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PARLIAMENTARY DEBATES

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House of Commons

Wednesday 11 June 2025

The House met at half-past Eleven o'clock

PRAYERS

[Mr Speaker *in the Chair*]

Oral Answers to Questions

WALES

The Secretary of State was asked—

Devolution: Crown Estate

1. **Kirsty Blackman** (Aberdeen North) (SNP): What recent discussions she has had with the Welsh Government on the potential merits of devolving the Crown Estate. [904452]

The Secretary of State for Wales (Jo Stevens): I wish to start by paying tribute to Sir Billy Boston, the trailblazing Welsh rugby league legend who received a knighthood this week. It is fitting that Sir Billy is first recipient of a knighthood for services to rugby league, and I commend those colleagues who have campaigned so hard for this well-deserved award.

This Government are totally focused on taking maximum advantage of the opportunities that floating offshore wind in the Celtic sea presents for Wales. The industry has the potential to create more than 5,000 jobs and bring £1.4 billion of investment into the UK economy in coming years. We do not support devolution of the Crown Estate, as that would risk market fragmentation, jeopardising those jobs and the significant investment that Wales deserves.

Kirsty Blackman: In contrast to that, recent research by the Crown Estate Scotland has revealed that in one 12-month period, the Crown Estate helped its tenants to generate an economic impact of £2.1 billion, and supported almost 17,000 jobs. A decade on from the devolution of the Crown Estate's assets and revenue, Scottish voters are enjoying the benefit. How can the Secretary of State continue to justify withholding the same profits from Wales, when in Scotland, those profits are being put back into the Scottish purse, where they belong?

Jo Stevens: I am afraid that I will not take any lectures on the Crown Estate from the SNP, whose mismanagement of the Scottish seabed has seen Scottish assets sold off on the cheap. We are focused on doing whatever it takes to secure the more than 5,000 jobs, and billions of pounds of investment, that the Crown Estate can help to unlock for Wales.

Tonia Antoniazzi (Gower) (Lab): Devolving the Crown Estate sounds like such a wonderful idea, but the truth is that it really is not, and the continued lobbying and loud chat about devolving the Crown Estate is jeopardising future investment in Wales, and jobs. Does the Secretary of State agree?

Jo Stevens: My hon. Friend is absolutely right. If we were to devolve the Crown Estate and introduce a new entity, that would risk market fragmentation, complicate existing processes, and delay further development offshore, jeopardising those jobs and that investment. Even if it could be done without risking the revenues, that would not automatically lead to more money for the Welsh Government, because any revenues they retained would likely be offset through reductions to the block grant, as is the case in Scotland. Meanwhile, Wales would no longer benefit from Crown Estate assets and profits in England.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): There is no long-term vision. Torfaen council has voted unanimously to devolve the Crown Estate to Wales, which means that every local authority in Wales, including every Labour-run council, supports the policy. Does the Secretary of State really believe that the UK Labour Government know better than the entirety of Welsh local government? When Wales speaks with one voice, isn't it time that Wales's voice in the Cabinet says the same thing?

Jo Stevens: I refer the right hon. Lady to my previous answer.

Liz Saville Roberts: Was that the answer? It is hardly even looking at the question.

In opposition, the Secretary of State for Wales joined Plaid Cymru in condemning the Conservatives for denying Wales £4.6 billion in rail funding. Now in government, she is waxing lyrical about 10% of that, and she was recently content to move the goalposts and deny Wales a further £300 million by classifying the Oxford-Cambridge line as benefiting Wales. I don't know how they make this up. Does she oppose that new injustice, or was she ignored? Or is it her mission to see Wales short-changed?

Jo Stevens: I listened carefully to the right hon. Lady's question, and I am sure that she would not wish unintentionally to mislead the House. The situation regarding the Oxford-Cambridge line was an error made by the Conservative Government in the 2021 spending review, and as she knows, heavy rail infrastructure is reserved, not devolved, so for every heavy rail project in England, Barnett consequentials do not apply. The UK Government fund that is funding East West Rail is also directing funding projects in Wales, such as the redevelopment of Wales's busiest station, Cardiff Central; improvements to level crossings in north Wales; and upgrades to the south Wales relief lines. I know that all 27 Welsh Labour MPs are looking forward to hearing what the Chancellor has to say today about rail investment, after all their excellent advocacy on behalf of people across Wales.

Defence Spending: Wales

2. **Melanie Ward** (Cowdenbeath and Kirkcaldy) (Lab): What assessment she has made of the potential impact of increased defence spending on Wales. [904453]

3. **Naushabah Khan** (Gillingham and Rainham) (Lab): What assessment she has made of the potential impact of the Government's increased defence spending on Wales. [904454]

The Parliamentary Under-Secretary of State for Wales (Dame Nia Griffith): In the spring statement, the Chancellor announced a £2.2 billion increase to the defence budget for 2025-26. That will help grow the Welsh economy and our thriving defence sector in Wales, which is home to more than 7,000 jobs, supported by the Ministry of Defence and major companies such as QinetiQ, BAE Systems, Airbus, General Dynamics and Thales. As part of the strategic defence review, a £100 million boost was announced for the repair and renewal of military homes in Wales, benefiting hundreds of service families.

Melanie Ward: I was glad that the Government's strategic defence review was launched in Scotland last week, where increased defence spending will create new jobs and fuel economic growth, despite the SNP's refusal to back it. I was similarly pleased that the SDR included hundreds of millions of pounds of investment in forces housing in both Wales and Scotland. Will the Minister update the House on the positive impact that the review will have in Wales, and across the Union?

Dame Nia Griffith: I warmly welcome the £100 million boost for military homes in Wales—part of the £7 billion spend to tackle the state of armed forces accommodation in this Parliament. That will support urgent repairs, such as fixing boilers and roofs and tackling damp and mould, and facilitate the long-term renewal of military housing for hundreds of service families across Wales. That follows our action to bring 36,000 homes on the defence estate, including more than 700 in Wales, back into public ownership.

Naushabah Khan: The strategic defence review will make Wales and the rest of the UK safer at home and stronger abroad, just as it will my constituency of Gillingham and Rainham. Does the Minister agree that the SDR is further proof that only Labour can be trusted to protect our Union, while Opposition Members wring their hands, wish they did more when they were in power, or look for ways to make apologies for foreign aggression?

Dame Nia Griffith: I agree with my hon. Friend. The Conservatives failed to deliver a plan for our defence industry, and left our homes for heroes in poor condition; and while Plaid Cymru plots to leave NATO, and Reform cosies up to Putin, Labour invests in our military, our security and our veterans.

Joe Robertson (Isle of Wight East) (Con): The Minister sounds unexpectedly optimistic, given that so many question marks remain over promises and aspirations for defence spending. Can she confirm the impact of handing over the Chagos islands and billions of pounds to Mauritius? *[Interruption.]* Can she confirm the impact of that decision on Wales?

Dame Nia Griffith: I want to focus on the benefit for Wales from the defence budget; that is what these questions are about. This spending will bring the industry more jobs, and upgrade our military homes in Wales.

Mr Speaker: I call Jim Shannon on Wales.

Jim Shannon (Strangford) (DUP): I welcome the Government's increased spending in Wales. First, it is good for jobs and opportunity, and secondly, those in uniform, whether in the Army, the Royal Air Force or the Royal Navy, come from all over the United Kingdom—from Wales, Scotland and Northern Ireland. Does the Minister acknowledge that the new spend on defence could be shared proportionately between those countries, be it on those who serve in uniform, or on companies that are involved in the defence sector?

Dame Nia Griffith: As I am sure the hon. Gentleman knows, Northern Ireland benefits considerably from companies such as Thales bidding into that defence fund. For many years, there have been many excellent service personnel from Northern Ireland. I am sure that he will look after them when they become veterans.

Mr Speaker: I call the shadow Secretary of State.

Mims Davies (East Grinstead and Uckfield) (Con): Given how precarious global affairs are, Conservatives believe that defence, and defence jobs, should be a No. 1 priority for the Labour-controlled Wales Office. Major defence companies, such as General Dynamics in Merthyr and Caerphilly, and Tekever in Ceredigion, among others, await answers. Plaid wants to break up the cherished Union, withdraw Wales's full membership from NATO and surrender our nuclear defence system. Is the Minister seriously concerned about that, and if so, will she rule out her Labour Senedd colleagues ever forming a coalition with the nationalists in an expanded Cardiff Bay?

Dame Nia Griffith: I am sure I do not need to remind the hon. Lady that defence is a reserved matter. Those decisions will be taken in this UK Parliament, and it is up to the Welsh Senedd how it forms a Government following the elections next year.

Union of Great Britain and Northern Ireland: Wales

4. **Sarah Pochin** (Runcorn and Helsby) (Reform): What steps she is taking to strengthen Wales's place in the Union. [904455]

The Secretary of State for Wales (Jo Stevens): We have transformed the relationship with the Welsh Government, and our two Labour Governments are delivering on the priorities of the people of Wales. Together we have delivered a record-breaking budget settlement for the Welsh Government; NHS waiting lists have fallen for four months in a row; tens of thousands of new jobs have been secured through inward investment; and pay rises are helping people across Wales, following the record increases to the national and living wage.

Sarah Pochin: Diolch yn fawr. Welsh Labour has been in power in Cardiff Bay for 26 years. In that time, Wales has fallen further and further behind its nearest neighbour in the Union in almost every key devolved area. Welsh household incomes are lower than in England; Welsh employment rates are lower than in England; and Welsh life expectancy is lower than in England. Is the Secretary of State proud of her party's record in Wales?

Jo Stevens: Actually, the positive impact that our UK and Welsh Labour Governments are having is clear in how the Welsh economy is changing. Employment has increased significantly in Wales, unemployment and economic inactivity have fallen, and real total wages have increased right across the UK.

Mr Alex Barros-Curtis (Cardiff West) (Lab): The safety and maintenance of coal tips is a totemic issue in Wales, including in my constituency of Cardiff West. The relationship between the Welsh Government and this Labour Government, and the funding for coal tips in the last Budget, signify the importance of the union between our two Governments. Can the Secretary of State tell me why, when given the opportunity to vote on this issue in the Senedd in March, Plaid Cymru voted against coal tip funding?

Jo Stevens: My hon. Friend raises an important point. Ensuring that coal tips across Wales remain safe is of the utmost importance and, unlike the Conservative Government, we committed £25 million of funding this year for essential work to keep tips maintained and safe. Quite why Plaid Cymru and the Conservatives voted against that additional funding in the Senedd is beyond me. They need to explain that to our former coalmining communities.

Mr Speaker: I call the shadow Secretary of State, Mims Davies.

Mims Davies (East Grinstead and Uckfield) (Con): Does the Minister prefer peanuts, cashew nuts or simply scraps for Wales? The fabled "two Labour Governments in lockstep" is simply a myth for voters. Changing rail classifications and short-changing Welsh communities is a true reality. Is the Minister concerned about today's reported peanuts? When did she become aware of the paltry settlement of just over £400 million that is to come to Wales? How will that be split for the Welsh Government? How does it compare with our Government's £740 million for rail alone? What specific action did she take to argue for a fair share for Wales, and for its place in the Union?

Jo Stevens: The hon. Lady's party, which was in government for 14 years, was in power when Wales got 1% of the rail enhancement budget, although it has 11% of the whole UK network. Her party is responsible for the historical underfunding of Welsh rail, and we will hear from the Chancellor this afternoon about what this Government are going to do about it.

Mr Speaker: I call the Liberal Democrat spokesperson.

David Chadwick (Brecon, Radnor and Cwm Tawe) (LD): The border we share with England is porous, and that is of critical importance to our agricultural community in mid-Wales, and particularly to livestock farmers, whose supply chain reaches from one side of the border to the other. The Secretary of State will be aware that the farming community is concerned about the outbreak of bluetongue. The Royal Welsh Show has already had to say no to entrants from England. Will she meet me and the livestock markets affected in my constituency to help find a solution for them?

Jo Stevens: Obviously, the Royal Welsh Show is a landmark event in the calendar in Wales every year. I would be happy to offer the hon. Member a meeting with the Minister responsible for farming at the Wales Office.

Clean Energy: Wales

5. **Ruth Jones** (Newport West and Islwyn) (Lab): What recent discussions she has had with Cabinet colleagues on support for clean energy projects in Wales. [904456]

13. **Matt Rodda** (Reading Central) (Lab): What recent discussions she has had with Cabinet colleagues on support for clean energy projects in Wales. [904464]

The Parliamentary Under-Secretary of State for Wales (Dame Nia Griffith): The UK Labour Government are putting Wales at the forefront of their mission to make the UK a clean energy superpower, creating jobs, lowering energy bills and raising living standards for families across Wales. Only last month, my right hon. Friend the Secretary of State announced £12.5 million of funding to support green advanced manufacturing and the National Net Zero Centre of Excellence for Skills in Port Talbot.

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

Ruth Jones: Wales has a phenomenal tidal range, which promises green growth and industrial employment to Wales and beyond. The Severn estuary commission has completed its recommendations, and tidal lagoons are ready to go. What steps is the Secretary of State taking with other Cabinet colleagues to ensure that tidal plays a prominent role in the transition to clean energy?

Dame Nia Griffith: The Government remain open to well-developed proposals for harnessing tidal range energy. The National Energy System Operator has launched a research innovation project to model the impacts and value of tidal range. I am pleased to tell my hon. Friend that we expect the report from that work tomorrow, and will consider its findings. More broadly, Wales has huge potential for green jobs. In April, the Prime Minister announced a £300 million boost for Great British Energy to invest in offshore wind supply, and Wales is well placed to benefit from that.

Matt Rodda: Wales has an enormous role to play in the roll-out of green and clean energy, which will benefit all the residents of Wales and the UK. What steps is the Minister taking to roll out this important work in Wales?

Dame Nia Griffith: Wales has a huge role to play in our clean energy mission and has excellent resources and a skilled workforce. We are supporting innovative renewable technologies, such as the tidal stream on Anglesey and floating offshore wind in the Celtic sea, which has the potential to deliver up to 5,000 new jobs.

Ann Davies (Caerfyrddin) (PC): Diolch yn fawr, Mr Llefarydd. Green energy deserves green transmission, so will the Minister commit to undergrounding any new electric transmission in Wales?

Dame Nia Griffith: I commend the hon. Member for her campaigning on this issue, but as I am sure she understands, the cost of undergrounding is significant. We have said clearly that our position is that overhead lines should generally be the starting presumption, except for in nationally designated landscapes.

Graham Stuart (Beverley and Holderness) (Con): People of all ages welcome Wales's role in making this country a clean energy superpower, but pensioners in particular had to go through last winter freezing cold, and tens of thousands went to A&E. Will the Minister, who we all know is a decent Labour Front Bencher, do what the Chancellor refused to do, and apologise to those pensioners who lost the winter fuel allowance when they needed it most?

Dame Nia Griffith: I should just remind the House that we did maintain the triple lock, which gave pensioners a boost of over £400 this spring. As the right hon. Gentleman well knows, pensioners will again benefit from the winter fuel allowance.

Employment: Wales

6. **Johanna Baxter** (Paisley and Renfrewshire South) (Lab): What steps she is taking with Cabinet colleagues to create new jobs in Wales. [904457]

11. **Rachel Hopkins** (Luton South and South Bedfordshire) (Lab): What steps she is taking with Cabinet colleagues to create new jobs in Wales. [904462]

The Secretary of State for Wales (Jo Stevens): Since July, we have driven over £1.5 billion of private investment into Wales, delivering hundreds of jobs. Last month, I was delighted to welcome Knauf Insulation's new £170 million investment in Shotton. Our Welsh freeports and investment zones will unlock further private investment and deliver tens of thousands of jobs across all four corners of Wales. Last month, Lloyds Bank reported a significant increase in Welsh business confidence, and our industrial strategy will provide further confidence to invest in Wales.

Johanna Baxter: This Labour Government are creating good, well-paid jobs across the whole of the UK, including in my Paisley and Renfrewshire South constituency. Will the Secretary of State explain what she is doing, in collaboration with Cabinet colleagues, to ensure that those new jobs are well paid and have good terms and conditions?

Jo Stevens: My hon. Friend is right to highlight the Labour Government's record of creating hundreds of thousands of new jobs across the UK. In Wales, we have two Labour Governments working together to create new jobs in our green industries, advanced manufacturing and more. I hope that Scotland also gets to experience the benefit of two Labour Governments working in partnership when the Scottish National party is resigned to the wilderness at next year's election.

Rachel Hopkins (Luton South and South Bedfordshire) (Lab): The multibillion-pound deal to secure a new Universal theme park in Bedfordshire is a major example of the Government backing our crucial culture sector, creating new jobs and boosting living standards for my constituents and the wider region. What are the UK and Welsh Labour Governments doing to support the culture sector and create new jobs in Wales?

Jo Stevens: I absolutely agree with my hon. Friend. Many people in Wales will be looking forward to visiting the new Universal Studios theme park in her constituency. In Wales, we are supporting a thriving creative industries sector, which our industrial strategy has rightly identified as providing more potential for huge economic growth in the years ahead. We have confirmed £10 million to upgrade Venue Cymru in Conwy—the largest arts centre in Wales outside Cardiff—and £5 million to fund repair works to the Newport transporter bridge, both of which play a crucial role in the tourism economy. The Welsh Government are also investing £12 million in the Elan valley lakes Project through the mid-Wales growth deal.

Carla Lockhart (Upper Bann) (DUP): Job creation in Wales is vital, so what representations has the Secretary of State made on behalf of businesses in Wales and the rest of Great Britain, which are being forced not to supply businesses in Northern Ireland any more because of the outrageous and unnecessary parcel border in the Irish sea? What is she doing to right the wrongs of the ongoing damage of the protocol and the Windsor framework to our Union and our economy?

Jo Stevens: The hon. Lady will know that the Government's No. 1 mission is economic growth. We are creating jobs all across the country, we are building the economy and we have fixed the foundations. We will hear more from the Chancellor this afternoon on what will happen in the years ahead.

Mr Speaker: I call the shadow Secretary of State.

Mims Davies (East Grinstead and Uckfield) (Con): Turbocharging the Welsh economy—and the economy at large, frankly—is vital for social mobility and prosperity. We Conservatives delivered two Welsh investment zones, two freeports, more than £1 billion in extra funding, and we helped more than 2 million women into the jobs market across the UK. Yet the UK and Welsh Labour Governments are undoing that work. Their jobs tax, their tourism tax and the 20 mph default speed limit are a hammer blow to business confidence, particularly in the hospitality sector. Disgracefully, the unemployment rate for young women in Wales is up by 4.6%. Will the Secretary of State join me in calling for those damaging policies to be dropped so that our young women can get into the workforce and progress?

Jo Stevens: I say again that the positive impact of the UK and Welsh Labour Governments is clear in how the Welsh economy is changing. Employment has increased significantly in Wales, unemployment and economic activity have fallen, and real total wages have increased across the UK.

Nuclear Power

7. **Jack Rankin** (Windsor) (Con): What discussions she has had with the Welsh Government on the future of nuclear power in Wales. [904458]

The Secretary of State for Wales (Jo Stevens): Yesterday we announced the biggest nuclear building programme in a generation. We are investing £14.2 billion to build Sizewell C, and we confirmed Rolls-Royce SMR as the preferred bidder to build the country's small modular reactors. I met the chair of Great British Energy Nuclear last week to discuss how to maximise the opportunities for Wales of new nuclear projects, and I will continue to work with the Energy Secretary and the Welsh Government to ensure that Wales's supply chain and workforce benefit from that investment.

Jack Rankin: Wales has incredible potential for the next generation of nuclear, but Labour's announcement yesterday is a fraction of what is needed. Green baseload power that stabilises our grid enhances power generation, as it has done before in Anglesey. Will the Minister give a clearer answer today to confirm that Wales will be a key part of new nuclear, building on Conservative work supporting Welsh nuclear, or will this be another failure to deliver for these communities under Labour?

Jo Stevens: Almost all the UK's nuclear power stations are currently due to come offline in the 2030s. It is this Government who are changing that, setting out our plan to end the years of Tory failure to invest or deliver on nuclear. We will deliver the biggest nuclear building programme in a generation.

Claire Hughes (Bangor Aberconwy) (Lab): In 14 years, the Conservatives delivered no new nuclear anywhere in the country, including in Wales. Does the Secretary of State agree that this Labour Government are committed to delivering energy security, good jobs and lower bills for families across Wales?

Jo Stevens: My hon. Friend will know that the Sizewell C consortium, for example—a group of more than 200 nuclear supply chain companies—has a memorandum of understanding with the Welsh Government that will result in an investment of up to £900 million in the Welsh nuclear supply chain. Great British Energy Nuclear acquired the Wylfa site last year, which previously hosted a nuclear power plant and is the best potential site in the UK for new nuclear deployment.

Mr Speaker: Before we come to Prime Minister's questions, I welcome in the Gallery the President and the delegation of the French National Assembly. I also welcome the knighthood given to Sir Billy Boston.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [904537] **Ann Davies** (Caerfyrddin) (PC): If he will list his official engagements for Wednesday 11 June.

The Prime Minister (Keir Starmer): Mr Speaker, may I first wish you a happy birthday for yesterday, and say that we are all delighted that Sir Billy Boston—a great British sporting icon—has received his richly deserved knighthood? It is long overdue, if I may say so, for him but also for rugby league.

This is Carers Week, and I know that the whole House will join me in celebrating the selfless dedication of our unpaid and young carers. This weekend also marks the eighth anniversary of the Grenfell Tower fire. We will honour the 72 men, women and children who lost their lives by delivering meaningful and lasting change—a country with safe and secure homes for everyone, where justice is done for the Grenfell community.

Acting alongside our allies, we have sanctioned individuals responsible for inciting appalling settler violence and expansion. We have done that to uphold human rights and defend the prospect of a two-state solution. We will continue to support all efforts to secure a ceasefire, the release of all hostages—despicably held by Hamas—and the humanitarian aid that needs to surge in.

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.

Ann Davies: Diolch, Mr Llefarydd. My constituent Mr Michael O'Leary was brutally murdered five years ago, and his body was desecrated. Working alongside the hon. Members for York Outer (Mr Charters) and for Montgomeryshire and Glyndŵr (Steve Witherden), I have made a number of requests to discuss the case of Mr O'Leary, and those of other victims, with Ministers and to explore introducing legislation to make the desecration of a body a criminal offence. Will the Prime Minister meet Mr O'Leary's family and the families of other victims, including April Jones of Machynlleth, Sarah Everard and Helen McCourt, to hear why they are calling for the introduction of a new criminal offence of desecrating a body?

The Prime Minister: I thank the hon. Lady for raising this horrific case and the other, similar cases. My thoughts—and, I am sure, the thoughts of the whole House—are with Michael's family and all those affected by such vile crimes. I think we all need to listen to what they have to say. I know that she has been working with my hon. Friend the Member for York Outer (Mr Charters) on this issue, and I pay tribute to her and to all those who are working so hard on the issue. I am sure that the Justice Minister will be in touch at the first opportunity to take this forward. I thank the hon. Lady again for raising a really important issue.

Q2. [904538] **Dr Simon Opher** (Stroud) (Lab): In Gloucestershire, after 14 years, waiting lists for both physical and mental health are finally falling. Last week I hosted a roundtable with young people and heard how music and arts programmes, such as Gloucester's fantastic Music Works, are transforming mental health outcomes. I also chaired a Comedy-on-Prescription panel at South by Southwest with Lu Jackson and Jonathan Pie, utilising laughter to improve wellbeing and reduce waiting lists. Can I ask the Prime Minister to back our campaign for creative health, and urge him to go further in reducing waiting lists for all patients?

The Prime Minister: My hon. Friend has great expertise, having worked for many years in the NHS as a GP, and I support the work he is doing. As he has pointed out, our plan for change has cut waiting lists in his local trust by almost 5,000, and we are going further, including through state-of-the-art radiotherapy machines rolled out across the country. There is one going into my hon. Friend's constituency, and more scanners are going to

27 other hospital trusts, including two hospitals in the constituency of the Leader of the Opposition. This is all made possible by the decisions we have made, and I know that the Leader of the Opposition will want to stand up and welcome that.

Mr Speaker: I call the Leader of the Opposition.

Mrs Kemi Badenoch (North West Essex) (Con): Perhaps the Prime Minister knows something I do not, because there is only one hospital in my constituency.

Since Labour took office, inflation has nearly doubled, growth has halved and unemployment has surged. Is this what the Prime Minister meant when he tweeted that "The economy is improving"?

The Prime Minister: Since the general election, 500,000 more people are in work. I know that the right hon. Lady does not mention that—she is fixated on talking Britain down. We are investing in the future. Even in the last two weeks, we have had the strategic defence review, with 30,000 new jobs building submarines. Yesterday we had the Sizewell announcement, which will create 10,000 new jobs, and there will be tens of thousands of construction jobs building the social and affordable housing that was announced this morning. That is the difference that Labour makes in government.

Mrs Badenoch: The Prime Minister must be talking about a different economy. All of us in this House heard about unemployment increasing—unemployment has increased every month since Labour took office. Last year, the Prime Minister said that he was taking the winter fuel payment away to balance the books, but the books are not balanced; in fact, they are worse. This year, the deficit is forecast to be £10 billion higher since the Budget—not since last year's election, but since the Budget. In what way are the books now balanced?

The Prime Minister: The right hon. Lady has obviously missed the interest rate cuts, the growth figures for earlier this year, the strategic defence review, £15 billion going into local transport, free school meals, Sizewell and social housing. She stands at the Dispatch Box to lecture us, and I see that Liz Truss is obviously back in vogue, advising Reform officially now and haunting the Tories. I remind the Leader of the Opposition that the shadow Home Secretary, who I think was then Chief Secretary to the Treasury, gave the Liz Truss Budget 9.5 out of 10. The Leader of the Opposition said that what was wrong with Liz Truss's Budget was not necessarily the package—that was all right—but the way it was sold. The Tories have learned absolutely nothing.

Mrs Badenoch: The Prime Minister loves talking about Liz Truss. Why? Because he wants to hide from his own economic record. He is a coward. Every time he stands at the Dispatch Box and talks about Liz Truss, it is because he is scared of talking about his record and what is happening to the economy out there.

Let us bring the Prime Minister back to the U-turn that he is running away from—a U-turn on a policy that his MPs went out defending time and again. Let us go through what is happening here. One minute, they said that it was right to take the winter fuel payment away, because there might be a run on the pound; the next minute, they said it was right to give it back. This is laughable. The Prime Minister stands there, all puffed up and self-righteous. Why can he not just admit that he made a mistake?

The Prime Minister: The Conservatives left a £22 billion black hole that we had to fill, and that is why we took the right decisions. We have stabilised the economy, which is why we have seen four interest rate cuts. We have committed to the triple lock, which the Opposition say is unsustainable—that is £470 for most pensioners—and we have had good quarter 1 growth. Three weeks ago, I said that I wanted more pensioners to be eligible for the winter fuel payment. I am really pleased that we set out the threshold and the certainty that is needed. The right hon. Lady says that I do not want to talk about our record, but what about three trade deals, record investment, free school meals, breakfast clubs, social and affordable housing, the defence review, Sizewell—we could go on all morning, but the Chancellor will say even more in a minute. At the weekend, the right hon. Lady said that she would be getting better in the role. She could start by apologising for the Liz Truss Budget; that would be better.

Mrs Badenoch: I get better every week; the Prime Minister gets worse. Last week—*[Interruption.]*

Mr Speaker: Order. I say to the Member shouting that if you think that is a good look, let me tell you that it is a very bad look. Think twice before you try to shout somebody down in that way. I call Kemi Badenoch.

Mrs Badenoch: Last week, the Prime Minister had to get his lines from the Russian embassy. I think we all know that he is getting worse, and what he does not want to talk about is how he is going to make the economy better. That is what the people out there want to hear, and he has got no answers. His trade deals have unravelled. With the strategic defence review, everyone out there is asking where the money is coming from. The fact is that he does not know how to balance the books. The Chancellor says that the winter fuel payment U-turn will not be funded through higher borrowing, so will the Prime Minister admit that it will be funded by putting everybody's taxes up?

The Prime Minister: I think the right hon. Lady let slip on the Matt Forde programme the other day that she rehearses her fury for PMQs, so there was a very good rehearsal this morning, I think. She asks what we are doing. At the Budget, we put record investment in our NHS and our public services. She comes every week to carp on about national insurance, but she does not stand there with the courage of her convictions and say that she will actually reverse it. The reason she will not is because she will not stand up and say she is against the investment in the NHS. She will not stand up and say she is against the investment in our public services. We will all listen very carefully in just 20 minutes, when the Chancellor lays out more record investment, as to whether the Conservatives welcome it or whether they say they would not support it.

Mrs Badenoch: Every week I come here to tell the Prime Minister the truth. The truth is that the economy is in a spiral because Labour—all of them—put up taxes, which cuts growth. We all heard the Prime Minister.

He did not rule out tax rises, so the Government are going to have to put up taxes even more. This is a spiral. If that was not bad enough, this morning we heard that because of his terrible Chagos deal, Mauritius is scrapping income tax. Why on earth should the British taxpayer pay £30 billion for tax cuts in Mauritius?

The Prime Minister: Diego Garcia is a vital intelligence and strategic capability, and it is absolutely clear that legal uncertainty would compromise it in very short order—that is why the Conservatives started the negotiations in relation to it—and no responsible Prime Minister would let that happen. We have secured the base for the long term. That has been welcomed by our allies—by the US, by NATO, and by Australia, New Zealand and India. It has been opposed by our adversaries—by Russia, China and Iran. In the second column, we add Reform following Putin, and the Tories following Reform.

Mrs Badenoch: The Prime Minister knows this has nothing to do with national security; it is his bad negotiating. I have had the security briefings; it was a bad deal before, and it is still a bad deal. In half an hour, the Chancellor is going to stand up and tell us that everything is fine, but the truth is that she has made bad choices—bad choices that mean higher inflation, bad choices that have led to lower growth, and bad choices that have meant that jobs have been lost every single month since Labour came into office. That is hundreds of thousands of families who have lost their income in Stoke, Grangemouth and Luton. Those are their constituencies and businesses across the country. The Chancellor has lost all her headroom. She has fallen out with the Cabinet. She is making unfunded spending commitments, which she promised not to do. Is the truth not that we have got the wrong Chancellor and the wrong priorities?

The Prime Minister: The wrong choice that they made was making the right hon. Lady the Leader of the Opposition.

Q4. [904540] **Richard Burgon** (Leeds East) (Lab): Belated birthday greetings to you, Mr Speaker.

It is wrong for any Labour Government to try to balance the books on the backs of disabled people, and no Labour Government should ever do it, but it is what the Prime Minister will ask the House to do in just a few weeks' time. Many of us will not be able to go along with that, because it will mean that people who need assistance to cut up their food, to wash themselves, to dress themselves and to go to the toilet will lose the personal independence payments that they currently receive—they will lose that vital support. This week, the Prime Minister changed direction on winter fuel payments. Will he do the same in relation to this matter, and drop these disability benefit cuts?

The Prime Minister: It is very important that we make the changes to our welfare system. It is not working, and it needs reform. I think everyone agrees with that. It does not work for anyone. We will do this on a principled basis, namely that those who can work should work, that those who want to work should be supported so that they can do so, and that we must protect those with the most severe disabilities who will never be able to work—and we are doing that by ending reassessments and paying a new premium.

Mr Speaker: I call the leader of the Liberal Democrats.

Ed Davey (Kingston and Surbiton) (LD): Let me join others in wishing you a belated many happy returns for yesterday, Mr Speaker. Let me also welcome the Government's sanctions on two Ministers in the Netanyahu Government, Ben-Gvir and Smotrich. The settler violence that they have incited against innocent Palestinians on the west bank is intolerable, and the Government were right to act.

As it is Carers Week, may I pay tribute to the millions of unpaid family carers across the country, recognising the challenges that they face? The last Conservative Government left our health service on its knees. We have heard reports that the NHS will receive extra funding in the spending review, and if it does, we will support that, but does the Prime Minister agree that no amount of money for the NHS will solve its crisis unless we also invest to fix care? Without pre-empting the Chancellor's statement, will he reassure me that both social care and family carers will be given the priority they deserve in the spending review?

The Prime Minister: I agree with the right hon. Gentleman that the health crisis created by the previous Government cannot be—*[Interruption.]* Opposition Members groan, but that is exactly how the country feels about the last 14 years and the mess that they made of everything. Yes, we do need to fix social care as well as putting money into the NHS. We are putting record amounts into the NHS, which is the right thing to do, and we are seeing the results. We promised 2 million extra appointments in the first year of a Labour Government, and we have delivered 3 million. So there will be that extra funding, but let me gently say to the right hon. Gentleman that while he welcomes all the extra funding, he cannot at the same time simply say that he is against any way of raising the money for the funding. There is an incompatibility there.

Ed Davey: The Prime Minister knows that he has a fairer and better way of funding NHS investment, and I regret the fact that he did not answer my question about care, but let us move on.

The Prime Minister is right to increase defence spending, and later we will hear about the difficult choices that the Chancellor has had to make partly to fund that defence expenditure, but there are frozen Russian assets worth £25 billion in the UK right now— billions that could be used to stop Putin's war machine and to boost Britain's defence industry even faster. At the G7 summit this weekend, will the Prime Minister seek an agreement to seize those frozen Russian state assets and use them to support Ukraine?

The Prime Minister: As the right hon. Gentleman knows, that is an issue that is being considered, but it is complicated and there are a great many countervailing factors that need to be carefully balanced in any decision. We are talking to allies about it, but I do not want to pretend to the House that there is an easy answer on this, because there is not.

Q5. [904541] **Henry Tufnell** (Mid and South Pembrokeshire) (Lab): More jobs, cheaper bills: that was our promise on net zero. If we cannot meet those goals, we must consider our approach. In Pembrokeshire we have a proud industrial history rooted in oil and gas, and an

incredibly exciting opportunity in respect of floating offshore wind in the Celtic sea. Can the Prime Minister assure me that he is committed to a just transition that protects and creates jobs?

The Prime Minister: I thank my hon. Friend for raising this. I believe this Government must seize the opportunities of net zero for working people, creating good, skilled jobs and taking them off the rollercoaster of volatile fossil-fuel markets. Under past Governments, hard-working communities had their pride and their jobs ripped away, and we will never do that in relation to a transition. We have already seen £40 billion of investment in energy and renewables, and the CBI data shows that 38,000 jobs in Wales are linked to clean energy. I want to see more of that; both the Conservatives and Reform are against it.

Sorcha Eastwood (Lagan Valley) (Alliance): With your indulgence, Mr Speaker, I will briefly pay tribute to the Police Service of Northern Ireland for tackling the public disorder in Northern Ireland over the last two nights, with over 30 police officers injured. I am sure the whole House will want to join me in that, and in condemning the racist violence.

Whether it is the cardiac scandal at the Royal Victoria hospital in Belfast, the cervical smear scandal at the Southern trust, the covid bereaved families or the crash of Chinook ZD576, all of which have impacted my constituents in Lagan Valley, the common thread here is that families simply wanted the truth, but they were let down by institutions at every cut and turn. Will this Government urgently introduce a duty of candour Bill, and ensure that it reflects what the "Hillsborough Law Now" campaigners and families have fought so very hard for?

The Prime Minister: May I start with the important point that the hon. Lady makes about Ballymena? I utterly condemn the violence that we saw overnight in Ballymena and other parts of Northern Ireland, including against PSNI officers. It is absolutely vital that the PSNI is given the time it needs to investigate the incidents concerned, rather than face mindless attacks as it seeks to bring peace and order to keep people safe. The Northern Ireland Secretary is in touch with the PSNI and the Executive, and I am being kept updated in relation to that.

In relation to the tragic cases that the hon. Lady mentions, I thank her for raising them. It is important that we have a legal duty of candour and we will be introducing that, because, as she says, there must be the truth here, based on all people being dealt with on the basis of dignity, fairness and accountability.

Q6. [904542] **Yasmin Qureshi** (Bolton South and Walkden) (Lab): In the words of the former Israeli Prime Minister, what we are witnessing in Gaza is the

"indiscriminate, limitless, cruel and criminal killing of civilians."

More than 50,000 people have been killed, and children have been shot while queuing for bread. A growing number of genocide scholars, including leading Israeli academics, believe that a genocide is taking place. Under international law, we have a duty to prevent genocide. I served on the UN mission in Kosovo. We acted to stop mass killing there. What is the difference now? Will the Prime Minister please intervene immediately to alleviate human suffering, and take steps to recognise the state of Palestine?

The Prime Minister: My hon. Friend will have seen the statement we made yesterday and the actions that we are taking with allies. The humanitarian situation is dreadful and distressing, and the scenes that we have witnessed outside aid distribution centres are frankly heartbreaking. More aid into Gaza is needed at volume and speed, and Israel's plan for aid delivery is inadequate and insufficient. What is needed is for the UN and other agencies to deliver that aid according to well-established mechanisms, and Israel must allow this. We are working with allies to do all that we can to make this happen, as well as to get the hostages out—they have been held for a very long time—and a desperately needed return to a ceasefire.

Q3. [904539] **Alex Easton** (North Down) (Ind): There are significant concerns regarding the potential job losses at Spirit AeroSystems that stem from the deal with Airbus. Will the Prime Minister intervene to bring all the main players—the unions, the Business Secretary and the Secretary of State for Northern Ireland—around the table to ensure that these jobs are protected, especially considering that the scale of the issue is akin to the challenges faced by British Steel? There is also an issue for Northern Ireland businesses with the outworkings of the Northern Ireland protocol and the Windsor framework. Can the Prime Minister give me reassurances that he is working to resolve all those issues?

The Prime Minister: I am grateful to the hon. Member for raising this important case of Spirit AeroSystems in Northern Ireland. I know how important it is for the workforce; I have visited them myself on more than one occasion. Airbus's decision to expand UK operations is good news for the sector and testament to world-class manufacturing expertise, and I want to see those high-skilled jobs protected. The Northern Ireland Secretary has met Airbus, the trade unions and Assembly representatives to discuss the best outcome. The Minister for Industry is continuing engagement with stakeholders, and we will do everything we can in relation to this situation. I am grateful to him for raising it.

Q7. [904543] **Margaret Mullane** (Dagenham and Rainham) (Lab): Will the Prime Minister join me in condemning decisions taken by the Transport Minister of the previous Government, who turned their back on promises to deliver a new train station at Beam Park, which derailed growth in my constituency of Dagenham and Rainham? Will he also agree that the Grampian condition on the Beam Park development must be honoured, and that infrastructure must accompany all developments of scale as we get on with the job of delivering millions of new homes?

The Prime Minister: I know my hon. Friend has been fighting hard for this project for years, and she is right that the previous Government failed to deliver. You could say that about anything they touched, Mr Speaker. The Rail Minister is working with the Mayor and the Housing Minister to get an appropriate solution to unlock housing in the area. We will also bring c2c back into public ownership, improving reliability and performance, and ensuring every penny is focused on better services.

Mr Richard Holden (Basildon and Billericay) (Con): It is a disaster.

The Prime Minister: I imagine when the right hon. Member says "disaster", he is referring to the last Government.

Q9. [904545] **Claire Young** (Thornbury and Yate) (LD): I have spoken to parents of children with special educational needs and disabilities who are not getting the support they need in school, but if, as a result, their child is out of school, they are left facing prosecution, fines or even prison time. Punishing parents for the failings of a broken system is outrageous, so will the Prime Minister end this by backing Lords amendment 349A to the Children's Wellbeing and Schools Bill, and will he meet me to discuss this further?

The Prime Minister: I thank the hon. Member for raising this. The epidemic of absence in our schools really does worry me. Thanks to the efforts of schools and parents across the country, we have seen over 3 million more days in school this year compared with last, which is really important, but we do know that pupils with special educational needs face more complex barriers in relation to school attendance. We will of course look at all amendments in the usual way, but in this instance I do think we have struck the right balance.

Q8. [904544] **Chris Webb** (Blackpool South) (Lab): May I start by congratulating Sir Billy Boston? Billy ended his career playing at Blackpool, and I know this has been a long campaign by the Culture Secretary, the Speaker, my hon. Friend the Member for Makerfield (Josh Simons) and many in this House—congratulations to Sir Billy.

It has been exposed by Shelter that 12,000 people are waiting for council housing in Blackpool. This is a damning indictment of the legacy of the 14 years of the previous Government. Hundreds of families in my constituency are waiting for housing, stuck in a bed and breakfast or, like my constituent Kaci with her two children in tow, are sofa surfing. So will the Prime Minister, alongside the Deputy Prime Minister, commit to a new generation of social housing and council housing in my constituency, and help me build a better Blackpool?

The Prime Minister: I join my hon. Friend on his comments about Billy Boston, and I think the whole House will, Mr Speaker.

We are turning the tide on the housing crisis, with the biggest investment in social and affordable housing in a generation. The Chancellor is investing £39 billion over the next 10 years—almost double what we saw under the last Government—and it is no wonder the National Housing Federation welcomed this as transformative, saying it offers "real hope" to the thousands who need safe, secure and affordable homes.

Sarah Bool (South Northamptonshire) (Con): It is National Diabetes Week, and as someone living with type 1, as we both are, Mr Speaker, I am more than aware of the serious complications of diabetic ketoacidosis—DKA—which can prove fatal if not caught early enough. A quarter of children are diagnosed with type 1 diabetes when in DKA, and that could be avoided with early diagnosis. Will the Prime Minister commit to rolling out a national universal screening programme, as seen in Italy, for type 1?

The Prime Minister: I thank the hon. Member for championing this really important issue. My late mother had diabetes, so I know at first hand just what a struggle it can be and how important this is. Type 1 diabetes is not preventable, as she knows, but the sooner we can reach people, the sooner we can care for them. We have a screening programme in the UK available to families across the country, and over 20,000 children have already taken part. It is really important that we continue to deliver that, but I thank her for continuing to champion this and to raise her voice on this very important issue.[1]

Q10. [904546] **Darren Paffey** (Southampton Itchen) (Lab): It is crystal clear how social media and smartphones are harming our young people, with cyber-bullying, addiction and exploitation rife. Governments elsewhere are taking bold action. I understand that Ministers are considering a two-hour limit, but that is per app rather than per day. I know the Prime Minister takes this seriously, so can he update the House on what he wants to see happen and what action this Government will take to protect our children?

The Prime Minister: It is important that we take action to protect our children. From July, tough new rules will mean platforms must protect children in the UK from seeing harmful and violent content. We do need to look at what other measures are needed to create safer online experiences for young people and we will not hesitate to take further steps.

Steff Aquarone (North Norfolk) (LD): Concerning new statistics show that delays in cancer treatment in North Norfolk are greater than the national average. Much of this relates to the struggles we face specifically as an older rural constituency. I was elected on a promise to get our NHS back and fighting fit after the criminal damage inflicted on it by the Conservatives. Does the Prime Minister recognise that rural health services face acute and specific challenges? Will he give his word to the people of North Norfolk that the reforms and spending we need will come forward to address them?

The Prime Minister: I thank the hon. Gentleman for raising this really important issue for his constituents. I think it does impact rural areas in particular. We have set out record funding for the NHS. We have our cancer plan, and I can give him that reassurance.

Q11. [904547] **Joani Reid** (East Kilbride and Strathaven) (Lab): The Prime Minister and Members across the House will have witnessed the spectacular victory for Davy Russell and Scottish Labour at the Hamilton, Larkhall and Stonehouse by-election. My constituents are sick of SNP failure and they voted for change: change for their NHS, for their schools and for Scotland. Has the Prime Minister seen the calls from within the SNP for John Swinney to resign? Does he agree with me that a leader who has only ever lost elections to the Labour party should stay put?

1.[*Official Report*, 2 July 2025; Vol. 770, c. 3WC.] (Correction)

The Prime Minister: I pay tribute to my hon. Friend for the role that she and others played in seeing Davy Russell elected. He will be a dedicated champion for his and her constituents. After nearly two decades in power, the SNP got its verdict last Thursday: Scotland wants change. People know that the SNP is completely out of ideas. That is why they want a Labour Government to deliver real change.

Spending Review 2025

12.32 pm

The Chancellor of the Exchequer (Rachel Reeves): My driving purpose since I became Chancellor is to make working people in all parts of our country better off, to rebuild our schools and our hospitals, and to invest in our economy so that everyone has the opportunity to succeed after 14 years of mismanagement and decline by the party opposite, culminating in a £22 billion black hole in the public finances. That was the Conservatives' legacy, and the first job I faced as Chancellor was to set it right. So at the Budget last October and again in the spring, I made the choices necessary to fix the foundations of our economy. We wasted no time in removing the barriers to growth: the biggest overhaul of our planning system in a generation; launching Britain's first National Wealth Fund; and reforming our pensions system to unlock billions of pounds of investment into our economy.

We are starting to see the results. The stability we have provided has helped support four cuts in interest rates, saving hundreds of pounds a year for families with a mortgage. Real wages have grown by more in the first 10 months of this Labour Government than in the first 10 years of the Conservative Government. And the latest figures show that we are the fastest growing economy in the G7. Countries around the world are lining up to do business with Britain again, with new trade deals with India, the United States and the European Union.

We are renewing Britain, but I know that too many people in too many parts of our country are yet to feel it. This Government's task, my task as Chancellor, and the purpose of this spending review is to change that—to ensure that renewal is felt in people's everyday lives, in their jobs, and on their high streets. The priorities of this spending review are the priorities of working people: to invest in Britain's security and Britain's health and to grow Britain's economy so that working people are better off.

Today, I am allocating the envelope I set out in the spring. I am enormously grateful to my excellent team of officials at the Treasury and to my right hon. Friend the Chief Secretary to the Treasury for his tireless work throughout this process, crunching the numbers and looking at the assets and liabilities. On that note, I thank all my Cabinet colleagues for their contribution to this process—they are all assets to this Labour Government.

In this spending review, total departmental budgets will grow by 2.3% a year in real terms. Compare that to the Conservatives' choice of austerity. In contrast to our increase of 2.3%, they cut spending by 2.9% a year in 2010. Let us be clear: austerity was a destructive choice for both the fabric of our society and our economy, choking off investment and demand and creating a lost decade for growth, wages and living standards. That is their legacy.

My choices are different. My choices are Labour choices—the choices in this spending review that are possible only because of my commitment to economic stability and the decisions this Government have made. The Conservatives' fiscal rules guaranteed neither stability nor investment, and that is why I changed them. My fiscal rules are non-negotiable, and they are the foundation for stability and investment.

My first rule is for stability: day-to-day Government spending should be paid for through tax receipts. That is the sound economic choice. It also the fair choice, because it is not right to expect our children and future generations to pay for the services we rely on today. This first rule allows me, as I set out in the Budget, to allocate £190 billion more to the day-to-day running of our public services over the course of this spending review compared with the previous Government's plans.

My second fiscal rule enables me to invest in Britain's economic renewal while getting public debt on a downward path. This rule allowed me to increase public investment by more than £100 billion in the autumn and a further £13 billion in the spring. That is investment to rebuild our transport networks, our defence capability and our energy security—in short, to grow our economy.

I have made my choices: tough decisions for stability and changing Britain's fiscal rules for investment. Today, I am delivering that investment for the renewal of Britain. Now, it is time for the parties opposite to make their choices. The spending plans I am setting out today are possible only because of the decisions I took in the autumn to raise taxes and the changes to our fiscal rules, every one of which was opposed by the parties opposite. Today, they can make an honest choice and oppose these spending plans as they opposed every penny I raised to fund them, or they can make the same choice as Liz Truss: spend more and borrow more, with no regard for the consequences.

In their clamour to cut taxes for the richest, the Conservatives crashed our economy, sent mortgage rates spiralling and put our pensions in peril. I will never take those risks. Yet Reform is itching to do the same thing all over again. The hon. Member for Clacton (Nigel Farage) may be playing the friend of the workers now, but some of us are old enough to remember when he described the disastrous Liz Truss Budget as "the best Conservative Budget" since the 1980s. *[Interruption.]* Mr Speaker, after the damage is done, he still nods along. Reform has learned nothing. His party has been in Parliament for less than a year, yet it has already racked up £80 billion of unfunded commitments. Reform is simply not serious. Every day it becomes clearer that it is Labour—and only Labour—that has a credible plan for the renewal of Britain.

As I said in my spring statement, the world is changing before our eyes. Since the spring, the challenges that we face have become even more acute. The signs of our age of insecurity are everywhere, so we are acting on the promise in our plan for change: building renewal on the foundations of national security, border security and economic security. As the Prime Minister said earlier this month,

"A new era in the threats that we face demands a new era for defence and security."

That is why we took the decision to prioritise our defence spending by reducing overseas development aid. Defence spending will now rise to 2.6% of GDP by April 2027, including the contribution of our intelligence agencies. That uplift provides funding for my right hon. Friend the Defence Secretary, with an £11 billion increase in defence spending and a £600 million uplift for our security and intelligence agencies. That investment will deliver not only security, but renewal in Aldermaston and Lincoln; in Portsmouth and Filton; on the Clyde and in Rosyth. Investment in Scotland, jobs in Scotland,

[Rachel Reeves]

and defence for the United Kingdom—opposed by the Scottish National party; delivered by this Labour Government.

Investing in our armed forces, our military technology and our supply chains also brings huge opportunities: £4.5 billion of investment in munitions, made in factories from Glasgow to Glascoed, Stevenage to Radway Green; and over £6 billion to upgrade our nuclear submarine production, supporting thousands of jobs across Barrow, Derby and Sheffield. We will make Britain a defence industrial superpower, with the jobs, the skills and the pride that come with that.

