the ME. (I had such a poor experience with secondary care this week that the stress of dealing with the doctor/clinic has further exacerbated the flare of symptoms.) It’s a lot to expect a person with ME to manage.”

Just yesterday, I was walking through Putney and Donna in my constituency came up to me to tell me about the hugely life-limiting impact that ME has had on her. She was in a wheelchair and said that that trip out to get a prescription means that she will not be able to go out again for the next two weeks. She said she is constantly misunderstood and neglected in the health system.

Recently, the cases of Carla, Milly and Karen—all young women in hospital with severe ME and struggling to access the care they need, the appropriate feeding, tests and medical care—paint a picture of a broken system. They have been treated as psychological cases, not medical and physical. Carla, Milly and Karen have been let down time and again. I urge the Government not to permit the growing cases of ME across the country to morph into a health crisis for which there is no cure.

I will end with a call for five actions: first, ending the stigma and taboo in healthcare situations, work and schools; secondly, the full implementation of NICE’s 2021 guidelines on ME and chronic fatigue syndrome, including diagnosis across the country; thirdly, funding research into severe ME and joining that up with research into long covid; fourthly, looking into the situation in care for Carla, Milly and Karen and poor hospital care for all other sufferers of ME; and fifthly, publishing, funding and implementing the cross-departmental ME delivery plan before the general election.

I hope the Minister has written all of that down. I hope to hear about it later, and I hope that this debate will mark a step change in the understanding of people with ME and hope for the future.

4.53 pm

Caroline Nokes (Romsey and Southampton North) (Con): It is a pleasure to see you in the Chair, Dame Siobhain. I congratulate my right hon. Friend the Member for Bromsgrove (Sir Sajid Javid) on his leadership on this issue. We know that he started the train of getting work done on ME when he was Health Secretary. Too often in this place, we move on from Departments and never speak of them again, but he has not. He has championed the cause of the sufferers of ME, and indeed their families, with real vigour.

It seems bizarre in this place to refer to long covid with a welcome message, but long covid has shone a spotlight back on ME. We know that it is a post-viral condition, but we do not know why. The number of sufferers of long covid has given us an opportunity to look again at ME. Hopefully, in this place some of us will begin to understand more and broaden our knowledge of the condition. My right hon. Friend taken a new approach, and my constituents certainly wish to extend their thanks to him for that.

I always say that I am blessed with constituents in Romsey and Southampton North who are not only articulate and willing to share their views with me, but in many instances are often experts as well. Professor Sir Stephen Holgate contacted me ahead of the debate to make the pertinent point that, for sufferers of ME, many of whom have been bedbound for years, surely I could spend an hour of my time raising their plight in this Chamber. I am certainly very pleased to do so. He highlighted, as did the hon. Member for Putney (Fleur Anderson), the well-established sex bias among sufferers of ME. Of the 17,000 sufferers recently surveyed, women made up 83.5% of the respondents. We know that they are five times more likely to suffer than their male counterparts.

I say to the Minister, very gently—an unusual stance for me—that we have to do more about the bias that exists in medical research and clinical trials. We have to stop the situation, which prevails to this day, where too often conditions suffered by women are portrayed as them being simply hysterical. ME is a serious condition. It is not all in the mind, as my constituents have been told on too many occasions. We need to ensure not only more investment into research to find the causes of ME and hopefully more effective treatments—and of course, the holy grail, a cure—but research focused on the women who need it.

I welcome the cross-Government delivery plan that was set in train by my right hon. Friend the Member for Bromsgrove, but we need to see it. We need to see not just the interim version but the final plan, and we need it to be delivered. We need it to be rolled out into every trust and integrated care board. We need it to be effective for our constituents, which brings me on to my next point: my constituent. I was contacted by a mother, Elaine. The point she made in her email was that she wants her voice and the voice of her daughter to be heard. Her daughter was a high achiever, training to be a dancer. She had already secured 5 A-levels when she was struck down with ME. The words that she used are heartbreaking. She has been stigmatised, gaslighted and ridiculed. As a result, she now avoids doctors. She avoids going to get the very help that she needs because she fears that her condition will lead to ridicule.

That is simply not acceptable in a 21st-century health system. We have to do more to ensure greater awareness not just in the Chamber today, but out in our ICBS and GP surgeries, so that the sufferers who are presenting for the first time do not get ridiculed or labelled as hysterical women, but actually get the help that they need. We cannot have a situation where our constituents are avoiding the people they need to turn to for help.