A more unstable world presents new challenges at our borders too. Conflict has opened the way for organised criminal gangs. The British people rightly expect us to have control of who comes into our country. The Conservatives said that they would "take back control". Well, Mr Speaker, they lost control. With one failed policy after another, there was no control and no security. In contrast, in the Budget last year I announced £150 million to establish the new Border Security Command, and today, to support the integrity of our borders, I can announce that that funding will increase, with up to £280 million more per year by the end of the spending review period for our new Border Security Command.

Alongside that, we are tackling the asylum backlog. The Conservative party left behind a broken system: billions of pounds of taxpayers' money spent on housing asylum seekers in hotels, leaving people in limbo and shunting the cost of failure on to local communities. We will not let that stand. I can confirm today that, led by the work of my right hon. Friend the Home Secretary, we will be ending the costly use of hotels to house asylum seekers in this Parliament. Funding that I have provided today, including from the transformation fund, will cut the asylum backlog; allow more appeal cases to be heard; and return people who have no right to be here, saving the taxpayer £1 billion per year. That is my choice, that is Labour's choice, that is the choice of the British people.

If we want national security in a dangerous world, that does not stop at the strength of our armed forces or at our borders. I have long spoken about what I call "securonomics"—the basic insight that, in an age of insecurity, Government must step up to provide security for working people and resilience for our national economy. Put simply: where things are made, and who makes them, matters.

Take energy: the Tories neglected our nuclear and renewables sectors and closed our gas storage facilities, leaving us exposed to hikes in energy prices when Russia invaded Ukraine, and it was working people who paid the price for their mistakes. Labour understands that energy security is national security. Because it is the right choice for bills, jobs and growth, this Government are investing in the biggest roll-out of nuclear power for half a century, with a £30 billion commitment to our nuclear-powered future.

Yesterday my right hon. Friend the Energy Secretary and I announced £14 billion for Sizewell C, which will produce energy to power 6 million homes and support more than 10,000 jobs, including 1,500 apprenticeships, in order to build the nuclear workforce of tomorrow. That is not all. We are investing over £2.5 billion in a new small modular reactor programme. Our preferred partner is Rolls-Royce—a great British company based in Derby. This investment is just one step towards our ambition for a full fleet of small modular reactors, and it provides a route for private sector-led advanced modular reactor projects to be deployed across the UK.

Alongside these actions, we are making nuclear-approved land available in Sellafield to attract private investment and create thousands more jobs. I thank my hon. Friend the Member for Whitehaven and Workington (Josh MacAlister) for his work in this area. To strengthen Britain's position at the forefront of a global race for new nuclear technologies—a cause championed by Mayor of the East Midlands Claire Ward and my hon. Friend the Member for Bassetlaw (Jo White)—and to support pioneering work taking place in West Burton in Nottinghamshire, we are investing over £2.5 billion in our nuclear future.

To back British industries, pioneering work in carbon capture, usage and storage will take place. Last year we announced funding for two sites, one on Merseyside and one in Teesside, where we are building the world's first commercial-scale CCUS plant. Today I can announce support for the Acorn project in Aberdeenshire to support Scotland's transition from oil and gas to low-carbon technology—a challenge and an opportunity well understood by the leader of Scottish Labour Anas Sarwar and my right hon. Friend the Scotland Secretary. We are also backing the Viking project in Humberside—a cause long supported by my hon. Friend the Member for Great Grimsby and Cleethorpes (Melanie Onn).

Because I am determined to ensure that the energy technologies of the future are built here and owned here and that jobs come to Britain, this spending review invests in the wholly publicly owned Great British Energy, headquartered in Scotland. These investments will ensure that the towns and cities that powered the last industrial revolution play their part in our next industrial revolution. Reducing our reliance on overseas oil and gas, protecting working families from price shocks, and a new generation of energy industries for a renewed Britain—that is my choice, that is Labour's choice, that is the choice of the British people.

Economic security relies on our ability to buy, make and sell more here in Britain. In April, this Government faced a choice: to let British Steel in Scunthorpe go under or to intervene. *[Interruption.]* That choice was a choice not of the metal trader but of this Labour Government. We heard representations from workers, trade unions and my hon. Friend the Member for Scunthorpe (Sir Nicholas Dakin). My right hon. Friend the Business Secretary and I were not prepared to tolerate a situation in which Britain's steel capacity was fatally undermined. We were not prepared to see another working-class community lose the pride, prosperity and dignity that industry provides, so we did intervene to save British Steel and the jobs that come with it, and I am proud of that decision.

The Government will invest in Scunthorpe's long-term future and the future of steelworks across our great country. In a vote of confidence in our home-grown steel, Heathrow airport, where we are backing London by backing a third runway, has signed the UK steel charter—a multibillion-pound airport expansion backed by Labour and built with British steel.

Building our train and tram lines, our military hardware and our new power stations will mean orders for steel made in Britain at Sheffield Forgemasters, where we are investing in nuclear-grade steel, and in Port Talbot, where the spending review confirms the £500 million grant to Tata Steel. A future for British-made steel and a proud future for Britain's steel communities. Things built to last, built here in Britain—that is my choice, that is Labour's choice, that is the choice of the British people.

This Labour Government are backing British business. There will be more to come in the weeks ahead with our 10-year infrastructure strategy and our modern industrial strategy: a plan drawn up in partnership with businesses and trade unions. When I speak to businesspeople and entrepreneurs about what they need to succeed, they say that they need the chance to innovate, they need access to finance and they need a deep pool of talent. We have heard that message, and today we are taking action.

First, on innovation, which is a great British strength. Our universities are world-leading, and we are proud of them. We want our high-tech industries in Britain to continue to lead the world in years to come in car production, in aerospace and in life sciences, so we are backing our innovators, backing our researchers and backing our entrepreneurs with research and development funding rising to a record high of £22 billion a year by the end of the spending review. Because home-grown artificial intelligence has the potential to solve diverse and daunting challenges, as well as the opportunity for good jobs and investment here in Britain, I am announcing £2 billion to back the Government's AI action plan overseen by my right hon. Friend the Secretary of State for Science, Innovation and Technology.

Secondly, to champion those small businesses seeking access to finance as they look to grow, I am increasing the financial firepower of the British Business Bank with a two thirds increase in its investments, increasing its overall financial capacity to £25.6 billion to help pioneering businesses to start up and scale up, backing Britain's entrepreneurs and backing Britain's wealth creators.

Thirdly, as we invest, if we are to thrive in the industries of the future, we must give our young people the skills they need to contribute to our national success as scientists, engineers and designers, and as builders, welders and electricians. I know the ambition, the drive and the potential of our young people; it cannot be right that too often those ambitions and that potential are stifled. Young people who want training find courses are oversubscribed and are turned away at the door, forcing growing businesses, eager to recruit that talent, to look elsewhere—potential wasted and enterprise frustrated. So today I am providing record investment for training and upskilling with £1.2 billion a year by the end of the spending review to support over a million young people into training and apprenticeships so that their potential, their drive and their ambition is frustrated no longer.

On the subject of skills, we should all recognise the Leader of the Opposition's own commitment to lifelong learning. At the weekend, she promised to learn and "get better" on the job. I am sure that Opposition Members will be supporting her in that endeavour. Good luck with that.

As we build a strong, secure and resilient economy, working people must feel the benefits. That starts with the security of a proper home. Our planning reforms have opened up the opportunity to build. Now, we must act to make the most of those opportunities, and a plan to match the scale of the housing crisis must include social housing, which has been neglected for too many decades, but not by this Labour Government. So, led by my right hon. Friend the Deputy Prime Minister, we are taking action. I am proud to announce the biggest cash injection into social and affordable housing in 50 years with a new affordable homes programme in which I am investing £39 billion over the next decade—direct Government funding that will support house building, especially for social rent. I am pleased to report that towns and cities including Blackpool, Preston, Sheffield and Swindon already have plans to bring forward bids to build those homes in their communities.

I have gone further. Last autumn, I enabled greater use of financial transactions to support investments in our infrastructure alongside strict guardrails that ensure that money is spent wisely through our public financial institutions. So, in line with that commitment, I am providing an additional £10 billion for financial investments, including to be delivered through Homes England, to crowd in private investment and unlock hundreds of thousands more homes. Homes built by a Labour Government; homes built for working people.

But it is no good investing in new skills, new jobs and new homes if they are not properly connected. That is why last week, with the support of my right hon. Friend the Transport Secretary, I announced £15 billion of investment to connect our cities and our towns—the biggest ever investment of its kind—with investments in buses in Rochdale, train stations in Merseyside and Middlesbrough, mass transit in West Yorkshire and metro extensions in Birmingham, Tyne and Wear and Stockport. Alongside that, we are backing Doncaster airport.

Today, I am announcing a four-year settlement for Transport for London to provide certainty and stability for our largest local transport network to plan for the future. For other regions in the UK, I am today providing for a fourfold increase in local transport grants by the end of this Parliament to make the improvements put off for far too long, to improve the journeys that people make every day.

To unlock the potential of all parts of Britain, we are going further by investing in major rail projects to connect our towns and cities. In October, I announced funding for the trans-Pennine route upgrade—the backbone of rail travel in the north, linking York, Leeds and Manchester—with a quarter of that route expected to be electrified by this summer. I know the commitment of my hon. Friends the Members for Huddersfield (Harpreet Uppal), for York Outer (Mr Charters) and for Colne Valley (Paul Davies) to this issue, and today I can announce a further £3.5 billion of investment for that route. But my ambition, and the ambition of people across the north, is greater still, so in the coming weeks I will set out the Government's plan to take forward our ambitions for Northern Powerhouse Rail.

I have also heard the representations of my hon. Friends the Members for Milton Keynes North (Chris Curtis), for Milton Keynes Central (Emily Darlington), and for Buckingham and Bletchley (Callum Anderson), and I can tell the House today that to connect Oxford

[Rachel Reeves]

and Cambridge and to back Milton Keynes's leading tech sector I am providing a further £2.5 billion for the continued delivery of East West Rail. On a matter that I know is of great importance to my hon. Friends the Members for Lichfield (Dave Robertson), for Birmingham Northfield (Laurence Turner) and for Birmingham Erdington (Paulette Hamilton), I can announce today that I am providing funding for the midlands rail hub: the region's biggest and most ambitious rail improvement scheme for generations, strengthening connections from Birmingham across the west midlands and into Wales, too.

For 14 years, the Conservatives failed the people of Wales. Those days are over. Following representations from my right hon. Friend the Secretary of State for Wales, the First Minister of Wales, and Welsh Labour MPs, today I am pleased to announce £445 million for railways in Wales over 10 years, including new funding for Padeswood sidings and Cardiff West junction. That is the difference made by two Labour Governments, working together to undo a generation of underfunding and neglect.

This Government take seriously their commitment to investment, jobs and growth in every part of the UK. I have heard the concerns of my hon. Friends the Members for Mid Cheshire (Andrew Cooper), and for Rossendale and Darwen (Andy MacNae), and the Mayor of the Liverpool City Region, Steve Rotheram, that past Governments have under-invested in towns and cities outside London and the south-east. They are right, so today I am publishing the conclusion of the review of the Treasury Green Book, which is the Government's manual for assessing value for money. Our new Green Book will support place-based business cases, and make sure that no region has Treasury guidance wielded against it. I said that we would do things differently, and that we wanted growth in all parts of Britain, and I meant it.

Backing our nations and regions means backing our devolved Governments, and this spending review provides the largest settlement in real terms since devolution was introduced, with £52 billion for Scotland, £20 billion for Northern Ireland by the end of the spending review period, and £23 billion for Wales. Having heard representations from many Welsh Labour colleagues, and because I know the obligation that we owe to our industrial communities, I am providing a multi-year settlement of £118 million to keep coal tips safe in Wales.

I know what pride people feel in their communities—I see it everywhere I go—but I also know that, for too many people, there is a sense that something has been lost as high streets have declined, community spaces have closed, and jobs and opportunity have gone elsewhere. The renewal of Britain must be felt everywhere. Today I am pleased to announce additional funding to support up to 350 communities, especially those in the most deprived areas—funding to improve parks, youth facilities, swimming pools and libraries, and to support councils in fighting back against graffiti and fly-tipping, including in Blackpool South, Stockport, Stoke-on-Trent Central, Swindon North, and Newcastle upon Tyne East and Wallsend.

And there is more. Job creation and community assets are vital to our growth mission, but too often, regeneration projects are held back, gathering dust in bureaucratic limbo. We are changing that. We will establish a growth mission fund to expedite local projects that are important for growth—projects such as Southport pier, an iconic symbol of coastal heritage that has stood empty since 2022; Kirkcaldy's seafront and high street, where investment would create jobs and new business opportunities; and plans for Peterborough's new sports quarter, to drive activity and community cohesion. People deserve a Government who share their ambition for their communities, and who deliver renewal, growth, and opportunity, and that is what you get with a Labour Government.

If people are to feel pride in their community, enjoy their public spaces, and spend time on their high streets, they must feel safe when they do so—safe in the knowledge that when people break the law, they feel the full force of the law. The Conservative party left our prisons overflowing and on the brink of collapse, and left it to us to deal with the consequences. We are taking the necessary action, so my right hon. Friend the Justice Secretary and I have announced that we are investing £7 billion to fund 14,000 new prison places, and putting up to £700 million per year into reform of the probation system. Today, I will do more. I am increasing police spending power by an average 2.3% per year in real terms over the spending review period, to protect our people, our homes and our streets. That is more than £2 billion, supporting us to meet our plan for change commitment of putting 13,000 additional police officers, police community support officers and special constables into neighbourhood policing roles across England and Wales.

I am determined that every family, as well as every place, should feel the benefits of Britain's renewal. Falling interest rates, supported by our commitment to economic stability, are already saving many families hundreds of pounds a month on their mortgage. I have accepted pay review body recommendations for our armed forces, nurses, teachers and prison officers, giving public sector workers the fair pay rises that they deserve. In autumn, I increased the national living wage—a pay rise for around 3 million hard-working people. This Government are doing more: we are banning exploitative zero-hours contracts, strengthening statutory sick pay, and ending the use of unscrupulous fire-and-rehire practices. Those are my choices; those are Labour choices.

I know that for many people the cost of living remains a constant challenge. That is why we are capping the cost of school uniforms. I can tell the House today that I am extending the £3 bus fare cap until at least March 2027. Earlier this week, we announced that over three quarters of pensioners will receive the winter fuel payment this year. And there is more: to get bills down, not just this winter but in winters to come, we have expanded the warm homes plan to support thousands more of the UK's poorest households. That includes providing £7 million to homes in Bradford, £11 million to homes in Rugby, and £30 million to homes in Blackpool. Today I can announce that I will deliver in full our manifesto commitment to upgrading millions of homes, saving families and pensioners across the country up to £600 off their bills, each and every year. I am determined to do everything in my power to put more money in people's

pockets, to give people security and control in their lives, to make working people better off, and to show them that this Labour Government are on their side.

Taxpayers work hard for their money, and they expect their Government to spend their money with care. For the first time in 18 years, this Government have run a zero-based review, and made a line-by-line assessment of what the Government spend—something that the Tories did not bother to do in 14 years. As a result of that work, and our wider drive for efficiencies, led by my right hon. Friend the Chancellor of the Duchy of Lancaster, in this spending review I have found savings from the closure and sale of Government buildings and land, from cutting back office costs, and from reducing consultancy spend—all of which the previous Government failed to do. Those reforms will make public services more efficient, more productive, and more focused on the user. I have been relentless in driving out inefficiencies, and I will be relentless in cutting out waste, with every single penny reinvested in our public services.

I joined the Labour party almost 30 years ago because I knew, growing up, that the Conservative party did not care much about schools like mine, or the kids I grew up with. I joined because I believed that every young person should have an equal chance to succeed, no matter where they come from or what their parents do. I believe that just as strongly today as I did then. That is why, at the Budget last autumn, I ended the tax loophole that exempted private schools from VAT and business rates. I put that money where it belongs: into helping the 93% of children in our state schools. The Conservatives opposed money for their local state schools, but I will always prioritise those schools. That was my choice; that is the Labour choice.

Because of decisions that we made in this spending review, last week, this Government, working with my right hon. Friend the Education Secretary, announced that free school meals will be extended to over half a million more children. That policy alone will lift 100,000 children out of poverty—children in schools from Tower Hamlets to Sunderland, and from Swansea to Bridgend.

Last year, at the Labour party conference, I was proud to announce the first steps in our plan to deliver breakfast clubs for every child, with an initial roll-out to the first 750 schools. We will continue with that national roll-out as part of our manifesto commitment, so that no child goes hungry, and every child can have the best chance of thriving and succeeding. I know that a good start in life does not start at school, so I can also announce £370 million for school-based nurseries, to put us firmly on track to meet our plan for change commitment to a record number of children being school-ready. On children's social care, to break the dangerous cycle of late intervention and low-quality care, I am providing £555 million of transformation funding over the spending review period, so that children do not needlessly go into care when they could stay at home, and so that, where state intervention is necessary, there is better care, and there are better outcomes.

Last week, I was pleased to announce, with my right hon. Friend the Secretary of State for Culture, Media and Sport, that more than £130 million from the dormant assets scheme, run with the financial services sector, will be allocated to funding facilities for our young people, to give every child the chance to take part in music, sport and drama, and to fund libraries in our schools, so that the confidence and opportunities that those resources open up are no longer the preserve of the privileged few. Those are my choices, those are Labour choices, and those are the choices of the British people.

Overall, I am providing a cash uplift of over £4.5 billion a year in additional funding for the core schools budget by the end of the spending review, backing our teachers and our kids. People who went to ordinary comprehensives in the '80s and '90s are all too familiar with the experience of being taught in temporary classrooms. The previous Conservative Government oversaw another generation of kids being herded into cold and damp buildings as school roofs literally crumbled. It was not acceptable when I was at school, and it is not acceptable now. I am therefore providing investment, rising to nearly £2.3 billion per year, to fix our crumbling classrooms, in addition to £2.4 billion per year to continue our programme to rebuild 500 schools, including Chace community school in Enfield, Woodkirk academy in Leeds and Budmouth academy in Weymouth. Investing in our young people, investing in Britain's future and investing in opportunity for all: that is Labour's choice.

Finally, let me turn—[Hon. Members: "More!"] I knew they would cheer. Let me turn to our national health service. It is our most treasured public service, and people rightly expect an NHS that is there when they need it; that an ambulance will come when they call one; that a GP appointment will be available when they need one; and that a scan will be performed when they are referred for one. I am hugely grateful to our nurses, our doctors, our paramedics and other healthcare professionals for everything that they do.

If we want a strong economy where working people can fulfil their potential, we must have a strong NHS—not, as the Reform party have called for, an insurance-based system. We believe in a publicly funded national health service, free at the point of use. Perhaps the hon. Member for Clacton should spend more time focusing on the priorities of the British people, and less time in the Westminster Arms—although, after this week, perhaps the Two Chairmen pub might be a better fit.

At the Budget, I took the decisions necessary to provide an immediate injection of funding to get the NHS back on its feet. I commend my right hon. Friend the Health Secretary for all the progress that he has already made. In less than a year, this Government have recruited 1,700 new GPs, delivered 3.5 million extra appointments and cut waiting lists by more than 200,000. Fixing our NHS also means delivering fundamental reform across social care, so we are backing the first ever fair pay agreement for that sector. I am also increasing the NHS technology budget by almost 50%, and we are investing £10 billion to bring our analogue health system into the digital age, including through the NHS app, so patients can manage their prescriptions, get their test results and book appointments all in one place.

We are shifting care back to the community and providing more funding to support the training of thousands more GPs to deliver millions more appointments. We are investing more in prevention, to meet our manifesto commitment of providing mental health support teams in all schools in England by the end of this Parliament. Those investments will enable the delivery of our upcoming 10-year plan for health and will put the NHS firmly back on the path to renewal.

[Rachel Reeves]

To support that plan, to back the doctors and nurses we rely on, and to make sure that the NHS is there whenever we need it, I am proud to announce today that this Labour Government are making a record cash investment in our national health service, increasing real-terms, day-to-day spending by 3% per year for every single year of this spending review—an extra £29 billion per year for the day-to-day running of our health service. That is what the British people voted for and that is what we will deliver: more appointments, more doctors and more scanners. The national health service: created by a Labour Government, protected by a Labour Government and renewed by this Labour Government.

This is a spending review to deliver the priorities of the British people: security, with a strong Britain in a changing world; economic growth, powered by investment and opportunity in every part of Britain; and our nation's health, with an NHS fit for the future. I have made my choices. In place of chaos, I choose stability; in place of decline, I choose investment; and in place of pessimism, division and defeatism, I choose national renewal. These are my choices, these are Labour choices, and these are the choices of the British people. I commend this statement to the House.

Mr Speaker: I call the shadow Chancellor.

1.17 pm

Sir Mel Stride (Central Devon) (Con): This spending review is not worth the paper it is written on, because the Chancellor has completely lost control. This is the "spend now, tax later" review, because the right hon. Lady knows that she will need to come back here in the autumn with yet more taxes, and a cruel summer of speculation awaits.

How can we possibly take this Chancellor seriously after the chaos of the last 12 months? We were assured at the election that Labour's plans involved barely any additional spending or borrowing. Now the Chancellor parades her largesse, with hundreds of billions in additional spending over this Parliament. The initial profile for that spending was, of course, significantly front-loaded, but the Chancellor now expects us to believe that she will let spending rise by only 1.2% a year. There is no chance whatsoever of that happening, for the lesson of the last year has been that when the going gets tough, the right hon. Lady blinks.

She presented herself as the iron Chancellor, but what we have seen is the tinfoil Chancellor: flimsy and ready to fold in the face of the slightest pressure. She said she would not fiddle her fiscal rules; then she did. She said that she would not make any unfunded commitments; with the humiliation of the winter fuel U-turn, she just has. She looked business leaders in the eye and said no more taxes, but we all know what happened next, and we all know what is coming in the autumn. Her own Back Benchers, her Cabinet colleagues, Labour's trade union paymasters and even the Prime Minister himself have all seen that she is weak, weak, weak. They can smell the blood. They will be back for more, and they will get it.

These spending plans are a fantasy, and is it not the truth that the Chancellor has to maintain this fiction because she has left herself no room for manoeuvre? She is constantly teetering on the edge of blowing her fiscal rules, which she has already changed to allow even more borrowing. The only way she can claim to be meeting her rules is by pretending that she can control spending over the coming years, but let us look at the record so far. Borrowing in the last financial year came out £11 billion above even the Office for Budget Responsibility's March forecasts, and 70% higher than the plans she inherited from the Conservatives.

For someone so keen on borrowing, the Chancellor seems strangely reticent even to use the word. Indeed, Ministers bizarrely tell us that it is Labour's fiscal rules themselves that have "generated investment". The reality is a little more straightforward: they have loosened the fiscal rules so they can borrow more. They borrow and borrow and borrow, allowing the national debt to continue to rise higher every single year while Ministers pretend that it is not. There will be an eye-watering £200 billion of additional borrowing in this Parliament compared with the plans set out in the last Conservative Budget, with £80 billion more to be spent on debt interest alone. In fact, if the Chancellor had retained our fiscal rules—*[Laughter.]* Labour Members may laugh, but if she had retained our fiscal rules, as she said she would before the election, the OBR has confirmed that she would be breaking them right now.

Our country is now vulnerable to even the smallest changes in the bond markets. Should we face a sudden external shock, we have no fiscal firepower left with which to respond, all thanks to the right hon. Lady's choices. So can I ask the Chancellor: will she be open about what she has done? Will she admit that she has made a conscious choice to borrow more and to accept higher debts? Does she accept that this means interest rates and mortgages will be higher than they would otherwise have been, as the OBR itself has said? Given that she continues to claim that she has brought stability to the public finances, can I ask her what on earth her definition of "stability" is?

The Chancellor must be delighted that she does not have to face a new OBR forecast today, because if she did, she would have to set out how she would fund her humiliating U-turn on winter fuel payments, having already blown the savings on buying off her trade union paymasters last year. She said this week that there was still

"work to do to ensure the sums always add up".

From the person in charge of the nation's finances, that is hardly reassuring. You do not need to have worked at the Bank of England for a decade to know that that pitiful utterance is unlikely to soothe the markets.

So can the Chancellor confirm categorically that there will be no additional borrowing to pay for this chaotic reversal? And if that is the case, can she explain how on earth it can be paid for without raising taxes? Can she explain why, last summer, apparently to avoid a run on the pound, this measure was so urgent that pensioners had to be left in the cold over the last winter? What exactly has changed? Because it certainly has not been made possible by an improvement in the economy or the public finances, which the Institute for Fiscal Studies said this week are both in a worse state now than when Labour came into office.

If we had an OBR forecast, we might also get some answers on how the Government intend to find £3.5 billion to abolish the two-child benefit cap, which we are led to believe is imminent—another addition to the ballooning

welfare bill; another expensive surrender to the Labour left. And we would certainly get the OBR's assessment of the economic outlook following the tariffs—changes that the right hon. Lady knew full well were coming. Meanwhile, her deluge of taxes and regulations has left business confidence at record lows, costing people their livelihoods. Only yesterday we saw the latest evidence of that. Figures for last month show that the number of people on payrolls fell by more than 100,000, after already falling by 55,000 in April. Unemployment is up by more than 10% since Labour came to office.

The right hon. Lady may trumpet extra spending today, but is it not the simple truth that she has trashed the economy and left no contingency in the face of a highly volatile global outlook? Is it not the reality that the Chancellor knows she will have to come back in the autumn with more tax rises to fund these plans? Or can she assure us right now that this is not the case—yes or no? We know that the Deputy Prime Minister has helpfully provided her with an entire brochure of tax rises that she will no doubt be perusing over the summer—the Corbynist catalogue. Can the Chancellor confirm that, as promised, the income tax thresholds will not be frozen at the Budget, a move she herself said would hurt working people?

What about the uncertainties in the departmental spending plan that the Chancellor has set out today? Can she assure us that these plans will not be topped up and that no backroom deals have been cut with disgruntled Cabinet Ministers? Can she assure us that the capital allocations announced today will actually be spent on capital and will not be diverted in-year, as she has done in the past, to day-to-day budgets to play more games with her fiscal rules?

The Chancellor has had to impose a settlement on the Home Secretary because this spending review will not deliver for our hard-working police officers across the country. Instead, the Home Office budget gets squandered on asylum costs because this Government simply do not have a plan on illegal migration. As the Defence Secretary has admitted, the Government have "lost control" of our borders. Small boat crossings are up by 42% on the same point last year.

On energy, at a time when businesses up and down the country are struggling with high energy costs, the Chancellor has chosen today to fund the Energy Secretary's vanity projects such as GB Energy. And although we welcome the announcements on expanding nuclear capacity, the scale of ambition is a downgrade on the commitments made previously by the Conservatives.

Labour barely mentioned farming in its manifesto, and now we know why. It is not enough to have hit the farmers of our country with a family farm tax; today, what we see in black and white is a choice to make further cuts to the vital grants on which many farmers rely. This is a huge betrayal of our farming communities, and something that many Labour MPs in rural areas will have to go back to their constituencies later this week to explain.

On defence, we will always welcome any additional investment in our armed forces and capabilities, though I note nothing was said about when 3% will be achieved. All we heard was that intelligence services spending was to be included in defence spending to flatter the numbers. We left Labour a fully funded plan that they dithered over for a year, but now what we get is the Chancellor's own black hole on defence spending and the lack of a timeline on when we will achieve 3%. Instead, we get a £30 billion bill for the Chagos surrender—money that should have gone to our brave armed forces rather than, as is being reported, funding lower taxation in Mauritius. The first tax cuts for which this Chancellor has been responsible are in Mauritius.

We would have made different choices. We would not have killed growth with huge tax rises and new regulations. We would not have talked down our economy and the great businesses up and down our country. We would be focusing on efficiency and productivity in the public sector, not handing out pay rises with no strings attached. We would be getting a grip on welfare. Labour cancelled our plans for fundamental reform to health and disability benefits that would have seen 450,000 fewer people on long-term sickness benefits—that is a disgrace. Instead of proper reforms to PIP, the Government's own plans are a rushed cost-cutting exercise—so rushed they even had to change them after they were announced. Their own Back Benches are in full revolt. Yet again, the Government talk tough, but there is no substance.

The right hon. Lady has no grip. She has no clue. The markets and the public see a Chancellor completely out of her depth. Having blown her headroom and more from her Budget in the autumn, she was forced into an emergency Budget in March to scrabble around to try to repair the damage. Today she comes before us again with yet another fantastical tale that she knows will have completely fallen apart come the autumn. We are not left with stronger foundations, as she would have us believe, but rather another dose of that hallmark for which her actions have made her so renowned: uncertainty and failure.

So there the right hon. Lady sits, powerless to resist her disillusioned MPs and her panicking Prime Minister, like a cork on the tide, the drumbeat for U-turns pounding in her ears. Yet her tone today suggests that all is well; the sunlit uplands await. What a hopeless conceit—a masterclass in delusion. Inflation is up, unemployment is up, growth is marked down, business and households are hurting, investors are fleeing in their droves, the bond market vigilantes circle—and here we have the Chancellor who refuses to listen, not only tinfoil, but tin-eared, too.

Let me be clear: it is working people and businesses who will pay the price come the autumn, with yet more taxes to pay for her weakness and her failures. We cannot afford this spending review, and for many, the growing conclusion is that we cannot afford this Chancellor.

Rachel Reeves: I will address the shadow Chancellor's specific points in a moment, but I want to start by acknowledging the progress he has made. After all, it has been quite a week for him. Last Thursday, he gave a speech saying that it will "take time" for his party to win back trust on the economy. Today he showed us how far he and his party have to go to achieve that. I want to give him some credit for last week's analysis. He said that

"the Conservative Party was seen to have failed",

and he is right. He said that the last Conservative Government

"put at risk the very stability which Conservatives had always said must be carefully protected",

and I agree with him. *[Interruption.]*

Madam Deputy Speaker (Judith Cummins): Order. I need to be able to hear, and I am sure our constituents also want to hear.

Rachel Reeves: The shadow Chancellor said:

"The credibility of the UK's economic framework was undermined by spending billions…with no proper plan for how this would be paid for."

I could not put it better myself. He could have gone a lot further. For example, he could not even bring himself to mention Liz Truss by name—Stride by name, baby steps by nature—but at least he has made a start. He also spoke about

"the death of what we might call the Age of Thoughtfulness."

Speaking of the death of thoughtfulness, let me turn to the shadow Chancellor's response to the spending review. He welcomed our nuclear investment of £30 billion, but he said it is not enough. He welcomed our defence investment of £11 billion, but he said it was not enough. He and his party opposed the decisions that this Government have taken to make those announcements possible by voting against the Budget in October. You cannot spend the money if you will not raise the money. That is a lesson from Liz Truss that he has already forgotten.

The shadow Chancellor complained about the level of investment that I have announced, ignoring the fact that the reason this investment is so important is because his party oversaw 14 years of cratering investment, stagnating wages and public service collapse. Let me remind him of what I said: the Tories' fiscal rules guaranteed neither stability nor investment, and that is why I changed them, so we can get stability and investment. All their fiscal rules enabled was them to crash the economy, and the working people of Britain will never forgive them for doing that.

The Conservatives set themselves against investment in the renewal of Britain. They set themselves against NHS investment, free school meals, investment in skills, investment in carbon capture and storage, investment in transport in our towns and cities—investment in everything that we have set out today—and yet the British people voted for that investment. The right hon. Gentleman says that the Home Office budget involves an increase in asylum costs. It does not. Asylum costs are coming down under this Labour Government because we are deporting more people and getting them out of hotels. He says we are cutting police spending; we are increasing it by 2.3% a year in real terms. We have had no apology for the damage the Conservatives did to our economy and our public services.

Interest rates have been cut four times in the past 11 months; GDP was the fastest growing of all G7 economies in the first quarter of the year; business confidence is rising; 500,000 more people are in work; record investment has been made in Britain; real wages have increased more in 10 months than they did in 10 years of a Conservative Government; the national living wage has increased, giving 3 million working people a pay rise; and we have done all that without increasing taxes on working people. Those are the choices we have made. That is the difference we are making.

In the spending review today, we set out the spending that we announced in the Budget last year and in the spring statement—not a penny more, not a penny less. I said in the Budget and in the spring statement that public services must now live within the means that we have set, and we have achieved that. There will be a Budget later this year, and in that Budget we will set out all the fiscal plans in the round. But we have already drawn a line under the Tory mismanagement, with tax rises last year, and we will never have to repeat a Budget like that again because we will never have to clean up after the mess that the Conservatives made again.

The reason that this Labour Government have spent their first year fixing the foundations of our economy and stabilising our public finances is because it is what we had to do. The Government of which the shadow Chancellor was a part of left an unenviable legacy, which is why his party is, in his own words, "in a difficult place."

We have made our choices. We are removing barriers to growth, which were untouched by the Conservatives in their 14 years in office; strengthening Britain's security with the biggest real-terms increase in defence spending since the end of the cold war, which the Conservatives did not do in their 14 years in office; bringing our health service into the 21st century after 14 years of Conservative neglect; investing in Britain's renewal to repair the damage done by the Conservatives in their 14 years in office; and, in stark contrast to the Conservatives' 14 years of chaos, waste and decline, we are delivering on the priorities of the British people.

Madam Deputy Speaker (Judith Cummins): I call the Chair of the Treasury Committee.

Dame Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): I congratulate my right hon. Friend on delivering this spending review—the first zero-based review in a very long time. It is vital that as taxpayers—the citizens—are looking carefully at their spending in this cost of living crisis, that Government do that too. We look forward to having the Chief Secretary to the Treasury before the Committee in two weeks' time to consider the review in more detail.

I note from the figures that the Chancellor has made a good fist of ensuring that Departments have more than they did under the Conservatives in many cases, and I welcome her work to deliver on tackling child poverty, a scourge on our society. I note from my brief glimpse, however, that there is a smaller increase for the Ministry of Housing, Communities and Local Government than there would have been—there is the £39 billion over a decade for affordable social housing. Children living in poverty also face poverty of situation in many cases. Will she expand on how she and the Deputy Prime Minister will deliver that money to provide the social housing that so many children in poverty desperately need?

Rachel Reeves: I appreciate my hon. Friend's welcoming of the breakfast clubs, free school meals and the capping of school uniform costs, which will help families living in poverty. The free school meals will, as she knows, lift 100,000 children out of poverty. She mentions the affordable homes grant, which will have its biggest ever increase. We have set that budget for 10 years to give certainty to the sector, so that it understands what is available. In addition, we have set out some social rent changes to give certainty to the sector to invest for the future.

Madam Deputy Speaker: I call the Liberal Democrat spokesperson.

Daisy Cooper (St Albans) (LD): It has been almost a year since Labour swept to power with the promise of change, but we are still not seeing the scale of ambition needed to turn the country around. We welcome the announcement of investment in the NHS, but it will not work unless the Government invest in social care too. We welcome the investment in infrastructure, but it will not work unless the Government invest in skilling up the workforce that we need to build it. Cutting billions in real terms from departmental budgets seems unnecessary when the Government could instead go for growth and get a much deeper trading relationship with Europe—a move that could raise an extra £25 billion a year for the public purse. As long as the Government fail to truly tackle the red tape and trading barriers blocking British businesses, the Government's grip on economic growth is more akin to a handbrake than an accelerator.

The last Conservative Government left our NHS on its knees. On their watch, waiting lists were soaring, hospitals were crumbling and our high street healthcare was hollowed out. Can the Chancellor confirm that this funding will deliver the extra 8,000 GPs needed to guarantee everyone an appointment within seven days, or within 24 hours if the matter is urgent? Can she confirm that this funding will bring dentists back into the NHS and put an end to dental deserts? Will she promise that this funding will mean that every cancer patient starts treatment within 62 days? Will she promise that the Government will meet the Prime Minister's own pledge for 92% of routine operations to take place within 18 weeks? Will she and the Health Secretary—they are sitting side by side—set up a crumbling hospitals taskforce to look at creative funding ideas, bring construction dates forward and put an end to the vicious cycle and false economies of delayed rebuilds leading to rising repair costs, as we saw under the previous Government?

Then, of course, there is the elephant in the NHS waiting room: the crisis in our social care services. The Chancellor knows, the Health and Social Care Secretary knows, this whole Parliament knows: today's investment in the NHS will be like pouring water into a leaky bucket if hospitals cannot discharge patients who are well enough to leave because there are no care workers to help them recover at home. The fair pay agreement that the Chancellor talked about is of course welcome, but it is barely a baby step, and it is nowhere near enough to bring social care back from the brink. At a bare minimum, we need a higher minimum wage for our care workers to stop the sector haemorrhaging staff to other sectors. When will the Chancellor finally recognise that we will never fix the NHS if we do not fix social care too? Will the Government finally act with urgency by committing to conclude the social care review by the end of this year, not in three years' time?

On housing, we warmly welcome the Government's investment in social homes. Will they now commit to the Liberal Democrats' target of building 150,000 social homes every year?

Other public services are crying out for investment, too. Our communities need proper neighbourhood policing to feel safe, our farmers need fair support payments to keep putting food on our tables, and people of all ages deserve access to training and skills to build their future and to power our economy forward. That is why it is so disappointing that the Chancellor has today made things so difficult for our public services by cutting unprotected budgets by billions. Yes, we know she was faced with the fallout from the most reckless, out-of-touch Conservative Government in recent memory, but being responsible is not just about making tough decisions; it is about having the moral courage to make the right ones. Yet this Government seem determined not to adopt the one policy that could put rocket boosters on our economy and raise billions for our public services: a proper trade deal with Europe.

A new, bespoke customs union with the European Union could boost our GDP by more than 2.2%, securing additional revenue to the tune of £25 billion a year—a huge boost to businesses and our struggling public services. If the Chancellor can U-turn on the winter fuel payment thanks to a skinny EU trade pact worth just 0.2% in extra GDP, just imagine how many more U-turns she could perform with a proper trade deal worth ten times as much.

We Liberal Democrats strongly support the allocation of 2.5% of GDP on defence, but we want Ministers to go further and faster to bolster our national security in today's uncertain world. Will the Chancellor agree to cross-party talks in which we can work together to set a pathway to 3% of GDP well ahead of 2034? Will the Government use some of today's investment to reverse the Conservatives' irresponsible cut of 10,000 troops? Will she ensure that investing in our national security becomes a lever for economic growth, putting much greater emphasis on British steel producers and SMEs as we scale-up our defences, and ensuring that British start-ups can use defence innovation for the public good?

Before I conclude, I must thank the Chancellor for finally completing the world's slowest U-turn, on the unfair winter fuel payment cut. Now that she has U-turned, will she do the right thing and backdate the payment for all those who lost out on support last winter but who are now eligible under the new rules? And now that she has U-turned once, will she make it a hat trick and also change course on the PIP and carer's allowance cuts? Perhaps she might even look again at the growth-crushing jobs tax and the other changes affecting our high streets, small businesses and family businesses, and consider instead the fairer ways of raising the same amount of revenue that we Liberal Democrats have set out time and again: asking the big banks, social media giants and online gambling companies to start paying their fair share of tax.

After years of chaos and incompetence under the last Conservative Government, this was a unique opportunity to draw a line under the social care crisis, squeezed budgets and sluggish economic growth. I strongly urge the Chancellor to ignore those who talk down Britain's economic potential, to rip up the red tape holding British business back, and to strike a properly ambitious trade deal with Europe that will turbocharge our economy and bring in billions to rebuild our public services. The Government say that their No. 1 mission is growth. That is the way to deliver it.

Rachel Reeves: I thank the hon. Lady for her comments. I know she has not had a chance to look at the figures yet, but it is not right to say that there are real-terms cuts to public services. Public service spending is increasing by 2.3% a year on average over the course of the spending review.

[Rachel Reeves]

I will start on investment in the NHS and social care. As I set out in my speech, we have already delivered 1,500 more GPs and put £26 billion into the NHS in the first phase of the spending review. I note that that compares with the £8 billion that the Liberal Democrats said they were going to put into the NHS in their manifesto. We have already put £26 billion in, and we will put more money in today and in every year of this Parliament.

The new hospital programme is being rolled out. I think the Health Secretary met just last week with Members of Parliament who are having hospital improvements in their local communities, including many Liberal Democrat MPs, so the hon. Lady should be aware that we are making improvements to the fabric of our hospitals as well as investing in technology, scanners and so on to improve productivity in our health service.

With regard to social care, as the hon. Lady knows, we are introducing the fair pay agreement—that is something that the Health Secretary and my right hon. Friend the Deputy Prime Minister are very much committed to. As the hon. Lady will know when she looks at the documents, we have increased local government spending power so that we can put more money into social care. In addition, Louise Casey is doing her review into the future of social care.

We are going big on infrastructure. We announced £100 billion more in the Budget last year and another £13 billion in the spring statement, and we are backing that up with skills. As I set out in my speech and as is detailed in the spending review documents, we are making the biggest ever investment in young people's skills so that they can access the new jobs that are being created in defence, house building and other infrastructure.

On red tape and backing business, it is a little bit ironic that the Liberal Democrats voted against the Planning and Infrastructure Bill yesterday, yet they come to the House today saying that they want to do away with red tape and go for growth. Well, we want to go for growth, and that is why we took that legislation through Parliament. Perhaps the hon. Lady will ask her party's Lords to vote for growth in the other place.

We have done trade deals with the US, India and the EU. I think the Liberal Democrats opposed the trade deal with the US, but apparently they now think that trade deals are the way to go—well, so do we. That is why my right hon. Friend the Business and Trade Secretary has three of them helping our automotive sector, our steel sector and our farming communities.

We will use defence spending to support growth—the Defence Secretary and I have been very clear about that—and, as I set out in my speech, to make Britain a defence industrial superpower. I say gently to the Liberal Democrats and the hon. Lady that if we want to support investment in public services, we have to increase the tax rises to get there. They voted against the national insurance increase, which is what has enabled us to make the investments that I have set out today.

The hon. Lady says that she wants a wealth tax. We changed inheritance tax, and the Liberal Democrats voted against it. We introduced VAT on private schools, and the Liberal Democrats voted against it. Either they are serious about investing in public services, in which case they need to back the tax increases, or they want to go down the route of the magic-money-tree Conservative party and just borrow more to pay for things.

On the winter fuel allowance, we have made our choices clear: we will keep the means test, but it will be paid to people with a pension of less than £35,000. I think the Liberal Democrats want to make it a universal benefit again.

Daisy Cooper *indicated dissent.*

Rachel Reeves: Okay, that is just the Tories—well, they need to explain how they would pay for it.

I appreciate the fact that the hon. Lady welcomes some of our policies, but the job of the Chancellor and the Government is to ensure that the sums add up. We made difficult decisions last October, but I stand by those difficult decisions; without them, today we would not have been able to make the investments we have made in schools, energy and our health service. I am proud of what we have achieved as a Government, and I am proud of the investment that we are putting in today.

Bill Esterson (Sefton Central) (Lab): The warm homes plan will mean healthier and warmer homes and will see lower bills and create jobs in communities right across the country. It is a very good plan, especially for those facing fuel poverty. The last Government's home energy programme changed every few months, which meant that businesses could not plan and consumers had no confidence in it, not to mention the scandalous misapplication of fixed-wall insulation. Will my right hon. Friend confirm that this is a long-term warm homes plan that will deliver warmer homes and cut bills to the benefit of millions of our constituents for years to come?

Rachel Reeves: I thank the Chair of the Energy Security and Net Zero Committee for that question. Warm homes are a big part of our plan to tackle the cost of living crisis, and the money that we have put into the warm homes plan today will mean that millions more homes can be retrofitted with better boilers, insulation and solar panels. On average, that takes £600 a year off people's bills not just for one year, but for every year to come. My hon. Friend is absolutely right. What we have done today is set out a five-year package of capital investment, because it is crucial that the industry is able to plan for the future and that young people are therefore willing to train up and businesses are willing to invest in apprenticeships. That is why on all of our capital spending, including the warm homes plan, we have set out a five-year plan.

Dame Harriett Baldwin (West Worcestershire) (Con): My constituents in Tenbury Wells are seeking funding for a flood defence scheme. They will have listened very closely to the Chancellor's remarks today to hear her mention flood defence capital spending, yet it was not mentioned in her speech. Can she confirm that the capital that will be allocated in the spending review period to flood defences will be as high in real terms as it was in the previous Parliament?

Rachel Reeves: The hon. Lady knows that we increased money for flood defences in the spending review in autumn last year, because we knew that there was no

time to waste. We have already increased that flood defence spending, in addition to what the previous Government were spending.

Liam Byrne (Birmingham Hodge Hill and Solihull North) (Lab): This spending review is good for Britain's business, because it invests in the things that British business needs: it invests in skills, infrastructure and innovation, cuts red tape and supports small firms. Can the Chancellor clarify that this spending review will also open a new era of energy abundance for our country? The Business and Trade Committee heard directly from the International Monetary Fund in Washington yesterday that high energy costs are holding back growth. That is a consequence of the dither and delay from the Conservatives, who left us with the highest industrial energy costs in Europe. Will the Chancellor confirm to the House that we are consigning that era to history?

Rachel Reeves: My right hon. Friend is right. We are backing innovation, skills and infrastructure, because we are backing British business. We are also cutting red tape, as we did yesterday, when we took the Planning and Infrastructure Bill through the House, making it easier to get things built in Britain again. As we make the investments, we want those jobs to come to Britain, including in the energy sector, whether it is investment in small modular reactors, Sizewell C, carbon capture and storage or floating offshore wind. We will set out the industrial strategy in the next couple of weeks, in which we will have more to say about energy costs for business.

Gavin Robinson (Belfast East) (DUP): I thank the Chancellor for engaging productively in the discussions about sustainable budgets for Northern Ireland, for the willingness to negotiate further and for the recognition that our need levels should be met. I thank her for that engagement and for the allocations to Northern Ireland for specific community projects that have been advanced by us. She has chosen through this allocation to make a budget available for the redevelopment of Casement Park. She will know about the political nature of some of the concerns around that redevelopment, and that in all previous agreements in the Executive, these things have been advanced in a balanced and non-partisan way. This Government have chosen to step into this issue in an unbalanced and partisan way. As such, in making financial transactions capital available—£50 million over the course of the next spending period—I ask the Chancellor to ensure that where there is a need for investment in football, as there is, she returns to the Executive's agreement of 2011 in a balanced and non-partisan way. I hope that she will not be found wanting.

Rachel Reeves: I thank the right hon. Gentleman for his question and the way in which he has put it. I was pleased to be able to announce the settlement for Northern Ireland in today's spending review, but also money through the Ministry of Housing, Communities and Local Government. He mentions Casement Park, and we have put £50 million in through this spending review. I will arrange for the right hon. Gentleman to meet either the Northern Ireland Secretary or a Minister from my Department to talk through what he wants to see.

Helen Hayes (Dulwich and West Norwood) (Lab): I welcome the focus my right hon. Friend the Chancellor has placed on children and young people in this spending review, with additional investment in children's social care, schools and skills. These announcements show the Government's commitment to improving the life chances of every child, and my Committee looks forward to scrutinising the detail in the coming weeks. The Chancellor will know that universities are the life force of many local economies, generating jobs, improving skills and boosting life chances, yet a number of our universities are at the brink of insolvency. The sector has been calling for a transformation fund to help universities reform and secure a sustainable future, so can the Chancellor confirm that she will work with Cabinet colleagues to ensure that no town or city has to face the calamity of a university going bust?

Rachel Reeves: I thank my hon. Friend, the Chair of the Education Committee, for her question. I appreciate her welcoming the investment in children's social care, in skills and in schools—issues that she knows and cares passionately about. In the spending review, we were able to set out a total of £86 billion of investment in research and development, much of it spent through our universities and research institutes, but I am certain that the Education Secretary or the relevant Minister will meet my hon. Friend to talk about the wider allocation from this spending review.

John Glen (Salisbury) (Con): Scientists at the UK Health Security Agency at Porton Down make a massive contribution to the welfare of our country in difficult times. Ten years ago, the Chancellor's predecessor wanted to invest £525 million in moving to a single science hub in Harlow. Some £400 million has already been spent, and last year, the National Audit Office said that it would cost £3.2 billion to complete the move by 2036. Three weeks ago, I had an Adjournment debate in which I was told that today, we would know the outcome of what was actually going to happen with this project. Can the Chancellor explain what is happening with the future of the UKHSA at Porton Down? Is it going to move to Harlow, at massive expense—six times the original estimate—and 15 years later than was estimated, or can we save some money and use it for better investment in our public estate?

Rachel Reeves: I thank the right hon. Gentleman and member of the Treasury Select Committee for his question. We have made the allocation to the Department of Health and Social Care—an annual uplift of £29 billion—and it will be up to the Secretary of State to allocate that money, but I will make sure that he has heard the right hon. Gentleman's question and that he gets a proper reply to him.

Louise Jones (North East Derbyshire) (Lab): With a £2.5 billion investment into nuclear in Derby, £2.5 billion into nuclear fusion in north Nottinghamshire, and half a billion into steel suitable for use in the nuclear industry in Sheffield, my constituency is surrounded by wonderful opportunities in these industries of the future. Can the Chancellor outline what more we can do to support young people in my constituency to access careers in those industries?

Rachel Reeves: We as a Government were proud to be able to step in and save British Steel at Scunthorpe, and again I thank my hon. Friend the Member for Scunthorpe, but it is not just Scunthorpe. There are also opportunities in Sheffield and Port Talbot, because as we build this infrastructure—whether it is trams and trains, nuclear power or submarines—we want to use steel made in Britain. That is a really exciting opportunity, and the investments we are making in small modular reactors and fusion in Nottinghamshire and Derby create great opportunities for jobs. That is why we are also making a record investment in skills through the spending review, so that young people in North East Derbyshire and beyond can get access to the jobs that are being created.