As I have said, there is bias that we have to overcome. There is a gap in research funding. Only £8 million has been spent on ME research over the last 10 years, which is simply disproportionate to the number of sufferers—it should be several times that figure—and we still know

less about every aspect of female biology than we do about male biology. I would like to hear a commitment from the Minister that, while he is in this role, he will do his utmost to eliminate the gender bias that we still see in medical research.

4.58 pm

John McDonnell (Hayes and Harlington) (Lab): I congratulate the right hon. Member for Bromsgrove (Sir Sajid Javid) not just on securing the debate, but on the groundbreaking work that he did in establishing the delivery plan. We are all grateful for that.

We all come to this debate with our own experiences. My first constituency case was nearly 30 years ago. I remember it well. It was heartbreaking: a young woman who had a full-time job, was bringing up her family with two children and was active in her local community and trade union, went down with a condition that she never understood. It was not recognised for a long time, even by a local doctor. There was a lot of stigma attached to it at that time—I think a few members of the media were running stories like that. It took her years and a lot of support before she could come to terms with it and re-engage fully with her life.

Debates like this give us the opportunity to share those experiences, but they also prompt organisations to send us briefings. I congratulate Action for ME on the excellent briefing that it has circulated. It has brought us up to speed on a whole range of issues and focused us in advance. I want to respond in support of the half a dozen demands made by my hon. Friend the Member for Putney (Fleur Anderson). The first is about the recognition of the consequences and scale of ME in our society. One area that we have not explored enough is the mental health consequences of ME. In the cases that I have dealt with, ME has led people virtually to breakdown, because of the frustration of no longer being able to live an active life, as well as facing all the barriers and the stigma. We do not fully understand the range of consequences.

I fully agree with the point about research. Demand is doubling, at least. I was shocked that the figures in the briefing were so low after all this time and all the debates that we have had. Long covid has also brought a new dimension to the debate. I am receiving lots of representations from constituents about long covid; it is like we are going through the ME process all over again. I congratulate Action for ME. As the right hon. Member for Bromsgrove said, the establishment of the centre of excellence in Edinburgh is a huge breakthrough; it will be a world leader.

I thought that the NICE guidelines were being rolled out more effectively, so I was shocked that 76% of ICBs do not have a specialist service. We need to think about how that has gone wrong and what will put it right.

My hon. Friend the Member for Putney made a point about benefits. The Government are yet again reforming the benefit system, and I am worried about the reforms. I have met with a range of disability groups, and people are petrified. There is real fear out there, including among people with this particular condition. Anyone who has assisted a constituent through the appeal process understands how difficult it is to get it across that someone has a fluctuating condition, as was mentioned. I do not criticise clinicians, but there is still a lack of thorough understanding among some clinicians about the condition.

I want to make one further point, which has not been raised. I have come across case after case in which protection at work has not been in place, and people have lost their jobs, promotion, or access to training and so on. The reasonable adjustments that we thought we had built into the legislation have not been made. That needs to be reviewed going into the next period. There will be new employment legislation, certainly if there is a change of Government, and perhaps whether or not there is a change of Government. There are issues about the quality of employed life that have to be addressed, and this is one of them.

I am grateful for the debate, because I will be able to report back to constituents that Parliament has discussed the matter. I have the same confidence that the right hon. Member for Bromsgrove has: when a group of MPs works on a cross-party basis and makes noise like this, civil servants and Ministers listen. I hope that the Minister can report today particularly on the timing of the delivery plan, which will give us so much hope.

Dame Siobhain McDonagh (in the Chair): I will call Jim Shannon next. If he would not mind, I ask him to voluntarily restrict his comments so that at 5.08 pm I can call the Opposition spokesperson for five minutes and the Minister for 10 minutes, because I think people want to hear what the Minister has to say.

5.3 pm

Jim Shannon (Strangford) (DUP): I certainly will do exactly that; I had planned a five-minute contribution.

I congratulate the right hon. Member for Bromsgrove (Sir Sajid Javid) on highlighting World ME Day. I listened to the right hon. Member for Hayes and Harlington (John McDonnell). When I was first introduced as an elected representative, as a Member of the Assembly at Stormont back in 1998, a person with ME came to me one day. I will be honest: I had no idea what it was. But I knew one thing, which was that that lady was ill. I am no wiser or smarter than anybody else, and I am not a doctor, but I can recognise pain. I can recognise a disability that hurts. It was making her life absolutely unworkable.

I helped her with her benefits; incidentally, we won on appeal. We won because if I could see what that lady was going through, the four people on the panel could see it, too. The right hon. Member for Hayes and Harlington referred to the appeals process. I always ask the person, "How many days a week are you ill?" and the person will tell you. Sometimes they are ill for a week, sometimes they are not ill and sometimes they are ill for three of the seven days. The point I am making is that they are ill, and it is a case of proving that.

The article by Hope 4 ME & Fibro Northern Ireland really summarises how the ME community feels:

"In recent times, the landscape of ME has undergone a transformation, with COVID-19 emerging as the most common trigger for this chronic illness. The intersection of these two health challenges has resulted in a significant increase in the number of people affected by ME. An estimated 55+ million individuals worldwide are living with the debilitating effects of this condition."

It is an epidemic across the world.

"Amidst these escalating numbers, Hope 4 ME & Fibro Northern Ireland proudly stands alongside World ME Alliance members across the globe. We collectively amplify support for initiatives that seek to address the multifaceted impact of ME on individuals and communities alike."

[Jim Shannon]

As an active Member of Parliament, a former Member of the Northern Ireland Assembly and former councillor—I think this is now my 39th year in elected service—I have seen the debilitating effects suffered by those with ME suffer. One of the harsh realities is that there is no cure. Individuals grappling with ME often endure both the physical toll of the illness and the stigmas that accompany it. It is imperative that we as a global community and in this House come together to address these gaps in understanding, treatment and research. That is where we in this place have a part to play. The right hon. Member for Bromsgrove set the scene well, as did others who have spoken; those who follow will tell it again.

I do not believe that we have done more than scratch the surface of fulfilling our obligation to those who are in inexplicable pain daily and who are made to feel as if it is somehow only in their head. It is not. I am not a doctor, but I can see pain; I can see agony; I can see trauma. I can see people who need help. If I can do that, everybody in this room could do the same, because that is what we do every day when we deal with people. They live feeling ashamed of an illness, when most other illnesses are accepted as being out of the victim's hands. There is work to do in how our health and benefits Departments view ME—there is a big role for them to play—and subsequently treat those who suffer from ME and associated illnesses. Support should be offered not just to them, but also to the families—never forget the families. It is not just that one person suffering; the whole family suffers, because they can see the pain and the agony. Undoubtedly, the burden is often shared with the entire household, emotionally, physically and financially.

On World ME Day, we need to be aware that the people we may see for a brief moment may be fighting a battle with pain that we cannot fully understand. We cannot share that pain, but we can hopefully appreciate what they are saying. It is our job in this place to fight harder for them. For them, this debate is a continuation of that very battle they have fought. We fight today alongside them.

5.7 pm

Carol Monaghan (Glasgow North West) (SNP): It is a pleasure to serve under your chairmanship, Dame Siobhain. I will start by declaring an interest as the chair of the all-party parliamentary group on myalgic encephalomyelitis. I thank the right hon. Member for Bromsgrove (Sir Sajid Javid) not just for bringing forward this debate, but for the work he has done. It is the second anniversary of the publication of a report produced by the APPG called “Rethinking ME”. As Health Secretary, the right hon. Gentleman came to its launch event here in Parliament, and that was very much appreciated by the ME community. More importantly, under his direction, the Department of Health and Social Care started engaging with the APPG in a way that had not happened previously, to learn about our findings and recommendations from the report.

Following that, the interim delivery plan for ME was announced and the consultation opened up for those with lived experience. The right hon. Gentleman's hand was all over that work, which has really been

transformational in getting the opinions of those who are actually living with ME on a day-to-day basis. The publication of the final plan, however, has been delayed several times, as we have heard already. I will press the Minister on this: we need to know when the final delivery plan will be produced. We do not want it to be after a general election, because another Government might mean different priorities. We need that plan now.

Another step that has taken the situation forward for those with ME was the publication of the new NICE guidelines in 2021. That replaced the previous guidelines, which had recommended graded exercise therapy as a treatment for ME—a treatment that many had undertaken, and many had had their symptoms made far worse as a result. It was good to see the publication of those guidelines, but there is still much more to be done. We heard from the hon. Member for Putney (Fleur Anderson) and the right hon. Member for Romsey and Southampton North (Caroline Nokes) how this condition impacts women far more than men, so there has to be a focus on women in research, treatment and diagnosis.