Madam Deputy Speaker (Judith Cummins): I call Liz Saville Roberts.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): Diolch yn fawr iawn, Dirprwy Lefarydd. The announcement of just £44.5 million a year for the next 10 years for Welsh rail is Labour's flimsy fig leaf of an excuse for the multibillion and multi-decade scandal that is HS2. The money announced today is only significant if it matches what Wales will continue to lose from all England-only rail projects, up to now and in the future. Can the Chancellor guarantee that from now on, Wales will receive the full £4 billion HS2 consequential funding, or will she admit that her announcement on Welsh rail funding is nothing but smoke and mirrors?

Rachel Reeves: I do not think £445 million is not real money. That money will be invested in the Burns review stations. In addition, we are putting in £118 million to make the coal tips safe. Maybe the right hon. Lady is not that concerned about that, but I know that plenty of Welsh Labour MPs are.

Matthew Patrick (Wirral West) (Lab): I wonder whether the Chancellor can help me. I want to write a letter to my constituents, and I do not know which story I should lead with—whether it is the rapid investment in our NHS to get more doctors' appointments, the money for our police to get more police on the streets, the transport investment to build new train stations, or the money to give hungry children in my constituency free school meals. Could she help me out? I only have one page. What should I start with?

Rachel Reeves: My hon. Friend will want to leave space on the leaflet to remind his constituents that he was lobbying for all those things so that he can take the thanks.

Dave Doogan (Angus and Perthshire Glens) (SNP): I welcome the U-turn on the winter fuel payment—of course I do, and lots of my constituents will do likewise—but there is no respite in this spending review for farmers in Scotland, business owners in Scotland, GP surgeries in Scotland, or the disabled in hospices in Scotland. Despite what the Chancellor says, there have also been real-terms cuts to the Home Office, Foreign Office and local government in this spending review.

The Chancellor is an open book. She plays roulette with the economy, but I would not encourage her to play poker any time soon, because she mentioned Reform and the hon. Member for Clacton (Nigel Farage) in her speech more times than she mentioned Scotland—what a disgrace! She mentioned that she has finally got around to Acorn, but without a figure attached. What funding is she going to allocate for Acorn? We know that if it is Merseyside or Teesside, there is £22 billion for them. How much for Acorn?

Rachel Reeves: I did mention the SNP—I questioned why the SNP does not support defence investment in Scotland—but I can mention it again, if the hon. Gentleman would like me to. Why has the SNP let down the people of Scotland with rising hospital waiting lists? Why has the SNP let down people in Scotland with more drugs deaths? Why has the SNP let people down time and again? We are putting money into Acorn and into defence investment, and we are giving a record settlement to the SNP Government, but hopefully they will not be there for much longer.

Florence Eshalomi (Vauxhall and Camberwell Green) (Lab/Co-op): I thank my right hon. Friend the Chancellor for prioritising affordable housing, which is overdue. That extra investment will go a long way towards addressing the spiralling, broken housing system that has pushed so many people into poverty. Last year, a record 126,000 households faced homelessness, an increase of over 17,000 in one year alone. We see so many families placed in what we call temporary accommodation, but it is not temporary—five years or more is far from temporary. Children are travelling for hours to get to school, families do not have a space in which to grow up, and we have lost a decade of building the social homes that we need. I join with the likes of Shelter and the National Housing Federation in welcoming the investment in affordable housing and the certainty of a 10-year rent settlement, but we need more of these measures, and we need to build truly social homes. Can the Chancellor confirm what proportion of social rent homes will form the backbone of the affordable homes programme, to get those families into a safe, secure and stable home?

Rachel Reeves: I thank my hon. Friend for her campaigning on housing and homelessness, which is a big challenge in many of our constituencies, including hers in Vauxhall and Camberwell Green. We want to work closely with local councils and the Mayor of London to build the affordable homes that we desperately need in the capital city, where house prices and rents are still far too high for so many families. I look forward to working with my hon. Friend on just that.

Sir Geoffrey Clifton-Brown (North Cotswolds) (Con): The billions of pounds that have been announced by the Chancellor are very big rises, and the Public Accounts Committee looks forward to scrutinising that expenditure—I am sure it will be welcomed by those who receive it—to ensure we are getting value for money, but can the Chancellor explain to the House how it will be funded, because debt and tax are at record levels? Can British workers look forward to a summer of expecting more tax increases?

Rachel Reeves: I look forward to that scrutiny, but the hon. Gentleman will know that the allocations we have made today are based on the tax increases we made in the Budget last year. We are not spending a single penny more or a single penny less than the money we set out in the autumn Budget and the spring statement.

Ruth Cadbury (Brentford and Isleworth) (Lab): I welcome the significant transport investment that the Chancellor has announced in the north and in the city regions. That is helped through her changes to the Green Book, but when will the place-based business cases be reviewed so that those areas can start planning for the local transport initiatives that they have waited so long for?

Rachel Reeves: I hope that my hon. Friend can already see the impact of our changed attitude and our changed perspective at the Treasury with our putting this record investment of £15.6 billion, which we announced last week, into eight mayoral combined authorities to better connect towns and cities. Because of the changes we have made, we have been able to put more money into the trans-Pennine route upgrade and the midlands hub, as well as significant investment in trains in Wales.

Tim Farron (Westmorland and Lonsdale) (LD): My communities in Westmorland will be outraged by a 17% reduction in farm funding. We are perplexed, because we were told to expect a decision today on the vital scheme to dual the A66 from Penrith to Scotch Corner. That is crucial to east-west connectivity, to the northern economy and to saving lives. There was no mention in the statement or in the accompanying documents at all. Will the Chancellor confirm that the A66 upgrade will take place?

Rachel Reeves: The allocation has now been made to the Department for Transport. We have not set out every project that that will fund, but I am sure the Transport Secretary will come to this House or the relevant Select Committee in due course.

Graeme Downie (Dunfermline and Dollar) (Lab): I thank the Chancellor of the Exchequer for putting her faith in young people and the future with investments in the AI, nuclear and defence opportunities that young people in Scotland deserve, alongside £1.2 billion for training and apprenticeships. Meanwhile, in my constituency, Fife college has recently warned about course cuts and campus closures, thanks to the mismanagement of the Scottish budget by the SNP. Does she agree that the best way to get young people the opportunities they deserve in defence, nuclear and other industries is with a Scottish Labour Government and Anas Sarwar as First Minister?

Rachel Reeves: We saw in the by-election last week how desperate the people of Scotland are for change, after two decades of SNP so-called leadership. We are investing in training and apprenticeships in this spending review, and I very much hope that the SNP will match that investment in Scotland.

Richard Tice (Boston and Skegness) (Reform): The Chancellor supposedly inherited a black hole, and she has dug a crater into which public confidence and business confidence are plunging. The truth is that 250,000 jobs have disappeared since the blunder Budget. Despite all the noise we hear from those on the Government Benches, the reality is that Government spending is completely out of control. Inflation is up, unemployment is up, Government borrowing is up and the cost of Government borrowing is up. The only things that are going down are jobs and GDP. I have some good news for the Chancellor, however. The 10 councils that we control are already identifying savings of hundreds of millions of pounds. She may want to learn some lessons. That is why Reform is leading in the polls.

Rachel Reeves: I noted recently that the hon. Member said on a podcast that he wanted to cut Government spending by £300 billion, but that would mean getting rid of the whole of the NHS and the whole of the defence budget. We have increased spending by £300 billion to invest in our schools, our hospitals, our transport and our defence. I know that Reform is soft on defence, soft on workers' rights and wants to privatise our NHS. I do not think those are the priorities of the British people.

John Grady (Glasgow East) (Lab): Reform's economic policies appear to have been cooked up after a heavy night at Moe's bar in "The Simpsons". In 18 years, the SNP has failed to invest in Glasgow's transport infrastructure. We have no airport rail link, and no Parkhead station. We do not even have lifts at Bridgeton station. I contrast that with my right hon. Friend the Chancellor's firm commitment to transport. There is also £50 billion extra for the Scottish Government to sort out the SNP's NHS waiting lists; record investment in the defence industry and the Clyde to defend our nation, which the SNP objects to; investment in clean energy, which is critical for jobs in Glasgow; and continued support for the Glasgow and Clyde Valley city deal. Does she agree that those things demonstrate that Scotland is at the heart of this Labour Government? It is time that we turfed out the SNP, after its 18 years of failure.

Rachel Reeves: In the spending review today, we have set out: investment in defence to support jobs in Scotland; investment in Acorn to support jobs in Scotland; investment in nuclear, which will benefit the people of Scotland through lower bills; and a record settlement for the Scottish Government. It is up to them now to use that money wisely. I would not hold out much hope, under the SNP.

Esther McVey (Tatton) (Con): I know the Chancellor considers herself to be a world-leading economist, so can she tell me how it is that everyone in the country knew that hiking taxes on employers' national insurance contributions—making it more expensive to employ people—would destroy jobs, destroy businesses and destroy the economy, and the only people who did not know that were her and her socialist boss?

Rachel Reeves: I am sorry to disappoint the right hon. Lady, but there are 500,000 more jobs in Britain since the last general election. Business confidence is going up.

Dr Jeevun Sandher (Loughborough) (Lab): My constituency of Loughborough, Shepshed and the villages is in the east midlands, a region that has been overlooked for too long. That ends today, first with the changes to the Green Book, which we all welcome. There will be more money outside London; I hope my colleagues do not mind too much. Secondly, we have more than £100 billion of investment. Can the Chancellor please set out how today's investment will get bills down and wages rising in my constituency of Loughborough, Shepshed and the villages?

Rachel Reeves: I thank my hon. Friend for welcoming the changes to the Green Book, which will better enable the Government to invest, and will stop the situation whereby the Treasury used to wield the Green Book against local communities when it came to the investments that they wanted to make. This was a good spending review for the east midlands, as my hon. Friend mentioned, with investment in nuclear fusion and small modular reactors. Many businesses in the supply chain right across the east midlands will benefit from that significant investment and the jobs it will bring.

Bobby Dean (Carshalton and Wallington) (LD): Last year, during the mayoral election, Sadiq Khan claimed that a Labour mayor working with a Labour Government would be a game changer for the city, but just now he has released a statement criticising the spending review for underfunding the Met police, failing to invest in our transport infrastructure, and potentially making the housing crisis in our capital worse. Was Sadiq Khan wrong to put his trust in this Labour Government?

Rachel Reeves: For London, today we have increased the spending power of the police by 2.3% in real terms every year; we have record investment in the affordable homes programme, which includes building new homes in London; and we have free school meals, lifting around 10,000 children in London out of poverty, and much more. We are also backing a third runway at Heathrow and investing in tunnelling to take HS2 to Euston. This is a good spending review for London, but most importantly, it is a good spending review for the whole United Kingdom.

Alex Baker (Aldershot) (Lab): I congratulate the Chancellor on the spending review, and welcome her commitment both to defence spending and to our being a defence industrial superpower, which is vital to my community in Aldershot and Farnborough. This week, my hon. Friend the Member for York Outer (Mr Charters) and I published a report entitled "Rewiring British Defence Financing", which supports the Chancellor's work to fire up our defence industrial base. As part of that, will she support my campaign for a UK-led multilateral defence security and resilience bank to finance our national resilience, support our allies, and keep our country safe?

Rachel Reeves: I thank my hon. Friend for the work that she and my hon. Friend the Member for York Outer (Mr Charters) have done to make the moral case for financial services funds investing in defence, which is what keeps our country safe. As we uplift our defence spending, we want to get value for money. That is why we were so pleased that, in the deal that we did with the European Union, we secured a defence industrial partnership with the EU.

Adrian Ramsay (Waveney Valley) (Green): Across the country, people see their health services severely overstretched, school headteachers face having to make cuts, and, of course, the most vulnerable people in society face cuts to disability benefits. According to the BBC's analysis of the Chancellor's statement, her figures will mean a sharp decline in budgets for public services after 2026. Is not the statement a matter of smoke and mirrors? Will the Chancellor instead consider the growing call for a wealth tax on the ultra-rich, so that she can raise the extra tens of billions that are needed to support our public services and restore much-needed pride and hope in Britain?

Rachel Reeves: It is difficult to tell whether the hon. Gentleman supports the spending review and the additional money that we are putting into public services, or is against it. The settlement for the NHS means 3% real-terms growth a year, and for the police the figure is 2.3% a year. There is also an increase in per-pupil funding, as well as a real-terms increase in the schools budget, so I am not exactly sure what the hon. Gentleman's complaint is.

Nick Smith (Blaenau Gwent and Rhymney) (Lab): There was a terrible, dangerous coal slip in my constituency last autumn, and the coal tips safety funding announced today is hugely welcome. It is great to see our Labour Government standing up for Wales. Looking forward, however, may I ask the Chancellor please to review the miners' staff superannuation scheme? Hard-working families deserve fairness in their retirement, and I am sure that she will give them a fair hearing.

Rachel Reeves: I am very pleased that we were able to make this multi-year commitment on coal tip safety. The Government provided money for this in last year's spending review, but that was for just one year, and today we have been able to give certainty that money will be available for the vital work that is necessary. I thank my hon. Friend for welcoming it; it is a shame that Plaid Cymru did not.

My hon. Friend has been a staunch supporter of reform of the miners' pension scheme. We made reforms in the Budget last year, but I will ensure that the relevant Minister meets him to discuss what more we can do to secure a fair pension for miners in retirement.

Sarah Olney (Richmond Park) (LD): London Members were hoping to hear more about infrastructure investment in the capital today. We are looking for spending on the Bakerloo line extension, and spending to deal with the Croydon bottleneck. I even dared to dream that Hammersmith bridge might one day be fixed, but all we have heard from the Chancellor is her reiterated support for the expansion of Heathrow airport. As she will know, Heathrow expansion is opposed by every political party in the capital, and by the Mayor of London. It is not welcome. The negligible economic benefits of expanding Heathrow do not compensate for the massive environmental and noise impact that expansion will have on many people in the capital, particularly my constituents. May I ask the Chancellor to look again at her support for Heathrow, and consider the greater merits of many other infrastructure projects across London?

Rachel Reeves: The hon. Lady started that question wanting to be a builder, and ended it by being a blocker. I suppose that is not surprising, given that the Liberal Democrats voted against the Planning and Infrastructure Bill yesterday, while we Labour Members supported it, because we want to get Britain building and to create prosperity and wealth in all our communities. In today's spending review, we have provided an integrated settlement for the Mayor of London and a multi-year settlement for Transport for London. We have also supported

expansion at City airport, and we have an in-principle commitment to expansion, and a second runway, at Gatwick. This Government are backing London, but most importantly, we are a Government for the whole country. That is why we have announced significant investments across the UK today, which are much needed.

Claire Hanna (Belfast South and Mid Down) (SDLP): The SDLP's priority continues to be funding Northern Ireland on the basis of need, and I urge the Government to take focused action, so that we can have sustainable public services and, hopefully, stable politics that will start to deliver for health and education and deal with the squeeze in housing and childcare.

I warmly welcome the funding allocation for Casement Park, which represents much more than just a stadium. It is a home for Ulster's Gaelic Athletic Association, to match the wonderful homes that we have for soccer and rugby in Northern Ireland, and it is a flagship venue for west Belfast and an economic opportunity for the whole city. Does the Chancellor agree that, while there is a way to go to secure the funding for the stadium that the GAA's hundreds of thousands of supporters and volunteers deserve, the onus is now on the Stormont Executive—on Sinn Féin, the Democratic Unionist party and the Alliance party—to get moving, end a decade of dither and delay, and finally get Casement Park built?

Rachel Reeves: This Government have provided £50 million in the spending review today, but we have also, I hope, done much more for Northern Ireland, providing a settlement that is a record since devolution, as well as significant investment in our defence sector. Northern Ireland has a proud history of producing for the UK's defence needs.

Martin Vickers (Brigg and Immingham) (Con): Of course I welcome the continuing support for Scunthorpe steelworks, but may I gently remind the Chancellor that that support came seven months after I first raised the issue in the House, and we then had the panic of the Saturday sitting in April?

The Chancellor mentioned support for the Viking carbon capture and storage project, for which, again, I have lobbied for a long time. Can she give me a little more detail about the timeframe?

Rachel Reeves: I thank the hon. Gentleman for welcoming what we did with British Steel in Scunthorpe. I know that he has been a strong voice advocating for British Steel there, unlike some of our late arrivals in another party. As for Viking CCS, I was very pleased to announce that funding today, along with the Acorn investment in Aberdeenshire. The Energy Secretary will set out, in due course, the timing and the money available, but after our investment in CCS in Merseyside and Teesside at the end of last year, we are now in a position to provide a second tranche in Aberdeen, and also in the Humber.

Yasmin Qureshi (Bolton South and Walkden) (Lab): I thank the Chancellor for all her commitments to spending on education, health and transport, but I thank her particularly for the £39 billion that she has committed to housing. In my constituency, thousands of families are still waiting for social homes, and about 20,000 people are now on Bolton's housing waiting list. May I ask whether some of that money could be used to build more social housing in areas like mine, so that we can meet the needs of our constituents?

Rachel Reeves: My hon. Friend speaks powerfully about the desperate need for more social and affordable homes in all our communities, including those in Bolton. That multi-year commitment and £39 billion of investment will help us to build the social and affordable homes that our country desperately needs, and the Ministry of Housing, Communities and Local Government will work with local authorities to bring forward those plans and get Britain building the homes that we need.

Dr Ben Spencer (Runnymede and Weybridge) (Con): What is most interesting about the spending review is what is not mentioned: there is no mention of the River Thames scheme, no mention of our rivers, no mention of the Animal and Plant Health Agency in New Haw, and no mention of improvements to rail, despite the nationalisation of South Western Railway. In fact, there is almost no mention at all of the south-east, despite the Chancellor saying that this a spending review for the whole UK. However, she has effectively confirmed the third runway at Heathrow, despite there being no local engagement. May I invite the Chancellor to come to Runnymede and Weybridge to meet people and see if their priorities are indeed hers, as she claims?

Rachel Reeves: It is difficult to understand exactly what the Conservative critique of this spending review is. The shadow Chancellor says that we should spend less, but the hon. Gentleman has just asked us to spend more. If hon. Members on either side of the House want to spend more, they need to say where the money would come from. I am not sure that he has an answer to that.

Lola McEvoy (Darlington) (Lab): I welcome the Chancellor's statement and her steely determination to ensure that everyone in Darlington is better off. I particularly welcome the capital infrastructure projects, which are essential not only for sovereign security but for regional growth. Does she agree that these projects will be transformational for engineering and fabricating SMEs in my constituency, many of which were set up and are staffed by incredibly highly skilled people who found themselves out of a job when the last Government turned their backs on British foundation industries?

Rachel Reeves: My hon. Friend is absolutely right: what this spending review does, through its investment in infrastructure, is create jobs in our supply chains for small businesses in communities right across our country. The investment in some of our foundational industries, such as steel, offers real opportunities for good, unionised jobs that pay decent wages, and I am really proud to be able to set out that investment and the jobs that young people in Darlington and around the country will be able to access because of the choices we have made today.

Chris Coghlan (Dorking and Horley) (LD): As the Chancellor knows, our economy will only escape its difficult place if we raise economic productivity. On the Treasury Committee, I introduced the Chancellor to

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London Business School's Paolo Surico's research on how using public R&D, and especially defence spending, can help us to do that. In the spring statement, the Government used Professor Surico's research to upgrade long-term GDP forecasts by £11 billion a year—that is how we pay for it. I strongly welcome the Government's commitment to investing in public R&D in the spending review, but how will the Chancellor follow through to ensure that the R&D will be used to crowd in and stimulate public investment—especially from the more innovative, high-tech start-ups and venture capital firms—which is necessary to realise the potential of Professor Surico's research?

Rachel Reeves: Every £1 of Government investment in R&D crowds in £2 of private investment and returns £7 of benefit to the wider economy. That is why we have put £86 billion of investment into R&D over the course of this spending review.

Imran Hussain (Bradford East) (Lab): Madam Deputy Speaker, I am sure that your constituents, my constituents, the constituents of my hon. Friend the Member for Shipley (Anna Dixon), and indeed the Chancellor's constituents, will greatly welcome the £2.1 billion for a new tram and a new bus station in Bradford, as well as the billions for social and affordable housing, which is much needed. However, the Chancellor will know that over half of all children in my constituency are still growing up in poverty, which is true of many hon. Members' constituencies. Child poverty is not a statistic; it is a national disgrace. It is a direct result of 14 years of ideological austerity under the Conservatives. Today's statement is a step in the right direction, particularly with the announcement that half a million more children will be eligible for free school meals, but frankly it does not go far enough. Will the Chancellor tell me what further measures this Government will announce to alleviate and finish child poverty, including scrapping the two-child limit, which continues to put thousands of children into poverty?

Rachel Reeves: I appreciate my hon. Friend's welcome for the £2.1 billion for the West Yorkshire combined authority, which will help pay for mass transit to connect Leeds and Bradford, but also Kirklees and Calderdale. In today's statement we were able to provide money for free school meals for 500,000 children, lifting 100,000 out of poverty, as well as continuing to roll out breakfast clubs and the warm homes programme, which will help insulate properties and bring down bills for millions of families. In addition, we have increased the national living wage by nearly 7%, and the Employment Rights Bill will ensure that more people have security and dignity at work—all part of our plan for change and lifting children and families out of poverty.

Sir Gavin Williamson (Stone, Great Wyrley and Penkridge) (Con): High Speed 2 owns vast swathes of the Staffordshire countryside. In fact, it owns a third of all the properties in the village of Hopton, which is having an enormous impact on residents and causing an enormous blight. Could the Chancellor set out for the House, and for so many residents right across Staffordshire, when we will know whether farmers are going to have their land back and whether villages will be able to return to normal life, with people moving into the empty houses?

Rachel Reeves: I am sure that the right hon. Gentleman has apologised to his constituents for the total mess that the Conservatives made of HS2. We are fixing their mess and getting a grip of the project costs. Frankly, it is astounding for the right hon. Gentleman to raise HS2, given the mess they made of it.

Melanie Ward (Cowdenbeath and Kirkcaldy) (Lab): After almost 20 years of an SNP Government in Scotland, we have 43,000 Fifers on an NHS waiting list and a growing gap in educational achievement between kids from the richest and poorest areas. After less than one year of a Labour UK Government, we are delivering record funding for Scotland, falling energy bills, a pay rise for 8,000 Fifers, new defence jobs in Fife and, following an announcement that will be warmly welcomed by my constituents today, new investment in the renewal of Kirkcaldy town centre and the potential of our amazing seafront. Does the Chancellor agree that this is the difference a Labour Government can make?

Rachel Reeves: The work that this Labour Government are doing will reduce inequality. We are giving a pay rise to millions of workers and creating defence jobs that pay a decent wage, and GB Energy will be headquartered in Scotland. Today I have been able to announce additional investment in the seafront in my hon. Friend's constituency, which will bring economic benefits.

Robin Swann (South Antrim) (UUP): An NHS fit for the future—I congratulate the Chancellor and the Health Secretary on the investment in the health service in England. Given the money that has been allocated to Northern Ireland, will the Chancellor encourage the Executive to provide the same investment in the health service in Northern Ireland? The Executive have been working with single-year budgets since 2016. Does the Chancellor agree that this SR allows them to set a multi-year, recurrent budget that allows the transformation of health services and other public services in Northern Ireland?

Rachel Reeves: The hon. Gentleman makes a really important point. What we did today was not just set out money for next year; we have set out money for day-to-day spending for the next three years, and for capital spending for the next five years. Wherever people are in the UK, it is vital that local councils, the devolved Administrations and community groups can plan for the future with confidence. That is what we have done with this spending review, and I urge the devolved Administrations to do similar and make multi-year settlements in order to give certainty for the future.

Rachael Maskell (York Central) (Lab/Co-op): Despite being the lowest-funded unitary authority in the country, we are doing everything possible to drive down inequality in the city of York, but the differential has stayed at 13 years. Today's announcement of investment in health, investment in social housing and investment in education will make a real difference for my constituents. However, I worry about the inequality for disabled people in our country. I have looked through the statement. Will the Chancellor give assurances that if disabled people are

unable to work, they will not be left behind, and that we will ensure that we have the social security they need, so that they, too, can gain from today's statement?

Rachel Reeves: Part of the investment in the north of England is for the trans-Pennine route upgrade, which my hon. Friend and I both welcome. The investments in health and education are important, but so too is supporting disabled people, which is why £1 billion has been set aside in the spending review to help get people back to work. Many disabled people are desperate to work, if the right support is available. Of course, the social security system and the welfare state must always be there for people who cannot work, and under this Labour Government they will be.

Adam Dance (Yeovil) (LD): I heard very little about Somerset, which is facing huge pressure on GP practices, affordable homes, SEND provision, reliable bus services and access to affordable energy. Can the Chancellor promise my constituents that Yeovil will not be overlooked, and does she believe that the decisions announced today leave Somerset council and Government Departments with enough to properly invest in communities in Yeovil?

Rachel Reeves: Let me put that right: the people of Somerset will benefit from a 3% uplift in NHS spending; the people of Somerset will benefit from free school meals for their children if they are on universal credit; and the people of Somerset will benefit from stronger defences and stronger borders through the investment that we are making. This is a spending review for the whole country, including people in Yeovil in Somerset.

Preet Kaur Gill (Birmingham Edgbaston) (Lab/Co-op): The Chancellor, who visited Birmingham last week, knows that the west midlands region has the talent and ideas to thrive. A fair settlement in today's spending review is not just support; it is a smart investment in Britain's future. Over 26,000 people are on the housing register in Birmingham, so I thank her for doubling investment in the affordable homes programme. I also thank her for the announcement on the midlands rail hub investment, which I have been campaigning for. Does she agree that that will be transformational in delivering a decade of renewal and growth that works for everyone?

Rachel Reeves: I thank my hon. Friend for that question. We will build more housing, which is what the investment in affordable homes grants will achieve, and that goes alongside transport investment—significant transport investment—in the west midlands and Birmingham. I was very pleased that my hon. Friend joined me in Birmingham last week, when we were able to celebrate the investment to extend the Metro out to east Birmingham and then to Solihull.

Lincoln Jopp (Spelthorne) (Con): I thank the Chancellor for her statement, but I fear that she may have misunderstood the question that my hon. Friend the Member for Runnymede and Weybridge (Dr Spencer) asked about the River Thames scheme. He asked whether the scheme is included in the £4.2 billion TDEL—total departmental expenditure limit—over three years referenced in paragraph 5.121 of the review. The Chancellor replied that my hon. Friend wants to put up expenditure and will not say where it is coming from, but both he and I are asking this: is the Environment Agency's half of the River Thames scheme—Surrey county council pays the other half—funded from the £4.2 billion TDEL that she has announced today?

Rachel Reeves: The allocations have been made to Government Departments, and the Treasury is not going to micromanage every scheme, so it will be up to Departments to allocate the money in the way they choose. I am sure that the Transport Secretary will come to the House and set out those plans.

Rachel Blake (Cities of London and Westminster) (Lab/Co-op): The spending review says that there will be a report from the Office for Value for Money on temporary accommodation and the terrible waste of money going into poorly procured temporary accommodation. Some 90,000 children live in temporary accommodation in London. Does the Chancellor agree that the £39 billion for new, genuinely affordable homes, combined with that review of the cost of temporary accommodation, is really positive for all children living in London who, sadly, do not have a permanent home into the future, and does she agree that this will make a transformational change in London?

Rachel Reeves: My hon. Friend has spoken to me powerfully on many occasions about how much Westminster city council has to spend on temporary accommodation, which is why the investment in affordable homes grants is so important—and not just for London, but for the whole country—but there are specific issues. As I said in answer to my hon. Friend the Member for Vauxhall and Camberwell Green (Florence Eshalomi), there are particular challenges in London because of the extraordinarily high house prices and rents. This investment in affordable and social housing can have a big impact in London. Combined with the additional money for free school meals, the roll-out of breakfast clubs and the increase in the national living wage, this is a spending review to benefit people across the whole country, including in Westminster and London.

Josh Babarinde (Eastbourne) (LD): Fellow Eastbournian Mark Tonra and I were gravely ill together in the same ward at Eastbourne district general hospital last year. Harrowingly, because of the outdated and outgrown hospital buildings at the DGH, Mark watched from his bay as a patient opposite him died, and other patients watched Mark deteriorate, with only a flimsy curtain to protect his dignity, before he himself died. The delay to our new hospital will mean that many more Eastbournians will face this indignity until it is fully rebuilt come 2041. Short of heeding my town's calls to unlock that investment sooner, will the Chancellor at least confirm to local families such as Mark's and to my NHS trust that her NHS capital expenditure will specifically be able to fund the 98% unmet cost of our maintenance backlog in Eastbourne to help more patients get the care and dignity they deserve?

Rachel Reeves: I thank the hon. Gentleman for speaking powerfully about his experience and the experience of his constituents. After the 14 years and the broken promises of the Conservative party, our hospitals are not in a good enough condition. That is why we have set out the new hospital buildings programme, but it is also

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why we have put aside money in the spending review for improvements to hospital conditions in the meantime. I will make sure that the relevant Health Minister meets him to talk through what that means for people in Eastbourne.

Chris Webb (Blackpool South) (Lab): Today's announcement is a great day for Blackpool, which was mentioned more than any other place in the country. The Chancellor will know the issues we face from when she joined me in Blackpool last year and saw for herself the deprivation and the damage that 14 years of the Tories did to our town. Will she confirm that this is just the start and the beginning of new investment for deprived areas such as Blackpool across the country now that we have a Labour Government and a Labour Chancellor in charge?

Rachel Reeves: I thank my hon. Friend for that question, and he always passionately argues the case for Blackpool. Yes, there is deprivation in Blackpool, but there is also huge opportunity, which is why we are backing Blackpool with the investment we are putting in through the spending review.

Jim Allister (North Antrim) (TUV): Why does the Chancellor think it appropriate to pledge £50 million on a preferential basis to a sporting organisation that has a political objective as its first and defining attribute, and that has named some of its sports grounds and trophies after IRA terrorists who brought such death and destruction to Northern Ireland, while other organisations are required to make do with what they were allocated in 2011? Does the Chancellor not see and agree that £50 million would make a far better contribution to meeting the housing needs, particularly for social housing, and the sewerage infrastructure needs that in my constituency have brought much of the building of new housing to a halt? What is the priority when matters like that are ignored?

Rachel Reeves: Alongside the investment at Casement Park, we have also made record investment, with a record settlement for the Northern Ireland Executive, in the announcements we have set out today. In addition, there is substantial investment in the defence sector, including in Northern Ireland. So there is plenty of money going into Northern Ireland, and it now needs to be spent wisely.

Mr Alex Barros-Curtis (Cardiff West) (Lab): I commend the Chancellor on her statement, and I pay tribute to her, and to my right hon. Friend the Welsh Secretary and all my Welsh Labour colleagues for their advocacy in standing up for Wales at this spending review. I particularly welcome the investment in coal tips, which will be really important in constituencies across Wales, and in rail, with £445 million to turn the tide on 14 years of under-investment by the Conservatives, of whom four are left on the Opposition Benches. As she is here, can I take this opportunity to ask her whether, given the substantial rail investment that has been announced, she will use her good offices to support a campaign in my constituency for Ely Mill station to be built? Now all the stakeholders have the money they need, they can get on with it, can they not?

Rachel Reeves: Well, we did announce two new railway stations in Wales today with that £445 million. In the 10-year infrastructure strategy, which we publish next week, we will be setting out more details of investment right across the UK. I am pleased that my hon. Friend welcomes the £118 million for the coal tips work, which I know is so important and which so many Welsh Labour MPs have lobbied me about over the last few months. I am pleased that we can deliver for their communities in Wales.

Vikki Slade (Mid Dorset and North Poole) (LD): I declare an interest as a sitting councillor. Local government will be pleased to see an increase in spending and to have clarity but, alongside social care, we have no clarity on another area that will sink councils: the statutory override on special educational needs. That was promised time and again, and we were hanging our hats on having it today. Will the Chancellor tell us what is happening and can we give security to councils on special educational needs?

Rachel Reeves: The hon. Lady makes a really important point. Every single MP in this House will have heard harrowing stories of parents desperate to get support for their kids with special educational needs. The Secretary of State for Education will be bringing forward a White Paper to make the reforms that are desperately needed. We will make sure that we do that in partnership with the parents and children who are most affected.

Chris McDonald (Stockton North) (Lab): The Chancellor of the Exchequer may remember that the last Conservative Prime Minister boasted about moving funding from Teesside to Royal Tunbridge Wells. I am pleased to see that her statement plugs places such as Stockton North back into our economy. I thank the Chancellor for agreeing to make Stockton central one of the trailblazer areas, investing in our local facilities and tackling fly-tipping and graffiti. Does she agree that the statement shows that our Labour Government are providing jobs for working people, providing homes for working people and providing opportunities for our young people?

Rachel Reeves: I am pleased that Stockton will be benefit from some of those investments, because pride in place is so important for all our communities. Some of the most deprived parts of the country have missed out on funding for too long, which is why we are pleased to be able to rectify that and ensure, for example through the Green Book reforms, that money goes to where it is most needed.

Sammy Wilson (East Antrim) (DUP): First of all, I welcome the fact that, at least in real terms, the Northern Ireland budget has been maintained over the spending period, although I would point out to the Chancellor that a 0.5% real increase will not enable the Northern Ireland Executive to match the real increase in spending on health and policing which will be taking place in the rest of the United Kingdom.

May I emphasise again the preference that she has given in this budget to money for a Gaelic Athletic Association ground? In blundering into this issue, she has given the Executive a massive financial headache. She requires £50 million to be matched by funding elsewhere. The Executive will be required to find about

£200 million to make up the deficit, raising expectations and, I believe, creating tension within the Executive as a result. I think it was wrong for her to try to interfere in the minutiae of spending of the Executive in that way. As a general point, maybe in the autumn many people who welcome the headlines today will be regretting the tax increases they will face to pay for the announcements today.

Rachel Reeves: The announcements today are all within the envelope that I already set out through the tax increases and the changes to the fiscal rules in autumn and then the decisions in the spring statement. All we have done today is allocate the envelope that we already set out. As I said at the time, public services would now need to live within the means that we have set at that Budget. This statement does not spend a single penny more or a single penny less than the money that was already allocated.

On the specific issue the right hon. Gentleman raises, I am very happy to pass on what he says to the Northern Ireland Secretary and to ensure that there is a meeting between the relevant Minister and the relevant Members of Parliament.

Andy MacNae (Rossendale and Darwen) (Lab): I wholeheartedly welcome this statement. It is a true Labour package that backs Britain and reverses years of declinism under parties on the Opposition Benches who seem to have given up on Britain. I particularly welcome the results of the Green Book review, which will get investment into the places that need it most. In that regard, does the Chancellor agree with me that, while big projects and city schemes will get the headlines, it is vital that the full benefits of renewal are felt in small towns like those that make up my constituency of Rossendale and Darwen, and that these previously left behind places must be at the forefront of our thinking as we develop local transport and infrastructure delivery plans?

Rachel Reeves: My hon. Friend is one of many MPs who has spoken to me about the need to reform the Green Book. I thank him for feeding in his concerns about the ways in which the Treasury has previously looked at requests for investment. I am pleased for the people of Rossendale and Darwen that we can start making a difference to the communities that were forgotten about for 14 years under the Conservatives. I was also very pleased to be in his constituency at the end of last year to open the 100th banking hub on a local high street.

John Milne (Horsham) (LD): I welcome the Government's decision to widen access to free school meals—a long-standing Liberal Democrat policy—but Castlewood primary school in my constituency tells me that it is currently losing 56p for every single meal it provides. Will the Chancellor undertake to fully fund school meals, or else is she asking schools to choose between teaching and eating?

Rachel Reeves: I am really pleased that what we have set out today will lift 100,000 children out of poverty by providing free school meals to an additional 500,000 children. Real-terms funding for schools is increasing and real-terms funding per pupil is increasing to ensure that schools are able to provide the free school meals and the teaching that our children need.

Matt Bishop (Forest of Dean) (Lab): I thank the Chancellor for announcement of the extra funding for crumbling schools. As we know, schools across the country were left to fail under the 14 years of the previous Government. How can establishments such as Forest high school in my constituency, which is literally crumbling day by day and at serious risk of closure, access the vital funds so we can provide the service required by students in the Forest of Dean?

Rachel Reeves: I thank my hon. Friend for raising those concerns about schools in the Forest of Dean and that school in particular. The state that schools are in after 14 years of Conservative Government is just not good enough. After what they did in the '80s and '90s, I did not think that even a Conservative Government would leave schools in this state. Many MPs will be able to talk about examples similar to my hon. Friend's from their constituencies. I will ensure that the Department for Education and the Education Secretary hear about the specific case that he raises, because we want to improve the conditions that our young children are taught in.

Gideon Amos (Taunton and Wellington) (LD): I thank the Chancellor for her statement. As well as freeing people up by tackling the social care crisis, the real way to get the growth we all want is a target for publicly funded social homes—albeit, I welcome the funding that has been found for housing—and funding for the infrastructure that communities want, which will unlock tens of thousands of homes. The Wellington and Cullompton stations project was something I raised with the Chancellor last summer. She said at the Dispatch Box that it would be going ahead, because it had started. That project will bring £180 million of growth to the Cardiff-Bristol-Exeter corridor and generate hundreds of new jobs. Are my constituents right—a genuine question to the Chancellor—to be dismayed that there is no mention of any south-west projects in the statement today?

Rachel Reeves: Last week, we set out additional money for the Mayor of the West of England, and today we have announced a fourfold increase in local transport funding, which will be available for communities across the country. The hon. Member says that he wants to grow the economy—it is disappointing that the Liberal Democrats voted against the Planning and Infrastructure Bill yesterday, which will do exactly that.

Yuan Yang (Earley and Woodley) (Lab): I strongly congratulate the Chancellor on the impact she has already had by reforming the way the Treasury works, in particular to unlock the capital investment that we need for the future of our economy. I also commend her for her commitment to future generations through her funding for schools and the extension of free school meals. Will she continue to work with the Treasury to change the way it appraises the benefits of human capital investment to ensure there is sufficient funding, particularly for early intervention in special educational needs and disabilities in local authorities like mine in Reading and Wokingham?

Rachel Reeves: I thank my hon. Friend for welcoming the reforms we have introduced at the Treasury—the reform to the fiscal rules to unlock money for investment, the reform of financial transactions to enable more

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money to be spent through public finance institutions, and particularly the reform of the Green Book. She is absolutely right to mention the importance of human capital, which is why we have announced in the spending review significant investment in skills and in the early years to ensure that children are ready for school.

Mr Will Forster (Woking) (LD): As the MP for Woking, I represent the most bankrupt and indebted local authority in the country. I was very disappointed, therefore, that it appeared that the Chancellor did not mention councils or local government once in her statement. I am more disappointed, having listened to the detail of the statement, that the Government are investing only an extra 1.1% in local government next year and the year after. What does the Chancellor say to councils across the country and to my constituents in Woking to justify that lack of investment?

Rachel Reeves: This Labour Government are giving real-terms increases in spending to local authorities every year. Compare that with the Conservative-Liberal Democrat Administration from 2010 to 2015 that cut real spending by 2.9% every year. I am much happier to stand on my record as Chancellor than I would be to stand on what the Liberal Democrats did when they had a chance at being in government.

Anna Dixon (Shipley) (Lab): I thank the Chancellor for listening to the priorities of people in my constituency and across the country and investing in our schools. It was great to see free breakfast clubs in action at Baildon Glen and Beckfoot Priestthorpe schools recently, and I am delighted to hear today that the Labour Government will be putting in some £2.3 billion to fix our crumbling schools, having recently visited Eldwick primary school, where pupils are being taught in a temporary building with half the school out of action due to reinforced autoclaved aerated concrete. Can the Chancellor reassure the pupils at Eldwick that they will finally be able to get back to their classrooms?

Rachel Reeves: I thank my hon. Friend for the passion with which she speaks about schools, which is something I very much share. That is why we are rolling out breakfast clubs at primary schools and introducing free school meals for all children whose carers are on universal credit; it is why we are putting in real-terms increases for school funding and per-pupil funding; and it is why we are addressing the terrible situation of children being taught in temporary classrooms and crumbling schools. I will ensure that the Department for Education hears about the experience in Shipley to hopefully ensure that that school is on the list.

Deirdre Costigan (Ealing Southall) (Lab): A woman came to my surgery in Ealing Southall last Friday and showed me photos of the one bedroom she shares with her four children. The five of them share beds and they live with black mould on the walls. All the kids have been hospitalised, no doubt because of related bronchial infections. It is temporary accommodation, but she has been there 10 years. That is not unusual. Does the Chancellor agree that today's record £39 billion investment in social and affordable homes marks an end to Conservative austerity and an end their failure to build, and that it will finally give hope to families stuck in damp, overcrowded flats in London and across the country?

Rachel Reeves: Stories like that are exactly why the Deputy Prime Minister and I have prioritised investment in affordable homes. Nobody should have to live in those conditions in the 21st century—and, with the reforms we are making and the money we are putting in, they will not have to for much longer.

Adam Thompson (Erewash) (Lab): I thank the Chancellor for her statement today. I welcome all the choices she has made, but especially the investments in Derby and the wider east midlands, which will be an enormous boon to my constituents in Erewash. I also warmly welcome her commitment to ending the use of asylum hotels in this Parliament. The Tory party let the asylum system get completely out of control. Does the Chancellor agree that investment now will result in savings of billions as the system is fixed?

Rachel Reeves: The investment we are putting into Derby and Nottinghamshire is significant, with small modular reactors, investment in defence and investment in fusion, creating good jobs and paying decent wages right across the east midlands. I do not think that taxpayers' money should be used to pay for asylum hotels, which is why we are reducing the cost of asylum accommodation by around £1 billion during the course of this Parliament and ending the use of asylum hotels.

Andrew Lewin (Welwyn Hatfield) (Lab): It is a source of pride to see a Labour Chancellor announce such a transformative programme for social housing. My hope is that the boost to the affordable homes programme can be used to unlock stalled projects like those in Welwyn Garden City, in my constituency, where the Metropolitan Thames Valley development adjacent to the station needs to get motoring. I thank the Chancellor for her investment today. Does she agree that our message to councils and housing associations is, "We back you—now it is time for you to build"?

Rachel Reeves: The changes we have made to the planning system and the changes we are making through the Planning and Infrastructure Bill provide the opportunity to build. Today, we have backed those opportunities with money through the affordable homes grant to ensure that a good proportion of social and affordable housing is included in that, for all the reasons that hon. Members have mentioned. On the particular issue of housing around stations, there is huge potential there. The infrastructure is there—we want to have the housing there, too.

Dr Lauren Sullivan (Gravesham) (Lab): I thank the Chancellor for the spending review. Local austerity is over—after being a local councillor for nearly a decade, I thank her for that. Labour-led Gravesham council has given thousands of permissions for stalled brownfield sites, many of which are needed for the homes that we need in Gravesham. I seek reassurance from the Chancellor that this can be supported by Homes England to deliver and retain council, social and truly affordable homes for our community.

Rachel Reeves: I know that there is great need for affordable homes in Gravesham. With today's spending review, as well as the planning reforms we have introduced and continue to introduce—opposed, I think, by all the Opposition parties—we can get those homes built for families in Gravesham.

Jack Abbott (Ipswich) (Lab/Co-op): I welcome the huge raft of announcements today, not least the announcement that we will expand free school meals, which will benefit 6,500 children in Ipswich. I also want to celebrate the enormous, multibillion-pound green light for Sizewell C. We all know its national importance, from energy security to powering 6 million homes, but I cannot overstate the difference it will make in Ipswich and Suffolk, particularly to our young people, who now have the promise of a skilled, secure and well-paid job. I thank the Chancellor from the bottom of my heart for the investment in my town and county. Can she expand on how else the new age of nuclear will benefit our whole country?

Rachel Reeves: The Prime Minister was in Ipswich yesterday with my hon. Friend to visit a local college. He came back from that visit even more determined to crack on and build Sizewell nuclear power station in Suffolk because of the impact it will have not just on bringing down bills, but on bringing good jobs to Britain—good jobs through the supply chain—and on giving young people their hope and future back, knowing that they will have good jobs in the places they live, where they can make a career for themselves and bring prosperity to their families and communities.

Daniel Francis (Bexleyheath and Crayford) (Lab): I know that my constituents across Bexleyheath and Crayford will welcome the investment that the Chancellor has announced today for new and affordable housing. The Government have set an ambitious target of 1.5 million homes, including 88,000 across London. To reach those targets, we will need investment not just in affordable homes, but in new transport infrastructure. Projects such as the docklands light railway extension to Thamesmead, for example, is forecast to unlock up to 40,000 new homes in brownfield sites across two of the most deprived boroughs in London. Will the Chancellor reaffirm the Government's support for this important project and commit to providing funding for it?

Rachel Reeves: As my hon. Friend is aware, Bexleyheath and Crayford is a part of the country that I know well. It has huge potential for more homes and more investment. We have set a budget for the Department for Transport. We will set out the 10-year infrastructure plan next week to unlock further investment—both public and private—in housing and transport.

Antonia Bance (Tipton and Wednesbury) (Lab): One of the first pieces of casework that I picked up was from a young woman pushing her two children through central Wednesbury. We moved to the side and she told me that she was in temporary accommodation, and then she showed me the insect bites up her arm. In my council area, there are 21,000 people on the housing waiting list and nearly 550 families in temporary accommodation—awful, substandard bed and breakfasts, from which it takes multiple buses to get the kids to school. Will my right hon. Friend confirm that our share of the £39 billion for council and social housing is coming to Tipton and Wednesbury and Coseley, to the Black Country and to the west midlands to build the homes that our local families need?

Rachel Reeves: It absolutely is.

Laurence Turner (Birmingham Northfield) (Lab): I was delighted to hear the official commitment today to backing the midlands rail hub. I thank the Chancellor and the Transport Secretary for listening to the, at times, persistent representations in support of this essential project. We inherited a set of engineering plans with no money behind them. Now there is a chance to turn them into something real, and that is good news for Birmingham and for the economy of the west midlands.

At the centre of those works is Kings Norton station in my constituency. We need the works there to unblock the cross-city line. On a matter of literary heritage, Kings Norton is also the birthplace of Thomas the Tank Engine—the Reverend Awdry lived a few yards down the road. Would it not be a great tribute if spades could go in the ground for the 80th anniversary next year? Will the Chancellor and her officials work with local representatives so that we can understand which of those individual projects are going to be started first and finally restore Kings Norton station to its former glory?

Rachel Reeves: I once spent a day at Thomas the Tank Engine world. I hope that the trains and the tram lines that we are going to be investing in will be a little less talkative and a bit more productive. The reason I mentioned my hon. Friend in my speech today is that he has persistently lobbied for the midlands rail hub, and we are very pleased as a Government to be able to make that commitment today, which will benefit his constituents and many others as well.

Kevin Bonavia (Stevenage) (Lab): Today's spending review is a great big boost for the defence and life science sectors in this country. My constituency of Stevenage is a national hub for both those sectors. This morning, I visited the Cell and Gene Therapy Catapult with the Minister of State for Science, Research and Innovation, Lord Patrick Vallance. Last week, my right hon. Friend the Secretary of State for Defence visited MBDA to see the Storm Shadow missiles being fitted out for Ukraine. Today's extra investment will be hugely welcomed in my town of Stevenage. Young people want those new jobs. When can they expect to see the benefits of that new investment?

Rachel Reeves: There are huge opportunities in Stevenage, both in life sciences and in the defence sector, to take advantage of the investment that we are putting in—whether that is in research and development or lifting defence spending to 2.6% of GDP in the next two years. I know that businesses, working with their tireless local MP, will make sure that that investment gets to Stevenage.

Sam Rushworth (Bishop Auckland) (Lab): A third of children in Bishop Auckland live in poverty, so I welcome today's spending review, which set out how they will benefit not just from the free breakfast clubs, but from the extension to free school meals, warmer homes, more access to sports and the arts, and their parents getting the pay rises that they deserve under this Labour

[Sam Rushworth]

Government. But many of those children live in deprived neighbourhoods, which have seen big cuts to social infrastructure over the past 15 years, including the closure of swimming pools, youth clubs, Sure Start centres, boxing gyms and the like. I noted with interest that, on page 36, there was a reference to 350 deprived communities across the UK receiving Government investment. Will the Chancellor say more about that, because there are no figures in the spending review. If she cannot give a full answer today, perhaps I could engage with her office on this later.

Rachel Reeves: This will be a scheme operated from the Ministry of Housing, Communities and Local Government. We announced some of the neighbourhoods that will benefit from that investment today. This is not something that neighbourhoods will have to bid for; this will go to the communities that need it most. The Deputy Prime Minister will be setting out in due course all the 350 neighbourhoods that will benefit from this investment.

Joe Powell (Kensington and Bayswater) (Lab): Under the Conservatives, London's housing crisis escalated to dangerous levels, with one child in every classroom in temporary accommodation. I warmly welcome not only the £39 billion for the affordable homes programme, but the 10-year rent deal, the new low interest loans, and something that I have been pushing for—I can see that the Minister for Building Safety and Fire has just entered the Chamber—which is equal access to the building safety fund for housing associations, so that money can go towards improving conditions of homes and not to remediation. Can the Chancellor outline how this package will tackle London's housing crisis, including in my constituency, which is one of the most unequal parts, not only of London, but of the country.

Rachel Reeves: I thank my hon. Friend for that question. It is good to see the Minister in his place to hear it, too. It is really important that, as we invest in the social and affordable housing needed both in our capital city and in the whole country, we are investing in the right places. That housing must have the potential not only to provide the homes that people need, but to reduce that pressure on local authority and national budgets, which, so often, are picking up the costs of previous Governments who failed to invest in social and affordable homes.