People with ME experience a lot of issues, such as a lack of understanding from healthcare professionals, as was highlighted by the right hon. Member for Hayes and Harlington (John McDonnell). That leads to delays in diagnosis and to inappropriate treatments. We are still hearing of people who have been forced through graded exercise—that is, the old NICE guidelines, not the new ones. Parents of children with ME find themselves subject to child protection investigations; that has to stop. Of course, many people face difficulties negotiating the welfare system, as was highlighted by the hon. Member for Strangford (Jim Shannon). According to Ann Innes, a welfare rights adviser with the ME Association,

“Repeated assessments are a huge drain on people with ME. They put them back considerably, in terms of their health”.

One of the areas of greatest concern is the treatment of those with severe ME. It is estimated that one in four people with ME has it severely, which means they are house-bound or bed-bound and need 24-hour care. Between 2017 and 2021, 62 deaths have been attributed to ME, and the tragic death of Maeve Boothby-O'Neill highlights the need for urgent action. Maeve was repeatedly hospitalised and discharged due to a lack of specialist services for ME patients. The absence of known treatments meant that her diagnosis sadly came too late. I pay tribute to her dad Sean O'Neill, who joins us this afternoon, for the work he has done.

Over the next couple of months, the APPG will be taking evidence from those affected by severe ME. I encourage Members present to join us for those sessions, where we will hear what we can do as parliamentarians and what we should be doing. If outcomes are to improve, increased funding for biomedical research is vital. I ask the Minister how much funding there will be, how it will be delivered and where we will see that. I know that I am out of time, but I will pay tribute quickly to a couple of people: the Countess of Mar from the other place, who has sadly had to retire, but she has done decades of work; Sonya Chowdhury from Action for ME, who joins us; Forward ME; the ME Association; and all those affected by ME and their families, who have done so much work to bring the issue to the attention of Members in this place.

5.13 pm

Andrew Gwynne (Denton and Reddish) (Lab): It is always a pleasure to serve your chairmanship, Dame Siobhain. I congratulate the right hon. Member for Bromsgrove (Sir Sajid Javid) on securing this important debate and on the work he not only did as Health Secretary, but continues to do as a Member of Parliament on ME, which we know is a profoundly debilitating and chronic condition that affects various systems across the body. Figures estimate that at least 250,000 people in the UK live with it. However, it is estimated that upwards of 1.3 million people live with ME or ME-like symptoms following a covid-19 infection. As we have heard, women are five times more likely to develop ME than men, and they experience more symptoms than men.

Many parallels have been drawn between ME and long covid, given that research has indicated that at least half of those living with long covid have symptoms that directly mirror those of ME. As someone who continues to suffer from the effects of long covid, those symptoms are all too familiar to me: a draining fatigue that never seems to go away; constantly disturbed sleep and an endless feeling of exhaustion; and a debilitating brain fog that can strike at the most inconvenient of moments.

I just want to place on the record that I have managed to control my long covid for the best part of two years, but this week has been a very bad week for me; I was in bed for all of today, and I have only come in to give this speech. The reason that there is a bundle of tissues here is because the sweats just hit me while walking into work. I do understand—I have lived with the experience of symptoms similar to ME—and I agree with my right hon. Friend the Member for Hayes and Harlington (John McDonnell) about the impact it has on people in work, because we do not know which days will be our good days and our bad days, and sadly we are judged against our bad days. That is true.

We need to educate employers about ME and long covid so that reasonable adjustments can be made, and about changes to the welfare system. When I was on my very worst of days, very early on after I contracted covid-19, I would have been signed off work if I had turned up for a work capability assessment, because it was obvious to all. On my best days, though, people would think, “There’s nothing wrong with him,” so if I had the misfortune of having a work capability assessment on one of my better days, I would then be put into work when I was not capable. We must attend to those issues across Government.

We know that ME costs the UK economy about £3.3 billion a year, and that number is growing. We need far better understanding of this debilitating condition and its impact on the day-to-day lives of too many people. That is why Labour is committed to putting Britain at the front of the queue for treatments by boosting clinical trial activity in the NHS. We will speed up recruitment to trials and give more people the chance to participate. We will link up clinical trial registries to create national standing registries, and harness the power of the NHS app to invite eligible participants to take part in research studies for which they are eligible. We also need to rebuild the system so that it recognises the impact of post-viral conditions like ME and equips people with the tools needed to work with it.