Jacob Collier (Burton and Uttoxeter) (Lab): I, too, warmly welcome the investment in the midlands rail hub, which will mean 150 extra trains a week through Burton, and the investment in Rolls-Royce, which will produce small modular reactors and nuclear subs that will benefit my constituency and local jobs. The Chancellor also announced a huge package around transport. She will know that I have been pushing for improvements on the A50/A500 and in the infrastructure around Branston bridge. Can she say more about when we can expect an announcement on the road investment strategy?

Rachel Reeves: It sounds like it is a pretty good day to be an MP in Burton. We are pleased to be able to make those investments in the midlands rail hub and in nuclear technology. There will also be additional housing investment that will go into Burton and other places across the country. The allocation has been made to the Department for Transport, and the Secretary of State will set out her plans in due course. We will also be setting out more detail in the 10-year national infrastructure plan next week.

Johanna Baxter (Paisley and Renfrewshire South) (Lab): Fourteen years of the Tories and 18 years of the SNP have left many Scottish high streets in desperate need of investment, including those in my constituency of Paisley and Renfrewshire South. I welcome the Chancellor's announcement today of investing in new community funds, bringing the total UK Government direct investment in Scottish local growth funding to almost £1.7 billion. Will my right hon. Friend agree to come to Paisley to see why our high street deserves a slice of that very substantial pie.

Rachel Reeves: I thank my hon. Friend for that kind invitation. I look forward to being with her in Paisley and Renfrewshire before too long. It is the case that 14 years of Conservative Government and an additional 18 years of SNP Government in Scotland, have left many communities on their backs. The investments that we have announced—particularly with their multi-year nature—are about turning those communities around, so that more people can have pride in the places in which they live.

Mrs Elsie Blundell (Heywood and Middleton North) (Lab): I welcome the Government's announcement of an additional £2.5 billion in Greater Manchester. This will have a real benefit for my constituency and the town of Heywood, which will get the tram for the first time. What can the Government do, together with the Greater Manchester combined authority, to make sure that we get shovels in the ground as quickly as possible?

Rachel Reeves: I thank my hon. Friend for her lobbying; because of her efforts, Heywood will now get that metro station. Working together with the Mayor of Greater Manchester, we will ensure that the spades are in the ground quickly so that her constituents can benefit from the additional investment that this Government are putting in.

Dr Zubir Ahmed (Glasgow South West) (Lab): It is clear from my right hon. Friend's statement that she understands Scotland and that she has left no stone unturned in backing Scotland's economy. Despairingly, her ambition is not matched by the SNP Government in Holyrood. Will she join me in urging the SNP Government to end their ideological blockade on the defence industry and nuclear industry so that my constituents can finally access the skills, jobs and prosperity that this Labour Government are investing in?

Rachel Reeves: In the statement today we were able to announce investment for Acorn in Aberdeenshire and for Great British Energy, headquartered in Scotland, as well as substantial investment in defence—£11 billion extra by the end of the spending review period—to keep our country and the continent of Europe safe. Scotland and Glasgow have a proud tradition in the defence sectors, but our ambition is not being matched by the SNP Government. This Labour Government are backing defence across the whole of the UK, including Scotland.

Amanda Martin (Portsmouth North) (Lab): I thank the Chancellor for listening to me on behalf of Portsmouth residents with her commitments in today's review to investing in building British in our defence sector, backing our SMEs, investing in our country's security, our Royal Navy base and our NHS, and investing in the education of young people and our public services. A really important issue for my constituents is housing. With the £39 billion affordable housing pot and local growth funding targeted to reach hundreds of communities, under Labour there is now a real chance of addressing the housing need in Portsmouth. How can I work with the Chancellor and the Deputy Prime Minister to ensure that this ambitious investment is wholeheartedly embraced by my Lib Dem council, so that it is as ambitious for Portsmouth as we are, and so that we finally see action and much-needed homes for the people of Pompey?

Rachel Reeves: I think the whole House would pay tribute to the people of Portsmouth and their commitment to our country's defence. On affordable housing, through the Planning and Infrastructure Bill and the planning reforms we have already announced, we are enabling the building of these homes. Through the £39 billon announced today, we are putting in money so that we can build social and affordable homes. It is disappointing that the Liberal Democrats do not back our planning and infrastructure reforms, because unless everyone backs those, it will be very hard to get Britain building again and to build the 1.5 million homes that people in Portsmouth and the rest of our country desperately need.

Gill German (Clwyd North) (Lab): I warmly welcome the Chancellor's statement and, like my hon. Friend the Member for Cardiff West (Mr Barros-Curtis), in particular the historic £445 million investment into rail in Wales. I also echo my hon. Friend's thanks for the tireless representation of our Secretary of State for Wales and our Welsh Labour MPs. For my constituency, the investment means vital funding for Network North Wales to seamlessly connect with Northern Powerhouse Rail, bringing us closer to realising the ambitious vision of our UK Labour Government, our Welsh Labour Government, and our Labour metro mayors. Does the Chancellor agree that it is only with Labour working together that we can truly deliver for the people of north Wales?

Rachel Reeves: We finally have a Labour Government here and in Wales to work together for the people of Clwyd North and across Wales to make those investments, including the significant investments in transport that we have announced today. I pay tribute to all the Welsh Labour MPs who have lobbied me so extensively to get this investment into Welsh rail. I was left with no doubt about what the priority is for the people of Wales: transport investment and investment into coal tip safety. I am pleased to have been able to set that out in the spending review.

John Slinger (Rugby) (Lab): In the age of anger that our opponents seek to exploit, we need a responsibility revolution. This Government have taken on that responsibility by taking tough decisions to stabilise the economy and carry out long-term reforms. Does my right hon. Friend agree that it is her responsible approach, not cakeism 2.0, Trussonomics or Reform's fantasy economics, that enables today's welcome investment? The investment will benefit my constituents—in healthcare, the green transition, and the defence investment that will help GE Vernova employ hundreds more people in my constituency.

Rachel Reeves: We had to make difficult decisions last year to put the public finances on a firm footing after the appalling economic management of the Conservatives sent interest rates soaring and put pensions in peril—something that was welcomed by the current shadow Chief Secretary to the Treasury, the hon. Member for North Bedfordshire (Richard Fuller), and that is why he has the word "shadow" at the front of his title. Economic responsibility is essential. I set out the envelope for public spending in the Budget last year, and we have allocated that money today—not a penny more, not a penny less.

Mark Ferguson (Gateshead Central and Whickham) (Lab): A Labour Government, a Labour Chancellor, and a Labour plan. We have half a million children getting free school meals, huge investment into our national health service, jobs and opportunities closer to home, and £39 billion for affordable housing. This is fantastic for my community, but does the Chancellor agree that people in Gateshead and Whickham may benefit the most from the changes she made to the Green Book, and that it gives communities like mine huge opportunities for the future?

Rachel Reeves: My hon. Friend has been a big advocate of reforms to the Green Book, and after setting up the consultation in January, we are pleased to be able to announce changes today to get more investment into places such as Gateshead and Whickham in the north of England. My hon. Friend is also a big champion for free school meals. I am really pleased that in the spending review 500,000 more children will get free school meals, lifting 100,000 children out of poverty.

Lorraine Beavers (Blackpool North and Fleetwood) (Lab): I welcome the Government's commitment to investing in Britain's future, tearing up the old rulebook that held back constituencies like mine for too long, but my constituents need to feel the benefits now. We need better transport infrastructure, including the reopening of our train line and more jobs. Can the Chancellor confirm that Blackpool North and Fleetwood will get the attention that the Conservatives refused to pay it?

Rachel Reeves: Blackpool will benefit from the affordable homes programme, free school meals for children and the roll-out of breakfast clubs. It also stands to benefit from the increase in the local transport grant—a fourfold increase compared with the plans we inherited from the Conservatives.

Jim Dickson (Dartford) (Lab): People in my constituency will hugely welcome today's statement—not just the investment in public services such as schools and the NHS and in new homes, but the commitment to investment in transport infrastructure. People in Dartford are sick and tired of living with the terrible congestion caused by the Dartford crossing as well as the collapsed Galley Hill Road in Swanscombe. Can the Chancellor reassure me that as a result of the spending review not only will families be better off, but Dartford will be helped to get moving?

Rachel Reeves: In January I gave the Government's backing to the lower Thames crossing. We have set out the allocation for the Department for Transport and the 10-year infrastructure plan. The Secretary of State for Transport will set out more detail in due course.

Claire Hughes (Bangor Aberconwy) (Lab): I thank the Chancellor for her statement and for what is a record-breaking settlement for the Welsh Government to invest in public services in Wales. On Wales, I understand that some Opposition Members might not be happy with the announcement, but my constituents who rely on the north Wales main line to get to work, as well as those of my constituency neighbour, my hon. Friend the Member for Clwyd North (Gill German), will be delighted. Does the Chancellor agree that investment in rail is about so much more than trains and tracks; it is about connecting people across Wales with opportunities and jobs?

Rachel Reeves: I thank my hon. Friend for making those representations to me and to the Secretary of State for Transport on the importance of better rail connections so that people in Bangor Aberconwy and across north Wales can better access good jobs and public services. That is why we have put in £445 million at the spending review.

Madam Deputy Speaker (Judith Cummins): For the final question, I call Gregor Poynton.

Hon. Members: Hear, hear.

Gregor Poynton (Livingston) (Lab): I thank everyone for staying.

I warmly welcome the Chancellor's statement, which shows that this Labour Government are investing in Scotland's renewal. I particularly welcome the funding allocation for the Acorn carbon capture and storage project, which will unlock billions of pounds of private investment and create high-quality jobs in Scotland. May I ask the Chancellor how the project will create jobs in my constituency and support sites such as Grangemouth to thrive?

Rachel Reeves: After backing Teesside and Merseyside for carbon capture and storage last year, we are really pleased today to be able to announce tranche 2, with backing for both Acorn and Viking. We will crack on and get that investment to Aberdeenshire, as well as the investment that we are putting into Great British Energy. We know of the huge potential that Scotland has to contribute to those jobs and industries of the future in energy security, defence and so much more, and that is why we are backing Scotland with this spending review.

Points of Order

3.30 pm

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): On a point of order, Madam Deputy Speaker. During Question Time today, the Secretary of State for Wales—I have endeavoured to contact her about this—accused me of unintentionally misleading the House when I raised concerns about the reclassification of the east-west Oxford to Cambridge rail line as an England and Wales project, thereby denying Wales its full share of consequential funding. She claimed that the previous classification of England-only was merely a Conservative publishing error and insisted that all heavy rail projects would now be classified in such a way—so as to deny funding to Wales. To my surprise, however, the 2025 statement of funding policy still lists the Oxford to Cambridge line as England-only. That contradicts the Secretary of State's assertion and raises questions about the accuracy of her comments in the House. What steps should I take when I have been accused of misleading the House yet Treasury documents suggest that it is the Secretary of State who has done so?

Madam Deputy Speaker (Judith Cummins): I thank the right hon. Member for giving notice of her intention to raise this point of order. The Chair is not responsible for the content of Members' speeches. However, those on the Treasury Bench will have heard her point of order, and I am sure that the Secretary of State will seek to correct the record if necessary.

Jim Allister (North Antrim) (TUV): On a point of order, Madam Deputy Speaker. The whole House will be appalled, as I am, by the grotesque and wanton violence that has afflicted Ballymena in my constituency, and appalled by the sexual assault of a 14-year-old girl. There can be no excuse for the resulting violence. However, the Government must be aware of the underlying tensions produced by uncontrolled, and often undocumented, immigration. In that regard, would it be in order to ask that the Government make a statement to the House on what they will do to constrain the flow of migrants who legitimately travel under freedom of movement from one EU country to another—in this case, into the Republic of Ireland—and then pass unchecked from the Republic of Ireland into Northern Ireland? That has been a contributor—particularly in respect of Romas, it would seem—to the concentration and the resulting problems. None of that excuses violence, but it is a matter of concern to many. How can I obtain a statement from the Government on how they intend to address that gap in our ability to control who comes and goes from our own country?

Madam Deputy Speaker: I thank the hon. and learned Gentleman for his point of order. I have had no notice that the Government intend to make a statement. However, those on the Government Benches will have heard his comments, which are now on the record. He will also have an opportunity tomorrow during Business questions to raise the matter again.

BILL PRESENTED

ANIMAL SHELTERS (LICENSING) BILL

Presentation and First Reading (Standing Order No. 57)

Mr Richard Holden, supported by Rebecca Harris, Mr Mark Francois, Dr Neil Hudson, Mr Peter Bedford, Andrew Rosindell, Sir Ashley Fox, Sir Julian Smith, Bradley Thomas, Sir Andrew Mitchell, Dan Carden and Marie Goldman, presented a Bill to make provision for the licensing of animal shelters, and for connected purposes.

Bill read the First time; to be read a Second time Friday 20 June, and to be printed (Bill 260).

Letter Boxes (Positioning)

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

3.35 pm

Anneliese Midgley (Knowsley) (Lab): I beg to move,

That leave be given to bring in a Bill to amend building regulations to require letter boxes in new buildings and new front doors to be positioned in accordance with British Standard EN 13724:2013.

The Government say that they want to raise standards and focus on delivery, so I have got a perfect Bill for them—the Letter Boxes (Positioning) Bill. Last Christmas I visited the Royal Mail delivery office in Huyton in my constituency. I watched our posties working flat out, and it really hit home how hard they work, whatever the weather and whatever the conditions. I asked what I could do to help. They said, "Sort out those low-level letter boxes." They are worried that one of these days, one of them could get a life-changing injury just from doing their job. For example, Lancaster postie Anthony Quinn lost the top of his finger after a dog lunged through a letter box and bit him. He was just doing his job, delivering the post. South London postie Andrew Berge was attacked through a letter box by a dog that locked on to his hand and would not let go. He suffered serious damage to his ring finger, and he was just doing his job, delivering the post. And Wakefield postie Elaine White lost the top of her finger in a similar attack. The damage was so bad that doctors could not reattach it. That is permanent, life altering, but she was just doing her job, delivering the post.

During my visit to the delivery office, posties showed me scars and injuries from dog attacks through letter boxes. Members across the House will have heard countless stories and first-hand experiences from our campaigners about getting dog bites while delivering leaflets to low-level letter boxes. Around 1,000 of our posties have had their fingers partly or fully bitten off through a letter box in the past five years. It is clear to me that letter boxes have reached a new low, and it is time we in this House raised them.

When a letterbox is down by someone's ankles, any dog can bite, draw blood, or sever a finger or two. And it is not just about dog attacks; low-level letter boxes force our posties to stoop repeatedly, day in, day out. We have all been there on our leaflet delivery, and as we walk down the path and see a low-level letter box, the heart sinks—indeed, the only thing lower than the letter box is the mood of anyone who has to use one. Our posties have to do that every single day, dozens of times, and many of them get serious back problems and suffer back pain for years as a result of their job. Royal Mail recorded more than 18,000 back-related injuries in just one year.

Some of those posties are with us in the Gallery today—I thank them for joining us, and for all that they do. Their union, the Communication Workers Union, has campaigned for this change since 1958. Why has it not happened yet? A recent survey of CWU reps found that 93% reported issues with low-level letter boxes in new buildings, and 99% said that following the standard proposed in this Bill—letter boxes being 70 cm from the ground—would make a real difference.

[Anneliese Midgley]

This is not just about protecting workers, though that is reason enough; it is also about the cost of inaction. In 2022, back pain alone led to 154,000 lost working days at Royal Mail, costing it £16 million, and dog attacks lead to NHS treatment, police investigations and court cases.

I thank the Members who have co-sponsored the Bill. It is a change that is supported by posties up and down the country and by Royal Mail. I also believe it is supported across this House, because in the last Parliament the former Conservative Member for Chelmsford, Vicky Ford, brought forward a similar Bill, which had widespread support, and I pay tribute to her and to the work she did on the issue. I also pay tribute to my hon. Friend the Member for Corby and East Northamptonshire (Lee Barron), who is sitting next to me. He is a former postie and CWU regional secretary. I know that this issue can unite us all, because when I asked a question on it some months ago in this Chamber, there was cries of "Hear, hear" from across the House. [Hon. Members: "Hear, hear!"] That is rare.

This should be a simple fix. The current British standard is that letter box height should be at least 70 cm off the ground. Right now, that is advisory; this Bill would make it mandatory. This is not about asking people to change their existing doors or letter boxes. This Bill is just about low-level letter boxes in new buildings, both residential and commercial.

This Labour Government will build 1.5 million new homes during this Parliament, and I welcome the Chancellor's announcement today at the spending review of £39 billion to help build new social and affordable housing. However, let us ensure that those homes are built right so that posties do not go to work in fear of injury, and let us build them without burdening our public services with the costs of those injuries. As a Labour Government, we take our duty to look after working people seriously. The Bill will do just that.

Loads of other countries, such as Ireland, Portugal and Belgium, have already banned low-level letter boxes. Why are we behind them? Let us catch up with our neighbours on this. Let us raise the bar—or height, literally—on letter boxes. It will save pain, prevent injury and cut costs. It is the right thing to do for the people who deliver our post, are part of our community and look after us day in, day out—and we will never forget the role they played during the covid pandemic.

Our consideration for our posties' health and safety at work should be first class. I therefore ask the House to give the Bill its stamp of approval and get it signed, sealed and delivered.

Madam Deputy Speaker (Ms Nusrat Ghani): As a frequent leafleteer in Sussex Weald, I am particularly invested in this piece of legislation.

Question put and agreed to.

Ordered,

That Anneliese Midgley, Lee Barron, Charlie Dewhirst, Colum Eastwood, Emma Foody, Louise Haigh, Sally Jameson, Joe Morris, Sarah Owen, Laurence Turner, Chris Webb and Michael Wheeler present the Bill.

Anneliese Midgley accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 11 July, and to be printed (Bill 259).

Sustainable Aviation Fuel Bill

Second Reading

3.44 pm

The Secretary of State for Transport (Heidi Alexander): I beg to move, That the Bill be now read a Second time.

On the day when the Chancellor has set out this Government's determination to deliver a decade of national renewal, I am proud to stand before this House to make good on our promise to deliver a sustainable aviation sector. If we are once again to be an outward, confident trading nation that is connected to the world and leading the way on innovation, we must run as fast as we can towards a greener, cleaner future for flying. The Bill before us today will enable us to do precisely that. We do not have time to waste.

Siân Berry (Brighton Pavilion) (Green): Does the Secretary of State agree that this Bill has a missing half, which could cut aviation emissions by demand management, and that at the very least, if there is to be public money spent setting up this system, it should be raised from the most frequent flyers and private jets?

Heidi Alexander: I think the hon. Lady and I fundamentally differ on the issue of demand management, because demand for air travel is only going one way, and it is therefore our moral responsibility, if we are going to have more people in the skies, to reduce the carbon emissions associated with that.

As I said, we have no time to waste. That is why, when it comes to aviation, this Government have rolled up their sleeves and got on with the job, putting an end to the dither and delay of the past. In less than a year, we have approved the expansion of Luton airport and invited plans for a new runway at Heathrow, and I will be making a final decision on Gatwick expansion as soon as possible. We have invested in the future of aviation, not just with the help we have given to reopen Doncaster Sheffield airport or the work we are doing to strengthen connectivity around Liverpool John Lennon, but also by putting £1 billion towards aerospace technology. We have introduced the sustainable aviation fuel mandate and provided £63 million to the advanced fuels fund, helping the industry prepare for a sustainable future. Just last week, we kick-started the largest redesign of UK airspace since the 1950s, paving the way for cleaner flights, fewer delays and more direct routes. This is what governing for growth looks like.

Rachel Hopkins (Luton South and South Bedfordshire) (Lab): I really welcome the Bill and the creation of a mechanism to increase the supply of sustainable aviation fuel. Can I add that, as we look towards airspace modernisation, we will have not only cleaner and quicker but quieter flights?

Heidi Alexander: My hon. Friend is completely right to highlight the benefits of cracking on and delivering airspace modernisation. It could mean not only more direct flights and therefore less use of carbon, but noise benefits for communities close to airports.

We are determined to make rapid progress on this issue because we have an iron-clad belief that our success as an island nation rests on our international

connectivity. The flow of trade, exporting British expertise and the movement of people for business and leisure all depend on aviation continuing to grow and thrive. We could put our head in the sand and pretend that people do not want to fly, that the sector does not support hundreds of thousands of jobs, that people do not look forward to foreign holidays or family reunions and that air freight is not a significant part of our trade by value, but we would be on the wrong side of both reality and public aspiration.

The truth is that demand for flight is only going in one direction. According to the Civil Aviation Authority, passenger levels were 7% higher in 2024 than in the previous year. If we do not respond and if we do not set aviation up for long-term success, we do not just make ourselves poorer today, we kiss goodbye to the growth and opportunity this country needs in the decades to come.

I want a future where more passengers can take to the skies, not fewer. But like the rest of our economy, that must mean emitting less carbon, not more. This Bill will help secure that future. It builds on the fantastic work across Government and industry, led by my hon. Friend the Aviation Minister, which saw the SAF mandate come into effect earlier this year. As we run towards a future of green flight, we know that sustainable aviation fuel is one of the biggest levers we can pull. It emits 70% less greenhouse gases on average than fossil fuels. It can be used in existing infrastructure and aircraft engines, and it is now backed by a mandate that is rightly ambitious: 10% SAF in the fuel mix by 2030 and 22% by 2040. I want as much as possible to be made in the UK.

Monica Harding (Esher and Walton) (LD): The mandate, which we welcome, calls for only 22% sustainable jet fuel usage by 2040, while the Chancellor has said that she wants a third runway in use at Heathrow by 2035. That would mean more aviation-related health hazards to my constituents. Does the Minister agree that we should not pursue Heathrow expansion until we can turbocharge the SAF mandate and bring non-sustainable fuel usage down further?

Heidi Alexander: The Government have been clear that we will permit airport expansion only when it is consistent with our legally binding climate change targets. SAF is one way in which we can clean up aviation, but the work we are doing on the development of new aircraft technologies, alongside the work we are doing on airspace modernisation, is all connected to how we bring those emissions down. I point out to the hon. Lady that the expansion of Heathrow has already been modelled in relation to the sixth carbon budget.

We have been clear that the mandate alone is not enough. Creating the demand for SAF but not the supply does not get us where we want to be. We have heard the industry's concerns around risk and uncertainty for investment, and that is why we are acting today. The Bill creates a revenue certainty mechanism that will boost SAF production by giving investors confidence to choose the UK.

David Davis (Goole and Pocklington) (Con): I declare an interest as a pilot. In this context, I spoke to one of the would-be producers—I think it is called Zero—and its primary concern with respect to the strike price mechanism that the right hon. Lady talks about is how that will be set and what input producers will have. Will she address that when she talks through the mechanism?

Heidi Alexander: There is more detailed design work to do on all that, and we will work alongside industry to ensure that we have a workable proposition.

The mechanism boosts SAF production and gives investors confidence in the UK by addressing one of the biggest barriers to investment: the lack of a clear, predictable market price for SAF. That starts with a guaranteed strike price agreed between a Government-owned counterparty and the SAF producer. If SAF is sold for under that price, the counterparty will pay the difference to the producer. If SAF is sold for above that price, the producer will pay the difference to the counterparty.

The revenue certainty mechanism will be funded by industry, specifically through a levy on aviation fuel suppliers. That makes sense for two reasons. First, it is the industry that will benefit from more and cheaper SAF production, so it is only right that industry, and not the taxpayer, should fund it. Secondly, placing the levy higher up the supply chain spreads costs across the sector and is the least burdensome option. It is important to note that the revenue certainty mechanism will not be indefinite. It will be targeted and time-limited, helping to get first-of-a-kind UK projects off the ground. The Bill's sunset clause means that we can offer contracts only for 10 years, unless it is extended via the affirmative procedure. We will have a firm grip on costs throughout. We will decide the number and duration of contracts, limit support to a predetermined volume of SAF and negotiate acceptable strike prices. There is no obligation on the Government to enter into a defined number of contracts or to agree contracts at any cost.

I know that some hon. Members may be concerned about the impact on passengers, so let me reassure them: none of this will limit people's ability to fly. We expect minimal changes to fares, with an average ticket increasing or decreasing by up to £1.50 a year. I am pleased to say that this is a product of many months of consultation with the industry. Airlines are calling for it, airports are calling for it, SAF producers are calling for it, environmental organisations are calling for it, and the Government are therefore getting on with delivering it.

Sir Julian Lewis (New Forest East) (Con): I am sure that we wish the Government well in what they are trying to do. I gather that the International Air Transport Association highlighted only last week that, at the moment, sustainable aviation fuels cost approximately five times as much as conventional jet fuel. Will she explain how the measures in the Bill will bridge that gap to make it economical?

Heidi Alexander: Supply is constrained at the moment; the UK has one commercial production facility, in Immingham. We need to build investor confidence to commercialise some of the sustainable aviation fuel demonstration projects around the country. More supply and lower prices are good for the aviation sector and, ultimately, good for those who wish to fly.

I think it is worth taking a moment to reiterate what is at stake. When UK production of low-carbon fuels is up and running, it could support up to 15,000 green jobs, contribute £5 billion a year to our economy, and

[Heidi Alexander]

deliver clean and secure energy. What is more, fulfilling the SAF mandate could save up to 2.7 megatonnes of carbon dioxide equivalent a year by 2030. Seizing those opportunities will ensure that we deliver on our bold plan for change and that the UK and our world-class aviation sector are leading the way in the race towards sustainable flight.

This country cannot be open for business, open to investment and open to growth yet have a closed mind when it comes to international connectivity. The Bill is a clear signal that we will not accept false trade-offs that pit aviation's growth against our commitments to net zero. We can and must do both. We have the opportunity of a lifetime and, I believe, a moral mission to future-proof aviation. When the sector succeeds, it is not only a source of growth, through trade, business and tourism, but a source of joy, aspiration and opportunity. It is as vital today as it will be for future generations. Their need to fly, explore the world and do business requires us to act now. That is what the Bill does, and I commend it to the House.

Madam Deputy Speaker (Ms Nusrat Ghani): I call the shadow Secretary of State.

3.58 pm

Gareth Bacon (Orpington) (Con): Let me begin by setting out an unambiguous truth: aviation is vital to the British economy. It is a cornerstone of our national infrastructure, our competitiveness and our connectivity.

When it comes to the impact of aviation on our economy, the figures speak for themselves. Aviation contributes £52 billion to UK GDP, supporting over 960,000 jobs across the country. That includes 341,000 people working directly in aviation—from air traffic controllers to aerospace engineers—350,000 jobs in the supply chain, and another 269,000 supported through consumer spending. Aviation also delivers nearly £8.7 billion in tax revenues, and aerospace manufacturing adds a further £9 billion directly to GDP, plus over £10 billion more when including its supply chains. Some 197 million passengers and 2 million tonnes of freight move through our airports each year. The economic case is therefore unanswerable. In short, we must all support this thriving industry with clear benefits to the country.

The Conservative party has always recognised the strategic importance of aviation, but, unlike the current Government, we understand the damage that can be done with poor policy choices—I regret to say that we have seen plenty of that from the Labour Government over the past year. Alongside their national insurance jobs tax, which is putting pressure on businesses and threatens to leave working people £3,500 a year worse off, Labour's decision to hike air passenger duty threatens the vitality of this thriving industry. The Office for Budget Responsibility confirms that rises planned by the Chancellor of the Exchequer will raise an extra £555 million in taxes over five years, pushing up the costs for businesses and passengers alike.

In a speech that will have a lot of common ground with the Secretary of State's speech, I regret to say that Labour's handling of its professed desire to expand aviation raises more questions than answers. The decision to approve a second terminal at Luton airport, which we support, will be judicially reviewed. The proposal for a second runway at Gatwick has been kicked down the road for surprising reasons, to say the least, and the supposed support for a third runway at Heathrow is no more credible. The Chancellor has promised that the latter proposal will be operational by 2035, with spades in the ground in this Parliament, but that ambition looks very far-fetched, and there are substantial logistical and financial barriers to its construction. So far, the Government have provided no solutions on those points, so we will watch developments in the next few weeks with considerable interest.

It is against that backdrop that we come to the Bill before us. When we entered opposition, we made it clear that we would not oppose the Government just for the sake of it. We made it clear that where the Government's choices would benefit the country or the economy, we would welcome them. That is why we will not seek to divide the House on this legislation on Second Reading. This Bill is a logical follow-on from the statutory instrument passed in September last year that established the SAF mandate, the first stage of which came into effect in January. Having mandated that airlines will be required to use a specified percentage of SAF—2% this year, rising to 10% in 2030 and 22% in 2040—it is logical to take steps to ensure adequate levels of locally produced fuel.

While the mandate requires the consumption of SAF, it is a new technology, and its production carries a high risk for investors. Encouraging the development of the plants required to produce this fuel is the purpose of this Bill and, to a very large degree, it is a continuation of the policy of the previous Government. In 2023, it was the last Government who committed to an industry-funded revenue certainty mechanism to support UK-based SAF production. In early 2024 we published the detail, with plans for a guaranteed strike price model to give price certainty to SAF producers. I hear the Minister say, "You didn't do it!" He is completely correct, because unfortunately there was something called a general election that followed shortly after.

As the Secretary of State has outlined, under this model, producers will be topped up when the market price falls below a guaranteed strike price; when the market price rises above, they will pay it back. The system mirrors the successful contracts for difference model in offshore wind, and the economic benefits could be considerable. A cost-benefit analysis produced by the Department for Transport before the general election suggested that the SAF industry could add more than £1.8 billion to the economy and create more than 10,000 jobs in the country, but, more fundamentally, SAF is a product of what we know to work. As the Secretary of State said in her speech, it can be blended with conventional Jet A-1, used in existing aircraft and refuelled at existing airports. The capability exists. The challenge is not scientific; it is economic. That is why the concept of a revenue certainty mechanism was one of the six pillars in the previous Government's jet zero strategy, and, as the Secretary of State outlined, the introduction of a revenue certainty mechanism has wide support in the aviation industry.

Let me be clear: while we will not oppose the legislation this evening, we will carefully scrutinise it as it progresses through the House. In that spirit, I will put some questions to the Minister, which I hope he will address

in his summing up. The first is about passengers. In the press release announcing the Bill, the Government said that the revenue certainty mechanism would keep ticket price changes minimal:

"Keeping fluctuations to £1.50 a year on average."

The Secretary of State said the same in her speech. Perhaps in his speech the Minister could outline what this figure is based on. Do the Government stand by it? Is it a commitment, or a rough estimate?

The second question is about what type of SAF the Government favour and how it will be produced. While the SAF mandate permits the production and use of hydroprocessed esters and fatty acids SAF in the early years of the mandate, and also contains a small but increasing requirement for power-to-liquid SAF in later years, the bulk of the SAF to be developed and used under the terms of the mandate is second generation SAF, which is to be made from municipal waste, non-edible crops and woody biomass. The UK is a small island, with insufficient spare land to enjoy self-sufficient food security or to grow new forests at scale. Does the Minister think we will be self-sufficient? If not, what proportion of the ingredients necessary for making second generation SAF does the Minister think we will need to import?

Relatedly, the HEFA cap comes into force incrementally from 2027, despite there currently being no domestic production of second generation SAF in the UK and low levels of second generation SAF produced globally, removing the opportunity to source mandated volumes through imports. This risks making the costs of hitting SAF mandate targets very high indeed, because suppliers will soon be forced to buy out of their mandate obligations—a significant cost that will be passed on to the airlines and, ultimately, to passengers without delivering any decarbonisation benefit at all. Will the Government consider revising the timelines for phasing out HEFA SAF to bring them more in line with the timescales for domestic second generation SAF production, in order to minimise the costs for passengers?

The next area of interest is planning. The plants in which the Government are seeking to encourage investment will be large, and—as the Minister no doubt knows—large developments tend to attract a lot of local opposition, often leading to planning inquiries, judicial reviews, vast expense and years of delay before any construction work begins. If this does not change, the revenue certainty mechanism may not be sufficient to attract investors, so what will the Government do to minimise delays in the planning process?

I turn now to timescales. When will the first contracts be awarded under the RCM? Will there be a timetable for reaching full mandate compliance? As my right hon. Friend the Member for Goole and Pocklington (David Davis)—who is no longer in his place—touched on, the issue of the strike price is critical to the success of the proposal. What criteria will be used to set the strike price? Will the methodology be published, and will there be regular reviews? Finally, will the Government commit to regular reporting to Parliament on industry take-up, production capacity and cost trajectory, to ensure that they remain accountable for the Bill over time?

The importance of this Bill is clear. Backing UK production of sustainable aviation fuel is necessary if we are to meet our net zero goals without undermining the competitiveness of the aviation sector. However, let me be clear: as the Bill moves through the House, we will continue to look closely at the detail and press for changes where necessary, where improvements can be made to ensure that the scheme delivers on its promise.

Madam Deputy Speaker (Ms Nusrat Ghani): I call the Chair of the Transport Committee.

4.7 pm

Ruth Cadbury (Brentford and Isleworth) (Lab): I start by thanking the Secretary of State for Transport for her speech. I also thank her and the Aviation Minister, my hon. Friend the Member for Wythenshawe and Sale East (Mike Kane), for coming to speak to the Transport Committee earlier this year about aviation and, of course, wider matters.

I welcome the introduction of the Bill, and I was pleased to hear the remarks of the shadow Secretary of State, the hon. Member for Orpington (Gareth Bacon). The Bill will play an important role in our work to decarbonise our aviation sector. Some 7% of domestic greenhouse gas emissions come from domestic and international flights, and it is estimated that this figure will increase to 11% by 2030 and 16% by 2035. We all know the huge challenges involved in decarbonising aviation, and this Bill is a much-needed step towards addressing them. I am glad that the Government are taking action, and I know that many in the industry want to ensure that the Bill is operational as soon as possible.

As I am sure the Transport Secretary will appreciate, I have a few questions about the Bill, which I am sure will also be raised at later stages of its progress. However, I start by saying that it is rare to find a Bill on which there is so much agreement; every major airline I have met has mentioned its support for SAF, and there is widespread agreement that we need a price certainty mechanism. That is a sign that the Government have been pragmatic, working with business and—in the case of SAF—working to ensure that we have domestic capacity here in the UK.

I am glad that the Bill will start to move us away from our dependency on imported fossil fuels, particularly for aviation. This House may forget that our reliance on foreign fossil fuels meant that in 2022, we had to spend more than £35 billion bailing out our energy market. That reliance leaves us reliant on the whims of autocratic regimes across the world. We need to move away from that costly model and, in turn, bring investment into our regions, growth to our economy and much-needed tax revenue to our Treasury.

I am glad that the UK Government are working to make sure that we continue to lead on decarbonisation and to reduce our carbon emissions in line with the Paris agreement. I want to touch on the nature of the SAF we will be using. First and second generation SAFs are made from waste—the first from used cooking oils predominantly, and the second from waste such as household black bin bag waste. Where do the Government see that waste coming from in the future? How does that tie in with our efforts to reduce our residual waste, particularly black bin bag waste, and wider efforts to reduce the non-recyclable waste that we produce? Is a large part of our household waste not already going to waste-to-energy plants, providing electricity that we depend on?

[Ruth Cadbury]

There is a lot of support for SAF in America and, as with ethanol, it offers a huge chance for large-scale agricultural businesses to profit from the sale of their waste and their oil. Ethanol is often produced in the same plants as SAF. In seeking to secure UK domestic production of SAF, what could the challenges of the US-UK trade agreement mean for our biofuel industry and its ability to transition to producing SAF? Has the Department modelled the economic and environmental impact of providing resources for second generation SAF? What is the timescale to bring on third generation SAF?

One issue that has been raised with me is whether companies looking at producing SAF will be able to enter negotiations with the Government before the Bill reaches the statute book. I understand that that has been the case for the mechanism for renewable energy projects, where negotiations began early to ensure that the investment is locked in.

We need to see changes in aviation to meet our ambitious climate goals. Now that aviation and shipping are included in our carbon budget, those changes are even more important, and I hope that the Government will also look beyond SAF when thinking about decarbonising aviation. SAF is not and will not be the silver bullet solution to the sector's responsibility to this country's decarbonisation strategy.

Deirdre Costigan (Ealing Southall) (Lab): My hon. Friend, like me, represents a west London constituency. Brentford and Isleworth is very close to my constituency of Ealing Southall. She will know that while our constituents support the work towards a more sustainable air industry, they also want to see work to reduce the noise we hear in west London from the airline industry. Does she agree that the airline industry must also look at new, quieter planes and airspace modernisation for those communities?

Ruth Cadbury: My hon. Friend and neighbour is absolutely right, and I know that the plane and engine manufacturers are continuing to work—as they have done for decades, to be fair—on quieter and less polluting aircraft. Sometimes there is a tension between those two. Airspace modernisation will not make a lot of difference to my constituency in terms of landing aircraft, but overall airspace modernisation will play a part in reducing emissions and flight times for passengers.

As I have said, SAF is not and will not be the silver-bullet solution to the problem of aviation's responsibility for decarbonisation. The Climate Change Committee warned Parliament in 2023 that relying on SAF alone was "high risk". For example, Heathrow airport is already the single greatest source of carbon emissions in the UK, and the current plans for expansion would add an extra 8 to 9 megatonnes of carbon dioxide a year. If the Government do expand Heathrow, other airports across the UK will have to make cuts to ensure that aviation does not breach its carbon targets. Furthermore, continuing increases in aviation emissions will have to be offset against significant cuts in emissions in other sectors. I should like to hear from the Transport Secretary what the Government are doing to address that particular challenge.

When the Transport Committee considered SAF during the last Parliament, we found that it had "significant potential", and I know that there is support throughout the House for us to reduce carbon and other greenhouse gas emissions from aviation. As Chair of the Committee, I also know how widespread support across the sector is for decarbonisation, and that many private companies are already way ahead in preparing for the future. This country needs to stay ahead of the game internationally, and I am glad that by introducing the Bill the Government are showing their commitment, investing in UK industry, and showing that the UK can be a leader on sustainability.

4.16 pm

Mr Paul Kohler (Wimbledon) (LD): I thank the Secretary of State for her speech, and congratulate the Aviation Minister on the Bill.

The challenge facing the aviation sector—as with our entire economy—is decarbonisation. Reaching net zero by 2050 is essential, and given the scale of the scientific and technical challenge, it is clear that decarbonising aviation will not be easy. Sustainable aviation fuels have an important role to play in this effort. We consequently welcome the establishment of a SAF revenue certainty mechanism, which has long been called for by many in the aviation industry and which, as we have heard, is vital to ensuring that the SAF mandate is both feasible and achievable for airlines. Providing SAF producers with a guaranteed level of revenue will be key to unlocking investment in the sector—which, I think, answers some of the questions posed by the shadow Minister, the hon. Member for Orpington (Gareth Bacon). It will help to stimulate private capital at this early stage, and will support the UK's ambition to become a global leader in SAF development and production. The growth of the industry also has the potential to generate jobs and economic activity across the country.

However, while my party supports the Bill, there remain important questions, regarding in particular the scrutiny of the mechanism, international alignment, and the wider strategy for aviation decarbonisation. The Bill sets out the broad principles for the revenue mechanism, but leaves much of the detail to secondary legislation and ministerial discretion. That is, to a degree, understandable—the early stage of SAF technology and the uncertainty in market development mean that flexibility is crucial and necessary—but the Government must ensure that Parliament has an adequate opportunity to scrutinise the development of the mechanism, and the SAF sector more broadly. Given the importance of SAF to achieving net zero in aviation, it is vital that the House is updated regularly on progress in the industry, and on whether any adjustments to the mechanism are necessary. That is especially important in the light of previous Government promises to kick-start the domestic SAF industry—promises that have yet to materialise. In 2022 the Conservatives promised to have five commercial SAF plants up and running by 2025, but, as so often, they failed to deliver. I will therefore be pushing in Committee for the Bill to increase the level of ongoing scrutiny.

It is also crucial for the UK to work collaboratively with international partners on net-zero aviation technologies. Currently, the criteria for both what qualifies as SAF and what levels of different technologies should be used differ between the UK and the EU, with each jurisdiction

prioritising different fuel types at different times. Given the inherently international nature of the aviation sector, closer regulatory alignment with the EU and other key partners is essential to fostering growth in the industry and ensuring that there are sufficient levels of SAF production internationally to support the transition. The Government must therefore work more closely with the EU and others to ensure that our frameworks dovetail.

Finally, while we welcome this Bill, it is important to acknowledge that SAF alone will not be enough to decarbonise aviation, as the Chair of the Transport Committee made clear. Although SAF can significantly reduce the carbon intensity of air travel, flights using SAF will not be carbon neutral, so many of the necessary emission reductions to reach net zero will need to come from other areas. By the Government's own estimates, SAF could cut emissions by 6.3 million tonnes of CO_2 equivalent by 2040. That is not insignificant, but given the projected growth in passenger numbers, it would represent only a 0.8% reduction in overall aviation emissions compared with today.

While the Lib Dems support the Bill, we continue to urge the Government to take more ambitious action to decarbonise the aviation industry. With plans for airport expansion still on the table, the Government must clearly articulate how net zero aviation will be achieved by 2050.

4.20 pm

Sadik Al-Hassan (North Somerset) (Lab): I thank the Secretary of State and the Aviation Minister for their engagement while bringing forward this legislation. This Bill is vital not only to meet our national climate commitments, but to ensure strong regional economic growth, such as in my constituency of North Somerset, where Bristol airport, a beacon in the UK's transition to sustainable aviation, is located.

Bristol airport has long demonstrated real leadership in this space. In March 2021, it became BP's first UK customer to receive a supply of sustainable aviation fuel. In March 2024, nearly a year before the Government's mandate, Jet2 began operating flights from Bristol airport using a blend of sustainable aviation fuel, reducing the emissions that these flights generated by an astounding 70%. In recognition of the airport's leadership in this area, in December this Government made the very wise decision to appoint it to the jet zero taskforce, where it will be able to share its years of experience and expertise with the group.

The leadership and vision shown by institutions such as Bristol airport are not just laudable, but necessary, if we are to reach net zero by 2050. Aviation has been a domestic economic success story in recent decades. It now contributes £40 billion to the UK economy annually, including £20 billion in exports, and supports over half a million jobs across the country. With over 60% of the Members of this House having 500 or more constituents who work in aerospace, aviation or the wider supply chain, I will not be alone in recognising how vital it is for the economic future of our country to ensure that this industry remains a success. However, the ugly truth is that the sector accounts for around 7% of the UK's total emissions, and if we are to decarbonise the aviation industry while ensuring that flying remains affordable and accessible, it is to innovations such as sustainable aviation fuels and hydrogen in aviation that we must turn.

As the sustainable aviation fuel mandate begins to ramp up demand in the years to come, domestic production will sadly continue to lag behind, so this Bill's revenue certainty mechanism is essential. Learning from the success that contracts for difference have led to for renewables, the revenue certainty mechanism will unlock the UK's production by providing certainty for investors, and could see up to 60,000 skilled and well-paid jobs created by 2050.

My constituents in North Somerset will welcome the news that the Government continue to balance the need to support regional economic growth with meeting our net zero commitments, and I look forward to seeing the local jobs and cleaner skies that this Bill will deliver in the years to come.

4.23 pm

Blake Stephenson (Mid Bedfordshire) (Con): The UK has a real opportunity to lead the world in the production of sustainable aviation fuels, and this Bill aims to provide the investment certainty needed to scale up domestic SAF production and achieve just that.

My constituency is located a stone's throw from London Luton airport. It is a rapidly expanding regional airport, and that expansion will bring with it huge economic benefits, including jobs for thousands of my constituents and better connections for business and leisure. Indeed, airport expansion will help to bring millions of people to the Universal UK theme park—which I have to mention every time I stand up—and play a key role in driving local economic growth. But just as it is important to support the growth of airports such as Luton, it is important that expansion happens as sustainably as possible to ensure that we get as many of the benefits, and as few of the harms, as possible.

This is the subject of a current Environmental Audit Committee inquiry, which I was pleased to secure, investigating how the Government can deliver airport expansion while meeting their legally binding climate targets. Some, such as the Climate Change Committee, say that it is not possible, and the Government need to square that circle. With around 7% of greenhouse gases derived from aviation in the UK, we should not underestimate the challenge, but it is clear to me that sustainable aviation fuels are an important piece of the jigsaw.

In my constituency of Mid Bedfordshire, Cranfield University and local industry are already working at the cutting edge of developing new technologies in this area. I have heard from them and other experts about the potential of British-made sustainable aviation fuels. I have even learned about second-generation SAF—not something that I thought I would get into this time last year—which turns the waste we all put in our black bins every week into the fuel that powers us to adventures abroad. That is a remarkable thing, and I am glad to have learned about it since coming into the House. If we get sustainable aviation fuels right, we can create and support thousands of highly skilled jobs in places such as Cranfield.

Doing more to stimulate the development of sustainable aviation fuels is an obvious route to economic growth, so will the Minister reflect on our global market position,

[Blake Stephenson]

explain how the mechanism compares with other approaches, and give an assurance that the measures in the Bill will be enough to avoid the UK aviation industry needing to import SAF from abroad? It would be a huge missed opportunity to later find that this mechanism and related policies have not been ambitious enough, leaving foreign countries to benefit from domestic mandates.

One thing that strikes me immediately as worthy of more thought—the Minister may wish to comment—is black bin waste. Taking waste that was heading to landfill and instead using it to power us into the sky would seem to be a simple way forward, although whether there is enough of it is another matter. I declare my interest as a Central Bedfordshire councillor, but will the Minister consider the merits of including, in this Bill or elsewhere, a requirement for the Secretary of State to provide local authorities with guidance on how they can take advantage of this opportunity to help in the national effort to scale up production? Unless it is financially prohibitive for them to do so, would it not be sensible and pragmatic to let them use our household waste in this way, rather than let it head to landfill or local incinerators?

Finally, I have a few questions for the Minister on the costs of aviation travel. As we all know, times are tight for many of our constituents. UK air passenger duty is the world's highest tax levied on airline passengers, and following the autumn Budget, the OBR forecasts that it will increase 9% a year on average to a whopping £6.5 billion in 2029-30. On top of that, it is estimated that the impact of the Bill through the levy and administration costs will raise the cost of a ticket to travel. I know Ministers say that it is a modest increase, but that is why some may prefer the Government to use an alternative funding mechanism, such as the industry's contribution to the UK emissions trading scheme. I am not saying that the Government should take that approach, but it would be worthwhile for them to explain why they have taken the approach they have. Reflecting on the fact that the costs of the Bill come on top of the increase to air passenger duty in the autumn Budget, will the Minister provide an assurance that the Bill will not clobber our hard-working constituents with yet higher prices when they jet off on their family holiday?

4.28 pm

Baggy Shanker (Derby South) (Lab/Co-op): I refer the House to my business interests in the Register of Members' Financial Interests.

As a proud advocate of UK aviation, I am pleased to speak in support of the Sustainable Aviation Fuel Bill, and I add my thanks to the Aviation Minister for his determination in support of UK aviation and to the Secretary of State for her leadership. By backing industry with a revenue certainty mechanism, the Bill will turbocharge the production of UK SAF, reducing reliance on imports and generating jobs up and down the country. As one of the most carbon-intensive and hardest-to-decarbonise forms of transport, aviation is vital to get right. Alternative and sustainable aviation fuels will help us to safeguard the future of our planet, because without a decarbonised aviation sector, there will be no net zero.

Decarbonising will ensure that future generations can enjoy the opportunities that air travel brings without compromising the health of our planet. It will ensure that our regional economies continue to benefit from the growth that the aviation sector can offer, such as the whopping 6,000 jobs that East Midlands airport supports. In Derby, we are already making bold strides towards our net zero future. I am proud that Rolls-Royce moved quickly to confirm the compatibility of its long-haul aircraft engines, in both the wide body and business jet sector, with 100% SAF usage. The Derby factories will continue to play a significant role in shaping the future of aviation decarbonisation for years to come.

We recognise that decarbonisation will not be without its challenges. Sustainable aviation fuels offer a practical and innovative solution to those challenges, with SAF made from waste emitting a staggering 89% less carbon than burning conventional jet fuel. This is what the SAF Bill recognises. It is a bold and necessary step forwards to secure a sustainable net zero future for aviation. I am proud to support it.

4.30 pm

Luke Taylor (Sutton and Cheam) (LD): As chair of the all-party parliamentary group for the future of aviation, travel and aerospace, I very much welcome this step to push the aviation industry into a sustainable future. I encourage Members to join the APPG and come along to our meetings if they want to find out more about sustainability and the future of aviation. I worked in the aviation industry for 16 years before being elected to this place, and I studied aeronautical engineering for four years before that, so it would have been remiss of me not to come to the Chamber today to share with hon. Members my expertise on the subject, but I will try not bore them.

I welcome the support for future technology and the investment previously announced by the Government. We have massive and historical expertise in aviation here in Great Britain and Northern Ireland and we really must grasp the opportunity to develop those skills and that technology further. It is an incredible opportunity for UK plc and we need to grasp it. I want to pick up on a comment by the Secretary of State in her opening speech about airspace modernisation, because it is relevant to the discussion. We must grasp the opportunities of airspace modernisation, which have the potential, as she mentioned, to deliver shorter, more direct and more efficient flight routes. But as MPs, we must engage with the process. We must understand and learn about how that is happening around us. It is inevitable, but we must get the best for our communities. We must understand and engage with that process as it goes along. It is an incredible opportunity.

Over the past few months, the APPG has been hearing about the technologies that we have today. Of particular interest is ZeroAvia, which is already flying a hydrogen-electric, zero-emission aircraft in the UK—it has a hydrogen fuel cell with electrical propulsion, which offers completely zero-emission flight. As my hon. Friend the Member for Wimbledon (Mr Kohler) mentioned, this is only a stepping stone to the truly zero-emission flight that we really need to capture.

If hon. Members will forgive me for boring them slightly, the Breguet range equations that I learnt about for my degree are the reason why an Airbus A380 will

take off from London at 580 tonnes and land in Sydney at around 340 tonnes. The burning of fuel throughout the journey means that it is able to maintain the range and maintain the flight levels that the burning of the fuel and the reduction in the weight require. That is one reason why liquid fuel will almost always be required for very long-haul flights, no matter how far we progress with hydrogen and electrical power plants for short and medium-haul flights.

That amplifies the need not just for the current second-generation SAF production, but for looking at alternative fuel sources such as algae-derived SAF. Others have correctly made the point about the reduction in residual waste, which is the current fuel source for a lot of biodiesel for the development of SAF. As those sources decrease and the cost potentially increases, we need to look at truly zero-carbon sources of SAF.

I will not bore hon. Members more. In closing, I will just echo the words of my hon. Friend the Member for Wimbledon and of my party and encourage the Minister to go further and faster to achieve truly zero-carbon and lower-noise aviation technology so that we can continue to enjoy the incredible freedoms and opportunities in both economic activity—jobs, skills and trade—and the broadened horizons that aviation has offered us for more than a century. Long may it continue.

Madam Deputy Speaker (Ms Nusrat Ghani): Order. I will now announce the result of today's deferred Division on the draft Contracts for Difference (Miscellaneous Amendments) (No. 2) Regulations 2025. The Ayes were 350 and the Noes were 176, so the Ayes have it.

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

4.35 pm

Sally Jameson (Doncaster Central) (Lab/Co-op): Since entering this place almost a year ago, I have been proud to be a part of the campaign led by my hon. Friend the Member for Doncaster East and the Isle of Axholme (Lee Pitcher) to reopen Doncaster Sheffield airport and unleash the economic potential of the surrounding land as a hub for sustainable aviation. Our airport is a source of pride for all of us in Doncaster and South Yorkshire. We all eagerly anticipate the first flight for holidaymakers, but also—perhaps more importantly—we are looking forward to the high-skill, high-wage jobs that the airport will bring, and not just for people in Doncaster and South Yorkshire today, but for young people for generations to come.

That is why my right hon. Friends the Members for Doncaster North (Ed Miliband) and for Rawmarsh and Conisbrough (John Healey), my hon. Friend the Member for Doncaster East and the Isle of Axholme (Lee Pitcher) and I, along with Mayor Ros Jones and Mayor Oliver Coppard, and indeed the whole of South Yorkshire, were delighted that this Labour Government backed £30 million of devolved funding into our airport. I thank the Secretary of State for Transport and the Minister with responsibility for aviation for their support in our airport, our area and our potential.

A Government who prioritise growth must ensure that it is place based and felt in every corner of the country.

Lee Pitcher (Doncaster East and the Isle of Axholme) (Lab): I thank my hon. Friend and neighbour for giving way and for what she has said today. Does she agree that there is real potential for farmers to contribute by supporting feed stock from winter crops, creating a circular environmental economy that helps the local economy to grow further with new kinds of jobs, including for people who live in rural areas?

Sally Jameson: I absolutely agree. The Bill is not just about the small, narrow element of sustainable aviation; it is about what every industry across the country can do in the shared endeavour to make our aviation sustainable.

If this Government's growth agenda is to be a success, it must be felt in every corner of the country, including Doncaster and South Yorkshire, and I am pleased that with our airport investment and the backing from the Prime Minister—reiterated just today by the Chancellor—this Government have proved that they will do just that.

As the Secretary of State said, low-carbon fuels could support up to 15,000 jobs and contribute £5 billion to the economy by 2050. The Sustainable Aviation Fuel Bill is a promising boost to our ambition in Doncaster to create a sustainable aviation hub linked to our airport, proving, despite what some on the Opposition Benches may say, that the green agenda and the sustainability agenda are firmly woven into—and are, in fact, essential to—the regeneration of areas that have often been forgotten, such as mine, and to the industries of the future, good jobs for young people and the security of the nation.

The Bill's revenue certainty mechanism will widen opportunities for innovators, entrepreneurs and producers of fuels, propelling our aviation industry to world-class levels and helping us to become world leaders in an emerging market that will benefit our economy, our industry and our climate.

Perhaps most importantly, this critical infrastructure is sorely needed in Doncaster, and indeed across the country, to bring about the high-skill, high-wage jobs for my constituents and for young people across South Yorkshire. I know that our airport will champion the Government's aviation fuel ambitions, as will I.

4.39 pm

Graham Leadbitter (Moray West, Nairn and Strathspey) (SNP): The SNP welcomes the Bill, which will support the expanding use of sustainable aviation fuel. We view that as an important action among the range of actions that are needed to meet our legal and—most importantly—moral obligations to reduce carbon and support global efforts to tackle climate change.

My constituency has already played an important role in the use of SAF, with RAF Lossiemouth being the first Air Force base to use a SAF fuel blend for routine operations, for both the Poseidon submarine hunters and the Typhoon squadrons operating with a SAF mix. The RAF has also conducted demonstrator flights with 100% SAF-fuelled aircraft, and refuelled jets in the air with SAF. Indeed, Group Captain Sarah Brewin, the station commander at RAF Lossiemouth, has stated:

"The use of sustainable aviation fuel represents a significant milestone in the RAF's journey towards helping mitigate against climate change. By integrating sustainable practices into our

[Graham Leadbitter]

operations, we are not only enhancing our ability to protect the nation and deliver excellence on operations, but also contributing to a more sustainable future for generations to come."

I welcome the fact that the RAF has some ambitious targets to reduce its aviation carbon emissions.

Inverness airport, publicly owned by Highlands and Islands Airports Ltd and responsible to the Scottish Government, has offered SAF to operators since 2023—a vital piece of work towards the Scottish Government's deliberately ambitious goal of creating the world's first net zero aviation region by 2040.

Offshore supply flights are one of the most promising parts of our aviation sector for SAF potential. With Scotland having the lion's share of these flights from Aberdeen airport, it is vital that we see investment in SAF production in Scotland. Aberdeen airport, operated by AGS Airports, has supplied SAF since 2022, helping offshore industries to reduce their emissions. In 2021, one of the first fully-SAF helicopter flights in the UK took off from Aberdeen airport. BP is working with Bristow Helicopters to ensure that flights to BP platforms have used a SAF blend for more than two and a half years.

Scotland has an immense SAF production potential. The Bill alone is insufficient to see us reach that potential, but it is an important part of that. Scotland's SAF progress has been held back by the inaction of successive UK Governments on funding the Scottish carbon capture, usage and storage cluster. The CCUS cluster is, in turn, integral to the investment in SAF production at Grangemouth.

Industry body Sustainable Aviation found that a UK SAF industry could deliver £2.9 billion annually to the UK economy, and create more than 20,000 jobs. It is vital that, with long-overdue funding finally confirmed today—something that the SNP has campaigned on for over a decade—the full detail is rapidly made clear and that pace is further injected into the process if that overdue cash is to be converted to construction and processing.

My SNP colleague and Transport Secretary in the Scottish Government has put in place an expert working group on sustainable aviation fuel to exploit the potential for the Scottish economy.

I have covered our broad welcome for the Bill, but there is one area that the Government must address, which is ensuring that feedstocks are coming from sustainable sources. We welcome the Secretary of State's comments on further design work in the process and we will see that come through in the passage of the Bill. However, the Government must set out how they plan to manage the sourcing of sustainable aviation fuel feedstocks, so that the waste hierarchy is adhered to, and that existing businesses are not damaged by the introduction of the revenue certainty mechanism.

The most obvious illustration of this is the potential use of high-quality wood as one potential feedstock for SAF production. Some Members, but I suspect not all, will be aware that current demand for wood will outstrip supply by 2035. It will be obvious to everyone that it takes more than 10 years to grow a forest, so there is a real and well-articulated concern from organisations such as the Wood Panel Industry Federation and the many sawmill operators throughout the UK.

The UK wood panel industry currently supplies 65% of the UK's demand for wood panel products, utilising 25% of the annual roundwood harvest basket and 25% of the annual waste wood basket. Fully 10% of the UK economy utilises wood panel products and, again, it will not be lost on the Government that, in order to achieve a 1.5 million new homes target—something the SNP welcomes, given our own substantial success in social and affordable housing build in Scotland—protecting and growing wood supply will be absolutely vital.

The eligibility criteria for the SAF mandate stipulates that feedstock materials must be waste that cannot be prevented, reused or recycled in accordance with the waste hierarchy. While the mandate acknowledges the waste hierarchy, which in principle would prioritise the use of waste wood for recycling before energy recovery, it is not clear how it will be monitored and enforced, leaving supplies of waste wood vulnerable to being used in SAF, against the eligibility criteria. There is a risk that the introduction of a revenue certainty mechanism will incentivise producers wishing to use this essential raw material for SAF production.

There will be time during the passage of the Bill for Ministers to mitigate this risk and address this issue across the Departments involved, of which there are several. I particularly hope that the Deputy Prime Minister's responsibility for housing will help to focus ministerial and wider departmental minds on ensuring that the final iteration of the Bill supports sustainable SAF feedstocks. There are many good ways to manufacture SAF, and there are some bad ones. Let us get the mix right in this Bill.

4.45 pm

Euan Stainbank (Falkirk) (Lab): I welcome this tremendous legislation, which comes not a minute too soon after the previous Government self-admittedly sat on their hands. The Bill will enable the essential move to the production of British sustainable aviation fuel, and I put on the record my thanks to the ministerial team and officials for bringing the Bill forward and for their answers to my extensive written questions.

Unless it is the will of the House to cry for the end of aviation as a practice, it is imperative that we back the sustainable use of biofuels, municipal waste, cover crops, ethanol, and even carbon dioxide straight out of the atmosphere, for aviation fuel. The mandate provides a modest progression for the aviation industry towards incorporating this fuel into its mix. We have genuinely world-leading research and development on Teesside, such as through Project Speedbird and Lighthouse Green Fuels. The green shoots of industry there must be supported by Government to enable their outcomes.

Both airlines and airports recognise the environmental and economic imperative of building a domestic SAF market. They understand that relying on imports to meet the mandate increases costs and introduces risk to our energy security, aviation resilience and national competitiveness, and there is the geopolitical risk of exposing ourselves to a cheap Chinese market. We shamefully saw the previous Government be willing to do that, as exposed by the hundreds of jobs now on the line at Alexander Dennis in my constituency due to aggressive state-subsidised Chinese industrial practices

capturing an incrementally increasing share of the British bus manufacturing market. It is also in no small part thanks to the SNP Government recently buying four times as many Chinese buses as buses from Scotland, but I digress.

There is credible investment interest from traditional jet fuel producers and aviation operators, which have shown their willingness to put capital behind UK SAF projects. That investment is waiting for the RCM to be put in place, for private law contracts with manufacturers to be agreed, and for the industry to have complete certainty in investing in what is a nascent and uncertain technology.

The Bill must pass through the House as quickly as possible. One of the places that cannot afford to wait for investment is Grangemouth. The closure of the Grangemouth refinery has marked the end of over a century of oil refining on Falkirk's doorstep, and jobs in the wider supply chain are at risk daily due to the loss of the economic anchor that the refinery provided the community. Petroineos' conversion of the refinery into an import terminal compounds the concerns within the community that we will be reliant on cheap Chinese imports instead of growing our own SAF.

Grangemouth has the infrastructure, skills, logistics and the will to be a cornerstone of our domestic SAF industry and strategy in Scotland and across the United Kingdom, and it already has a commitment from the Government of £200 million from the national wealth fund. Organisations such as Scottish Enterprise and the team around Project Willow are already assessing investable proposals centred on SAF in Grangemouth. However, the dates for commencement of operations suggested in the report are still far too remote from the practical reality of workers who need to feed their kids and pay their mortgage.

With strategic support and the wise and expedient deployment of the £200 million dedicated by this UK Labour Government to Grangemouth, I firmly believe that we can rapidly transition Grangemouth from aviation fuel to SAF, serving as a model of industrial renewal. There are implications for fuel security in Scotland, for jobs in my constituency and the cost of heating and industrial fuel across the country. We cannot allow this to become another missed opportunity. For Grangemouth to have a chance of succeeding, we need acceleration.

With that in mind, I would like the Minister to answer the following questions. Considering that industry is raising concerns that we may have to wait up to nine months between the commencement of this legislation in quarter 4 of 2026 and the first private law contract being confirmed, what work can be done prior to the introduction of this legislation to bring the first of the contracts into effect as soon as humanly possible? How does the Bill intersect with Project Willow proposals for SAF at Grangemouth? Does the Minister understand the need to back and deliver that at pace? Would he like to touch on how the Project Willow report recommends delaying the HEFA cap? Does he consider the use of waste feedstocks for sustainable aviation fuel to be dirtier, cleaner or the same as waste incineration? What conversations has he had with colleagues at the Department for Environment, Food and Rural Affairs regarding the waste hierarchy implications?

In summary, we need the RCM rapidly, and we need to develop the industry at scale, and affordably. I hope that we can genuinely back British SAF, safeguard fuel security, protect skilled jobs and anchor the energy transition in communities such as Grangemouth, Teesside and all across the United Kingdom.

4.50 pm

Lillian Jones (Kilmarnock and Loudoun) (Lab): I rise to speak in this important debate as we address the challenge of modernising fuel sources and reducing our dependency on fossil fuels. I declare my interest as chair of the all-party parliamentary group for the wood panel industry. The transition to net zero in aviation is not just a climate imperative but an industrial opportunity. I commend the Government for bringing forward the Bill, which aims to provide long-term certainty for investors in the UK's growing sustainable aviation fuel sector. However, in our efforts to decarbonise aviation, we must be careful not inadvertently to harm other strategically important industries that also contribute to our economic growth and environmental goals.

The UK wood panel industry is one such sector. It generates more than £1.1 billion in gross value added and supports more than 10,000 jobs across the UK, many in high-skilled manufacturing roles in Wales, the north of England and Scotland, including my home of Ayrshire and beyond. Those are well-paid, productive and future-facing jobs.

The sector is one of the UK's largest industrial recyclers of post-consumer waste wood. It takes what would otherwise be discarded and turns it into essential materials for furniture, interior design and—crucially—the homes we are building, yet there is genuine concern that the SAF revenue certainty mechanism could distort markets by incentivising the diversion of recyclable wood and forestry products to fuel production. We have seen that before with the renewable heat incentive, where subsidies inflated virgin wood prices and squeezed out established manufacturers. We cannot afford to repeat that mistake. I am pleased to hear that Ministers have met industry representatives, listened to their concerns and responded positively. I would like to invite my hon. Friend the aviation Minister to come and speak to the APPG so that he can hear from the industry at first hand.

The SAF mandate rightly references the waste hierarchy, prioritising reuse and recycling before energy recovery. However, the enforcement mechanisms remain unclear. If high-quality waste wood is drawn into SAF production, prices will rise, availability will fall and our domestic supply chain will suffer.

Let me be clear that I support the ambition of SAF. I also support the Government's ambition to build 1.5 million new homes, but that will not be possible without affordable, sustainable construction materials, including wood panels. I urge Ministers to maintain the current safeguards in the SAF mandate, uphold the exclusion of virgin and recyclable wood from eligibility, ensure robust enforcement of the waste hierarchy so that only truly non-recyclable wood can be used, and put in place transparency mechanisms so that we can track what feedstocks are being used. If we get the balance right, we can deliver cleaner skies and affordable homes, and we can decarbonise aviation without decimating domestic manufacturing. Let us make SAF sustainable in every sense: environmentally, economically and industrially.

4.53 pm

Alice Macdonald (Norwich North) (Lab/Co-op): I thank the Minister for all his engagement on the subject. I am definitely not an expert on sustainable aviation fuel—it is nice to be in a debate where we can learn so much—but I will focus on what it could mean for my area of Norfolk and the east of England.

As we have heard, the Bill has the power to support a sustainable aviation industry that will reduce carbon emissions, protect highly skilled jobs and drive green growth. Norwich airport in my constituency has been a user of sustainable aviation fuel since 2023. SaxonAir, a local flight operator, reported that it used nearly 3,000 litres of sustainable aviation fuel for a single aircraft alone in 2024. That usage shows us what a substantial reduction in carbon emissions can be made compared with regular jet fuels, but much more needs to be done.

Recently, Norwich airport, Suffolk and Norfolk county councils and SaxonAir launched Aviation East: a vision to make East Anglia an innovation hub for sustainable aviation. Sustainable aviation fuel was referenced as one of the vital building blocks for that mission, but that and what we are discussing today is part of a much broader landscape of innovation and decarbonisation in aviation. The east of England is already seeing amazing work to revolutionise the way we travel, resulting in faster, cleaner transport solutions such as electric aircraft and drone taxis. In fact, as the Minister said recently, we could have flying taxis in the Norfolk sky by 2028—the Jetsons are coming to Norwich, and the Minister will be coming too, to go in an electric plane.

Alongside this important Bill, I welcome action that the Government are taking to decarbonise aviation through airspace modernisation, low and zero-emission aircraft, and carbon pricing. I welcome the £1 billion of funding for the Aerospace Technology Institute, and the work that the Civil Aviation Authority is doing in the regulatory environment for zero emission aircraft.

The potential in our region, the east of England, is huge, including for our local economy and—importantly—our young people. Young people growing up in Norfolk and Norwich, as I did, want lots of different opportunities, but too often those opportunities are not there, and especially not on their own doorsteps. I know we can deliver many more jobs and apprenticeships, including at the International Aviation Academy in Norwich, which counts KLM as one of its partners. I am also on a mission to work with local stakeholders, so that that academy is working at full capacity, opening up opportunities to local people both now and for future generations.

Delivering the vision of Aviation East, and the measures in the Bill, feeds clearly into the Government's growth missions, by delivering highly skilled, sustainable, world-leading engineering jobs. However, all fledgling innovations need protection, and sustainable aviation fuel is no different if it is to grow into an industry that could transform air travel for the better. I welcome the sustainable aviation fuel mandate that came into force this year and requires the blending of SAF into the UK-wide aviation fuel mix. I support that goal, but I recognise that it is achievable only when suppliers are protected and supported, by ensuring that a price is guaranteed, regardless of market forces. I recently met members of the East Anglian air ambulance, and I pay tribute to the amazing work they do, based out of Norwich airport. They told me that they use a mix of SAF, but that it is expensive and perhaps they could use a bit more if the price came down.

If the Government want to encourage innovation and drive growth in regions such as the east of England, providing a backstop price is the signal that shows investors we are serious about good green growth. With the Bill supporting sustainable aviation fuel producers, regional innovation hubs such as Norwich airport will only benefit, helping to increase their contribution to the UK's sustainable aviation industry, reducing carbon emissions, tackling climate change, and driving green growth. I fully back the Bill.

4.57 pm

Brian Leishman (Alloa and Grangemouth) (Lab): My contribution comes from a slightly different angle compared with that of other hon. Members, but from the outset let me be clear: I welcome the Government's plan for sustainable aviation fuel, and I thank my hon. Friend the Minister for his generous time discussing the matter. We can, however, hold different feelings at the same time, and while I approve of the plans, I feel a lot of anger and frustration at what has happened to my constituency. A joint venture of private capital through Sir Jim Ratcliffe's INEOS and the Chinese state, called Petroineos, has closed the Grangemouth refinery. Hundreds of workers on site, and thousands in the wider supply chain, are to lose their jobs. Scotland no longer refines our oil and fuel, and national security has been weakened as a result.

Everyone is aware that the previous Conservative Government did not want to know about that issue, and the current SNP Government tried their very best to conceal their knowledge of the closure years ago. So while my Government have committed £200 million from the national wealth fund for new industries to come at some point down the line, that frankly is not enough. At Grangemouth we have seen another unjust transition. Four decades ago, it was the miners who were cast aside; now it is refinery workers. I understand why oil and gas workers in the north-east of Scotland are anxious, and they have every right to be.

The last four decades of privatisation have also highlighted the danger of private capital and foreign Government ownership of our vital industry. At Grangemouth, conversion from a traditional oil refinery to a plant that would create sustainable aviation fuel was a viable alternative to closure and would have meant a truly just transition for workers and my local community. It would also have helped the Government meet our ambitious SAF mandates and supported the UK aviation industry. Yet conversion was not deemed profitable enough for Petroineos, and the Scottish and UK Governments both meekly accepted the company calling the shots, with minimal pushback, in an example of working-class communities being let down by the collective political class.

Only yesterday, in questions to the Department for Energy Security and Net Zero, I asked what ownership stake the Government would take in future industries at Grangemouth. I am still waiting on a coherent answer. Let me be clear: if there is no Government ownership stake taken and we surrender all the new, greener industries,

such as SAF, to private capital, the Government will have learned no lessons at all from the past four decades and we will never free ourselves from being at the mercy of those who put corporate profit ahead of our country's needs.

Earlier today, the Chancellor said that she and the Secretary of State for Business and Trade were not ready to let a working-class community in Scunthorpe go to the wall. That is why they intervened to save steel there and that was absolutely the correct decision. However, the Chancellor and the Secretary of State should have treated the refinery workers of Grangemouth in the same way as they did the steelworkers of Scunthorpe. I urge the Government to take responsibility and to take ownership of vital industry in our national interest.

5.1 pm

Chris Vince (Harlow) (Lab/Co-op): I take this opportunity to wish everybody across the House a happy Carers Week.

It is a pleasure to speak on Second Reading of the Sustainable Aviation Fuel Bill. I know that many Members think that I make my speeches up as I go along, but I want them to know that I wrote this in advance and I did not wing it. Members will also be happy to know that that was my last joke in this speech. I will just say quickly to the hon. Member for Sutton and Cheam (Luke Taylor) that he should never apologise for using an equation in a speech.

As Members across the House will be aware, although I do not have an airport in my constituency, Harlow starts at the very end of the runway at Stansted airport, and thousands of its residents work at the airport in a variety of roles. I briefly pay tribute to the work of Stansted airport college in investing in training the local workforce.

As the Minister is aware, Stansted is part of Manchester Airports Group, which is focused on the development of SAF. Like this Government, the group recognises that SAF is the future. I will also briefly give a plug for the Harlow Group, which is involved in machining vital aircraft components, and so is in line with the airport on that.

As Members will recognise, the UK has a world-class aviation sector and a proud history in the field, from R. J. Mitchell to Morien Morgan. I am proud that this Labour Government are promoting growth, as well as decarbonisation, in the sector. SAF will help us deliver our clean energy mission and our growth mission, allowing the UK to be a world leader in the field once more.

Compared with fossil jet fuel, SAF will reduce gas emissions by around 70%, and we can all welcome that. The Bill will introduce a revenue certainty mechanism to provide a price guarantee for SAF producers. The Government believe that that will increase investor confidence in SAF production, and having spoken in depth about the issue with Stansted airport, it is clear that that is the stumbling block for greater SAF production and use.

In conclusion, I welcome the Bill and the Government's ongoing commitment to decarbonisation and tackling climate change. I also welcome their commitment to being a world leader in the field.

Mrs Sureena Brackenridge (Wolverhampton North East) (Lab): I thank my hon. Friend for giving way right at the end. Just like him, I welcome the announcement. As we hear from across the aviation sector, there is much to be championed in the transition to sustainable aviation fuel that will be enabled by the Bill. Although Collins Aerospace in my constituency does not produce SAF, it does develop the components and systems that mean that 100% SAF flight is a reality. Does my hon. Friend agree that that backs both the green transition and the industrial future for places such as our regions and Wolverhampton and Willenhall?

Chris Vince: I thank my hon. Friend for her contribution. She managed to get in just before my last words, so I shall have to make up a new conclusion. I absolutely agree with her point. The point I was going to make in my conclusion is that this Bill is really important for climate change and meeting our decarbonisation targets. We all know about the impact of climate change on the planet that we live on, and we only have one planet so we have to get this right. She is right to say that there is also a massive economic advantage to this.

I was really proud to mention two aviation pioneers from the United Kingdom earlier, and I think this country should be ambitious. We should once again be at the front of the queue when it comes to aviation technology and aviation pioneers. SAF is a huge part of that. This is not just about climate change; it is also about jobs and opportunities, and I am really excited that this will mean more jobs and opportunities for my constituency of Harlow as well as for Wolverhampton. I am delighted to support the Bill today, and I look forward to hearing many more contributions. I also look forward to this Government continuing with their flying start.

5.6 pm

Amanda Hack (North West Leicestershire) (Lab): It has been said by the Secretary of State and echoed across the Chamber that the UK has a world-class aviation sector that is key to growth in our economy. I welcome the introduction of the Bill as it will provide certainty for producers of sustainable aviation fuel, allowing the sector to grow and invest.

We all know the benefits that airports have for our communities, which is why my hon. Friends the Members for Doncaster Central (Sally Jameson) and for Doncaster East and the Isle of Axholme (Lee Pitcher) will welcome the Chancellor's investment in Doncaster Sheffield. When we think about airports, we may automatically think about Heathrow, Gatwick, Luton, Birmingham and Manchester. However, as East Midlands airport is in my constituency of North West Leicestershire, it will be no surprise to anyone here that that is the airport I automatically think about.

The airport provides huge benefits to my local economy, as well as making an important contribution to the wider UK economy. As the second largest air freight terminal in the UK, East Midlands serves as the hub for DHL, UPS, FedEx and Royal Mail. This growth is backed by investment in the nearby east midlands rail hub, which transports our goods from port to port. In addition, the airport serves as a base for RVL, a specialist airline that provides support to the Environment Agency and the Maritime and Coastguard Agency. The transition to sustainable aviation fuel is going to be key if those organisations are to grasp the nettle on net zero.

[Amanda Hack]

My airport also serves millions of passengers every year, with the likes of Jet2, easyJet and Tui operating out of it, supporting my constituents and those from those across the midlands to take a well-deserved holiday. Having met representatives of Jet2 recently, I know that there is huge support for the introduction of the revenue certainty mechanism, and it will be interesting to hear more about the transitional arrangements to ensure that airlines such as Jet2 have the fuel they need to decarbonise and meet the mandated mix over the short term, as well as to see the SAF industry develop for the future.

As East Midlands airport's thriving cargo facility extends to meet the demands of exporters from across the UK, cutting greenhouse gas emissions via sustainable aviation fuel will not only have significant benefits for net zero, but will put an estimated £5 billion a year back into our economy by 2050. It will also create additional jobs, securing a long-term sustainable future for the industry. It also puts forward a clear commitment to jobs at the airport, which will benefit my constituents and those of neighbouring MPs in the east midlands. I would welcome assurances from the Minister that North West Leicestershire will see the full strength of these training and work opportunities when they come about, because we have a lot to offer.

I know that the measures in this Bill, alongside the work announced to modernise airspace, will be welcomed by the sector. May I take this opportunity to invite the Minister to the 60th birthday party of East Midlands airport on 21 July?

Madam Deputy Speaker (Ms Nusrat Ghani): I notice that that was an exclusive invitation just to the Minister.

5.9 pm

Graeme Downie (Dunfermline and Dollar) (Lab): Like my hon. Friend the Member for Harlow (Chris Vince) said, the hon. Member for Sutton and Cheam (Luke Taylor) should never be ashamed of being a geek of any kind. I definitely do not have his knowledge of formulas or anything like that, but I certainly am a self-professed aviation geek who has spent probably far too long sitting at the end of runways watching planes land for hours on end. When I was in high school, I used to cycle with one of my friends who lived close to the end of Edinburgh airport runway to just sit and watch aircraft come in—to the point that one time, the police came along and asked why these two 14-year-olds were sitting at the end of the runway watching aircraft land. I can assure everyone that nothing untoward or illegal was happening—we were just being that sad and geeky. I think that was the problem the police had; they did not believe that that was what two 14-year-olds were intending to do.

Luke Taylor: I would challenge the hon. Member's commitment to aviation spotting if, during university, he did not take a date to the final approach at Heathrow airport and have her observing the flights coming in for a good two hours. He may be a geek, but he is not quite there yet.

Madam Deputy Speaker: It would rather depend on whether the date ended up marrying him, wouldn't it?

Graeme Downie: I thank the hon. Member for that intervention. I will not ask for a second intervention on how that relationship progressed.

Aviation is a critical part of our national story and our economy, as others have said. As an island nation, we rely on the maritime and aviation sectors to get goods and people in and out of our country, so it is clear that aviation must continue to play a role in our future. In Scotland and in my constituency, that includes the movement of products like salmon and whisky, as well as tourists, to and from Dunfermline and the rest of Scotland. However, with aviation expected to become the largest transport sector emitter of carbon by 2040, it is clear that a range of transformational, long-term changes are needed in the sector to make it sustainable.

I recently had the privilege of hosting a sustainable aviation technology showcase in Parliament with companies such as Airbus, Boeing, easyJet, International Airlines Group and others, including some of the ones that have been mentioned. There I saw technological solutions ranging from radical changes to aircraft design to hydrogen-powered aircraft, as well as a number of SAF producers. I have also heard from Edinburgh airport, one of the largest employers in my constituency, of the importance of airspace reorganisation and regulatory changes, all of which will have a role in modernising aviation and reducing the environmental impact. I know that the Minister has been relentless in pursuing all these avenues to improve aviation in the UK, and we should thank him, his officials and the ministerial team for that work and commitment.

For all those people from different parts of the aviation ecosystem, the issue of SAF has been prime. On taking office, this Government took action much faster than many expected with the introduction of the SAF mandate. It obligates companies supplying fuel to airlines operating out of the UK to either incrementally increase the amount of SAF in use or pay a buy-out fee. That mandate started at 2% and will rise to 10% in 2030 and to 22% in 2040. That is the kind of direction and steer that the industry needed, but it will mean nothing if we do not produce SAF in the UK and invest now in the much longer-term plans for third generation SAF to make that a reality here and to make the UK a world leader in this technology, as well as playing a part in the future of our fledgling hydrogen sector.

Developing a strong SAF industry is a major industrial opportunity for the UK, as others have said. The UK can lead the SAF industry with job creation and innovation. At the event I mentioned, Airbus told me that it is committed to enabling 100% SAF capability across its aircraft production by 2030. According to the Back British SAF campaign, there is potential for over 10,000 jobs in the UK by 2030 and 60,000 jobs by 2050, a number of which would be in Scotland and in my constituency, as well as in the constituencies of other Members across the country. In due course, I hope that some of that might include investment in different parts of the SAF infrastructure in Fife, with proximity to Edinburgh airport and excellent sea, road and rail links.

For these and other reasons, I am delighted to see the Bill come forward. It clearly sets out the revenue certainty mechanism and the framework for setting a strike price that will support businesses and investment cases to make SAF a reality in the UK. It also establishes the route for funding via a levy on suppliers, along with enforcement and oversight.

I hope the Minister might respond in his summing up to a few specific points, some of which have been mentioned by colleagues. Under clause 1, what process does he intend to use to shape precise price points for producers and to calculate the market reference price? Clause 11, on financial penalties, contains provision to amend amounts in the light of inflation. Are those the only circumstances in which penalty amounts can change? Under clause 14, what oversight does he envisage if financial assistance is required to ensure value for money?

Clear and stable policy frameworks like this SAF Bill will be essential to unlocking private investment, accelerating SAF supply chains and positioning the UK as a global leader in the net zero transition, but the pace at which the legislation is introduced will be key, so will the Minister consider what steps he can take to accelerate the creation of a successful SAF industry here in the UK? As my hon. Friend the Member for Falkirk (Euan Stainbank) asked earlier, will the Minister begin work to create strike price contracts so that they are ready as quickly as possible when the legislation is passed? Will he consider moving the start date for the revenue mechanism forward to allow projects to get started as quickly as possible?

The Bill will be a significant part of the future of British aviation, British industry and British growth. I look forward to seeing its progress through the House.

5.15 pm

Luke Myer (Middlesbrough South and East Cleveland) (Lab): I welcome the Bill, particularly the introduction of the revenue certainty mechanism, which is not only a sensible intervention but a timely one. It gives investors clarity, it gives producers confidence and it gives communities such as mine a sense that this transition will bring jobs rather than take them away. I thank Ministers for listening not only to the sector but to those of us who represent Teesside.

In our region, we have a number of producers with an interest in scaling up SAF production—principally Alfanar, which has already invested £2.5 billion in our region and wants to go much further by building a brand-new plant that will create 2,300 construction jobs and 300 permanent jobs. Alfanar is not alone, however; we also have Iogen, Willis, Nova Pangaea, Abundia, Arcadia and many active producers or others looking to scale up—serious players with serious plans. I spoke to one earlier this week; it said that the Bill is exactly what the industry is looking for.

May I put just a couple of questions to the Minister? What those producers need now is confidence that enabling work for final investment decisions can begin, ideally before the Bill completes its full legislative journey. Of course, there is a precedent for that in the Energy Act 2023. What engagement will the Minister have with the Department for Energy Security and Net Zero on the carbon capture track project. I know that a number of the producers are keen to benefit from track 1 expansion, so producing those two things in train seems like a sensible thing to do, and I hope that there is cross-departmental engagement.

Ultimately, I thank the Government and urge them to move at pace to deliver the jobs that we want for the industry in our region. I want to ensure that young people watching from working-class communities across Teesside know that these are not abstract opportunities that are distant from them, but opportunities for them that they can get into—like our expansion in skills training. This sector can be transformative for the Tees valley region—not only for Middlesbrough but for Redcar and Cleveland, Stockton, Darlington and Hartlepool. Our area suffered industrial decline for many decades, but now we are seeing new life and new industry. Finally, Teesside is taking off.

Madam Deputy Speaker (Ms Nusrat Ghani): I call Chris McDonald for the final Back-Bench contribution.

5.18 pm

Chris McDonald (Stockton North) (Lab): We heard earlier from my hon. Friend the Member for Doncaster Central (Sally Jameson) how proud the people of Doncaster are of their airport, but I challenge her to a "pride in your local airport" competition, because nowhere is more proud of its local airport than Teesside—to the extent that whether politicians promise the continuation of flights from Teesside to Alicante is the most important issue in local politics. Quite right, too, because working people in Teesside save all year round for their seven days in the sun, and that is important to me and to everybody else who lives there. People who say that we need to reduce flights and the opportunity for working people to go on holiday are not living in the real world—they are certainly not talking to the people I talk to and live with.

Deirdre Costigan: I support the right of my hon. Friend's Stockton North constituents to go on holiday to Alicante. Equally, in my Ealing, Southall constituency, 53% of people—including me—were born in a different country. Does he agree that they have the right to go home and visit family and friends, so it is important that we accept the reality of air travel and focus our time and energy on realistic plans, such as the one before us, to invest in sustainable air fuels?

Chris McDonald: I could not agree more. As my hon. Friend the Member for Dover and Deal (Mike Tapp) said, we are indeed an island nation, if anyone had not spotted that, and the quickest way to get about is to go by air. What everyone wants is to wake up on a morning in Stockton and then be sat on a beach in Benidorm by lunch time, and of course they can do that at Teesside airport.

The people of Teesside know that our future is about decarbonising. This Government have invested £4 billion in carbon capture and storage. We have the largest offshore wind monopile factory in our area, and we are producing green hydrogen in Billingham in my constituency—in fact, Billingham produces 50% of the UK's hydrogen, and Billingham and Teesside more generally is set to become Europe's main centre for sustainable aviation fuel.

I am sure that sustainable aviation fuel will be produced in Grangemouth, Humberside, the north-west and south Wales, but the market is enormous and, as we heard from my hon. Friend the Member for Middlesbrough South and East Cleveland (Luke Myer), Teesside and Billingham in my constituency is best placed in the whole of Europe to deal with this. The biggest threat to that at the moment is not the fantastic plans of this

[Chris McDonald]

Government, but the ideological adherence of members of Reform to anti-net zero. As usual, I find myself in this House standing up for new jobs for industrial communities in my area, alongside my hon. Friend the Member for Middlesbrough South and East Cleveland. Where are the Reform Members? They are not here—they are never here.

Lewis Atkinson (Sunderland Central) (Lab): As well as the welcome developments that my hon. Friend alludes to in the Tees, this is about the wider north-east. In my constituency, Wastefront has a £100 million investment and is creating 100 good jobs on the River Wear. Does he agree that jobs are being made in the wider north-east through this Government's policy and that they are under threat from the policies of Opposition parties that he mentioned?

Chris McDonald: I agree. Whether it is in Sunderland or, as I mentioned, the north-west and down in south Wales, we will see jobs in the supply chain throughout all this work. It will also benefit Heathrow and our other major airport hubs.

I thought it might be useful to make a few comments about why I believe SAF is the solution. The hon. Member for Sutton and Cheam (Luke Taylor) gave a great description of why the flight range equations essentially drive us in the direction of sustainable aviation fuel. Electrification certainly would be possible for short-haul flights, but the hydrogen simply does not have the density. As I think the hon. Gentleman also said, infrastructure is important—we heard that from the Secretary of State in her opening statement—because planes take off from one place, but they land somewhere else, and they need to be able to refuel there too.

Sustainable aviation fuel is certainly the right approach, but a couple of Members raised concerns in the debate about the raw materials for feedstock—my hon. Friend the Member for Brentford and Isleworth (Ruth Cadbury) raised that issue. The hon. Member for Mid Bedfordshire (Blake Stephenson) said that he had learned about second-generation sustainable aviation fuels; it is probably just as well that he is not in his place, because I might blow his mind when I talk about third-generation and fourth-generation sustainable aviation fuels.

Essentially, there are concerns about the raw materials and municipal waste. Although the amount of waste per person will decline, a lot of it is put into energy from waste plants, and the new investments are really about future generations of SAF. We have heard about biomass. If that biomass is not from a feedstock, perhaps that verges into the second generation, but it is third-generation and fourth-generation sustainable aviation fuel that will enable us to scale up this industry. That will open it up to the direct combination of carbon dioxide and hydrogen using green electricity, which will enable us to scale it up. An abundant supply of those raw materials is needed, which is why I am so confident that we will see the industry spread around the whole of the UK.

Why do I say Billingham will become the UK and European centre for this work? There is a justification. Teesside already produces 50% of the UK's hydrogen, and the chemicals cluster there is well-known for producing pharmaceuticals for fertilisers and various other chemicals. We produced synthetic petrol in Billingham in the 1930s, and we produced synthetic jet fuel there in the 1940s for the Royal Air Force during the second world war. I say that not to imply in some way that we still have the skillset—many of those people are quite rightly enjoying their retirement, or have perhaps moved on from that—but to demonstrate to the House that there is not a big technological risk associated with this technology. Third-generation SAF will rely on the Fischer-Tropsch process, which has been around for 100 years.

In fact, when I talk to investors in the industry and ask them what the big risks are, they highlight economic risks—with which the Government are getting to grips right now through this legislation—and political risk, which is about the consistency of Government policy. As I mentioned earlier, the biggest threat to these jobs and to this industry is the ideology of the Reform party. As we see the jobs and investment, I am confident that people in my local community will vote for jobs and investment in the future as well.

As such, I warmly welcome this legislation. I very much look forward to the day when I can welcome right hon. and hon. Members to Teesside international airport, and enjoy a drink with them in the bar before we jet off to Alicante for our holidays.

Madam Deputy Speaker (Ms Nusrat Ghani): I call the shadow Minister.

5.25 pm

Greg Smith (Mid Buckinghamshire) (Con): Before I begin, I draw the House's attention to my entry in the Register of Members' Financial Interests, with respect to a donation from P1 Fuels. Although it does not make aviation fuel, it was in the synthetics business, and—as the Minister well knows—I ran a classic Land Rover on that fuel last summer to prove the point that this stuff works.

The test that net zero must meet is that all our constituents must still be able to do everything they do today—be it fly on holiday, drive, or get a ferry or anything else that runs on a liquid hydrocarbon—and that businesses must still be able to move goods around the world and trade at the same price as today, or for an equivalent price, just greener. In that, technology is our friend, as is the innovation we see—particularly on these shores, but also innovation that is happening abroad. As my hon. Friend the Member for Orpington (Gareth Bacon), the shadow Secretary of State, said earlier in the debate, the Opposition do not seek to divide the House on Second Reading. This Bill is an extension of the previous Government's agenda in this regard, and we fully recognise the need to replace fossil fuels over time and, in this instance, to replace aviation fuel with a cleaner, greener alternative. However, there will be key questions that the House should look at as this Bill goes through Committee and its later stages, which do need answers. We have heard some of those questions throughout this afternoon's debate.

We have had a good and wide-ranging debate, with very little deviation from the core consensus that sits underneath the Bill. On the Conservative Benches, my hon. Friend the Member for Mid Bedfordshire (Blake Stephenson) made the important point that aviation will be critical to get the tourists into the new Universal

theme park in Bedfordshire when it eventually opens. He also focused on the important role that Cranfield University and industry in his constituency are playing—they are providing part of the solution to the problem that this Bill seeks to support and deliver. Equally, he asked the legitimate question of how the United Kingdom mechanism and mandate compare with those overseas, which I hope the Minister will reflect on in his winding-up speech.

On the Government Benches, the chairman of the Transport Select Committee, the hon. Member for Brentford and Isleworth (Ruth Cadbury), spoke well and in an informed way on this subject. She and I both served on the Transport Committee in the previous Parliament, and we both worked on the inquiry and report on the fuels of the future that the Committee produced during that Parliament. She rightly made good points about the supply of waste for SAF technology and the trade-off with energy from waste facilities, for example. There will have to be some conversations within Government, particularly with the Ministry of Housing, Communities and Local Government, about the way in which so many councils, including my own in Buckinghamshire, now send all general waste to an energy from waste facility. Those incinerators and facilities have been financed through multi-decade deals, and if we are to get that waste into SAF production, some of those deals will inevitably have to be undone or renegotiated. Who will bear the cost of that?

The hon. Lady equally raised an important point about bioethanol—I do not know whether it was just shadow Ministers who received an email from Vivergo Fuels this week, or whether it was all Members of the House. That email gave a pretty stark warning, particularly about the impact of the US trade deal that the Government have done on the bioethanol space. Essentially, it warned that that deal could completely undermine the UK bioethanol industry. That is a serious concern that the Department for Transport and the Department for Business and Trade will have to work out if we are to have domestic bioethanol production, as much for sustainable aviation fuel as for petrol. We largely all fill up—unless we have classic cars—with E10 at the pump. E5 is still 5% bioethanol. As this Bill passes through the House and as the petrol debate for road cars moves on, that serious question will have to be answered. When we get a warning from industry as stark as the one from Vivergo Fuels, it needs to be addressed.

The hon. Member for North Somerset (Sadik Al-Hassan) mentioned the role of hydrogen in the mix, and I look forward to debating that with him when he has a debate on this issue in Westminster Hall next week, I think. He is absolutely right that there are other technologies and other fuels out there. The hon. Member for Derby South (Baggy Shanker) correctly pointed out that there can be no net zero without many of the elements of this Bill. The hon. Member for Doncaster Central (Sally Jameson) spoke passionately about Doncaster airport and the sustainable future that the Bill will help bring about.

The hon. Member for Falkirk (Euan Stainbank) spoke in support of the Bill, and the hon. Member for Kilmarnock and Loudoun (Lillian Jones) spoke in an informed way about SAF production, which forms such an important part of the Bill. The hon. Member for Norwich North (Alice Macdonald) rightly spoke of the innovative landscape, although the drone taxis did worry me a little bit—I am not sure we have completely got goods being delivered properly by drones yet, so we should do that before we start putting people in them. Equally, she rightly spoke about the world-leading engineering jobs that will be created.

The hon. Member for Alloa and Grangemouth (Brian Leishman) slightly broke the consensus, but he was entirely right to speak up for his constituents and his constituency interests so passionately. I think there is a legitimate debate about the refineries that we have lost, the refineries that we still have and how this debate intersects with them.

I will not dwell too much on the puns of the hon. Member for Harlow (Chris Vince). I thought he was a teacher before he entered this House, but perhaps he also wrote for Bobby Davro, given some of the puns he came up with.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): For the benefit of younger Members, Bobby Davro was a comedian.

Greg Smith: The hon. Gentleman shows my age, and no doubt his own, with that sedentary interjection.

The hon. Member for Harlow was right to focus on the skills agenda that underpins this legislation, on which I do not think we have heard so much from the Government. Likewise, the hon. Member for North West Leicestershire (Amanda Hack) rightly pointed out the lived experience of Jet2 and the impact on cargo. We have heard a lot in this debate about moving people around the country and the world using aviation, but not so much about cargo, which is an equally important part of our role as a global trading nation. The hon. Member for Dunfermline and Dollar (Graeme Downie), putting aside his little geek-off with the hon. Member for Sutton and Cheam (Luke Taylor), was right to focus on that agenda of moving goods as well as people.

We also heard from Teesside, with the hon. Member for Middlesbrough South and East Cleveland (Luke Myer) and the hon. Member for Stockton North (Chris McDonald). In fact, I am a little worried. This morning I was in Westminster Hall with the hon. Member for Stockton North, for a debate on the space industry, in which I agreed with every word he said, and I am a bit nervous to say that I agreed with him this afternoon, too. That does not often happen in this House, but he was absolutely right that all our constituents work hard and save hard. They want that family holiday or that weekend away or whatever it is every single year, and it would be a gross dereliction of duty for any of us to lumber them with higher airfares or to try to make their holidays more expensive. That is not what any of them send any of us here to do; they want us to ensure that they can still live their lives in the way they wish.

Briefly, the hon. Member for Sutton and Cheam warned us that he might be boring but, uncharacteristically for a Liberal Democrat, he actually was not. *[Laughter.]* I very much enjoyed his speech and the knowledge that he brought from his 16 years of work in the aviation sector. The hon. Member for Moray West, Nairn and Strathspey (Graham Leadbitter) was equally right to focus on another matter that a few Members have raised in the debate: the use of SAF by our armed forces, particular the Royal Air Force and the Royal Navy.

[Greg Smith]

The use of technology, from fuels derived from waste and feedstock to pure synthetics, is where I think much of the debate will go in the coming years. In fact, the technology to enable us to move on from those feedstock and waste-derived fuels already exists. In 2021 the RAF flew a plane not on a blend of SAF, but on 100% synthetic fuel made right here in the United Kingdom by a company called Zero Petroleum, which was mentioned by my right hon. Friend the Member for Goole and Pocklington (David Davis).

Let me now turn to a part of the agenda on which I think we will need to have a conversation when the Bill goes into Committee. The Bill gives no detail on the approach to be taken regarding the specifics of the contracting between the producer and the counterparty, the Government contractor for the strike price. In the background material, especially that which can be found in the Government's response to the consultation on the SAF revenue certainty mechanism, the ambitions are largely there, and we are not critical of the ambitions that sit within that document, but it might be beneficial to be sure that the contracting will follow those ambitions.

Given that the SAF mandate already in force includes a ringfenced mandate for an electro-sustainable aviation fuel quota, it is critical that eSAF projects are supported equally within the revenue certainty mechanism. It is important both to develop a UK market for SAF and eSAF, and local production as created by the Bill and the mandate, and to support and encourage the use of home-grown technology for the manufacture of SAF and eSAF, as that not only retains revenue within the United Kingdom but leverages a huge amount of revenue for future exports through technology licensing. Sadly, a great many projects supported by grants from the Advanced Fuels Fund are using foreign technology.

Perhaps I could suggest that the Government reflect, ahead of the Committee stage, on the possibility of adding another ambition to those that they have already set out: namely, to reward or incentivise the use of UK technology in projects supported by the revenue support mechanism. The House may be surprised to know that, despite the various programmes of UK Government support for SAF and eSAF, AFF grants, SAF mandates and the SAF revenue certainty mechanism, no UK Government bodies are mandated to support the development of the core technologies of fuel synthesis.

We have a great tradition of research and development in this country. Companies such as Zero Petroleum have been funded entirely by private capital—which is largely a good thing—and also through some of their RAF and Ministry of Defence contracts, for different reasons. Notably, however, the Aerospace Technology Institute is the Government-funded body that should be supporting SAF and eSAF manufacturing technology. It supports everything else, including hydrogen and electric aircraft, but, bizarrely, it is not permitted to fund SAF and eSAF technology programmes. That is a huge misalignment in the strategy, which I hope the Minister can address.

I have a few key questions for the Minister, and he is showing great enthusiasm about answering them. We will be spending three days in Committee, so there will be many more to come.

Max Wilkinson (Cheltenham) (LD): Only three?

Greg Smith: We can negotiate more, I am sure. *[Interruption.]* The less we hear about the hon. Gentleman's date at Heathrow, the better.

Are the Government able to outline their level of certainty about the costs to taxpayers? Is there confidence that the levy imposed on fuel suppliers will not lead to significant rises in ticket prices? In other words, what will ensure that the £1.50 variance in either direction is not a hope, not a dream and not a best-case scenario, but a reality about air fares?

It would also be helpful if details could be provided about the expected cost of importing SAF in comparison with the cost of producing it in the United Kingdom. If we are imposing costs on passengers through levies, is it expected that SAF can be produced more cheaply in other regions, or is the policy focused primarily on energy security? As I have said, our view is that we should make the fuel right here in the United Kingdom using our technology, but in order to get the right price from our technology in the UK, it is important that we understand the market overseas.

Can the Minister outline what proportion of the SAF used in the UK is expected to be produced domestically in the first instance? What would constitute success in the first iterations? The Government have suggested that financing a plant costs between £600 million and £2 billion. From a regulatory perspective, what can be done to ensure that plants fall towards the lower end of that cost range?

There are many questions to be answered in getting the Bill right. We want to get it right, and we want to see sustainable aviation fuel used in our aircraft. We will not divide the House today, but the test, as always, is this: have the Government got it right?