We need to refocus our services away from hospital settings to be rooted in the community, so that patients can access care when and where they need it, and we need to bolster a workforce that can better understand ME so that people can get timely care. Above all, we need to get that delivery plan published sooner rather than later. I implore the Minister for World ME Day: he has cross-party support, so let’s get it published ASAP.

5.18 pm

The Minister for Health and Secondary Care (Andrew Stephenson): It is a pleasure to serve under your chairmanship, Dame Siobhain. I pay tribute to my right hon. Friend the Member for Bromsgrove (Sir Sajid Javid) for bringing forward such an important debate ahead of World ME Day on 12 May. As Health Secretary, he laid the foundations for our cross-Government delivery plan, and from the Back Benches he has been a tireless champion for people living with ME. I join him in welcoming his cousin to the House today. I also pay tribute to the ME Association, Action for ME, Forward ME and many other outstanding charities that do incredible work in this area.

I thank the right hon. Members for Barking (Dame Margaret Hodge) and for Hayes and Harlington (John McDonnell), my right hon. Friend the Member for Romsey and Southampton North (Caroline Nokes), my hon. Friend the Member for Devizes (Danny Kruger), the hon. Members for North Shropshire (Helen Morgan), for Putney (Fleur Anderson) and for Strangford (Jim Shannon), the SNP spokeswoman—the hon. Member for Glasgow North West (Carol Monaghan)—and the shadow Minister, the hon. Member for Denton and Reddish (Andrew Gwynne), for their thoughtful contributions. I particularly pay tribute to the SNP spokeswoman for the work she has done on the APPG, and to the shadow Minister for coming here today despite his own health challenges.

I will do my best to address as many of the points raised as possible in the time allowed. To start, I will address one of the points made by the right hon. Member for Barking. This is very much a cross-Government piece of work. I will be working very closely particularly with the Department for Education, and others, to ensure that we get this right. It is correct that this is a Health lead, but it is right that it is a cross-Government piece of work.

ME, or chronic fatigue syndrome, is a complex medical condition with a wide array of symptoms. Some people with ME struggle to do even the most basic things that we all take for granted, such as going to the office, seeing a GP, or even taking their children to football. This debate comes at a critical time, as new studies are beginning to pinpoint parts of the brain that affect the condition. A recent report has shown the yearly cost to the UK economy could be above £3 billion. While our understanding is improving, people with ME must receive the right care and support to manage their symptoms and, where possible, to be able to move on with their lives.

Sadly, as my right hon. Friend the Member for Bromsgrove (Sir Sajid Javid) has so eloquently set out today, there has been a real lack of awareness among some medical professionals and the wider public, as also highlighted by my hon. Friend the Member for Devizes and the right hon. Member for Hayes and Harlington.

[Andrew Stephenson]

For so long, people were dismissed, ignored or even told their symptoms were all in their head. However, as anyone who lives with ME knows, it is so much more than just feeling very tired; for a quarter of sufferers with severe symptoms, it is truly debilitating.

This is why our delivery plan is vital. As my right hon. Friend the Member for Bromsgrove knows, it has two core principles at its heart. First, we must know more about ME if we are able to improve outcomes. Secondly, we must trust and listen to people with ME to improve their experience. That is why the Government published the interim delivery plan last August, proposing a set of actions on research and education, but also tackling those old attitudes and adapting the language we use to describe the condition. Since then, we have consulted on the interim delivery plan to understand where the plan is strong and where we need to go further. I would like to thank the more than 3,000 people and organisations right across the United Kingdom who took part.

As we speak, officials are analysing thousands of responses and we will publish a summary shortly. These responses will be instrumental in developing the final cross-Government delivery plan, which will be published later this year. I completely understand my right hon. Friend's frustrations, and he makes a powerful case for publishing the plan before the summer. While I cannot make that commitment at this time, I have assured him privately, and I will do so again today publicly, that I will do all in my power to ensure that the plan is published as soon as possible.

Our consultation had a huge response, which is fantastic, as we wanted the broadest range of voices to inform how we shape the plan, but the responses have also shown just how complex the challenges are. Once we have published our response to the consultation in the spring, it is vital that we go back and work very closely with patient groups to finesse the final plan, which could take some time.

As my right hon. Friend has said, people with ME have for too long been ignored and dismissed. That is why we want to take the time to properly understand the challenges they face and listen to the solutions they propose. It is so important that we get this right. I have heard my right hon. Friend, and I will continue to work hard with officials to come up with a plan that delivers for people with ME as soon as possible.

John McDonnell: It would be really helpful if the Minister could write to us about the areas that require the finessing for the eventual final plan.

Andrew Stephenson: I am happy to provide an update to Members. I hope that when we provide the summary of the 3,000-plus responses, it will shine a real clear light on that, but I am more than happy to write to everyone who has engaged in today's debate to provide an update, and perhaps to address any points that I am not able to in the time allowed.

Patients can receive the care they deserve only with timely and accurate diagnosis. Sadly, there is no specific test for ME, which can be challenging to diagnose as it shares some symptoms with other conditions, as set out by the shadow Minister. That is why in 2021 the National

Institute for Health and Care Excellence published the new guidelines on the management of ME that several Members mentioned. That was a step forward in helping medical professionals understand the condition so that people could be diagnosed as soon as possible. It also set out best practice for healthcare professionals in the management of ME, and the care and support they should offer patients.

Carol Monaghan: Given that we have heard that many health trusts are not implementing the new guidelines, can the Minister or his Department undertake to write to health boards to remind them that they are in place?

Andrew Stephenson: I completely understand the frustration that was raised by the hon. Member for North Shropshire and others about the lack of implementation. At the moment, we and NHS England are working hard to understand the barriers to the full implementation of the guidelines. They should have been fully implemented but we acknowledge that they have not. It is so important that we get this plan over the line because the final delivery plan will, without doubt, underline the need to follow NICE guidelines. That will be underpinned by e-learning from the Department on the development of new medical professionals and other initiatives that have been taken as part of the plan. I am keen for that to be looked at. I will now turn to medical training, but I will finally say that the NICE guidelines should be followed, and we are trying to understand why that has sadly not been the case in all too many trusts.

The new guidelines, while important by themselves, must come with a broader cultural shift across the NHS. That is why we have been working with NHS England to develop an e-learning course for health professionals, which they themselves have helped to develop, alongside charities and people living with ME. The Medical Schools Council will promote the course to every medical school in the country, while encouraging schools to take students to meet patients who suffer from ME face to face to help bust some of the myths around the condition.

I want to end by saying a few words about the future. I strongly agree with my right hon. Friend the Member for Bromsgrove on the importance of research. As he knows, the Government are funding research into ME through the National Institute for Health and Care Research and the Medical Research Council. As he kindly mentioned, those institutions came together to fund DecodeME, the world's largest genome-wide association study of the condition, which was also mentioned by the hon. Member for Putney. We are backing the study with over £3 million to analyse the samples from 25,000 people in the search for genetic differences that may indicate an underlying cause for the increased risk of developing the condition.

The study is already generating key insights. For example, while it has long been known that women are more susceptible to the condition, the DecodeME study has shown for the first time how their experience differs from that of men. I am happy to provide my right hon. Friend the Member for Romsey and Southampton North with the assurance that not only will we do everything to get the plan over the line as quickly as possible, but I will work with people such as the chief scientific adviser, Professor Lucy Chappell, to eradicate the gender bias in research.

Genomics is already revolutionising the way we diagnose and treat a range of conditions, solving riddles for diseases that were mysteries just 10 years ago. By improving understanding, investing in research and implementing our delivery plan, we will go further and faster in the years ahead. I know there is much to do. I will end by paying tribute to my right hon. Friend the Member for Bromsgrove for everything he has done on the matter. I will continue to work with him and other hon. and right hon. Members to ensure we get this right.

Question put and agreed to.

Resolved,

That this House has considered World ME Day.

5.29 pm

Sitting adjourned.

Written Statements

Wednesday 1 May 2024

BUSINESS AND TRADE

UK-Israel Trade Negotiations

The Minister for Trade Policy (Greg Hands): The fifth round of negotiations on the UK-Israel free trade agreement ran from 8 to 17 April 2024.

This round of negotiations was hosted by the UK and conducted in a hybrid manner: a delegation of Israeli officials travelled to London for in-person discussions, with further officials attending virtually. During this round, officials held technical text-based discussions covering 27 policy areas across 63 sessions.