5.40 pm

The Parliamentary Under-Secretary of State for Transport (Mike Kane): I thank nearly all Members—no, all Members—for their consideration of the draft Bill and for their valuable contributions to this debate. I am grateful to the Opposition for their questions and scrutiny, and we will make sure as a House that we get this right for our nation.

I fully concur with the shadow Minister, the hon. Member for Mid Buckinghamshire (Greg Smith), that the Liberal Democrats have not been boring today, and I am grateful for their support in this matter. Having worked with the Liberal Democrats in the past, I know that they are always with you in the room until the fight breaks out, so let us see how we get on over the next period.

Max Wilkinson: Will the Minister congratulate innovators such as my constituent James Hygate, who was recently awarded an OBE for his work on green fuels? Over genteel tea and cake—as the House can imagine, this happens all the time in Cheltenham—he told me of his plans to turn human faeces into SAF. He is an innovator at the leading edge, and he says that the Minister might be able to work with his friends in the Department for Environment, Food and Rural Affairs to solve some of the problems that we have with sewage in our rivers, by taking it out at source. Is the Minister considering that as part of this legislation?

Mike Kane: I thank the hon. Member for his contribution and join him in thanking James Hygate OBE for his work in this area. On the serious point about waste, I sit on the small ministerial group for the circular economy. It is a big part of what this Government are trying to do, and we will see how that work progresses.

The UK stands at the forefront of global efforts to decarbonise aviation. When this Government came into power, we acted immediately by laying the statutory instrument for the SAF mandate, which has been in place since 1 January. We have established the UK airspace design service, a programme of work that will modernise the airspace above us by decarbonising and supporting cleaner flights with fewer delays. We are now the first legislature on the planet to introduce a revenue certainty mechanism, and the world is looking to us. I hope that this House can get behind us.

Jim Shannon (Strangford) (DUP): We cannot help but be excited about the Bill because of its potential to deliver. The Minister is a good friend of us in Northern Ireland, and a good friend of all of us in this Chamber and across this great nation. There are innovative people in Northern Ireland who have the technology, and they wish to play their part. Is it the Minister's intention to ensure that everyone across this great United Kingdom of Great Britain and Northern Ireland has the opportunity to feed into SAF and to gain the benefit from it?

Mike Kane: I am always delighted to answer questions from the hon. Gentleman, who represents a place that I love dearly. I have responsibility for maritime travel, and we see Artemis Technologies decarbonising our maritime sector. We have refineries in Belfast. I spoke to a major chief executive whose family emigrated to Canada from Belfast and who is very fond of the city. We expect him to talk to his companies about applying for the contracts when we eventually let them do so, and that will be key.

I have a lot of questions to get through. The £1.50 that the hon. Member for Orpington (Gareth Bacon) mentioned could be £1.50 more or £1.50 less, but I am happy to hand over £1.50 to him now, if he wishes. That is not going to have an impact on people's ability to fly to destinations, as he rightly said. I think people flying for their annual holiday is key to the British way of life, and I do not want to damage that whatsoever. That analysis comes from Department for Transport business team itself.

Many of the questions were about going faster. I must gently point out that we were promised four plants by 2025 by the last Government, but I am not going to get into that. We could not go any faster—this is still the first Session—and we had to introduce the mandate and we are now introducing part 2, which is the RCM. So I would say we are going at as fast a pace as humanly possible.

We are neutral on when the contracts are bid for, so I say to those worried about waste or HEFA streams that these contracts change over time, and we will see what bids come in. The hon. Member for Orpington also mentioned large plants, and he will have seen Members—mainly those Government Members behind me—from our industrial north, south Wales and other places queuing up to get advanced, high-manufacturing facilities with well-paid, trade-unionised jobs. As we advance this, we are working with the industry on the strike price.

The Chair of the Transport Committee, my hon. Friend the Member for Brentford and Isleworth (Ruth Cadbury), said this is not a silver bullet, and it is not, but it is part of the package—airspace modernisation, sustainable aviation fuels, carbon pricing, carbon capture technology and zero emission flight—that this Government are pursuing to decarbonise aviation in our country, and we are investing £1 billion in the Aerospace Technology Institute to do that.

My hon. Friend also mentioned Heathrow, and my right hon. Friend the Secretary of State, who has shown great leadership in this space—along with other Members, officials and the industry—has pointed out that the expansion of Heathrow is accounted for in the sixth carbon budget. I thank the hon. Member for Wimbledon (Mr Kohler) for his thanks to me for getting on with what is part of a package of decarbonisation, as he rightly pointed out.

My hon. Friend the Member for North Somerset (Sadik Al-Hassan) is a doughty champion for Bristol airport—he mentions it every time I meet him in the Tea Room—and a champion for hydrogen. I look forward to visiting his airport and to replying to his Westminster Hall debate on Tuesday.

The hon. Member for Mid Bedfordshire (Blake Stephenson) takes any opportunity he has to plug the Universal theme park. He spoke about his support for Luton airport, and how it will be a gateway for regeneration in his area. On how the approach differs from those of other markets, we are the first ones to do it. If we get this done in the next few weeks, we will be the only legislature on the planet to have done so, and the world is looking to us to move this forward.

Coming to my hon. Friend the Member for Derby South (Baggy Shanker), there was a bit of an arms race between Members, if they do not mind my saying so, about who loves their airport the most—Teesside, Norwich, East Midlands and on it went. I think we should have an independent competition for who loves their airport—

Luke Myer *rose—*

Mike Kane: I think the hon. Member representing Teesside is about to intervene on me.

Luke Myer: Does the Minister agree with me that Teesside International airport is a real gem in our region, and it is absolutely critical that it returns to profitability as soon as possible?

Mike Kane: How could I not agree with my hon. Friend. We are proud of our airports—I am proud of mine in my constituency—which provide jobs and services. As everybody has said, they have a great history and provide great innovation, and we should celebrate them.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): Stoke-on-Trent does not have an airport, but we do use Manchester airport quite a lot, so while the Minister is sitting next to the Transport Secretary on the Front Bench, could he put in a word for a direct train link from Stoke to Manchester airport, so we can all enjoy his airport as much as he does?

Mike Kane: Personally, I disagree with my hon. Friend, because I think Stoke has a great airport—it is in my constituency, and it is called Manchester airport.

I can assure the House that I am not going to take any lessons on date nights from the hon. Member for Sutton and Cheam (Luke Taylor). *[Laughter.]* But it is great to hear his expertise in this area. We do value that expertise in the House and I hope he makes the Public Bill Committee. He mentions ZeroAvia, which I worked with in opposition and in government, and how well it is doing with zero emission flights. He may have to run that equation past me again—I did not pick it up the first time.

What a doughty champion for Doncaster Sheffield airport my hon. Friend the Member for Doncaster Central (Sally Jameson) is. It was great to hear the Chancellor mention it in her statement today.

I am glad that the hon. Member for Moray West, Nairn and Strathspey (Graham Leadbitter), the transport spokesman for the SNP, welcomes the Bill. It is really good to see how the military and our armed services are getting in on the decarbonisation agenda. The RAF Lossiemouth, in his patch, is showing good practice.

My hon. Friend the Member for Falkirk (Euan Stainbank) talked with passion about Grangemouth near his constituency. In direct answer to his question, we have no plans to review the HEFA cap. This is about security in a fragile geopolitical situation and also about competitiveness. I remind him and my hon. Friend the Member for Alloa and Grangemouth (Brian Leishman) that the Government are considering EY's report and recommendations regarding the refinery. The national wealth fund stands ready, and we encourage investors to come forward and secure the long-term future at Grangemouth.

My hon. Friend the Member for Kilmarnock and Loudoun (Lillian Jones) is right. This industry produces well-paid, unionised jobs often in industrial areas that have been deindustrialised. I thank her for her work chairing the APPG for the wood panel industry, and I am happy to accept her offer to speak to it.

My hon. Friend the Member for Norwich North (Alice Macdonald) is another doughty campaigner for Norwich airport and its sustainable aviation hub. She is pushing that so hard. I was glad to meet her recently and I hope to visit Norwich in the near future. She talked about the jobs and apprenticeships that go with it.

My hon. Friend the Member for Alloa and Grangemouth —I will refine my remarks on Jim Ratcliffe; as a Manchester City fan, I had better be careful that I do not say anything out of turn—is right to talk about deindustrialisation. I saw that in east Manchester growing up in the '70s, with the chemical and the mining industries. We are only now getting over that in parts of our great city. I just remind him that if we do this right, we are looking at 15,000 jobs and £5 billion to the economy by 2050.

I once tried a joke in the House and Mr Speaker said, "Don't give up the day job." I remind my hon. Friend the Member for Harlow (Chris Vince) of that advice. At every opportunity, he raises the work he does with Stansted airport. He ended his speech really strongly, saying that the country should be ambitious in this field. I completely concur.

My hon. Friend the Member for North West Leicestershire (Amanda Hack) talked about her love affair with East Midlands airport and how important it is to freight. I have had roundtables with the freight industry on how we grow our freight industry in the UK. If I can get to her airport's 60th birthday celebrations, I will.

I wondered where my hon. Friend the Member for Dunfermline and Dollar (Graeme Downie) was going with that police story. And then we got into a very geeky arms race with the hon. Member for Cheltenham (Max Wilkinson). He is right to say that aviation, while a small emitter now, becomes a much larger emitter, or the largest, by 2040. That is why it is imperative that we do this now—another call to arms to go faster.

I think my hon. Friend the Member for Middlesbrough South and East Cleveland (Luke Myer) said he was a supporter of the airport near his constituency. Alfana, Arcadia, Iogen and a plethora of companies could bid for contracts in the region and support a manufacturing renaissance. Just to remind him about carbon capture, which he mentioned, the Prime Minister recently announced £22 billion of Government money to research carbon capture and technology at Stanlow.

In the arms race for who loves their airport most, my hon. Friend the Member for Stockton North (Chris McDonald) talked about hydrogen, wind, solar and clean energy.

Reform Members are not present, which is key because—*[Interruption.]* Oh, they are here now. Reform promises that it is going to re-industrialise these areas, but without a financial plan that adds up. This Government are actually getting on with it, and we will continue to get on with it.

This Government have demonstrated that we are committed to supporting our world-class aviation sector through what we have done in the first short few months of this Government. We have the third biggest aviation market on the planet, which is world class and competitive, and we want it to remain that way. We want more people to be able to fly, and we want them to do it sustainably, and that is why the transition to SAF is not a mere aspiration, but an imperative. I recognise that there will be challenges, but SAF will have our unwavering support, which is why we are backing it in the Bill, and I am grateful for the support around this Chamber today.

The revenue certainty mechanism will help new SAF plants to get off the ground, supporting good, green jobs in places like Teesside. Our SAF policies are helping to create the right environment for companies like Exolum, based in the constituency of my hon. Friend the Member for Chester North and Neston (Samantha Dixon), which pipes the sustainable fuel to Heathrow, Gatwick and, of course, the UK's fastest-growing airport, Manchester.

The Bill is delivering on our growth and clean energy missions and on our manifesto commitment to secure the aviation industry's long-term future through promoting SAF. I urge this House to give the Bill its full support, and I stand ready to work with Members across this House on that. I commend the Bill to the House.

Question put and agreed to.

Bill accordingly read a Second time.

SUSTAINABLE AVIATION FUEL BILL (PROGRAMME)

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

That the following provisions shall apply to the Sustainable Aviation Fuel Bill:

Committal

The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

(2) Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 22 July.

(3) The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

(4) Proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

(5) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

(6) Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and Third Reading.

Other proceedings

(7) Any other proceedings on the Bill may be programmed.—*(Heidi Alexander.)*

Question agreed to.

SUSTAINABLE AVIATION FUEL BILL (MONEY)

King's recommendation signified.

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Sustainable Aviation Fuel Bill it is expedient to authorise the payment out of money provided by Parliament of any expenditure incurred under the Act by the Secretary of State.—*(Heidi Alexander.)*

Question agreed to.

SUSTAINABLE AVIATION FUEL BILL (WAYS AND MEANS)

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Sustainable Aviation Fuel Bill, it is expedient to authorise:

(a) provisions by virtue of which persons may be required to make payments, or to provide financial collateral, to a designated counterparty, and

(b) the payment of sums into the Consolidated Fund.—*(Heidi Alexander.)*

Question agreed to.

Business without Debate

DELEGATED LEGISLATION

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

Investigatory Powers

That the draft Investigatory Powers (Communications Data) (Relevant Public Authorities and Designated Senior Officers) Regulations 2025, which were laid before this House on 2 April, be approved.—*(Gen Kitchen.)*

Question agreed to.

British Coal Staff Superannuation Scheme

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

5.57 pm

Lee Anderson (Ashfield) (Reform): Before I start, I declare an interest in this debate as a member of the British Coal staff superannuation scheme, which, for the purpose of this debate, I will refer to as the BCSSS. Before I go on, I want to say a special thanks to the BCSSS Facebook campaign group, which has been a great source of support and advice. The group represents more than 2,500 scheme members, and I am sure many will be watching this debate right now.

All the arguments for a fairer deal for BCSSS members have been heard before, so I want to take this opportunity to speak as an ex-coalminer, and as the only member of the BCSSS, I think, in this Parliament—and yes, I have a financial interest in this, but I feel that I am qualified to speak up on behalf of members of the BCSSS. I know that he hon. Member for Blyth and Ashington (Ian Lavery), another ex-coalminer, is present; I am sure he will support many of the things I have to say.

I am the last generation of coalminers in my family. I followed my dad, my granddad, my great-grandads and my great-great-grandads into the pits in Nottinghamshire and Derbyshire. In fact, I cannot think of any male family member before me who did not spend some time underground.

I worked at four different pits. Miners will usually say that the best pit they worked at was their first pit, and my first pit was Sutton colliery in Ashfield, north Nottinghamshire. I started there about a year after the miners' strike in the 1980s. It was a great pit, but this was a pit where, sadly, just a few decades earlier, five men had been killed in an explosion. I went on to do my coalface training at Creswell colliery in Derbyshire, where in 1950, yet another disaster had occurred: 80 boys and men lost their lives in an underground fire. We have had countless disasters, horrific accidents and nasty things going on, but still men and boys went down the pit—the black hole—to do a shift, digging coal out to fuel our nation.

It is hard to describe what it is like to work underground; there is nothing like it. It is dark and dangerous. It can be red hot in some places, yet freezing cold in others. There are no toilets, as the hon. Member for Blyth and Ashington can tell us. We just had to dig a hole and then cover it up. It is hard to explain what it is like crawling up and down a coalface, which is 29 inches high and 250 yards long, with a shearing machine spitting out coal, dust, heat and oil. It was a horrible feeling.

It is hard to explain what it is like to carry a steel ring on your shoulder—a girder—with your mate, on uneven ground and in dusty conditions. It is hard to explain what it is like to bandage up a workmate who has just been trapped, has had a big chunk ripped out of him and has lost a few fingers and half a foot. He has to be put on a stretcher and carried out to the pit bottom. On one occasion, that was seven miles of the pit—seven miles underground. That is from here to the edge of London.

But that is what we did—we did that for a living, day in, day out. We didn't moan. Towards the end of my mining career—the last three years of it—I worked as a deputy underground. I was responsible for the health and safety of the men in my district. When I became a deputy, I was transferred from the mineworkers' pension scheme to the BCSSS. I did not have any say in it; they just put me in it. That is what they did. While we continued working—digging the coal to fuel the nation and keep the lights on—all we asked for was a fair day's pay for a fair day's work. The pits are long gone now, but there are still thousands of ex-miners and their widows in the coalfield communities—

Michelle Welsh (Sherwood Forest) (Lab): My constituency of Sherwood Forest has the second largest BCSSS membership in the country. Almost 40% of the membership is women—women who were formerly employed in the mining industry, and women who were the spouses of members who have sadly died. Does the hon. Member agree that it is vital that the Government deliver justice for this scheme not only for constituencies such ours in Nottinghamshire but also for women?

Lee Anderson: Yes, I will come on to the women who worked in our industry a bit later, but the hon. Lady is absolutely correct. All we ask for now that the pits have gone—we still have the communities—is a fair day's pay from our own pot of money. That pot of money is the £2.3 billion investment reserve fund. That is our money. We paid it in. All we are asking is for the Government to give it back to us.

Jim Shannon (Strangford) (DUP): I commend the hon. Gentleman for securing this debate. I would never have known about what happened in the mines, but for the stories that he has told us. He has told those stories in debates in this House in the past. I thank him for his service. We congratulate the Nationwide building society for doing the right thing and sharing the bonus that it earns with its customers. Therefore, with great respect, Minister, the fact that the Government seem to be dragging their heels on seeing mineworkers receive rightful dividends from their back-breaking, life-altering work is jarring and must be addressed as a matter of urgency.

Lee Anderson: I thank the hon. Member for his intervention. As always, he makes a fantastic contribution and I agree with every single word that he has just said.

The Labour party was founded on the backs of coalminers, and I think it is time for the current Labour Government to repay those miners. They should remember that the miners paid their union subs; they helped to bankroll the Labour party. Let us be honest, the Labour party has supplied some good ex-mining MPs to this House. There is one sat there tonight. There was one who used to sit over there. I do not agree with their politics, but they are great MPs.

Let us remind ourselves that about 4,000 or 5,000 women are part of the BCSSS. We could not have done our job underground if it were not for those women, who did a great job. Then there are the widows of the ex-miners who would love to see a few extra quid in their bank account each month when fuel bills are going through the roof. About 2,000 members of the BCSSS die every year, and there are less than 40,000 members still in the scheme.

Steve Yemm (Mansfield) (Lab): The hon. Member and the House will know that I am a big supporter of returning the reserve to the fund, particularly because

many members are dying. The hon. Member sat as a Conservative Member on the Government Benches for a number of years and, indeed, was deputy chairman of the Conservative party while they were in government. Given the promises that Boris Johnson made in Mansfield in the 2019 election, why did the hon. Member do nothing to correct this injustice, since so many members of the scheme are passing away each year? Would he agree that it is somewhat hypocritical to now be championing this issue?

Lee Anderson: If the hon. Member had studied *Hansard* and paid a little more attention to Parliament during the past five years, he would know about the representations I made. In fact, I had my own Adjournment debate on the MPS. I met the former Prime Minister and the Chancellor of the Exchequer to discuss the mineworkers' pension scheme and the miners' asks, so it is a bit unfair of the hon. Member to try to score points in a very serious debate. I would have hoped that he would come here to support me in this debate, instead of trying to score political points. I do not think it is a good look, and I am sure that the BCSSS members in Mansfield and across Ashfield will not be very happy with his contribution.

Graeme Downie (Dunfermline and Dollar) (Lab): Will the hon. Member give way?

Lee Anderson: I will make some progress. As I said, there are 40,000 members left in the scheme, and it will not be that long until there are just a few thousand of us left. Meanwhile, miners and widows die without getting the justice they deserve.

Members may find it hard to believe, but I am 58 years old, and I am one of the youngest members in the scheme. Many members are over 70 years old. In fact, the average age of a member in the scheme is 75, and time is running out for these old colliers to get what they deserve.

Lillian Jones (Kilmarnock and Loudoun) (Lab): Will the hon. Member give way?

Lee Anderson: I will make some progress. It is worth remembering that when the last member of the MPS dies, the billions of pounds in the fund go straight to the Treasury and the Government of the day, and they can spend that money on whatever they like.

Alan Gemmell (Central Ayrshire) (Lab): I want to put it on the record that we have seen a transformative intervention by this Labour Government on the mineworkers' pension scheme, and over 100,000 former mineworkers already received their first pension increase in November last year. I wonder whether the hon. Member might want to congratulate the Government on that innovation.

Lee Anderson: If the hon. Member shows a little patience, he will hear me move on to that later.

The previous Labour manifesto stated that the reserve funds of both the MPS and the BCSSS would be released to members, yet the BCSSS was omitted from Labour's manifesto in 2024. Maybe the Minister can explain why that was. She may be aware—obviously the hon. Member for Mansfield (Steve Yemm) is not aware of this—that during the last Parliament, I continually pressed the Government for a fairer deal on the MPS, and I was knocked back at every single opportunity. Credit where credit is due, this Labour Government have stuck by their word, and the members of the mineworkers' pension scheme are a lot better off under this Labour Government due to the extra money in their pay packet.

Elaine Stewart (Ayr, Carrick and Cumnock) (Lab): Time is of the essence. While colleagues across the House may differ on these issues, we represent constituents who continue to suffer from the historic injustice created by the hon. Member's former Tory Government. Thousands of miners have died without justice, with 2,000 passing every year. This is about fairness, and the Government have acted, but does he agree that they are right to resolve this swiftly so that no more families wait in vain for their money?

Lee Anderson: I think that the hon. Member is getting a little confused; she probably needs a history lesson. There was a Labour Government for 13 years from the '90s that could have put this right—it works both ways. It is unfair to blame just the Conservative Government; I would blame both Governments.

To go back to the surplus from the MPS, I thank the Labour Government for giving the mineworkers their much deserved reserve fund, but I gently remind them that they should act to implement the full findings of the Business, Energy and Industrial Strategy Committee's 2021 report. By the way, that is Reform UK's policy.

Sue Edwards from Ashfield is a BCSSS pensioner who has asked me to keep pushing on this issue. She said that although women members never worked underground, their contribution should never be forgotten. Sue is right: we should never forget the contribution made by women at our collieries.

There are about 800 members of the BCSSS in Ashfield. One of them is Paddy Gumley, who will be watching the debate right now. He sent me an email yesterday, which said:

"Dear Lee,

Thank you for your email regarding the forthcoming debate on the BCSSS…We will watch out to ensure that the Treasury give sensible answers to your questions…and hopefully…will…bring this matter to a satisfactory conclusion. We are quite happy for you to use our names should you think it necessary. Again, I wish to advise you that I am now over 80 years old and have recently been treated for cancer, so time…is of the essence."

I think we all know what Paddy means: in plain English, "Please give me my money before I die."

None of us is getting any younger, and transferring the investment fund now to members would allow pensioners to live a more dignified life in their final years. It would also put tens of millions of pounds back into local coalfield communities, helping local shops and businesses prosper. Let us not forget that if these pensioners get this extra money, they will be taxed on that extra revenue, which will go back to the Exchequer.

The trustees have two simple requests: the return of the £2.3 billion investment reserve to the members as soon as possible this year, and a commitment to review how any future surplus will be shared out after the investment reserve is returned. I have yet to find a coalfield MP who does not agree with those simple requests. Most coalfields are now represented by Labour MPs, and I am really

[Lee Anderson]

hopeful that in the four years they will still be here, they will put pressure on the Treasury and the Government to provide justice for members of the BCSSS.

James Naish (Rushcliffe) (Lab): I sincerely hope that many of the Labour Members in the Chamber will be here for more than four years. The key point that the hon. Member alluded to is the need for us to work effectively together, recognising that, as he described, we have a whole range of constituents who would benefit from the BCSSS being treated differently. Does he therefore welcome the constructive way in which Labour Members are working?

Lee Anderson: Yes, I like to be constructive. The hon. Member for Mansfield has not been so constructive; he has used the debate to try to score political points. I am using the debate to try to get justice for the members of the BCSSS.

The trustees were disappointed by the previous Conservative Government, and they are a little bit disappointed with the current Labour Government, who they feel have dragged their heals in dealing with the BCSSS. They have dealt with the mineworkers' pension scheme much quicker. We are all ex-mineworkers, and we should be treated fairly.

I know the trustees have met the Minister today. I have spoken to the chief integrated funding adviser and the feedback is that it was a positive meeting, and the Minister once again appeared receptive to the requests put forward by the trustees but stopped short of saying she fully supports those requests.

There is a very simple solution to all this. Just give us our money back—it is our money—and let us discuss the future surplus sharing agreements. We ex-miners should not be a cash cow for the Treasury. I could go into all the facts and figures in this debate, but it is simple. It is about giving back to the mining community what it is owed. Not only did the miners of the past help create the Labour party, but they gave their money to the cause through their union donations. It is time to pay back the miners; there should be no excuse.

Let us imagine two brothers in their 70s who spent 40 years each down the pit. One is in the MPS and the other in the BCSSS. They worked side by side underground. The brother in the MPS has just had a 50% uplift in his pension thanks to this Labour Government, but the one in the BCSSS has had nothing. That cannot be right; it is not fair.

I hear people in this bubble in Westminster say that young people would not go down the pit these days, but you are all wrong—every single one of you. In the coalfield communities, mining, hard graft and a sense of working-class pride are in our DNA. When the time comes for mining communities to step forward and go back underground, the descendants of our brave miners will do their duty. That time will come, mark my words. In the meantime, it is time for this place to deliver justice for the miners.

I would like to hear the Minister state from that Dispatch Box that she fully supports the trustees' two main requests and that she agrees that the whole of the investment reserve fund, and not just part of it, should be shared out. There was a saying when I worked underground and all the pits were shutting. It was: "Have we heard owt, duck?" That is what ex-miners are saying right now to their pit mates, so I say to the Minister, who I know has been speaking to the Treasury and the trustees: have you heard owt, duck?

6.16 pm

The Minister for Industry (Sarah Jones): I thank the hon. Member for Ashfield (Lee Anderson) for securing this debate, and I welcome the opportunity to set out the Government's position on the BCSSS. There are a lot of hon. Members in attendance. Many have long associations with the coalfield communities they represent, and I know that this is an incredibly important issue to many people across the country. It is also a matter of great importance to me, and I am pleased to be speaking to the House following a meeting I had with the BCSSS trustees this afternoon.

Natalie Fleet (Bolsover) (Lab): When we speak of the mineworkers' pension, we speak of everyone who has sustained our pits, such as my constituents Anthony Peck, who joined the scheme aged 17, and Kevin Jowle, automatically enrolled when he became a deputy, without any consultation. Does the Minister agree that everyone deserves a fair pension and compensation for the £3.2 billion that the Treasury has received to date?

Sarah Jones: We believe that everybody deserves a fair pension, and I totally agree with my hon. Friend. I want to set out where we have got to.

As Members will be aware, this Labour Government committed in their manifesto to ending the injustice of the mineworkers' pension scheme, and I was incredibly proud to deliver on that commitment last October. We committed to transferring the investment reserve fund back to members and reviewing the surplus arrangements so that the mineworkers who powered our country receive a fairer pension. I was incredibly proud that, after only three months in power, the Chancellor announced the transfer of that investment reserve fund at the Budget in October. This was the action of a Labour Government overturning an historic injustice that the previous Government had failed to act on.

Graeme Downie: Does the Minister agree that it is thanks to campaigners such as Bobby Clelland in my constituency and to the local party that we have managed to succeed in having the MPS move towards a resolution and seeing that money being paid out to those communities in the coalfields in my constituency? It is also thanks to people such as Alan Kenney in my constituency, who is leading the campaign in Scotland on the BCSSS. I hope that she will be able to give us some good news. Does she agree that this is thanks to those former miners who are always standing up for their communities and still fighting now for the justice they deserve?

Sarah Jones: Of course my hon. Friend is right. I want to thank everybody who has campaigned and worked for so long on the mineworkers' pension and everybody who has been in touch with me and with colleagues across the House on the BCSSS. One of the most humbling events I have been to in my political life was speaking to former miners following the announcement on the mineworkers' pension. I am incredibly grateful to

the many people who have campaigned and who are getting in touch and showing us how important this is. Of course, we completely understand it.

Martin Wrigley (Newton Abbot) (LD): This is a new topic to me personally. I was contacted by a constituent whose late husband, a good friend of mine, Michael Green, worked for British Coal at the time. He too was passionate that this money should be returned to the miners. Does the Minister agree that we need to get on with this and get this to happen as quickly as possible?

Sarah Jones: We are certainly moving as fast as we can. I will explain where the process has got to, and I hope that Members will be reassured.

The transfer of £1.5 billion from the mineworkers' pension boosted pensions by 32%, which was an average increase of £29 a week for each member. The hon. Member for Ashfield made the point that this is about putting money not just into people's pockets but into local communities, and that is incredibly important. I also understand that in the context of the BCSSS in exactly the same way. My officials are working closely with the trustees of the mineworkers' pension on the review of the future surplus sharing arrangements, and we hope to come forward with proposals and reach an agreement on that soon. Having worked closely with the coalfield communities on the delivery of the mineworkers' pension, I completely recognise the strength of feeling on the BCSSS.

Ian Lavery (Blyth and Ashington) (Lab): I want to place on record my sincere thanks on behalf of my constituents and the people who work in the mining industry across the country for the fantastic work the Minister is doing in relation to the finances in the mineworkers' pension scheme. Might she be able to inform the House what the main differences are between the MPS receiving the money and the challenges with regard to the BCSSS?

Sarah Jones: I thank my hon. Friend for his kind words, and I will do exactly that and set out what the challenges and the differences are.

Having a process of work ongoing with the mineworkers' scheme and working out how we will do surplus sharing, we are now working on the BCSSS and what we do in that space, even though it was not a manifesto commitment. I wrote to the Chief Secretary to the Treasury in February and secured his agreement to undertake a similar review of the BCSSS, and that review is now well under way. The schemes are not identical. They are different, and the main difference is that there are currently no surplus sharing arrangements in the BCSSS. That is because they were removed in 2015 following two deficit valuations.

The situation at that time meant that members were unlikely to realise any increases to their pensions for a decade or more, and the Government risked having to find new money to fund pensions. Changes were therefore made, and an agreement was reached with the then Government that bonus pension increases would be paid for three years and that the scheme would invest so as to ensure that pensions could be paid, with the aim of returning the reserve to the Government in 2033. That is the main difference.

I met the BCSSS trustees, to whom I am grateful. We are working well together and will continue to do so. I first met them in April, during which I shared my determination to move at pace—that is a Government saying, isn't it? But we will genuinely move as fast as we can on the review and to start that process for the Government and trustees, and we jointly commissioned analysis from the Government Actuary to inform our decision making.

Louise Jones (North East Derbyshire) (Lab): I have heard from many of my constituents affected by the BCSSS, and many are advanced in age so there is a real need for speed. I appreciate the Minister setting out how committed she is to getting this sorted as quickly as possible and would appreciate hearing about any further things she could do to expedite it.

Sarah Jones: I completely appreciate my hon. Friend's comments. I think everybody in this House shares them, and I feel that strongly and am committed to doing exactly that.

We have recently received the analysis from the Government Actuary on the options for making a transfer to scheme members. Because we received that information, I had a meeting with the trustees today to hear their views on that analysis. At that meeting, I committed to move at speed. My officials are meeting the Treasury tomorrow. We are going to put a recommendation to the Chief Secretary to the Treasury, and I made a commitment to meet the trustees again before the summer break so we continue to make progress as fast as we can.

Josh Newbury (Cannock Chase) (Lab): I am proud to have supported the BCSSS campaign since long before I became an MP, and I have continued to support it. I pay tribute to the campaigners in my constituency, including ex-miner Tony Jones, who gave me a badge that I wear with pride. I am grateful to the Minister for her engagement with BCSSS trustees and us as coalfield MPs. However, many of my constituents are often elderly, in poor health and desperate for a resolution. Given that the investment reserve is already held within the scheme and its return would not require any new public spending, will the Minister continue to work hard to ensure that these deferred pensions are rightly returned as quickly as possible to their rightful owners?

Sarah Jones: That is certainly what we are working to do. Because the two schemes are slightly different, the way the Treasury has to interact and think about these things is slightly different, but we have done this Government Actuary process, and we met the trustees today. We will now put our recommendation to the Chief Secretary to the Treasury—I know that a lot of my hon. Friends are talking to him about this issue whenever they can. While I have a desire to move at speed, I hope colleagues will appreciate that we also need to ensure that we get this absolutely right, and that any spending decisions are carefully considered, especially given the role that the Government have as the guarantor to both the mineworkers' pension scheme and the BCSSS. I want to assure all hon. Members that I am doing all I can to reach an agreement and improve the conditions for members as soon as possible.

Lee Anderson: The Minister has been good today, actually, at the Dispatch Box, so I thank her for that. A lot of positive things have come out of this Adjournment debate. I have one question: is the scheme running at a surplus and if so, by how much?

Sarah Jones: I will not give figures, but the scheme is doing well. That is in part because of the trustees and the actions they have taken, and the investments and process they have undertaken. While the 2015 situation caused there to be a change in the way it was managed, it is now running well, and people can be reassured about that. I recognise that for many in coalfield communities, delivery on the mineworkers' pension scheme has only heightened the sense of injustice about the BCSSS—I hear and feel that and am determined to take action on it.

Lee Pitcher (Doncaster East and the Isle of Axholme) (Lab): For my 719 BCSSS members, with the scheme looking quite healthy now, does the Minister have that oomph to push it forward and expedite it as quickly as possible to get them justice?

Sarah Jones: I certainly have oomph, yes, and I am working as fast as I can on this. I will not talk now about the wider support that we are offering people in our former coalfield communities, but a whole raft of Government interventions are there to support people.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): My constituent Robert Ferguson echoes many of the points made by the constituent of the hon. Member for Ashfield (Lee Anderson) about the difference between families who worked side by side, whereby one benefits and one does not. I know that the Minister has a rather full portfolio—there are many other things that I constantly nag her about—but will we wait for the Treasury, which is not known for its speed in making decisions, or could interim arrangements be put in place to give some of the surplus back to the BCSSS, or something that allows a demonstration of progress while we wait for the Chief Secretary to come to a decision?

Sarah Jones: I would not want to give the impression that this decision is waiting on the Chief Secretary to the Treasury to say yes. That is not the case. We have to go through the correct processes to get it over the line, because it was not in the manifesto; it is a different scheme and we must go through the proper processes. I hope that my hon. Friend understands that.

It would probably cause more trouble than not to give part but not all of the surplus back, because people would wonder why we were doing that. We want to resolve this properly and quickly. The two outcomes that the hon. Member for Ashfield referred to, and which the trustees want, are goals that we all share, but we have to do this properly by going through the right processes and ensuring that we are not putting words into the mouths of our Treasury officials and colleagues before it is right to do so. My commitment is to work at pace on this. As I said, my officials are meeting the Treasury tomorrow, and we are meeting the trustees before the summer.

Adam Jogee (Newcastle-under-Lyme) (Lab): I have two quick points. First, as the Minister carries out those meetings—I wish her well—will she consider meeting some of us from coalfield communities, to facilitate that conversation? Secondly, she has just touched on the industrial strategy. She knows my views on the BCSSS and its importance to many people in Newcastle-under-Lyme. That industrial strategy must be felt by people not just in Newcastle-under-Lyme but up and down our country, particularly in coalfield communities. As it is finalised, I urge her to give a thought to us—that is really important. I hope that she will find time to meet us soon.

Sarah Jones: I am always very happy to meet my colleagues, particularly my hon. Friend. I am very happy to meet anybody in receipt of or campaigning on the BCSSS. My door is always open. He is right, of course, that our industrial strategy needs to do something that we have not had for so long: it needs to grow our economy across the country, not just in certain areas. We want the industrial strategy to do just that.

I will end by saying that, as politicians, we know that people find it very hard to trust us and what we will deliver, in part because they have been let down so many times over so many years, but I hope that they have noted our delivery of the mineworkers' pension scheme within three months of coming into office. I understand the frustration and need for speed because the people concerned are getting older. We know that many people passed away before they could get the mineworkers' pension scheme. The same is true during the long time that we have been talking about these issues. Now, I hope that people can see that we mean it when we look to work at pace on the BCSSS.

Adam Jogee: I am mindful of the fact that hon. Members do not have to be present at Adjournment debates, but does it not say everything that there is not a single Conservative MP here this evening—although there is a former one—to discuss this issue of importance not just to Newcastle-under-Lyme but to the whole United Kingdom?

Sarah Jones: I will let anybody watching the debate draw their own conclusions on that front, but it is there for all to see.

I thank the hon. Member for Ashfield for securing the debate and many hon. Friends for their representations. The Labour Government are absolutely committed to addressing the BCSSS. I look forward to updating Members on our progress towards improving pensions for all our former miners and correcting these historical injustices.

Question put and agreed to.

6.34 pm

House adjourned.

Deferred Division

ELECTRICITY

That the draft Contracts for Difference (Miscellaneous Amendments) (No. 2) Regulations 2025, which were laid before this House on 2 April, be approved.

The House divided: Ayes 350, Noes 176.

Division No. 224]

AYES

Abbott, rh Ms Diane *(Proxy vote cast by Bell Ribeiro-Addy)*
Abbott, Jack
Abrahams, Debbie
Ahmed, Dr Zubir
Akehurst, Luke
Aldridge, Dan
Alexander, rh Heidi
Al-Hassan, Sadik
Ali, Rushanara
Ali, Tahir
Anderson, Callum
Anderson, Fleur
Antoniazzi, Tonia
Arthur, Dr Scott
Asser, James
Athwal, Jas
Atkinson, Catherine
Atkinson, Lewis
Bailey, Olivia
Baines, David
Baker, Alex
Ballinger, Alex
Bance, Antonia
Barker, Paula
Barron, Lee
Barros-Curtis, Mr Alex
Baxter, Johanna
Beavers, Lorraine
Bell, Torsten
Benn, rh Hilary
Betts, Mr Clive
Billington, Ms Polly
Bishop, Matt
Blake, Olivia
Blake, Rachel
Bloore, Chris
Blundell, Mrs Elsie
Bonavia, Kevin
Botterill, Jade
Brackenridge, Mrs Sureena
Brash, Mr Jonathan
Brickell, Phil
Buckley, Julia
Burgon, Richard
Burke, Maureen
Burton-Sampson, David
Byrne, Ian
Byrne, rh Liam
Cadbury, Ruth
Caliskan, Nesil
Campbell, rh Sir Alan
Campbell, Irene
Campbell, Juliet
Campbell-Savours, Markus
Carden, Dan
Carling, Sam
Carns, Al
Champion, Sarah
Charalambous, Bambos
Charters, Mr Luke
Clark, Feryal
Collinge, Lizzi
Collins, Tom
Conlon, Liam
Coombes, Sarah
Cooper, Andrew
Cooper, rh Yvette
Costigan, Deirdre
Cox, Pam
Coyle, Neil
Craft, Jen
Creagh, Mary
Creasy, Ms Stella
Crichton, Torcuil
Curtis, Chris
Daby, Janet
Dakin, Sir Nicholas
Darlington, Emily
Davies, Jonathan
Davies, Paul
Davies, Shaun
Davies-Jones, Alex
De Cordova, Marsha
Dearden, Kate
Dhesi, Mr Tanmanjeet Singh
Dickson, Jim
Dixon, Anna
Dixon, Samantha
Dodds, rh Anneliese
Dollimore, Helena
Dowd, Peter
Downie, Graeme
Duncan-Jordan, Neil
Eagle, Dame Angela
Eagle, rh Maria
Eccles, Cat
Edwards, Lauren
Egan, Damien
Ellis, Maya
Elmore, Chris
Entwistle, Kirith
Eshalomi, Florence
Esterson, Bill
Evans, Chris
Falconer, Mr Hamish
Farnsworth, Linsey
Ferguson, Mark
Ferguson, Patricia
Fleet, Natalie
Foody, Emma
Fookes, Catherine
Foster, Mr Paul *(Proxy vote cast by Lorraine Beavers)*
Foxcroft, Vicky
Foy, Mary Kelly
Francis, Daniel
Frith, Mr James
Gardner, Dr Allison
Gemmell, Alan
German, Gill
Gilbert, Tracy
Gill, Preet Kaur
Gittins, Becky
Goldsborough, Ben
Gosling, Jodie
Gould, Georgia
Grady, John
Greenwood, Lilian
Griffith, Dame Nia
Gwynne, Andrew *(Proxy vote cast by Chris Elmore)*
Hack, Amanda
Hall, Sarah
Hamilton, Fabian
Hanna, Claire
Hatton, Lloyd
Hayes, Helen
Hayes, Tom
Hazelgrove, Claire
Healey, rh John
Hillier, Dame Meg
Hinchliff, Chris
Hinder, Jonathan
Hopkins, Rachel
Hughes, Claire
Hume, Alison
Huq, Dr Rupa
Hussain, Imran
Ingham, Leigh
Irons, Natasha
Jameson, Sally
Jermy, Terry
Jogee, Adam
Johnson, rh Dame Diana
Johnson, Kim
Jones, Gerald
Jones, Lillian
Jones, Louise
Jones, Ruth
Jones, Sarah
Josan, Gurinder Singh
Joseph, Sojan
Juss, Warinder
Kane, Chris
Kane, Mike
Kaur, Satvir *(Proxy vote cast by Chris Elmore)*
Kendall, rh Liz
Khan, Afzal
Khan, Naushabah
Kinnock, Stephen
Kirkham, Jayne
Kitchen, Gen
Kumar, Sonia
Kyle, rh Peter
Kyrke-Smith, Laura
Lamb, Peter
Lavery, Ian
Law, Noah
Leadbeater, Kim
Leishman, Brian
Lewin, Andrew
Lightwood, Simon
Long Bailey, Rebecca
MacAlister, Josh
Macdonald, Alice
MacNae, Andy
Mahmood, rh Shabana
Martin, Amanda
Maskell, Rachael
Mather, Keir
Mayer, Alex
McAllister, Douglas
McCarthy, Kerry
McCluskey, Martin
McDonald, Andy
McDonald, Chris
McDonnell, rh John
McEvoy, Lola
McFadden, rh Pat
McGovern, Alison
McKee, Gordon
McKenna, Kevin
McKinnell, Catherine
McMahon, Jim
McMorrin, Anna
McNally, Frank
Midgley, Anneliese
Miliband, rh Ed
Minns, Ms Julie
Mishra, Navendu
Mohamed, Abtisam
Moon, Perran
Morgan, Stephen
Morris, Joe
Mullane, Margaret
Murphy, Luke
Murray, Chris
Murray, rh Ian *(Proxy vote cast by Chris Elmore)*
Murray, James
Murray, Katrina
Myer, Luke
Naish, James
Naismith, Connor
Nandy, rh Lisa
Narayan, Kanishka
Nash, Pamela
Newbury, Josh
Niblett, Samantha
Nichols, Charlotte
Norris, Alex
Norris, Dan *(Proxy vote cast by Chris Elmore)*
Onn, Melanie
Onwurah, Chi
Opher, Dr Simon
Oppong-Asare, Ms Abena
Osborne, Kate *(Proxy vote cast by Kim Johnson)*
Osborne, Tristan
Owatemi, Taiwo
Paffey, Darren
Pakes, Andrew
Patrick, Matthew
Payne, Michael
Peacock, Stephanie
Pearce, Jon
Pennycook, Matthew
Perkins, Mr Toby
Phillipson, rh Bridget
Pinto-Duschinsky, David
Pitcher, Lee
Platt, Jo
Pollard, Luke
Powell, Joe
Powell, rh Lucy
Poynton, Gregor
Prinsley, Peter
Quigley, Mr Richard
Qureshi, Yasmin
Race, Steve

Rand, Mr Connor
Ranger, Andrew
Rayner, rh Angela
Reader, Mike
Reed, rh Steve
Reeves, rh Ellie
Reid, Joani
Reynolds, Emma
Reynolds, rh Jonathan
Rhodes, Martin
Ribeiro-Addy, Bell
Richards, Jake
Riddell-Carpenter, Jenny
Rigby, Lucy
Rimmer, Ms Marie
Robertson, Dave
Rodda, Matt
Rushworth, Sam
Russell, Sarah
Rutland, Tom
Ryan, Oliver
Sandher, Dr Jeevun
Scrogham, Michelle
Sewards, Mark
Shah, Naz
Shanker, Baggy
Shanks, Michael
Siddiq, Tulip
Simons, Josh
Slaughter, Andy
Slinger, John
Smith, Cat
Smith, David
Smith, Jeff
Smith, rh Sir Julian
Smith, Sarah
Smyth, Karin
Snell, Gareth
Sobel, Alex
Stainbank, Euan
Stevens, rh Jo
Stevenson, Kenneth
Stewart, Elaine
Stone, Will
Strathern, Alistair
Streeting, rh Wes
Strickland, Alan
Sullivan, Kirsteen
Sullivan, Dr Lauren
Swallow, Peter
Tami, rh Mark
Tapp, Mike
Taylor, Alison
Taylor, David
Taylor, Rachel
Thomas, Fred
Thomas-Symonds, rh Nick
Thompson, Adam
Thornberry, rh Emily
Tidball, Dr Marie
Timms, rh Sir Stephen
Toale, Jessica
Tomlinson, Dan
Trickett, Jon
Tufnell, Henry
Turley, Anna
Turmaine, Matt
Turner, Laurence
Twigg, Derek
Twist, Liz
Uppal, Harpreet
Vaughan, Tony
Vince, Chris
Wakeford, Christian
Walker, Imogen
Ward, Chris
Ward, Melanie
Waugh, Paul
Webb, Chris
Welsh, Michelle
West, Catherine
Western, Andrew
Wheeler, Michael
Whitby, John
White, Jo
White, Katie
Whittome, Nadia
Williams, David
Woodcock, Sean
Wrighting, Rosie
Yang, Yuan
Yasin, Mohammad
Yemm, Steve
Zeichner, Daniel

NOES

Adam, Shockat
Allister, Jim
Anderson, Lee
Aquarone, Steff
Babarinde, Josh
Bacon, Gareth
Baldwin, Dame Harriett
Bedford, Mr Peter
Bennett, Alison
Berry, Siân
Bhatti, Saqib
Blackman, Bob
Blackman, Kirsty
Bool, Sarah
Bowie, Andrew
Bradley, rh Dame Karen
Brewer, Alex
Brown-Fuller, Jess
Burghart, Alex
Cane, Charlotte
Cartlidge, James
Chadwick, David
Chamberlain, Wendy
Chambers, Dr Danny
Chowns, Ellie
Cleverly, rh Sir James
Clifton-Brown, Sir Geoffrey
Cocking, Lewis
Collins, Victoria
Cooper, Daisy
Costa, Alberto
Cox, rh Sir Geoffrey
Cross, Harriet
Dance, Adam
Darling, Steve
Davey, rh Ed
Davies, Ann
Davies, Mims
Davis, rh David
Dean, Bobby
Denyer, Carla
Dewhirst, Charlie
Dillon, Mr Lee
Dinenage, Dame Caroline
Dowden, rh Sir Oliver
Easton, Alex
Evans, Dr Luke
Fahnbulleh, Miatta
Farage, Nigel
Farron, Tim
Foord, Richard
Forster, Mr Will
Fortune, Peter
Fox, Sir Ashley
Francois, rh Mr Mark
Franklin, Zöe
Freeman, George
Fuller, Richard
Gale, rh Sir Roger
Garnier, Mark
George, Andrew
Gethins, Stephen
Gibson, Sarah *(Proxy vote cast by Anna Sabine)*
Gilmour, Rachel
Glen, rh John
Glover, Olly
Goldman, Marie
Gordon, Tom
Green, Sarah
Griffith, Andrew
Griffiths, Alison
Harding, Monica
Harris, Rebecca
Heylings, Pippa
Hinds, rh Damian
Hoare, Simon
Holden, rh Mr Richard
Hollinrake, Kevin
Holmes, Paul
Huddleston, Nigel
Hudson, Dr Neil
Hunt, rh Sir Jeremy
Jarvis, Liz
Jenrick, rh Robert
Johnson, Dr Caroline
Jones, Clive
Jopp, Lincoln
Kruger, Danny
Lake, Ben
Lam, Katie
Lamont, John
Law, Chris
Leadbitter, Graham
Leigh, rh Sir Edward
Lewis, rh Sir Julian
Lockhart, Carla
Logan, Seamus
Lopez, Julia
Lowe, Rupert
MacCleary, James
Maguire, Ben
Maguire, Helen
Mak, Alan
Malthouse, rh Kit
Martin, Mike
Mathew, Brian
Maynard, Charlie
McMurdock, James
McVey, rh Esther
Medi, Llinos
Mierlo, Freddie van
Miller, Calum
Milne, John
Mitchell, rh Sir Andrew
Mohamed, Iqbal
Mohindra, Mr Gagan
Morello, Edward
Morrissey, Joy
Morton, rh Wendy
Mullan, Dr Kieran
Mundell, rh David
Murray, Susan
Murrison, rh Dr Andrew
Norman, rh Jesse
Obese-Jecty, Ben
O'Hara, Brendan
Olney, Sarah
Patel, rh Priti
Paul, Rebecca
Perteghella, Manuela
Philp, rh Chris
Pinkerton, Dr Al
Pochin, Sarah
Pritchard, rh Mark
Raja, Shivani *(Proxy vote cast by Mr Mohindra)*
Ramsay, Adrian
Rankin, Jack
Reynolds, Mr Joshua
Robertson, Joe
Robinson, rh Gavin
Rosindell, Andrew
Sabine, Anna
Saville Roberts, rh Liz
Shannon, Jim
Shastri-Hurst, Dr Neil
Shelbrooke, rh Sir Alec
Simmonds, David
Slade, Vikki
Smart, Lisa
Smith, Greg
Smith, Rebecca
Snowden, Mr Andrew
Sollom, Ian
Spencer, Dr Ben
Stafford, Gregory
Stephenson, Blake
Stride, rh Sir Mel
Swann, Robin
Swayne, rh Sir Desmond
Taylor, Luke
Thomas, Bradley
Timothy, Nick
Tugendhat, rh Tom
Vickers, Martin
Voaden, Caroline
Whately, Helen
Whittingdale, rh Sir John
Wild, James
Wilkinson, Max
Williamson, rh Sir Gavin
Wilson, Munira
Wilson, rh Sammy
Wood, Mike
Wright, rh Sir Jeremy
Wrigley, Martin
Young, Claire

Question accordingly agreed to.