This round of negotiations discussed a range of policy areas, with a particular focus on services, which are not covered by our current agreement. Services comprise around 80% of both the UK and Israel's economies but, because of our outdated trade agreement, services only make up just over one third of total trade between us. The trading relationship between the UK and Israel is valued at £6.4 billion as of September 2023, and there is significant room for growth. An upgraded trade deal will play to British strengths and unlock trade for our world-leading services and digital sectors.

The UK will maintain its long-standing foreign policy positions in this FTA, including with respect to the internationally recognised borders of Israel, and will continue to exclude illegal settlements to ensure nothing in this FTA undermines the viability of a two-state solution.

The Government remain clear that any deals we sign, including with Israel, will be in the best interests of the British people and the UK economy. We will not compromise on our high environmental and labour protections, public health, animal welfare and food standards, and we will maintain our right to regulate in the public interest. We are also clear that during these negotiations the NHS, and the services it provides, is not on the table.

The Government will continue to keep Parliament updated as these negotiations progress.

[HCWS436]

CULTURE, MEDIA AND SPORT

Gambling White Paper: One Year On

The Secretary of State for Culture, Media and Sport (Lucy Frazer): We are now one year on from the publication of the landmark gambling White Paper and the Government continue to take important steps in implementing their key policies and recommendations.

That White Paper recognised the significant contribution that racing makes to not just British sporting culture, but our wider economy. It is second only to football in attendance figures and constitutes a major part of various different rural economies across the country. According

to a study, submitted by the British Horseracing Authority, the racing industry has direct revenues in excess of £1.47 billion and makes a total annual contribution to the UK economy, including induced effects, of £4.1 billion.

As the regulator for the sector, the Gambling Commission has a pivotal role to play in the implementation of reforms. Today the Gambling Commission published its decisions on four key measures from the White Paper: stronger age verification in premises, improving customer choice on direct marketing, safer remote game design, and financial risk checks. I am pleased to say that its plans for these measures remain entirely consistent with the objectives of our White Paper.

In its consultation response, the Gambling Commission set out its plans to implement a proportionate new system of frictionless financial risk checks. This system contains two different financial risk checks. The first are frictionless, light-touch vulnerability checks that will use publicly available data and do not require any information from punters.

The second are enhanced frictionless risk assessments. As set out in the Gambling Commission's recent blog post on this issue, the consultation response makes clear that these enhanced risk assessments will only be introduced after a pilot period and at the point when we are certain they will be frictionless, meaning customers will no longer have to provide documents. The pilot will be used to test the best data to use and how operators and credit reference agencies will share this data. Credit reference agencies collect a range of data that could be used in an assessment, such as information on missed or late credit payments or how much credit is available. Gambling operators will never have access to raw account-level data so, for example, they would not be able to look at customers' bank accounts and nor will the Government or Gambling Commission. The pilot will also assess the impact these risk assessments will have on the industry as well as consumers.

While this pilot is under way, an interim code will deliver progress on resolving the issue of existing ad hoc and onerous document checks. The Betting and Gaming Council has announced today its new industry code on consumer checks. For operators who adopt this interim solution, these measures will bring much-needed consistency across the regulated sector until the frictionless financial risk assessments can be developed, tested and fully implemented.

The interim code and the new system of frictionless checks are a major step towards transforming the current system of ad hoc and onerous document checks that are negatively impacting customers, the betting industry and horseracing. Even when this new system of frictionless checks is in place, we recognise that these measures are likely to have an impact on betting yield. The Government are working with racing, and refining estimates of this impact, and, as committed to in the gambling White Paper, we started a review of the horserace betting levy in May 2023 to ensure a suitable return to the sport for the future. This review has been taking into account the impact of the wider reforms in the White Paper on horseracing to ensure the proposed levy delivers an appropriate level of funding for the sector. We recognise the importance of the levy to the horseracing industry, and we have strongly encouraged racing and betting stakeholders to work together to come to a consensus in the best interests of the sport. We recognise that a huge

amount of hard work has been undertaken over the course of the last year, but we are disappointed that this has not resulted in an agreement to date. I and the Minister for Sport are undertaking an intense period of engagement with all parties to resolve this issue, and we continue to encourage all parties to engage and come to an agreement voluntarily. As we have always said, if no agreement is reached we will consider legislative options. We will update the House on the progress on these talks on or before 22 May 2024.