Westminster Hall

Wednesday 11 June 2025

[Mr Clive Betts *in the Chair*]

Space Industry

9.30 am

Mark Garnier (Wyre Forest) (Con): I beg to move,

That this House has considered the impact of the space industry on the economy.

I draw Members' attention to my entry in the Register of Members' Financial Interests and to my non-financial interests. For the purposes of this important debate, I speak as the chair of the all-party parliamentary group for space.

The global space industry is set to expand over the coming years as businesses take advantage of the huge drop in launch costs driven by tech billionaires such as Elon Musk with his SpaceX business and Jeff Bezos with Blue Origin. No longer is space the sole domain of Governments; it is available to everyone with an idea of how to exploit the opportunities that space presents.

Indeed, the global space economy in 2023 was valued at about $630 billion, but that number is expected to expand to $1.8 trillion by 2035—a compound annual growth rate of about 9%. Some optimists expect growth to outpace even that impressive figure, with expectations reaching as high as $2.2 trillion by 2035. Even for the most pessimistic economist, however, it is expected to still exceed $1.2 trillion, a figure that sees the global space industry outpacing global GDP over that period.

As I said, that growth is being driven by the 90% drop in launch costs over the last 20 years, but it is also being driven by commercial innovation in areas such as components and software. As clever people invent ever more clever things, deploying assets in the harsh and complicated area of space is becoming increasingly affordable. In turn, that has driven a broad set of investors to look to space for opportunities. Meanwhile, we have all become more relaxed and enthusiastic about the idea of space as a commercial entity in itself, and we already know that space has changed our lives enormously. After all, we have no excuse not to find a location or a fast route to a destination, now that we all have satellite navigation in our pockets.

That technology will enable fresh, new technologies. Companies such as Amazon are already looking at rolling out drone delivery services enabled by satellite navigation, and that will expand to things like driverless Uber taxis as we advance our driverless technologies. It is already the case that the technology behind satellite navigation goes far beyond just letting us know where the nearest pub is. Position, navigation and timing technology, or PNT, provides timing signals that enable our payment system. Who here realised that buying a ticket on the tube this morning, coming into work, was enabled by a satellite passing overhead at 17,600 mph?

According to a 2024 report by McKinsey, 60% of the growth in the space economy will be driven by five industries: state-sponsored defence, digital communications, supply chain and transportation, food and beverages, and consumer goods and lifestyle. The report also pointed out that space's return on investment will be more than just financial. Space will play an increasingly crucial role in mitigating world challenges, ranging from disaster warning and climate monitoring to improved humanitarian responses and more widespread prosperity.

That is the fabulous opportunity globally, but what of the UK's ambitions? Back in 2013, the UK Government set a plan to secure 10% of the global space economy. That plan would have given us about £180 billion of activity by 2035, but it feels like that ambition has been quietly dropped—not necessarily by this Government, but certainly over the closing years of the previous Government.

The UK space economy is valued at about £19 billion and supports some 52,000 jobs through nearly 2,000 businesses. That is a good start, but we need to be more ambitious. We need to decide what role we want to play in the global space economy, not least because the space economy will help us to address our productivity problems here in the UK.

At one end of the spectrum is the business of launch. Launch is, of course, a small part of the space economy, at about 10%—but launch is, to the purist, not really space. For sure, the space economy cannot exist without launch, but it is an enabler; it is logistics; it is the white delivery van of the space sector. It is, however, the most symbolic part of the space sector. It is the piece that fires the imagination; it is the image that excites people to follow space as a sector.

We have already had a successful horizontal launch from Newquay. Every part of the Newquay spaceport worked perfectly. The rocket separated from its Boeing 747 and successfully deployed the second stage into space. However, as we all know, a fuel filter in the Virgin second stage failed and the flight was lost, but Newquay performed in every way that it should have done. Later this year we will see the first vertical launch from the far north of the Shetlands. The SaxaVord spaceport has been working for years to develop the launch site, and it is entirely possible that the first launch from British soil will be with the British launch company Orbex.

The Government have financially supported both Orbex and the SaxaVord space centre, but those are private companies that also have private investors, which is crucial for the space sector. Unfortunately the right hon. Member for Orkney and Shetland (Mr Carmichael) cannot be here. He has had a prior engagement in his diary for a long time to go and judge a Blackface sheep competition, which he has to go to, but he has been instrumental in the success of the SaxaVord space centre, which has done an incredible job in delivering the first vertical launch from the UK.

Continued Government support for our launch sector is important. The Government have supported Orbex to the tune of £20 million this year, and that will pay for the development of low Earth orbit launches from SaxaVord. Orbex is keen to develop its product range, and its next milestone is medium Earth orbit with heavier payloads. Support for it to develop its next generation launchers could come from the European Space Agency and its European launcher challenge. The ELC programme is designed to turbocharge European launch opportunities.

[Mark Garnier]

With demand rising and the queue for SpaceX launches getting ever longer, there is a huge opportunity in Europe with the UK leading the charge. That is why the UK Space Agency is keen that the UK continues to support membership of the European Space Agency and its support for the ELC. Imagine our joy as a nation, with the Minister as the person partly in charge, when we see a British-designed and built rocket thrust skywards from British soil later this year. It will be a moment of intense national pride. But it is important that we have a follow-up to that key moment. We need to define what our ambition is for space and, to a certain extent, what we mean by "space".

The last Government published a space strategy, but that was seen at the time as more of a list of hopes—a kind of manifesto, rather than a strategy with tactics and ambitions. We need to be clear about what it is that we want to do in this area that will undoubtedly increase UK productivity. We already know and recognise that the UK space economy broadly falls into five sectors. First, we have a strong service sector of downstream applications that are driven by satellites. This is the largest sector and includes satellite communications, Earth observation and navigation and timing services. Those sectors, as I have mentioned, power sectors such as agriculture, climate monitoring, finance, transport, humanitarian relief and defence applications. Because of the ever-increasing demand for data, the service sector is a lead growth driver for the space economy.

Second is our manufacturing and engineering sector, which manufactures rockets and satellites. The UK is a leader in small satellite manufacturing through companies such as Surrey Satellite Technology. But within this sector we have fascinating companies such as Magdrive, looking to develop non-chemical drive systems for in-orbit manoeuvring that will extend the life of a satellite significantly and, I believe, as much as twentyfold.

We also have lead companies here in the UK that look at the sustainability of space: Astroscale and ClearSpace. Both of them are excited about the upcoming announcement of a UK sovereign mission to literally clean up space debris. It would be helpful if the Minister could perhaps give us a clue about how that is progressing.

Then we have spaceports and launch—that great symbol of a spacefaring nation that I have already spoken about. Fourth is research and development, an area we have been strong at for decades. We are proud to have strong academic institutions doing extraordinary work in forging new technologies, including areas such as in-space manufacturing, where zero gravity makes for an interesting formation of crystalline materials. Fifth is space data and analytics, driven by huge leaps forward in artificial intelligence and big data.

But we should not see space as just about space stuff. I have long argued that we need to ensure we maximise the opportunity across all sectors of our economy, and that brings me to finance. The City of London has been innovative in finance for a few centuries now. It financed the growth of trade that built the British empire and our economy. Right now we have an opportunity here in London to seize the space finance markets. I look back at the inspiration given by the former Member for Kirkcaldy and Cowdenbeath when he was Chancellor of the Exchequer in the late 1990s. He saw an opportunity in the flagging UK film industry, so he created a financial trigger to encourage investment into that industry. Despite being abused by some who benefited from it, his tax break created investment into our film industry that has been transformational. The success of the UK film industry can trace its origins back to that single act. The Harry Potter franchise would have always been a huge success, but were it not for that single act of tax planning, those spells would almost certainly have been cast with an American accent.

That single act of tax planning can be adopted for the UK space industry. It does not need to be complicated, and it would generate more income for the economy than it would cost. Something as simple as, for example, tax-free commissions on space-related primary issues of bonds and equities would send a signal to the world's top space financiers that the UK will be the centre of excellence for space finance. With all these bright financial wizards here in the City of London, space companies would be attracted to locate right here, to secure the finance and list on the London stock exchange.

It does not stop there. Our already strong space insurance market would get even stronger. Space legal services would grow. Our position as a global thought leader in the future of space would blossom, and—importantly, for our valuable financial services industry—the City would continue to be at the cutting edge of developing financial needs. It would create a symbiotic relationship between financial services, in which we are already world leaders, and the global space industry, in which we want to be among the world leaders.

I have spoken about how the Government can support the space sector, but I want to talk more about how the Government can be a customer of the space sector, and that brings me to the strategic defence review. The SDR looks good for space. It identifies the three main areas in which space is relevant to the Ministry of Defence. Watching situations develop from the height of space gives a spacefaring nation a tactical advantage over aggressors who do not have those advantages. We can not only look at the ground with the normal vision spectrum but use infrared Earth observation, which gives us the opportunity to spot a column of Russian tanks warming their engines in the dead of night ahead of an early invasion. Meanwhile, radio frequency observation gives us a chance not only to listen but to see where the enemy's actors are located in a battlefield. We can see all sorts of activities across a range of spectra, in surprising detail.

Similarly, the SDR recognises that space gives us the advantage when responding to threats. Battlefield management and response can be orchestrated from space—again, giving us a tactical advantage. Of course, the SDR recognises that these space assets are, in themselves, a potential target, so defence of the space domain becomes as important a part of the MOD's activities as defence of our own territories. Indeed, it is not just the MOD's assets that need defending. While things such as Skynet are important to the MOD, position, navigation and timing satellites are important to our economy. As I mentioned, if we lose navigation satellites, we lose our entire payments system.

The SDR provides an opportunity for the UK space sector, and the trade body, UKspace, has already published an intelligent briefing note on the SDR, giving advice to members on how to take advantage of the review and

what it means for the sector. It is optimistic, and so am I. Although the space section of the SDR's 145 pages amounts to just one and a half pages, the document presents a lot of opportunities. The commitment to spend 3% of GDP on defence, and defence that seeks ever greater technologies, should be seen as a huge opportunity for the sector.

The document recognises that defence procurement is unfathomable for all but those with extensive experience—the primes. The review seeks ways of opening up Ministry of Defence procurement to small and medium-sized enterprises, which is a very good thing. The MOD, acting as the Government as a customer for space, must be easy to navigate for those wanting to sell and to support the Government.

The SDR raised one area of concern, which is where space sits in Government and who champions it. The SDR suggests a Cabinet Sub-Committee or ministerial group that looks after space. I have seen this before, having been on the ministerial group of 12, from memory, who could claim an interest in space. Back in 2017, it included the science Minister who had the lead in his portfolio, me as a trade Minister, a Minister from the Department for Exiting the European Union, and Ministers from the Department for International Development, the Foreign, Commonwealth and Development Office, the Department for Business, Energy and Industrial Strategy, the Ministry of Defence and anybody else we could think of. Some Ministers did not have a clue why they were on it. Others did not have much of an interest. In due course, space became a Cabinet Sub-Committee, chaired at the start by the Chancellor of the Exchequer and then by the Prime Minister. It met just once, I believe, and it was obsessed by launch, which is important but, as I have mentioned, represents just 10% of the space economy.

The problem is that space is both unique and ubiquitous. For a launch site operator, it is real estate. For a launch company, it is logistics. For PNT users, it is supply chain management. For internet users, it is data. For most, it is commercial. It is located in the Department for Science, Innovation and Technology, but most would agree at this stage of the cycle that one thing space is not is a science project. That is not to level criticism at either the DSIT Secretary or his civil servants, who do an excellent job of championing the sector.

Should space be in the Department for Business and Trade? That is an interesting question. I am delighted to see the Minister from DBT here today, who is responding on the commercial aspects of space—a side of space that is bigger, more important and more relevant to our economy than the simple science of it. However, the sector would far prefer the lead Department to be the Cabinet Office, as it crosses so many Departments—that is what organisations such as UKspace are saying.

I will finish with an example that illustrates the point. I chair the advisory board of the Space Energy Initiative and am a non-executive director of Space Solar Limited, with no financial interest in either. That is a good example of how space will deliver something vital for humanity, which is energy. Humanity has always needed energy and developing energy has progressed our societies.

We started as hunter-gatherers thousands of years ago, but after we learned how to farm and ensure regular calories for ourselves, we developed the skills that gave us civilisation and culture. When we figured out that coal produced more energy than wood, we started the industrial revolution that continues today. But we now realise that we need to produce energy at ever-increasing levels. Indeed, we heard in yesterday's statement that the UK will need twice the capacity by 2050, and I wager that we will need it earlier than that.

We need to deliver that capacity sustainably. Demand for energy will go through the roof: by 2030, the US will be producing around 4,000 TWh of electricity a year. Just one need, global artificial intelligence, will demand more than that. As we are all moving to electric vehicles too, we can see the colossal problem facing us. Nuclear is good, and we heard yesterday that there will be plenty of opportunity, but it will take time, be expensive, and produce waste that is tricky to deal with.

Wind and solar are renewable and relatively cheap, but they are not baseload and not dispatchable. They cannot be predictably turned on and off as demand changes. Gas is both baseload and dispatchable, but we want to move away from gas for good reasons. Biomass is not what we thought it was, and nuclear fusion is a distant dream.

We need something that is sustainable, baseload, dispatchable and cheap—step forward, space-based solar power. Sounding like the stuff of science fiction, it has been possible for decades. Photovoltaics in space have been around since Sputnik 2 was launched in November 1957. Energy beaming was developed by Nikola Tesla in the 1880s, and we are familiar with it every time we listen to Radio 4 in the morning and hear one of our colleagues being beaten up by Nick Robinson.

What has changed is a 90% reduction in the cost of launch. That makes the economic model feasible, so space-based solar power is developing at pace around the world. The lead development, with what we believe is the best technology, is right here in the UK in Harwell. I am pleased that the Government have supported the development of this leading technology with £10 million so far. We have seen support from the European Space Agency's SOLARIS project, other innovation projects and a range of companies and universities.

When I first pitched this to an Energy Minister under the previous Government, he said, "Yeah, but it's space, no?" I pointed out that nuclear power is not part of the Department for Environment, Food and Rural Affairs because it is built on farmland, and he eventually got the point. That illustrates how the Government can make mistakes by looking at where space is, not what space is.

Space energy solves a load of problems. Because a beam can be moved near instantaneously, it can not only provide gigawatts of energy but balance the grid very simply. Electricity can be exported to eastern economies before we wake up, and to the US when we sleep and demand here is low, improving our export opportunities and balance of payments. It is dispatchable, baseload, cheap and green. It will transform our economy with endless cheap, reliable energy. We have had good support from the Department for Energy Security and Net Zero, but the first power will not be delivered before 2032, falling outside the Government's target of carbon neutrality by 2030. Because of that arbitrary political target, we run the risk of losing the space energy race to other nations.

Although space-based solar power is an energy play, pure and simple, the associated engineering technology will transform our space sector. With satellites that are

[Mark Garnier]

kilometres across, robotics are being developed in the UK to enable the manufacture and assembly of those satellites in orbit. The technology will enable the UK to take a lead in developing in-orbit assembly, thus further securing our place as a leading space nation.

We have the opportunity here and now to lead in energy—our most critical need and asset—and in the space sector. In yesterday's statement, DESNZ made an interesting choice. Space energy can deliver gigawatts of space-based solar power within a decade, but the Government have chosen to invest £2.5 billion in nuclear fusion. There is no doubt that space energy is an engineering challenge, but nuclear fusion is a substantial physics challenge. I ask the Minister to come up and see for herself what genius is happening right here in the UK. We have an opportunity to seize the moment, but we must not be left behind.

Space is not just about where something is; it is about what it enables. Seizing both the metaphorical and literal high ground that space presents is vital for our economy, our productivity, our energy, our services and, frankly, how we save the planet.

Several hon. Members *rose—*

Mr Clive Betts (in the Chair): Order. Five people want to speak and we have about 40 minutes before the wind-ups, so you can work out between yourselves roughly how long you have to make your contributions.

9.50 am

Sarah Russell (Congleton) (Lab): It is a pleasure to serve under your chairmanship, Mr Betts. I thank the hon. Member for Wyre Forest (Mark Garnier) for securing this important debate.

I am delighted to say that my constituency is part of the space economy, as it includes part of the Jodrell Bank site. Jodrell Bank is the home of the Lovell telescope—an incredible, major radio telescope that was first built at the beginning of the cold war, after world war two. It is part of the University of Manchester, so I should say that my husband is employed elsewhere in the university but has nothing to do with Jodrell Bank.

The site makes a major contribution to the local economy, and its science contributes to our country's global scientific stature. Two hundred people are employed on the site, and more than 180,000 people, including a great many children, visit the visitor centre every year. Members present may have fond memories of a Jodrell Bank school trip, and I have taken my children there since they were tiny. The site welcomes about 200 school pupils every day during school term time, providing early inspiration that a science career might be for them. The Jodrell Bank workforce is so important, and local businesses have spoken to me about the importance of our young people having a science, technology, engineering and mathematics education.

Jodrell Bank is far more than an employer and a visitor attraction, however. It is also a world-leading research facility that, for more than 80 years, has been making internationally important contributions to our understanding of the universe. I am very proud that it is part of my constituency.

The work done at Jodrell Bank requires dark, quiet skies, which means that future space technology needs to be deployed in a careful, consultative and sustainable way. The world has changed enormously in the 80 years since Jodrell Bank was built. As the hon. Member for Wyre Forest mentioned, where once there was a space race, there is now SpaceX. In that context, Jodrell Bank is also contributing to national space security and sustainability.

Scientists are now using the Lovell telescope and e-MERLIN—the enhanced multi-element, radio-linked interferometer network—to track satellites, monitor space debris and observe near-Earth asteroids using radar techniques. As space becomes increasingly congested and contested, that is a powerful and important capability in which the UK is playing an internationally leading role. It is vital to ensuring space situational awareness and planetary defence, which are key priorities of the UK national space strategy. This is not fantasy stuff: the possibility of satellite collisions risks everything from navigation to online banking, so this is crucial national infrastructure.

The increasing congestion of airspace has implications for air traffic control, and the economic value of supporting that work is very real. The world will, of course, continue to change—that is inevitable—and local businesses that are part of the aerospace industry could definitely move more towards space too. I spoke recently to Bird Bellows, an aerospace manufacturer in my constituency that creates bespoke, precision-engineered metallic bellows and flexible joints. It is incredibly specialist and is used to working to the very tight, regulated demands of the aerospace industry. Last week, I visited CLD, which, if the UK Government build infrastructure, is very likely to be the company that manufactures the fencing and other security that protects it.

It is fantastic that we have these local businesses, but there is real scope, particularly as part of the north-west's investment in the net zero industrial cluster, for us to crowd in and work with academia and the manufacturing businesses in my constituency, of which there are many, to develop the space economy in my area. I want to see the high-skilled, high-value jobs and investment that can bring.

I am pleased that the Government are protecting record funding for research and development, which will be a relief to anyone who recalls the words of Jodrell Bank's founder, Sir Bernard Lovell:

"civilisations that abandon the quest for knowledge are doomed to disintegration."

Thanks to researchers such as those at Jodrell Bank, we may be safe for a while longer yet.

9.54 am

Andrew George (St Ives) (LD): It is a pleasure to serve under your chairmanship, Mr Betts. I congratulate the hon. Member for Wyre Forest (Mark Garnier) on setting out the important case for the role of the space sector in the UK economy.

It is a pleasure to follow the hon. Member for Congleton (Sarah Russell), who outlined the importance and significance of the totemic Jodrell Bank. Likewise, I will refer to an important and growing contributor to the space sector in my own constituency at Goonhilly—people have different ways of saying that, with some preferring

a phonetic pronunciation—on the Lizard peninsula. In the early 1960s, the Post Office established a telecommunications and satellite base there that became a British Telecommunications base. In 2014, it was taken over by Goonhilly Earth Station Ltd, a local company that is cutting a significant reputation in the space sector.

I am grateful to the hon. Member for Wyre Forest for mentioning Newquay as a potential launch site. All those experiments are important. They may come with failures along the way, but as he said, we learn from things that do not go fully to plan to improve our technologies. There will be successes and failures at the cutting edge of the space sector, but we will learn from that process.

When I previously represented St Ives, before my nine-year sabbatical from this place, it took four or five years to get Goonhilly Earth Station on to the former BT site in 2014. Since then, it has been doing incredibly well, despite a difficult start on a small base. It has regenerated the site and generated a reputation as a place with world-leading capability. Its core business is deep space research and activity, as well as commercial and defence-focused communication services. It is currently supporting missions around Mars and observing solar weather, and it provided communications and support to enable last year's private moon landing.

The space sector is important to the UK economy, but we cannot take a "little England" approach to global communications because Earth turns on its axis and exists in a wider universe. In that context, as the hon. Member for Wyre Forest said, the positioning, navigation and timing—the PNT—of our sites in relation to the global sphere in which space science is being advanced is important. Goonhilly is in a critical location for tracking and managing satellites. The UK is an important geographic location from that point of view, but of course the context is one in which it has to establish contracts with companies and nations around the world.

Helen Maguire (Epsom and Ewell) (LD): On the point about other countries and companies around the world, UK firms have been locked out of EU space programmes such as Galileo since Brexit, and the lack of a UK alternative has stunted the growth of dual-use military space innovation. Does my hon. Friend agree that long-term funding in this area is vital to secure both economic resilience and defence sovereignty?

Andrew George: Of course I agree. Clearly, the stronger the links made internationally, the more they will benefit the UK economy. Having seamless relationships with other countries is important. My hon. Friend mentions the Galileo programme, but also relevant is US GPS. All these connections clearly need to be maintained and fostered.

Not only is funding an issue, but so are contracts. As well as making the point that the sector operates essentially in the global sphere, I want to highlight the need for co-operation with other countries on contracts. There is an essential role for the UK Government in fostering contracts, not just with the European Space Agency but with NASA. A lot of companies in the UK will be looking to the Government to play that role.

I do not wish to take up anyone else's time, so my final point is that we—and the Government—must back smaller enterprises such as GES in my constituency and many others. After all, they are the source of innovation and growth in the sector. Yes, the larger companies to which the hon. Member for Wyre Forest drew attention are very important; as he says, the space sector underpins 16% of UK GDP. A day without space would cost our economy £1.2 billion in its impact on financial transactions and so much else in how we live our lives in the modern world. This is an essential sector, but the small enterprises are there to expand the innovation frontier of the sector, and they are forging very strong links internationally as well. I urge the Minister to do all she can with the industry to facilitate contracts with NASA, the ESA and elsewhere internationally.

10.3 am

Jayne Kirkham (Truro and Falmouth) (Lab/Co-op): It is a pleasure to serve under your chairship, Mr Betts. I thank the hon. Member for Wyre Forest (Mark Garnier) for securing this debate, which is really important, particularly to the people of Cornwall.

Cornwall's unique geography gives us an advantage in a range of industries, and space is no exception, thanks to our remoteness, open skies and position jutting out into the Atlantic. Our growing space sector has enormous potential, not just for innovation, but for real economic opportunity across all our communities in Cornwall, which is really needed.

Spaceport Cornwall, which others have mentioned, is based at Newquay airport and in 2023 hosted the first horizontal satellite launch. Although the launch was ultimately not fully successful, it put Cornwall on the map and the spaceport itself worked perfectly. Ours is the first licensed spaceport in the UK and the only operational spaceport in Europe. With a 2030 carbon neutral target and the aim of being the first net zero spaceport in the world, it is also leading the way in making the space industry more sustainable. The spaceport education programme has done brilliant educational outreach in Cornwall schools, so there was a huge crowd in the middle of the night to watch the horizontal launch. A generation of Cornish children were inspired to reach for the stars, quite literally, and I really hope they will be able to do that from Cornwall in the future.

Goonhilly Satellite Earth Station on the Lizard peninsula is another pioneer in the space industry. It is in the constituency of the hon. Member for St Ives (Andrew George), so he has talked about it in some depth already. In 2021, it created the world's first commercial lunar and deep space communications network, and it has a bilateral pilot with the UK space industry, which enables it to provide operational support to international partners. I hope, as I am sure the hon. Member does, that the funding for that will be renewed, because it is an incredible organisation. If the Minister is in the area, she should go and see it.

A number of innovative SMEs and start-ups connected to the space industry, as part of Cornwall space cluster, have coalesced around the spaceport in Newquay and Goonhilly. The cluster is growing exponentially; it now has 477 businesses, having grown by 47% since 2018, and generates £116 million gross value added. It represents

[Jayne Kirkham]

what could be a strong, innovative growth sector in Cornwall, bringing specialist jobs to a place that very much needs them.

We in Cornwall also have some of the best space courses and career development in the country. Truro and Penwith college, which is in my constituency, offers apprenticeships and degree courses, including the world's first higher national certificate and higher national diploma in space technologies. The University of Exeter offers space graduate, postgraduate and short courses and workshops, and is a world-leading university for related climate and sustainability research.

Cornwall is world leading in this field, but despite being operational, Spaceport Cornwall has received no launch funding for the past two years. We need a national space strategy that recognises the value of regional clusters such as Cornwall's. We also need strong leadership. The hon. Member for Wyre Forest made a good point about ownership in government; the industry touches many different Departments, but someone needs to grasp it, take ownership and drive it forward. It is often innovative SMEs that drive growth in the space sector, and they need to be supported through contracts rather than one-off grants, as the hon. Member for St Ives said.

We must also ensure that the economic benefits of the Cornish space industry are felt by the people who live there, rather than just by people coming in and out—people doing the space sector to us. Our space industry is not just a collection of buildings and equipment; it is a thriving network of people, businesses and educational institutions that has the potential to bring great economic value to the duchy and lift children's aspirations for generations to come.

10.7 am

Jim Shannon (Strangford) (DUP): What a pleasure it is to serve under your chairship, Mr Betts. I thank the hon. Member for Wyre Forest (Mark Garnier) for leading the debate. He obviously has an incredible interest in the space sector; if he ever appears on "Mastermind", this will be his chosen subject. I mean that in a nice way, because I believe that we can all benefit from his interest and knowledge. I am sure that the Minister agrees.

Space assets are crucial to United Kingdom national infrastructure, as well as safety and defence mechanisms such as navigation and communication. Modern technology is a wonderful thing—I do not quite understand it all the time, but that is just me—but we must not underestimate the contribution made by our space sector. For that reason, it is great to be here to make a contribution.

It is always a pleasure to see the Minister in her place. She is a friend of many of us in Northern Ireland, and we have brought many subjects to her attention. I appreciate that she always responds in a positive way, and Northern Ireland MPs will vouch for that.

I am going to give a Northern Ireland perspective. Some people, perhaps some not too far away, may wonder what Northern Ireland's input into the space sector is. First, it is 8,000 jobs, so let us be clear that it is not just a small sector in Northern Ireland. It is an important sector; we are to the fore in ensuring that Northern Ireland plays a growing and successful part in the space industry, with a focus on satellite technology, aerospace engineering and data analytics. In particular, Northern Ireland has a rich history in aerospace engineering, defence and aerospace projects in my constituency—that is obviously where my interest comes from—as well as across the whole of Northern Ireland.

Carla Lockhart (Upper Bann) (DUP): In Upper Bann, I see at first hand the potential of the space industry, with my area having one of the strongest advanced manufacturing bases in Northern Ireland and being home to companies that contribute to aerospace and high-precision engineering, both of which are important to aerospace sector technologies. Does my hon. Friend agree that, to release Northern Ireland's full potential in aerospace and in the contribution that it can make to the UK-wide air strategy, we need a seat at the table? Any future UK policies on aerospace and the space industry need to have Northern Ireland at the table.

Jim Shannon: My hon. Friend is absolutely right. In fairness to the Minister, I feel that her intention is to ensure that that will happen. I hope she will confirm that today. It is important.

Our aerospace heritage brings more than 8,000 jobs to Northern Ireland. I am sure—indeed, I know—that the Minister is very much aware of the current breakdown of jobs, with Magellan Aerospace back home and the ongoing discussions regarding the Spirit AeroSystems takeover, which will have an impact on jobs in my constituency and further afield, including my hon. Friend's constituency. I will just let the Minister know in advance that topical question No. 6 tomorrow will be on Spirit AeroSystems. The Parliamentary Private Secretary asked me yesterday to make sure that I got the booking in for that. I will send on the question officially, but that is what it will be about.

Northern Ireland aerospace has a 70-plus-year heritage and contributes £151 million to UK GDP. I know Thales operates in other parts, but some £81 million is in Northern Ireland itself, which highlights the importance of our contribution to the UK space sector and the economy. The Minister has visited Thales and will do so again, I hope, in the not-too-distant future. We cannot underestimate the impact that such industries have in the UK economy. Northern Ireland has successfully attracted investment and funding for space-related projects specifically, and we are keen to do more of that, as my hon. Friend the Member for Upper Bann (Carla Lockhart) said. The Department for the Economy in the Northern Ireland Executive, for example, is actively promoting the growth of the space sector. It is very much a core issue for us back in Northern Ireland, including in the Department.

To give some information about what we do back home, on 24 May just over a year ago, Queen's University Belfast was at the centre of plans to harvest solar power in space to produce a potentially endless supply of net zero energy, to help turn around the world's climate crisis. That is very futuristic, but what do we know? Will the futuristic things we saw in "Star Trek"—"Beam me up, Scotty"—ever happen? I do not know, but with the progress of technology, someday it might be possible.

The fact that Queen's University is involved and out there is an indication that such partnerships can very much show the way forward. Their incredible, fantastic

work has brought two huge industries of the future together. It will give opportunities in the sector to hundreds of students who have a real interest in working in it. This is not just about today, but about the future and preparing our university students for that future, so that they can be part of it. The Minister might wish to respond to that as well.

In 2021, the then Conservative Government published a national space strategy. I am sure that the hon. Member for Wyre Forest, who introduced the debate, had some input into that. It described the UK's 10-year vision to build one of the most innovative and attractive space economies in the world. That was the previous Conservative Government saying that, so I am interested to hear the Minister's thoughts on progressing that 10-year plan and where we are now, because we all—the then Opposition, too, I think I am right in saying—supported that strategy and plan, as we could all see its progressive and visionary potential.

The strategy included the UK becoming the first country in Europe to achieve a small satellite launch from a UK spaceport, and establishing itself as a leader in commercial small satellite launch. The hon. Member for Wyre Forest mentioned that, and the right hon. Member for Orkney and Shetland (Mr Carmichael) would have, I am sure, had he been present, although the attraction of judging blackface ewes might just overtake it as a subject, because that is a hands-on relationship with his constituents.

Satellites are used for many different things, including navigation, communications, targeting munitions and threat analysis. We can be to the forefront in that. Currently, the UK relies heavily on the US and other nations within the EU for defence-related services. I therefore believe it is pivotal that we in the United Kingdom of Great Britain and Northern Ireland are in a position to use our own methods and technology to preserve our own safety and support our own military. I know we cannot do everything by ourselves any more—it is not wise or focused to do that—but it is important that we have the potential to do some of our own stuff. We need to have the US and the EU, and to work within NATO, but we also need to have the ability to respond on our own merit and our own ability.

The Government reported that, between 2022 and 2024, the total value of contracts secured by the UK through the ESA was £844 million, but I believe that we must do more to fund our own industry, so that we can become leaders in paving the way in the space industry. There is no reason why the companies here in the United Kingdom of Great Britain and Northern Ireland cannot do that. Setting out this case has always been a passion of the hon. Member for Wyre Forest; he has always pushed this, and we should all support him in how we take this forward.

To conclude, protecting the UK space sector affects several areas, whether it be safeguarding against threats to sustainability or monitoring space incidents. We must do more to protect it. The contribution to the economy made by the devolved Administrations—this is one of the great beauties of this United Kingdom of Great Britain and Northern Ireland, where four come together as one—pushed by the Minister here in Westminster to all our advantage, and by the devolved Administrations, cannot and will not be ignored.

I look to the Minister again for commitment and enthusiasm in ensuring that jobs are protected and the best decisions are made for the benefit of the United Kingdom space and aerospace sectors. I believe we can all benefit. I think the Minister is committed to that, and I look forward to her answers.

10.16 am

Chris McDonald (Stockton North) (Lab): It is a pleasure to serve under your chairmanship, Mr Betts. When we think about space, it is a natural instinct to look towards the skies, but actually someone wanting to find out a lot about what is happening up there could do much worse than dive one mile underneath the North York Moors—something I did a number of years ago when I went underground at the Boulby potash mine in the constituency of my hon. Friend the Member for Middlesbrough South and East Cleveland (Luke Myer).

I had never been down a mine before, and this was the second deepest mine in Europe. In the cage, we were swallowed into the darkness and down this incredibly deep lift shaft, then travelled miles underground, bumping around in a beat-up old Land Rover to get to the face of the mine. We then came to a state-of-the-art facility: an underground dark matter laboratory operated by the Science and Technology Facilities Council. It is positioned there because it is safe from atmospheric radiation. Part of what the laboratory does is enable research into dark matter, which will help us to understand how to survive in hostile environments—on Earth and beyond it, in space—and contributes to technologies such as quantum computing. That is just one of the facilities that forms the cornerstone of the north-east of England space community. I want to talk a bit about that today. I must also declare that a close relative of mine is employed adjacent to that sector.

When NASA decided to build the James Webb space telescope, that was of course a great national effort for the USA, but it came to Durham for the development and engineering of the telescope. It was Durham University's centre for advanced instrumentation that constructed the infrared spectrograph integral field unit—I am sure that everyone here knows what those five words mean individually, although when taken together they might be a little more confusing.

We heard from the hon. Member for Wyre Forest (Mark Garnier)—I congratulate him on securing this debate—about the defence applications for such sensing technology, and there can be that crossover with different industries. But that centre at Durham University had the ability to develop and manufacture those components. We should be proud, as a nation, that NASA comes to the UK to obtain such components.

Space is happening in the north-east, particularly at NETPark, which is in the constituency of my hon. Friend the Member for Newton Aycliffe and Spennymoor (Alan Strickland), but also quite close to my constituency; many of my constituents work there, too. It is home to three of our catapults: the Satellite Applications Catapult, the High Value Manufacturing Catapult, and the Compound Semiconductors Applications Catapult. It also houses a number of companies. Filtronic makes mission-critical electronic components in the satellite supply chain; Lockheed Martin is working with

[Chris McDonald]

Northumbria University on the North East Space Skills and Technology Centre; and Octric at Newton Aycliffe is the Government owned semiconductor manufacturing facility.

Interestingly, Durham University business school is also working on the legal and ethical aspects of space exploitation, as we put a framework around how we can globally work together in space. There are wider economic benefits in our region. Currently, the sector contributes £130 million to our local economy; 1,300 people are employed in about 48 businesses. But the north-east of England space cluster hopes to grow to 10,000 employees over the next few years.

Our regional strengths are in space manufacturing, earth observance, climate intelligence and connectivity. Having listened to the hon. Member for Strangford (Jim Shannon), I think there are great similarities between the strengths in the north-east of England and in Northern Ireland—clearly, the satellite communications and technologies are similar; perhaps our shared history in the aerospace and defence sectors has enabled us to develop those.

However, there are gaps in this growing cluster and things we could do to enhance it. I have spoken a bit about the strength in our local universities, which provide early-stage research, and in the businesses. But there is a gap in the middle—there always is. Our catapult centres can help with that, but in the UK many sectors have suffered from having developed technologies but then not progressed them through the so-called valley of death, so that they are then exploited elsewhere. If we want to take advantage of our great opportunity for financial investment, identified by the hon. Member for Wyre Forest—it could be the engine that really drives the growth of the 48 primarily smaller businesses in the north-east of England—then we need the Government to work with industry to de-risk and accelerate those technology investments. I hope that the Government will invest, particularly in those catapult centres at NETPark, while supporting small businesses as they develop those technologies as well.

Space is happening in the north-east of England. It is one part of the UK's space economy. It will certainly be important for the future of the economy of north-east England and vital for our defence and aerospace industries, too.

Mr Clive Betts (in the Chair): We now move on to the Front-Bench speakers. I call Victoria Collins, for the Liberal Democrats.

10.22 am

Victoria Collins (Harpenden and Berkhamsted) (LD): It is a pleasure to serve under your chairmanship, Mr Betts. I thank the hon. Member for Wyre Forest (Mark Garnier) for his passionate and expert input today; he certainly got my cogs turning. I am sure that the Minister has been taking notes.

Every day, 18% of Britain's economy depends on technology orbiting 300 miles above our heads, from our morning coffee purchase to the GPS that may have got us here today. As I learned this morning, even paying for our tube tickets depends on the satellites above us. Satellites orchestrate our daily lives. Nearly one fifth of everything that we produce as a nation now relies on the invisible infrastructure spinning above us.

The UK space sector has achieved something remarkable: in just three years, it has grown from a £7 billion industry into a £18.9 billion powerhouse, with more than 52,000 jobs across the country. Today we have heard about Scotland, Cornwall, Northern Ireland and the north-east, with their vibrant and growing industry, manufacturing, launch capabilities and data. Further downstream, in my constituency of Harpenden and Berkhamsted, the Rothamsted Enterprises centre hosts companies such as Agrilytix, an agricultural monitoring system that uses satellite imagery and machine learning to provide enhanced decision support for smaller farms in challenging environments. Locally, I have also spoken to Daniel, a co-founder of Safe Citizens—a platform that alerts citizens' mobile phones if they are in the vicinity of potentially dangerous incidents, while remaining anonymous and reducing battery use.

Overall, the space economy represents growth that is three and a half times faster than that of our broader economy. Yet despite that remarkable success, Britain continues to under-invest compared to our international competitors. Just last week, the Royal Society warned that the UK risks missing out on one of the most significant technological and economic opportunities of the next half century unless we adopt a more coherent, forward-looking vision for space. We have an opportunity to lead the world in one of the most significant economic sectors of the 21st century, but only if we act now with vision and purpose.

Let us explore more where Britain stands within the international space industry. We host more than 1,500 space companies and rank as the world's leading producer of space research. Additionally, 50 UK universities, including Durham University, mentioned today, contribute to cutting-edge space technology. We attract more private space investment than any nation, excluding the United States. But here is the challenge: while we excel at innovation, we lag in strategic investment, as was eloquently highlighted by the hon. Member for Wyre Forest and also mentioned by my hon. Friend the Member for St Ives (Andrew George). Our space sector could reach £32 billion by the end of the next Parliament, creating up to 50,000 additional jobs. However, that potential will remain unrealised without proper Government backing.

Additionally, the international context around space is experiencing unprecedented growth. My hon. Friend the Member for St Ives talked about the importance of working internationally, as did the hon. Member for Wyre Forest. That rapid expansion brings significant challenges that we cannot ignore. Space is becoming increasingly crowded and contested, as the hon. Member for Congleton (Sarah Russell) also highlighted. We are witnessing a growing problem with space debris, as defunct satellites and rocket fragments threaten active missions and could eventually make certain orbits unusable for future generations.

Beyond environmental concerns, we are also watching space become increasingly militarised and contested. Without proper governance, space risks becoming dominated by whoever can afford the biggest rockets, rather than it serving humanity's shared interests. Britain must advocate for responsible space development; innovation must serve society's needs and not just

commercial interests. That is why the Liberal Democrats believe that space must be a national strategic priority, but one that is pursued responsibly. Last year, the Government met only 31% of their physics teacher recruitment target and only 37% of their computing teacher target—subjects at the base of our space industry. What are the Government doing to address those shortages? Unless they do, we cannot build the skilled workforce that our space sector requires.

To quote the great Tim Peake, life in orbit is "spectacular". That is why, as Liberal Democrats, we are also committed to increasing research and development investment to 3.5% of GDP by 2034, which would position Britain among the world's leading space powers. Additionally, we would invest in science, technology, engineering and maths education; the hon. Member for Congleton highlighted the importance of that as well as of teacher recruitment.

What is the Minister's view, or the view of the Department for Business and Trade? How does it link with our industrial strategy and workforce planning to support regional space hubs—from Scotland's satellite clusters to Cornwall's spaceport—and provide long-term funding that allows researchers to develop breakthrough technologies? The Liberal Democrats would also introduce proof-of-concept funding to bridge the gap between academic research and commercial application. We would ensure that public investment in space technology benefits the public, not just private shareholders. I would be interested on the Minister's comments on that.

The Liberal Democrats would also reform UK Research and Innovation, as well as the British Business Bank, to ensure that public funding supports the public good, allowing the British to benefit from advances in UK space technology. Finally, on the international front, we will champion co-operation through organisations such as the European Space Agency while advocating for environmental stewardship in space development. The orbital environment must be protected for future generations.

In conclusion, Britain stands at a crossroads. We can continue to punch below our weight while others shape the space economy, or we can reclaim our position as a global leader in science and technology. With proper investment, strategic vision and responsible governance, Britain can lead the world in space technology. In all, that would not only be an economic opportunity for our country, but ensure that we stuck to our responsibility to protect space for future generations.

I thank the hon. Member for Wyre Forest once again for securing today's debate. Together we can strengthen our economy, creating high-skilled jobs and developing technologies that solve real problems for communities across Britain. By doing so, we can ultimately "reach for the stars", like the children, mentioned by the hon. Member for Truro and Falmouth (Jayne Kirkham), who were watching as rockets were launched into space.

10.28 am

Greg Smith (Mid Buckinghamshire) (Con): It is a pleasure to serve under your chairmanship, Mr Betts. I congratulate my hon. Friend the Member for Wyre Forest (Mark Garnier) not only on securing this debate, but on his comprehensive opening speech—his knowledge is almost encyclopaedic. I also thank him for the leadership that he has shown on space in this Parliament and previous Parliaments, in particular as chairman of the all-party parliamentary group for space.

We have had a very good debate this morning, with contributions of great quality from both sides of the House. In that cross-party spirit, let me say that the hon. Member for Stockton North (Chris McDonald), in particular, hit many nails directly on the head. We clearly share an interest in the Satellite Applications Catapult, which has a base in my constituency, although I detected a note of disdain in his voice when he talked about battered Land Rovers. I would argue that a battered Land Rover is a sign that that great miracle of British engineering has been used properly and to its full capability.

It is a privilege to speak in this important debate on the state of the United Kingdom's space industry, a sector of strategic importance to our national economy, scientific capability and future prosperity. Let me begin by making one thing very clear: the United Kingdom has the potential to be a true spacefaring nation. We have the scientific expertise, entrepreneurial ambition and geographic advantage to build a world-leading domestic space sector.

In my constituency, the space industry is totemic. From the Westcott space cluster and the national space propulsion centre at Westcott Venture Park, to UK Space Command's headquarters and the national space operations centre at RAF High Wycombe at Walter's Ash—the nation's military hub for space operations, workforce development and space capability delivery—Mid Buckinghamshire stands out not only as a showcase for the space industry, but as an incubator for research and development. It is a true representation of the sector in its entirety.

The Labour party came into office with a good promise of a bold new era for science and technology. Its manifesto committed to supporting high-growth sectors, including space, and spending on sovereign capabilities to secure Britain's place on the global stage. I hope the Minister can confirm that all that will become a reality, because in practice—and the Opposition are right to challenge the Government and kick the tyres when good promises are made—we have seen little more than rhetoric and inaction so far.

Since July 2024, the space sector has been left in policy limbo. Programmes vital to our future competitiveness have been stalled or scrapped. Promised investment zones with a focus on aerospace innovation have failed to materialise. I hope the Minister can correct that. The much vaunted Labour industrial strategy, which was supposed to support clusters in places such as Harwell, Leicester and Cornwall, remains a mystery. Perhaps she can confirm when we will finally see it.

The consequences are tangible and severe. We are already seeing UK-based satellite developers and launch technology firms relocate to more supportive environments abroad. Domestic providers face growing uncertainty in accessing long-term capital, while investors are left wondering whether the Government have any meaningful plan to support this vital sector. That is a blow not just to British industry, but to local economies. The space industry is not confined to a few square miles of south-east England; it is an ecosystem that stretches from satellite testing in Glasgow, to launch infrastructure in the Shetlands and mission control in Oxfordshire. Cornwall, as others

[Greg Smith]

have spoken about, also plays an important role. Every contract cancelled and every research and development grant deferred is a missed opportunity for skilled employment in communities that need it most. By contrast, under the previous Conservative Government, in late 2023, UKSA launched its national innovation programme, with up to £65 million distributed over four years, including a £34 million first tranche aimed at low technology readiness level disruptive technologies.

What of the young people inspired by the promise of a career in space science? The previous Conservative Government made education and outreach a priority. We backed science, technology, engineering and maths education, supported apprenticeships through the National Space Academy, and ensured that British students were represented in flagship European and international missions. Labour, by contrast, has made no clear commitment to supporting science education in the context of space, nor has it outlined any plan to secure future UK participation in global space exploration partnerships.

I must also raise the issue of our highly specialist supply chain, which sees components built in Wales, avionics manufactured in the midlands, propulsion systems designed in Surrey, and the excellent work of the national space propulsion centre at Westcott in my constituency. These are the unsung heroes of the UK's space sector. They rely on steady R&D investment and long-term procurement planning. However, Labour's failure to provide certainty on either means that many of those SMEs face an existential threat. They are simply relying on measures that we originally put in place.

The space industry, by its nature, is built on long-term vision. The last Conservative Government understood that. We launched the national space strategy, invested in sovereign launch capability through Spaceport Cornwall and SaxaVord, and worked to ensure that the UK could lead in space sustainability. We stood up for British science post Brexit by negotiating critical participation in global satellite projects. We now need a recommitment to that vision, which this Labour Government have so far failed to provide.

When will the Government publish a revised and fully funded national space strategy? When will they provide certainty for R&D tax credits to incentivise investment? When will they deliver on their manifesto pledges to support sovereign UK capability in launch, satellite navigation and Earth observation? If they are serious about Britain being a science superpower, they must start treating the space industry as the strategic asset that it is; otherwise, we risk watching our world-class talent, our world-leading innovation and our national ambitions quite literally leave for other shores.

Conservatives remain committed to the UK's future in space technology. We will continue to make the case for ambition and leadership in a sector that speaks to the best of our country, scientifically, economically and aspirationally.

10.36 am

The Minister for Industry (Sarah Jones): It is a pleasure to serve under your chairmanship, Mr Betts. I join everybody else in congratulating the hon. Member for Wyre Forest (Mark Garnier) not just on securing the debate, but on the quality of the debate and the leadership he has shown as chair of the APPG for space. We have had an excellent debate and a lot of shared issues have been brought up. I was struck by the range of different parts of the country in which the space industry is thriving. It is important to understand and acknowledge that.

The hon. Member for Wyre Forest set out the case for the space industry. I do not think I need to repeat any of that, but he spoke about understanding the economic and productivity benefits, as well as the huge benefits to humanity, of satellite technology; how we can mitigate the challenges that the world faces through space; the opportunities for other sectors, such as finance, that are increasingly becoming part of this landscape; and the role of Government as a supporter of space but also as a customer. All those points were very well made. He also talked about the work that UKspace does—it is right that we acknowledge the importance of that organisation—and about businesses from the SMEs to the larger companies, and the ecosystem as a whole.

I will come to a number of points, but one of the most important is that, in a couple of weeks, we will have our industrial strategy, which will set out and prioritise the sectors in advanced manufacturing that are crucial and where this Government intend to turbocharge growth. I cannot reveal the contents of the strategy, but I can say that we are on the verge of having it, and I hope that everyone here will appreciate what is in it.

Later this year, we will hopefully see, for the first time, British satellites on British rockets launching from Scotland. I am putting in my bid to be there, and everyone else is welcome to do the same. I imagine it will be quite a thing to see; it is very exciting. We will also host a global space finance summit at the end of this year. I hope that the hon. Member for Wyre Forest will be able to come to that event, which I think will be an important and useful opportunity to bring in the finance element of this debate.

My hon. Friend the Member for Congleton (Sarah Russell) talked about Jodrell Bank and the Lovell telescope, and made important points about STEM education—I think pretty much everyone mentioned the importance of that. We have set up Skills England and, through our industrial strategy, we are working with the Department for Education to ensure that we tilt towards the courses that we need. Of course, STEM is key to that. My hon. Friend was also right to talk about the north-west cluster.

The hon. Member for St Ives (Andrew George) talked about Goonhilly and the importance of that resource to the country. My hon. Friend the Member for Truro and Falmouth (Jayne Kirkham) talked about that, too, and about the importance of Spaceport Cornwall and the skills there.

The hon. Member for Strangford (Jim Shannon) talked about Northern Ireland, as he always does. He was right to highlight the importance of the defence and aerospace industry there and, in that context, the continued importance of the debate on Spirit. I think we can all be grateful that we were in this place when he said, "Beam me up, Scotty!"—I enjoyed that contribution.

As the hon. Member for Mid Buckinghamshire (Greg Smith) said, my hon. Friend the Member for Stockton North (Chris McDonald) hit the nail directly on the

head, as he always does in relation to many different sectors. He talked about going down the Boulby mine, the cluster in the north-east and the importance of avoiding the valley of death scenario that we face in many different sectors, where we get brilliant research but do not quite manage to bring it to commercialisation, it goes offshore and we lose all that talent. Those were all very good points, well made.

I was asked by the hon. Member for Wyre Forest about the national debris mission. It is going through the next stage of approvals and is a live procurement, so I cannot comment on it, but I wanted to ensure that I responded on that.

We have all talked about the importance of our space industry here in the UK. It is the largest in Europe by revenue, by number of companies and by workforce, and, as was mentioned, it is one of the most productive parts of our economy, with almost 2.5 times the average labour productivity. As the Minister for Industry, in the past year I have had the opportunity to visit and speak to many of those fast-growing space companies. They include homegrown talents such as Space Forge, which I am sure several of us will have met, and BAE Systems, and companies from overseas that have chosen the UK as one of their homes, including ClearSpace and Lockheed Martin. I have had the opportunity to talk to them about their plans for growth and how the Government can support their ambitions, as well as engaging with the trade associations UKspace and ADS, which so keenly support our industry.