[HCWS438]

EDUCATION

Faith School Designation Reforms

The Secretary of State for Education (Gillian Keegan):

Today, I wish to inform the House that we are consulting on faith designation reforms for new and existing free schools and special academies.

These reforms will build on our success in raising standards in our schools, with 90% of schools now rated “good” or “outstanding”, up from just 68% in 2010. A key driver of this progress has been our academies programme, which has put schools in the hands of education experts. Today, over half of state-funded schools are academies, totalling 10,839, compared with just 203 in 2010. High-quality multi-academy trusts are key to driving up education standards for pupils, teachers and leaders. The best trusts enable the most effective leaders to support a greater number of schools and deliver school improvement, by directing resources to where they are needed the most. This underpins our focus on continuing to improve standards in schools, providing the best education for children, including for those from disadvantaged backgrounds and those with special educational needs and disabilities.

The Church of England, the Catholic Church and other faith school providers are long-standing and valued partners of my Department and are a key part of our diverse school system, representing a third of all schools in England. Faith schools are judged “good” or “outstanding” at a higher rate than the national average and are, as a consequence, very popular with parents. Helping more faith schools to join academy trusts and removing barriers to the creation of more faith school places is a critical next step in the Government’s plan to give every child a world-class education.

At the moment, the Government require admission authorities for a mainstream free school designated with a religious character to allocate at least 50% of its available places without reference to faith-based admission criteria, when oversubscribed. The original aim of that restriction was to promote a more inclusive intake in those schools. However, the evidence suggests that the 50% faith admissions cap has not achieved inclusivity. It

has also worked against creating more good school places because some faith bodies, such as the Catholic Church and its dioceses, have felt unable to establish new free schools on this basis.

Our proposals will remove the cap and, by doing so, increase the number of good school places where there is demand from communities, ensuring parents have more choice over where they send their child to school. The application process for new free schools will continue to require applicants to consider how the school will promote cohesion, integration and tolerance in the school community. As already set in regulations, all schools—including free schools designated with a religious character—must promote the fundamental British values of democracy, the rule of law, individual liberty, and mutual respect and tolerance for those of different faiths and beliefs.

We are also consulting on changing our policy to allow special academies to be designated with a religious character. This will encourage high-quality faith school providers with a track record of high performance to consider applying to establish new special academies and free schools within their multi-academy trusts. This builds on our delivery of over 60,000 new places for children or young people with SEND or who require alternative provision, with a £2.6 billion package to improve SEND services between 2022 and 2025. Faith schools have a long and positive history of providing education and support to these children. There are 241 faith schools in England providing specialist units, which provide high-quality education and support for pupils with SEND. In addition, a number of faith providers have experience of delivering dedicated special schools in the independent sector, and through the provision of non-maintained special schools with a faith ethos and special academies with a faith ethos.

I think it is important to capitalise on all of the expertise in the special needs sector in order to meet the challenge of ensuring access to the right provision for every child. I want to ensure that all faith groups feel able to open special academies and provide high-quality places for pupils with complex special educational needs and disabilities, who would be admitted on the basis of their need, not their faith.

These proposals apply to England only and the consultation will run for seven weeks, closing on 20 June 2024. The consultation and the Government response will be published on gov.uk. We will also place a copy of the Government response in the Library of both Houses.

A consultation will allow my Department to capture and consider a wide range of views about how our proposals to change policy are likely to impact schools, local authorities, parents, children and young people. We will consider all responses to the consultation and use them to inform our proposals for better meeting the policy objectives of faith schools.

[HCWS437]

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Bill presented, and read the First time

Road Traffic (Testing of Blood) [Col. 293]

Motion for leave to bring in Bill (Jonathan Gullis)—agreed to
Bill presented, and read the First time

Automated Vehicles Bill [Lords] [Col. 296]

As amended, considered; read the Third time and passed

Petition [Col. 312]

UK Trade: Aviation [Col. 313]

Debate on motion for Adjournment

Westminster Hall

Chatham Docks Basin 3 Redevelopment [Col. 111WH]

Financial Conduct Authority: Accountability [Col. 129WH]

Youth Homelessness [Col. 136WH]

Furnished Holiday Lettings: Taxation [Col. 152WH]

World ME Day [Col. 160WH]

General Debates

Written Statements [Col. 9WS]