As I said, the industrial strategy will come out in a couple of weeks. It will be a 10-year long-term plan. One of the eight growth-driving sectors that we have identified is advanced manufacturing, and we will use the strategy to engage with businesses on the complex areas of policy that we need to address, including finance, planning, energy costs and grid connections, so that we can promote long-term growth.

We want to help more space companies to industrialise, and that means better access to finance and more strategic ways of working with individual space companies. It also means concentrating our efforts on a more targeted portfolio of space capabilities. In other words, we already do this well, so let us take full advantage of that and get a competitive edge. For example, we know that space technologies and services play a vital role in climate action, maritime domain monitoring, telecommunications, the gig economy and apps that rely on persistent positioning. The UK is already strong in the services and applications that space technology enables. Ensuring that space companies can overcome the complex and capital-intensive challenges to excel in these areas will be key to growing the industry now and in the future.

We also want to create a more resilient supply chain, which the hon. Member for Wyre Forest talked about, while improving regulations, which will be needed to enable more activities in our space industry. Of course, DBT does a lot of work in this policy area, but other Departments are important too—I will come to the challenges in a minute. Of course, the Department for Science, Innovation and Technology takes a lead, and the MOD, which published its new strategic defence review last week, is clear that being first in NATO means accelerating and enhancing our military space capability, so it recognises that there is more to do. We need to go further and faster, especially working with commercial companies. Towards the end of this year, all Departments will publish clear delivery plans that set out their priorities for space, their capabilities and exactly how we will work to deliver those priorities.

The hon. Gentleman spoke about the challenges that he had in government navigating the many industries that are responsible for space. We inherited that challenge and have not entirely resolved it. So many Departments have an interest in space for legitimate, very good reasons. A group of Ministers has met to talk about the challenge, and we are planning what to do. I am sure that as soon as we have anything to say on that front, we will come back to the hon. Gentleman. I recognise the challenge. So many things are happening in space, so many aspects of our lives are affected by it, and so many Ministers have a huge interest in it. That will always be the way, and we need to navigate that in a way that enables us to be laser focused on our priorities. We have a clear strategy and we are very ambitious about what we want to achieve.

I am grateful to the hon. Gentleman for securing a debate on this topic. We are absolutely committed to supporting our fantastic space industry, and are already investing in and supporting it. Last month, I celebrated Space Forge's latest fundraising round, in which it secured £22.6 million. I was pleased to announce the opening of OHB's new base in Bristol at the Farnborough international airshow—I think the hon. Gentleman was there. Earlier this week, I announced the Government's support for a space industry partnership between BAE Systems in the UK and Hanwha Systems in South Korea, which is a massive step forward for one of the UK's leading companies. We have really strong examples of international partnerships, the financial impact and the foreign impact, showcasing the power of our space industry to reach out around the world.

Andrew George: The Minister mentions the importance of international partnerships. In the context of the unpredictable environment in which negotiations take place, particularly with regard to trade with the US, what conversations have taken place between the UK Government and NASA? It is clear that a lot of UK companies, large or small, depend on ensuring that such relationships and future contracts are well founded.

Sarah Jones: The hon. Gentleman makes a good point. NASA and the European Space Agency are both really important in terms of ensuring that our companies get the contracts they need. We will work with our American counterparts on that. My focus with our American counterparts in recent weeks has been more on the UK's steel industry, automotive industry and aerospace industry, up to a point, but I will take away the hon. Gentleman's point about NASA. Of course, we need to support our companies in getting contracts, and we work closely together.

We can have different views about the future of space. Tim Marshall's great book on the future of geography, which I have read, talks about space not in the context of a leap into a beautiful, unknown world, but as a continuation of the power struggles here in the UK, so it is important to work collaboratively across all kinds of agencies if we are to find a way forward. The spokesperson for the Lib Dems, the hon. Member for

[Sarah Jones]

Harpenden and Berkhamsted (Victoria Collins), talked about how we navigate the legal future of space. That is an important point, and why we are supporting the space industry by giving an 11% uplift to the UK Space Agency's 2025-26 budget. I hope that increase shows the direction of travel. Our trade strategy will come out in a couple of weeks. The world of exports is important to our space industry, and we need to ensure that we support advanced manufacturing and space through our trade strategy.

I hope Members are reassured of how important we see the space industry as being. We see it as one of the key growth-driving sectors. The industrial strategy will set out exactly what we are going to do. The hon. Member for Mid Buckinghamshire talked about the risk of losing world-class talent and industry from these shores; he will be an expert in that, as so much of it happened under the previous Government. We are trying to ensure that we attract and keep people here, and build young people's talents to develop a space industry that we can all be proud of. Watch this space in terms of the industrial strategy; I look forward to coming back and talking about it.

10.51 am

Mark Garnier: I thank all Members who made a contribution to the debate. It has been fantastic to hear from the hon. Members for Strangford (Jim Shannon), for Congleton (Sarah Russell), for St Ives (Andrew George), for Truro and Falmouth (Jayne Kirkham) and for Stockton North (Chris McDonald), as well as the Front-Bench contributions from the hon. Member for Harpenden and Berkhamsted (Victoria Collins) and my hon. Friend the Member for Mid Buckinghamshire (Greg Smith).

It is a great pleasure to see so many different people and so many new MPs contribute to this debate from such diverse parts of the world, rather than just hearing the same old characters talking about the same old stuff—

Jim Shannon: I'm always here.

Mark Garnier: The hon. Gentleman is always here.

A number of important things have come up in this debate, one of which is the importance of the clusters. We have heard talk the north-east cluster and the Cornwall cluster. For me, Cornwall is incredibly important: as the hon. Member for St Ives knows, my spiritual home is in Newlyn. My grandparents were Newlyn school artists, and I was brought up looking across Mount's bay to Goonhilly downs. We also heard how Jodrell Bank is incredibly important as an inspiration; I remember being inspired by what was going on there as a child back in the 60s.

We can see that there are extraordinary opportunities. Businesses across the whole of the country are involved in the space sector. We are seeing extraordinary things going on in, for example, Northern Ireland, which has a very good aerospace legacy. Queen's University Belfast is using that legacy in looking at the phased array antennas that are being designed and built to enable space-based solar power. That is an incredibly important and successful piece of work. When we eventually get to the stage in which space-based solar power stations are beaming energy back to Earth, Queen's University Belfast will have been absolutely instrumental.

I have been heartened by the views of many Members. The clusters are very good, and Members will be pleased to hear that I know all the cluster chiefs, one way or another. In Cornwall, Gail Eastaugh is the pushiest of them all. She is truly dynamic and an absolute advocate for Cornwall. We had a drop-by space event a few months ago to promote the space cluster; people turned up with their little banners, but Gail brought something the size of the Chamber wall in order to promote Cornwall—it was very good.

The hon. Member for Truro and Falmouth made a point about Newquay spaceport, which we must remember was a success. It was not the Newquay spaceport that got it wrong; a fuel filter in a Virgin rocket got it wrong. We must never forget that everything we wanted to do was a brilliant success.

I thank the Minister and the shadow Ministers, my hon. Friend the Member for Mid Buckinghamshire and the hon. Member for Harpenden and Berkhamsted, for their contributions. The sector is very exciting, and I get the sense that people are unified behind all this. We know there is a grand strategy and we want to be dominant in the sector. We might have disagreements or arguments over the tactics to achieve that, but if we share the common vision of a grand strategy, we can get there. It is incredibly important for our economy, our productivity and the future. As a mature economy we need to find ways to be increasingly productive in order to deliver a better quality of life for everybody, and space will absolutely deliver that.

The Minister spoke about the industrial strategy, and in a couple of weeks I will take a forensic look at that. The global space finance summit at the end of the year is so important. We have a lot of important sectors in the UK economy that we take for granted, and those sectors need space as much as space needs those sectors. If we want to continue to be relevant in the financial services sector, we have to be relevant for the most modern type of finance and the most modern types of opportunities. That is why we have to be good at space finance and think carefully about it. I would very much like an invitation to come along and speak at the summit.

I thank everybody who contributed to the debate. I get the sense that there is a strong unity of vision in the room, and this is a fantastic opportunity. As they say, to infinity and beyond!

Question put and agreed to.

Resolved,

That this House has considered the impact of the space industry on the economy.

10.56 am

Sitting suspended.

Theft of Tools of Trade

11 am

Mr Clive Betts (in the Chair): I remind Members that they may speak in this debate only with permission in advance from the mover and the Minister, but they may intervene with the permission of the speaker who has the Floor.

Amanda Martin (Portsmouth North) (Lab): I beg to move,

That this House has considered sentencing for the theft of tools of trade.

It is a pleasure to serve under your chairmanship, Mr Betts. Over recent years, we have seen a surge in thefts from tradespeople, particularly thefts of essential tools from vans and workplaces. According to industry, one in 10 tradespeople will fall victim to tool theft this year alone. For many, it will not be the first time or, sadly, the last. The same proportion have already experienced this devastating crime three or more times in their career.

Tool theft is not a victimless crime, and it is not petty. The average cost of stolen tools stands at almost £3,000 in each instance. When we add that to £1,500 for vehicle repairs and £2,000 in lost earnings and business disruption, we are suddenly looking at £6,000 to £7,000 in immediate losses.

Jim Shannon (Strangford) (DUP): I commend the hon. Lady, who is absolutely right to raise the issue. I am sorry to say that tool theft is a critical issue in all our constituencies. In my constituency we have a tradition of working in construction, but vans are regularly broken into. Does she agree that there is a cost to this disgraceful theft not only in tool replacement, but in lost jobs and time? In 2022, more than 40,000 cases of tool theft were reported across the United Kingdom. In Northern Ireland alone, it costs £1.5 million annually, but that does not come close to describing the true cost.

Amanda Martin: I absolutely agree. As the hon. Gentleman notes, it is not just about the money. The real damage cannot always be calculated in pounds and pence or in immediate loss. More than 40% of victims report reputational harm; one in 10 said that the damage to their business standing was significant. Tragically, more than 80% report a decline in their mental health. Let us not forget that the construction industry already has one of the highest suicide rates of any profession in the UK.

Tool theft is happening in every part of our community. It happens to people who are the very backbone of the British economy—our electricians, our plumbers, our carpenters, our gas engineers—and too often it is without consequence.

John Whitby (Derbyshire Dales) (Lab): I thank my hon. Friend for securing this debate. I was shocked to hear that the cost of GPS theft, including from tractors, had increased by 137% between 2023 and 2024. It is clear that the theft of high-tech farming equipment can be linked to organised gangs with connections to illegal markets in Europe. Will my hon. Friend join me in thanking our hard-working police and the National Farmers Union for raising awareness of the links between rural crime and organised crime groups?

Amanda Martin: Absolutely. My dad was a policeman, so I will always want to thank the hard-working police. We have been working with the NFU on some of the areas that my hon. Friend mentions.

Rachel Gilmour (Tiverton and Minehead) (LD): Does the hon. Member agree that the scourge of rural crime, especially the theft of essential agricultural tools and equipment, demands a two-pronged approach, with more bobbies on the beat who are known in their local area, as well as significantly harsher sentencing? Theft in our rural areas seriously affects people's ability to earn a living.

Amanda Martin: I completely agree. Under 14 years of Conservative rule, the cuts to policing and criminal justice were shocking. We have to ensure that we put more police on the streets and work to enact the Bill.

Between 2010 and 2024, charges for theft and burglary plummeted. In 2015, police in England and Wales solved about 9.4% of all theft. In under eight years, that figure had dropped to 4.6%. For burglary, the figures are even worse: only about 3.5% of domestic burglaries have resulted in a charge being recorded in the past year. In practice, that means that for the vast majority of these crimes, nobody is held to account.

We are living with the consequences of 14 years of cuts to policing and to our criminal justice system. Since 2010, police numbers have been slashed, police community support officers have been gutted and community policing has been dismantled. As a result, court backlogs have ballooned. Theft, from tool crime to shoplifting, is now often met with a shrug. In fact, some retail chief executives and tradespeople report that shoplifters and thieves now openly brag that no one will even bother turning up. Why would our tradespeople feel any differently?

As many hon. Members will know, I have been campaigning on the issue for more than six months. I introduced a ten-minute rule Bill, the Theft of Tools of Trade (Sentencing) Bill. We are still running petitions, and we have had conversations with Ministers and many meetings and conversations with victims and with people across the sector.

Greg Smith (Mid Buckinghamshire) (Con): I commend the hon. Lady for her work. In the last Parliament, my private Member's Bill received Royal Assent as the Equipment Theft (Prevention) Act 2023. It requires some statutory instruments to be passed, in the first instance on agricultural theft, but it is written in such a way that it can incorporate tool theft from builders' vans and so on. Does she agree that a necessary first step in tackling this scourge is getting those SIs made?

Amanda Martin: I thank the hon. Member for all his work. Yes, I agree, but we should not prioritise just one thing; all levers need to be pulled. As well as making those instruments, we also need to ensure that we are pushing the element that I am describing. Even when tools are marked they are still stolen, so the Government need to use all possible levers to protect our tradespeople.

Mr James Frith (Bury North) (Lab): My hon. Friend is a champion for our tradespeople and I commend her work. A constituent of mine had his tools nicked three

[Mr James Frith]

times. There is the cost of repairing any damage, the cost of replacing the tools, the loss in earnings while he waits and the cost of the insurance premium, as well as the reputational damage. Does my hon. Friend agree that increased sentences would not only act as a deterrent, but give the police a justification for giving tool theft a higher priority in their stretched workload?

Amanda Martin: Absolutely. One of the reasons for pushing my Bill is deterrence. I will come on to the policing element and how we can better record this crime.

I have been working on the issue since December. I thank all hon. Members who attended my brilliant breakfast reception: I have been energised by the levels of cross-party support for the campaign, and I was pleased that hon. Members from many different parties joined me in helping to raise awareness of it. I reassure the trades community that whatever the outcome of my private Member's Bill, I will continue to campaign on the issue and will bring all those who want to join me, in or outside this House, along on that journey.

Josh Newbury (Cannock Chase) (Lab): I pay tribute to my hon. Friend and thank her for her steadfast campaigning. Like many hon. Members, I have had conversations with tradespeople on the doorstep. I have had loads of messages and emails thanking her and supporting her campaign. Rob Waring, who runs Midland Central Heating in Cannock, told me that its vans have been broken into twice. It is now considering not putting its livery on the vans, for fear that they will be targeted again, but even that will not offer much meaningful protection. Does my hon. Friend agree that although we must focus on the real-world effects of tool theft, we should also consider the fact that the fear of tool theft is holding back our sole traders and small businesses?

Amanda Martin: I thank my hon. Friend for his work. He is absolutely right: the impact on reputation and on mental health goes way beyond just the tools that are stolen.

It is important to explain the reform that I am asking for. The current sentencing guidelines for tool theft do not reflect the gravity of the crime. Because most tool theft involves tools valued under £10,000, it is placed in harm category 3. Unless the courts actively use their discretion to raise the harm rating, the impact on the victim is downplayed. However, that category does not reflect the true damage, the lost income, the van repairs and the mental strain, which we have heard about from several Members today.

I am therefore asking for two simple but significant changes to the sentencing guidelines. First, I am asking the Sentencing Council to explicitly list theft of tools of trade as an example of "significant additional harm". That would prompt magistrates to consider placing offences in harm category 2 even if the monetary value falls below £10,000, because that would reflect the emotional, reputational and business damage that these crimes cause.

Mr Luke Charters (York Outer) (Lab): My hon. Friend is a champion for the grafters of this country, who are fed up with having the tools of their trade nicked. Does she agree that the action and sentencing changes that she is asking for must apply to the tools of any trade, be they the GPS on tractors, which we have heard about, or the tools that were nicked from my barber's? Does she agree that we must look at sentencing for theft of the tools of any trade?

Amanda Martin: Absolutely. To me, the issue is tools of trade. We have also been in talks with the beauty industry, because many of its members have had a van driven into their front window and had everything stolen in exactly the same way. Although the theft itself may not cost more than £10,000, having to deal with the window, the loss of work, the damage and the effect on the mental health of employees very much adds to it. The tools of all trades are really important.

The first element that I am asking for is an increase from harm category 2 to harm category 3. The second element is standardisation of the sentencing guidelines language to reflect the total financial losses—plural—instead of just the value of the stolen goods. That includes the van damage, missed contracts and lost earnings, all of which are currently invisible in the sentencing process. Taken together, those reforms would increase the chances that offenders will face more serious consequences that are truly in line with the crime that has been committed and the damage that it has caused.

I make it very clear that this is not just about building more prisons. With prison places, I know that we were left in a desperate hole after the last Government left; I also know that our Government have committed to building more prison places. This is about building more accountability and, importantly, having fewer victims.

I would be supportive of my Bill resulting in strong and meaningful community sentences, with compulsory unpaid work, electronic tagging, alcohol and sport abstinence tags, restrictions on travel, and other community solutions. Those punishments are tough and visible. Crucially, they are rehabilitative. It has been proved that they lead to fewer victims, which is what we need to ensure. They keep offenders out of the revolving door of repeated crime, and they challenge the root causes of reoffending.

Many of these thieves are not masterminds. They are opportunists. They rely on the belief that they will never be caught, or that if they are, they will never be punished. In the case of tool theft, many simply are not. We must break that cycle and restore a basic sense of justice for working people. We must ensure that the true extent of this crime is recognised by the courts.

It is time for us to listen to the people who make this country work: the plumber up at dawn, the roofer out in the cold all year, the carpenter working late, the welder braving the sparks and the painter steady on his or her ladder. They deserve to be able to work without constantly looking over their shoulder in fear of having their livelihood taken away. Reforming the sentencing guidelines to tackle the theft of trade tools is essential to valuing our tradies properly and recognising their contributions to our small business economy and to society as a whole. I urge hon. Members on both sides of the House to join my campaign. It is time we sent a clear message that tool theft will not be tolerated. We need to stand up for our tradespeople and make sure that the justice system does, too.

11.13 am

David Taylor (Hemel Hempstead) (Lab): It is a pleasure to serve under your chairmanship, Mr Betts. Tool theft is a growing problem affecting tradespeople in Hemel Hempstead and across the country, as we have heard. It is no exaggeration to say that an epidemic of van and tool theft has been left in the wake of the last Conservative Government. I commend my hon. Friend the Member for Portsmouth North (Amanda Martin) for campaigning so vigorously on the matter.

I want to raise a harrowing case from my constituent Mr Rogers, who told me a devastating story. He ran a showroom in our beautiful old town, but over three separate break-ins he lost more than £10,000-worth of tools, including a specialised CNC machine that was essential to his business. Unfortunately, despite clear CCTV footage showing the suspect's van registration, police responses did not yield results. Key evidence was never collected and no arrests were made.

After the second theft, Mr Rogers was refused insurance. After the third, with no tools and no support, he was tragically forced to close his business. Despite his resilience and strength, the impact on his mental health was devastating. Other hon. Members will recognise the impact that the issue has on the mental health of their constituents, because Mr Rogers's case is not isolated. Only 1% of stolen tools are ever recovered, and many tradespeople live in constant fear of theft. These crimes destroy livelihoods, disrupt families and cause long-lasting emotional harm.

That is why I strongly support the Theft of Tools of Trade (Sentencing) Bill, which, if implemented, will introduce tougher sentences, recognising the unique harm caused by these crimes. Combined with Labour's Crime and Policing Bill, for which I had the pleasure of serving on the Public Bill Committee and which will restore neighbourhood policing and strengthen victims' rights, those measures will deliver real protection for people in Hemel Hempstead and beyond.

More police, stronger laws, tougher sentencing: those are the solutions that people like Mr Rogers need. Tool theft is not a victimless crime. It ruins lives. Our tradespeople deserve better. We rely on them, and it is time that they were able to rely on us. I encourage every Member to support the legislation brought forward by my wonderful hon. Friend the Member for Portsmouth North, and to support our Government's Crime and Policing Bill.

11.16 am

The Parliamentary Under-Secretary of State for Justice (Sir Nicholas Dakin): Let me start by paying tribute to the chairman of the Sentencing Council, Lord Justice William Davis, after the sad news that he passed away at the weekend. I met Bill on a number of occasions and was always impressed by his courtesy, kindness and sharpness of mind. He made a significant contribution to criminal justice. I would particularly like to recognise his work serving on the Sentencing Council, first as a judicial member between 2012 and 2015 and then as its chairman from 2022. On behalf of the House, I extend our deep condolences to Lady Davis, his children and all those who knew him.

I thank my wonderful hon. Friend the Member for Portsmouth North (Amanda Martin) for securing this important debate. She is a doughty campaigner on the subject, as we have heard from hon. Members on both sides of the House, and has championed it inside and outside Parliament. As she said, such crime has a real impact on people's lives and businesses. I thank her for continuing to bring it to the Government's attention.

The small businesses affected and damaged by tool theft are anchored in their local communities, give life to their local economies and make a positive difference to people's lives. They are truly the lifeblood of our country. I acknowledge the very real and often devastating impact that the theft of tools has on individuals, families and businesses. My hon. Friend the Member for Hemel Hempstead (David Taylor) illustrated very effectively the devastation and personal impact in the tragic case of his constituent. For many tradespeople—plumbers, electricians, carpenters, builders and countless others, including the tradesperson that he referred to—their tools are essential for their livelihoods. When those tools are stolen, the consequences are not just financial loss; as hon. Members have said, it disrupts work, delays income and impacts professional reputation and confidence.

For those reasons, the Government take the theft of tools of trade extremely seriously. We understand the frustration and anger felt by victims and the calls for tougher action. That is why we are addressing the issue with a comprehensive, multi-pronged approach that focuses on prevention and enforcement.

Carla Lockhart (Upper Bann) (DUP): Northern Ireland has been named as one of the top hotspots for tool theft in the United Kingdom, with tools stolen every 12 minutes according to police force data. Does the Minister agree that, although this is primarily a devolved issue, we should be looking at what is being done in Great Britain and replicating it in Northern Ireland, such is the extent of the problem across the United Kingdom? Will he reach out to his counterparts in Northern Ireland to discuss the issue?

Sir Nicholas Dakin: I certainly agree with the hon. Lady that, sadly, this problem is not restricted to only some parts of the United Kingdom, and all parts of the UK need to learn from each other. I will certainly reach out to the Northern Ireland Executive on this matter.

Let me talk about prevention. We know that many tool thefts occur from vehicles, particularly vans used by tradespeople. That is why we have strengthened our response to vehicle-related crime through the national vehicle crime working group, which involves an established network of vehicle crime specialists across every police force in England and Wales. Those specialists are working together to share intelligence, identify emerging trends and co-ordinate regional responses to tackle this issue more effectively.

This is not just about reactive policing. It is about proactive and intelligence-led operations that disrupt criminal activity before it escalates, and about ensuring that police forces are equipped with the resources and information they need to respond swiftly and effectively to reports of tool theft. We are working closely with the National Police Chiefs' Council lead for vehicle crime to take forward a programme of work to drive down these crimes. That includes training police officers on the methods used to steal vehicles and working with industry to address vulnerabilities in vehicle design and security.

[Sir Nicholas Dakin]

We are supporting law enforcement in disrupting organised criminal networks that profit from tool theft. That includes targeted operations, collaboration with regional organised crime units, and investment in training and resources for police officers to improve their ability to investigate and prosecute tool theft cases effectively.

Enforcement is the other critical pillar of our approach. The maximum penalty for theft is seven years, which is substantial, and that is available to the courts for the most serious and persistent offenders. We must ensure that our judicial system continues to respond appropriately to offences involving the theft of tools and recognises the serious impact of those crimes. It is absolutely right that sentencing decisions remain the responsibility of our independent judiciary.

Our courts are best placed to assess the full circumstances of each individual case, drawing on the evidence presented. That includes careful consideration of the harm caused to victims—so ably highlighted by hon. Members in this debate—the culpability of the offender and any aggravating or mitigating factors that may influence the seriousness of the offence. Judicial independence is a cornerstone of our justice system and ensures that decisions are made impartially, free from political influence.

Courts are required by law to follow sentencing guidelines issued by the Sentencing Council. Those guidelines are designed to promote consistency, transparency and fairness in sentencing across England and Wales. The current sentencing guidelines for theft already provide a robust framework that enables courts to take full account of the seriousness of offences involving the theft of tools of trade.

Specifically, the guidelines identify a range of aggravating factors that may warrant a more severe sentence. Those include offences that are of a sophisticated nature, that involve significant planning or that are committed over a sustained period. Where such factors are present, the court is expected to treat them as indicators of higher culpability or greater harm, which can lead to an uplift in the sentence. That should ensure that the most serious and disruptive forms of theft—such as those targeting tradespeople's essential tools—are dealt with appropriately within the existing framework.

The sentencing guidelines for theft explicitly require courts to consider the broader consequences of the offence when determining the appropriate sentence. That includes the consequential financial harms suffered by victims, which, as has been highlighted, may involve not only the cost of replacing stolen goods, but, sadly, lost income and significant business disruption.

Hon. Members have also drawn attention to the wider impacts on mental health and general wellbeing. I hope the courts bear those in mind and hear that clear message. My hon. Friend the Member for Portsmouth North highlighted those issues very well in her speech, but other hon. Members also amplified them in their comments.

The guidelines also direct courts to take into account the wider impact on businesses, particularly where the offence affects the ability of a tradesperson or small enterprise to operate effectively. In addition, emotional distress caused by the offence, such as anxiety, stress or a loss of confidence in personal safety, is recognised as a significant factor in assessing harm. That should ensure that the impact of this type of crime is properly reflected in the court's decision.

With regard to compensation, it is important to note that courts are required by law to consider making compensation orders in all cases involving injury, loss or damage. Compensation orders require offenders to make financial reparation to their victims, ensuring that offenders are held accountable through not just punishment, but restitution.

As an independent body, the Sentencing Council decides its own priorities and work plan for producing or editing its guidelines. It is of course open to individuals to approach the council to ask that it does so, and I encourage my hon. Friend—as well as hon. Members who have spoken in the debate and others who are concerned about the issue—to share their concerns with the council. I encourage it to look at the matter closely. Knowing my hon. Friend, I am sure that she is ahead of me on this journey and that that is already in hand.

On improving the sentencing framework, the Government launched an independent sentencing review in October to comprehensively examine the sentencing framework in its entirety. The sentencing review published its recommendations in May, most of which the Government have accepted. We will bring forward legislation in due course to give effect to these important reforms. As my hon. Friend indicated in her remarks, there is a need for tough, visible and effective punishments, which is what the Government are committed to delivering.

We recognise the growing public and parliamentary concern about tool theft. My hon. Friend has carried out a real public service by shining a light on the issue, which resonates with people across the country, and she has rightly built cross-party support, as we have seen. As she said, she has been energised by the campaign, but the campaign has also energised others, including the Government, so I thank her for that. Hon. Members on both sides of the House have spoken to support her, and campaign groups have been raising awareness and calling for action.

I reaffirm the Government's unwavering commitment to tackling this type of crime. We fully recognise the vital role that tradespeople and small business owners play in our economy and communities, of which they are the lifeblood. As my hon. Friend the Member for York Outer (Mr Charters) said, they are the "grafters of this country". We are determined to ensure that they are protected from the disruptive and damaging effects of tool theft.

Tool theft is not a minor inconvenience; it is a serious crime that undermines livelihoods, causes financial hardship and erodes public confidence. That is why we are taking robust action to prevent these offences and ensure that those who steal the tools of someone's trade are held accountable and brought to justice through the full force of the law. Tool theft will not be tolerated. I look forward to discussing this important matter with my hon. Friend the Member for Portsmouth North as she continues her campaign, part of which will be meeting with me next week.

Question put and agreed to.

11.28 am

Sitting suspended.

Child Poverty and No Recourse to Public Funds

[Dr Rupa Huq *in the Chair*]

2.30 pm

Olivia Blake (Sheffield Hallam) (Lab): I beg to move,

That this House has considered child poverty and no recourse to public funds.

It is a pleasure to serve under your chairship, Dr Huq. I refer the House to my declaration in the Register of Members' Financial Interests, on the help I receive from the Refugee, Asylum and Migration Policy Project and as co-chair of the all-party parliamentary group on migration.

I would like to start by paying tribute to the organisations in my constituency and across Yorkshire that work tirelessly to help migrant families, including South Yorkshire Refugee Law and Justice and City of Sanctuary Sheffield, and the organisations that provided me with valuable evidence and research ahead of this debate, including the no recourse to public funds partnership, Praxis, COMPAS—the University of Oxford's Centre on Migration, Policy and Society—and the Institute for Public Policy Research.

Given the spending review today, the recent announcement on the immigration White Paper and the pending child poverty strategy, this debate could not be more timely. According to recent research by the IPPR, there are an estimated 1.5 million children in the UK living in poverty in families with migrant parents, accounting for more than a third of all children in poverty. Children in families with migrant parents are also more likely to be in very deep poverty, amounting to 21% of migrant children, compared with 8% of other children.

The Joseph Rowntree Foundation found that since 2019, there has been a 92% increase in the number of migrant households experiencing destitution. Despite those shocking statistics, the no recourse to public funds policy—which amounts to a blanket ban on access to the social safety net for the majority of migrants in the UK—remains largely absent from conversations about poverty and inequality.

No recourse to public funds is a condition tied to various immigration pathways: those without status, those seeking asylum, those with "British citizen: children" status, and children in families who have not secured EU settled status. It prohibits millions of people from receiving benefits, including universal credit, child benefit and personal independence payment, and from accessing social housing. The policy disproportionately impacts women, people of colour, low-income households with dependent children where family relationships have broken down, including victims of domestic abuse, and those with disabilities and long-term health conditions.

Research by the Women's Budget Group found that the risk of living in poverty for migrant women with dependent children is particularly high, as they are more likely to be dependent on their partner both for their right to be in the UK and financially, as their ability to work is often restricted by labour market barriers, access to childcare and NRPF conditions. A study by Citizens Advice found that more than 80% of its clients who sought advice on no recourse to public funds and non-EU migrants' access to benefits were from ethnic minority backgrounds.

Part of the reason that this policy remains absent from the wider conversations about poverty is the information gap. The Home Office does not collect data on how many children are currently impacted by NRPF in the UK, although I hope the upcoming transition to Atlas will allow the relevant data to be released soon. Estimates suggest that at the end of 2024, there were approximately 3.6 million people with no recourse to public funds conditions.

Neil Coyle (Bermondsey and Old Southwark) (Lab): I congratulate my hon. Friend on securing this debate. Does she agree that the Home Office should not just be collecting and publishing data more regularly but should participate fully in the child poverty review, to ensure that this issue is resolved in the way it needs to be?

Olivia Blake: That is absolutely right. I will come on to the review later in my comments, but I thank my hon. Friend for putting that on the record.

The IPPR and Praxis estimate that around 722,000 children are affected by NRPF restrictions, of whom 382,000 are living in poverty. The NRPF partnership found that around three quarters of children subject to NRPF are likely to become permanent residents or British citizens. Also, migrant parents with NPRF conditions do not get the same help with their childcare costs, including the extended entitlement for working parents and universal credit support. That creates a double penalty. Without that support, many migrant parents, especially single mothers, are limited in their ability to work, while simultaneously being excluded from accessing income top-up from the social security system if their earnings fall short.

Patricia Ferguson (Glasgow West) (Lab): I thank my hon. Friend for taking my intervention, and it is always a pleasure to serve under your chairpersonship, Dr Huq. Earlier this year, I held a consultation event on the Child Poverty Taskforce. One of the themes that came out starkly was that many children in migrant families act as interpreters for their own parents, who do not speak English, and often they attend appointments, miss school and are exposed to situations and correspondence that children really should not be exposed to, which adds to the inequality that these young people are facing. Does my hon. Friend agree that this "adultisation" of children really should not be happening?

Olivia Blake: Yes, I agree completely that there is huge pressure on young people in migrant families to provide such services. There is also pressure on young carers who are migrants as well, which is another concern. My hon. Friend makes a very valid point. Young people should not experience such situations, but sadly they often do.

IPPR and Praxis found that a significant proportion of migrant parents are held back from working because they face barriers to accessing childcare; currently, 40% of migrant parents do not use childcare, as they or their partner are unable to secure employment. I know that the Government believe that these things are privileges that need to be earned and that migrants coming to the UK should be able to support themselves financially. However, we should not view basic necessities as some kind of reward. They are lifelines that help people to

[Olivia Blake]

keep a roof over their heads, food on the table and their homes warm, nor should we ignore the fact that migrants already pay into the system through tax contributions.

We also need to view NRPF in the context of wider systemic barriers in our immigration system, such as prolonged routes to settlement, high visa fees and the immigration health surcharge. Together, it all creates a perfect storm whereby families face never-ending cycles of destitution, homelessness and uncertainty. Children should not pay the price for that.

We know that growing up in poverty has terrible short-term and long-term consequences.

Tahir Ali (Birmingham Hall Green and Moseley) (Lab): I thank my hon. Friend for securing this important debate and I thank you, Dr Huq, for chairing it. Does my hon. Friend agree that children should not be penalised in this way, especially when there are delays in determining applications from those with have no recourse to public funds? It is not their fault. In my constituency of Birmingham Hall Green and Moseley, the child poverty rate is over 47%, but it would be even higher if we included those children. Why should children be made to suffer just because of a delay in determining people's applications? Those children would be the future of this country and contribute through the tax system and the development of this country in coming years.

Olivia Blake: I thank my hon. Friend for that intervention. That statistic makes a stark point. He also makes a strong point about why the Government should consider these issues in the upcoming child poverty strategy.

We know that growing up in poverty has terrible short-term and long-term consequences, and there is mounting evidence to show the wide-reaching impact of poverty, particularly on migrant children. Children in affected households experience food insecurity, overcrowded housing, barriers to education, and serious mental and physical health risks. Poverty can also impact children's opportunities to develop their social skills and build meaningful relationships during critical formative years. Therefore, I question the line of argument that says that these restrictions are in place to promote integration.

In their joint inquiry on the impact of immigration policy on poverty, the APPG on migration, of which I am a co-chair, and the APPG on poverty and inequality found that the no recourse to public funds policy is a huge contributor to deep poverty, child poverty, isolation and vulnerability. I am grateful for the ministerial response to our letter about the inquiry, but I urge Ministers to look at some of the findings in the report. Perhaps they could follow up on that point in writing. The findings are unsurprising, given that the widening of the policy was introduced by the former Government, as part of the hostile environment, with the very intention to make life more difficult for migrants in the UK. However, destitution by design policies are not just inhumane, but ineffective and very costly, with local authorities often having to foot the bill.

Councils provide essential safety net support to safeguard the welfare of families who have no recourse to public funds and are at risk of homelessness or destitution. That often leads to local authorities providing long-term support for households, with the average period of support lasting more than 600 days for families with children, and longer for adults with care needs. That places enormous pressure on already stretched local authorities, which receive no compensation or direct funding to support families with NRPF.

The NRPF Network found that, from within the 78 local authorities that supplied information for 2023-24, 1,563 households were being supported by the end of March 2024, at an average annual cost of £21,700 per household and a total annual cost of £33.9 million. In 2023-24, Sheffield city council spent at least £1.2 million supporting people with no recourse to public funds, and it did not get any compensation for that. COMPAS estimates that the number of families receiving local authority support in England and Wales has risen by over 150% since 2012-13, with local authority costs rising by almost £230%.

Despite statutory obligations under section 17 of the Children Act 1989, support for migrant families from local authorities remains very inconsistent. Many families remain locked out of local authority support as the threshold for accessing it is highly conditional, and there can be robust gatekeeping from local authorities—as they try to protect their budgets, I am sure. There is therefore an urgent need to standardise section 17, and to clarify guidelines on financial and housing assistance to ensure consistent support across local authorities.

Neil Coyle: Is my hon. Friend also aware that London councils spend about £46 million on providing emergency support to families affected by this condition? It makes a mockery of the claim that the policy is about no recourse to public funds, which is clearly a misnomer when such significant levels of public funds are being used.

Olivia Blake: I am pleased that my hon. Friend has made that point, because London Councils itself has previously described this issue as a

"direct cost shunt resulting from central government policy."

The Local Government Association continues to call for this ambiguity to be resolved so that councils can support families affected by NRPF, many of whom it says are at risk of extreme hardship. This is not the edge of poverty; this is deep poverty.

That leads me on to another important point: legal aid. Certain visa holders can submit a change of conditions application to the Home Office to have NRPF conditions lifted, but the application process is complex and often requires legal advice to navigate and complete successfully. The process itself has been found to be unlawful in the High Court on numerous occasions, most recently because of lengthy delays in how decisions are being processed. There is an urgent need to address the long-term sustainability and accessibility of the legal aid system for immigration cases. In South Yorkshire, two out of five legal aid firms have stopped delivering legal aid immigration services entirely, and there was a gap between provision and need of nearly 9,000 cases across Yorkshire in 2023-24. This means that many migrants are being prevented from exercising their legal rights to apply for leave to remain, to change or renew their status, or to lift no recourse to public funds conditions.

In that context, I am concerned about the proposal in the Government's recent immigration White Paper to extend the qualifying period for British citizenship to

10 years. That will lock more families into prolonged no recourse to public funds status and will inevitably pile more pressure on local authorities to pick up the pieces. We know that high visa costs and constant uncertainty prevent parents from planning long term, and the requirement to reapply for visas also heightens the risk of falling out of legal status. The IPPR found that 82% of migrants who borrowed money for visa renewals were in significant debt. I am also concerned that this short-sighted move undermines integration and creates an ever-growing population of second-class residents.

In a survey of its clients, Praxis found that three in four migrants feel that being on the 10-year route prevents them from feeling that they belong in the UK, despite most having lived here for over a decade. With a consultation on the immigration White Paper expected in the summer, will the Government consider the wide-reaching consequences that extending the qualifying period will have for migrant children, in particular? Has an assessment been made of the number of children and families who are likely to be pushed into poverty as a result of the White Paper's proposed reforms?

Finally, I will end on the child poverty strategy. I welcome the Minister's recognition of the distinct challenges faced by migrant children living in poverty and the confirmation that the strategy will include all children across the UK, including migrant children. However, this commitment must be matched by the Home Office's meaningful involvement in the strategy's development. The delay in publishing the strategy presents a valuable opportunity, as we now have the chance to turn the page on the hostile environment policy and work towards a strategy that genuinely encompasses all children. The strategy will fall short if it excludes this significant cohort.

Targeted action will be necessary for this group of children, as many levers that might help to lift other children out of poverty will have no impact on them. Given that, can the Minister say more about the cross-departmental work to provide solutions that specifically address this cohort? The lack of systemic data and official figures on the numbers affected by NRPF makes this particularly challenging. How can we deal with the distinct challenges faced by migrant children without knowing how many are affected?

I would be grateful if the Minister could tell us when the Government will provide accurate and up-to-date information on how many families and children are directly restricted by NRPF and how many British-born children are affected by this policy. The Child Poverty Action Group, the UK's leading child poverty charity, has called for NRPF to be abolished for families with children, and the Work and Pensions Committee recommended in its 2022 inquiry that no family with children should be subject to NRPF conditions for more than five years.

Tahir Ali: Does my hon. Friend agree that child poverty is a political choice, and that we as politicians—especially this Government—can take action to address it? Immediate action should be taken to make sure that no one suffers for longer than necessary.

Olivia Blake: Yes, I agree. My hon. Friend makes an important point that we have choices. This is not inevitable, and the upcoming strategy is an opportunity that will hopefully allow us to turn the corner for many families.

The all-party parliamentary group on poverty and inequality and the all-party parliamentary group on migration concluded in their report that the Government should limit the NRPF condition, especially for those on routes to settlement, to a maximum of five years. At a minimum, the Government should consider extending child benefit to migrant families with NRPF and expand funded childcare entitlement for working migrant parents.

However, we also have to be honest that the most effective way to lift children out of poverty is to abolish NRPF entirely and to allow families to meet the thresholds for support via the existing means-tested welfare system. I know that this will not be the Government's position, given their previous stance on this issue, but I ask that as many mitigations as possible are considered for this vulnerable group of children.

According to COMPAS, removing the NRPF restriction for families with children under the age of 18 would lift significant numbers of children out of poverty, and the NRPF Network has found that lifting NRPF restrictions for families with children would result in a positive net value of £872 million over 10 years. Around two thirds of adults in the UK think that migrants should be able to claim the same welfare benefits as British citizens within three years, according to the National Centre for Social Research, which shows that the public are on the side of migrant children.

In our joint statement in the inquiry report, which I have referenced quite a few times and which I hope the Minister has an opportunity to read, the co-chairs and the members of the APPGs remarked:

> "It is hard to avoid the conclusion that policy is sometimes designed to push people into poverty in the hope that it will deter others from moving to the UK, even though there is little evidence that this would indeed be a deterrent."

While reducing poverty should be a policy objective shared by the whole of government, sadly the evidence and research that I have presented today shows that, unfortunately, poverty and migration continue to be treated as completely separate issues. Given the large number of children who are impacted, that is completely wrong, and there should be moves to address that across government.

We can all agree that child poverty has no place in one of the richest countries in the world in the 21st century. I agree with the Prime Minister when he said that action on child poverty will be

> "a measure of what this Government does".

Let us take the opportunity to take the necessary steps to alleviate poverty for all children in the UK, not just those with British passports.

Several hon. Members *rose—*

Dr Rupa Huq (in the Chair): Order. A number of Members are bobbing, so we will calculate how long everyone will get. To start, I call Kirsty Blackman.

2.51 pm

Kirsty Blackman (Aberdeen North) (SNP): It is a pleasure to take part in the debate and I appreciate your chairing of it, Dr Huq. I congratulate the hon. Member for Sheffield Hallam (Olivia Blake) on securing such an important debate. The subject has been one of my hobbyhorses for a significant number of years.

[Kirsty Blackman]

In Aberdeen, we have seen a massive increase in the number of people who have no recourse to public funds. Despite the fact that Aberdeen is not a dispersal authority, a few years ago, third sector providers and those who provide licensed support found that they were struggling with new issues that we had not seen before. We started a volunteer group called the No Recourse North East Partnership, which is now run by the Grampian Regional Equality Council, whose purpose was to see what support could be provided to people who have no recourse to public funds. It looked at issues mentioned by the hon. Lady, including what local authority support is supposed to look like and the consistency of that support. I agree that there is still inconsistency in local authority support. Local authorities are often not being funded for the support that they provide. In some cases, they are terrified that they will upset somebody's immigration status and the person or family will be deported because the local authority has provided them with some level of housing or financial support.

The landscape is incredibly messy. It would be great if the Local Government Association and COSLA in Scotland could get together with the Government to agree what pathways should be in place. Local authorities have a responsibility to protect children and to ensure that they are not suffering from the extremes of poverty, for example by being homeless, but they are unsure exactly what action they can take when somebody has no recourse to public funds. If we had an agreed pathway, everybody would get a consistent level of support, but we would also need funding to flow from the Government for that to happen. Although I do not think it should be down to local authorities to have to fill that gap, such an agreement would be a step in the right direction.

If it were up to me, I would get rid of no recourse to public funds entirely. I do not think it is a status that anybody should be faced with. As the hon. Member for Sheffield Hallam said, none of us wants any child to be living in poverty. That is not the future and that is not why any of us is here in Parliament; we are here to make our constituents' lives better. I do not see how having the status of no recourse to public funds, which ensures that children are growing up in poverty, is a good thing for anyone. As the hon. Lady said, it does not discourage people from coming here from other countries, and those children are not responsible for which country their parents were born in.

Chris Murray (Edinburgh East and Musselburgh) (Lab): I thank the hon. Lady for giving way and I apologise that I was not present at the start of her speech. I understand what she says about children, but no recourse to public funds applies to people who arrive in this country to work or to contribute to the economy. Is she saying that anyone should be eligible to claim any benefit in Britain from the moment they arrive, even if they have literally just stepped off the aeroplane?

Kirsty Blackman: I would be quite happy with that. I have no issue with it. I think that no recourse to public funds should not apply to anyone. I especially do not think that it should apply to any family with children under five. So many issues are created by no recourse to public funds.

Obviously, there are eligibility criteria for other social security funds. You cannot get universal credit if you are earning a hundred grand a year. Eligibility conditions are in place, and in some cases those conditions make a huge amount of sense, but if a family is here and has not been here very long, why should they not be able to claim PIP if they are working and need a bit of extra support in order to work? Personally, I do not see a problem with that, but then I think that migration is a good thing. I am not standing up in the main Chamber telling my constituents and the general public that migration is terrible and we need to stamp down on it.

Aberdeen is a significantly better city thanks to the number of people who have come from different countries to live in it. I love the education that my children are getting about how different cultures work, because of the number of people in Aberdeen who have different backgrounds. I think that is a good thing that we need. We need migration. Scotland has a very different landscape. We are in favour of migration to Scotland, particularly for some jobs. For the economic growth that the Government are striving for, we need migration in Scotland.

To return particularly to NRPF and child poverty, as I said, if we cannot get rid of no recourse to public funds entirely, getting rid of the situation in which families with children under five are subject to no recourse to public funds would be a good step forward.

As the hon. Member for Sheffield Hallam stated, there is a significant issue around the numbers. I do not have much faith that the Government will be able to produce any numbers on how many people have no recourse to public funds. I have asked a string of written parliamentary questions about this issue in the past. The previous Government were very clear that they had no idea how many times they had stamped "no recourse to public funds" on somebody's visa. Trying to find out that information may be incredibly difficult. The No Recourse North East Partnership really struggled to identify the number of people in Aberdeen who needed our help and support, or who could potentially fall into a situation of poverty if they were, for example, made redundant or homeless, or had similar issues. We would like to know the number who could potentially be in that situation, and whose children could be in extreme levels of poverty as a result.

Neil Coyle: Is the hon. Member aware that the Work and Pensions Committee looked at this issue in a previous Session and put the figure at, I think, about 125,000 families with dependants? But the question is: why would the SNP policy be for children under five only, when the Work and Pensions Committee has already suggested that anyone with dependants should not be subject to no recourse?

Kirsty Blackman: As I said, I do not think that anybody should be subject to no recourse, but I looked at children under five as a first step, because those years are key. If it is going to be anybody with dependants of any age, I am equally happy with that. I am speaking in this debate as a Back Bencher about the issues that I have seen, rather than advancing the SNP policy. I should maybe have been clearer about that at the beginning, but this is about what things look like in my constituency and the concerns that have been raised with me.

I have heard doctors and health professionals talk about issues with rickets and malnutrition. Those are issues that we have not seen since 50 or 60 years ago, when people did not have access to good quality food. Food banks should not have to fill the gaps when we have a responsibility to all the children, everywhere, on these islands.

My other concern is about the dependency on other individuals that no recourse to public funds creates for families. If they cannot get support from the state, they may rely on friends to lend them money, support from religious communities, immoral lenders, or taking part in sex work to get money to provide food for their children. I have seen situations in which people who are being supported by religious communities are in relationships with significant domestic abuse and domestic violence, but cannot separate from their abusive partner, because they know that they will lose the support of the Church, and that is the only thing ensuring that their children are fed. I do not think that is an appropriate situation for the UK Government to force families into.

I wrote to the previous UK Government about that issue in relation to an individual constituent who was divorced from her partner. She was not able to have any relationship with her family, who lived in an African country, because they were so angry about her divorce and had threatened significant violence against her. I had written to the Home Office, suggesting that there was a real problem and that the children needed to be fed and supported. The Home Office said to me, "If she has such a problem with the situation, she can go home." That was the only response it could think of. We have a responsibility to that woman and those children to provide them with a level of protection, because they are living here and it was not safe for the woman to go back to the country that she had been born in.

I agree that the length of time it takes for decisions to be made is a real problem. We have just had a visa approved for somebody whose case we have been helping with since July 2024, and that is a short period of time compared with some of them. One chap who has just had his visa approved has three children who have been struggling with no recourse to public funds. Thankfully, the school has stepped in and given them free school meals to ensure they are fed—but again there is no consistency in the decision making on free school meals, partly because we do not know which children it is who have no recourse to public funds, whose parents are not currently able to bring in an income and are not getting state support either. If there was more understanding about which children were in those categories, schools would be better placed to provide support.

Patricia Ferguson: Does the hon. Member agree with me that it is also invidious that young people in Scotland who want to apply for the Young Scot card, which allows them free travel, have to produce a British birth certificate?

Kirsty Blackman: My understanding was that there was some flexibility and that the Young Scot website stated that, if somebody did not have a birth certificate, they could go in person to speak to the local authority. I still disagree that that should be the case; there should be more flexibility. There are issues with birth certificates, particularly for children born in other countries—for those born in Ukraine, for example, the birth certificate might have been left behind when they fled. That is a problem. All young people in Scotland should be able to get the Young Scot card and the free bus travel that it entitles them to. I have actually been in touch with my local authority about the issues with applying for those cards, so I agree that there needs to be more flexibility.

Lastly, there is the issue of legal aid and the geographical spread of legal support. Despite the increasing numbers of people applying for visas in Aberdeen, we do not have much in the way of immigration lawyers, and we are Scotland's third city—we are not a small place by any means. A lot of the Home Office infrastructure, for example, is in Glasgow and Edinburgh. People need to go down there to get their biometrics done, which is an expensive three-hour journey on public transport. Much more could be done in terms of legal aid immigration lawyers and the Home Office's own infrastructure so that people can better access the visa systems.

Today I would like a commitment from the Government that they will try to make the system better. It does not feel as though any Government that I have been faced with have tried to make the immigration system work for people who want to come here, live in our country, contribute and be part of these islands. Rather than the Home Office, under Governments of any colour, continuing to penalise people for having the audacity to want to live here, it should support people, welcome them, get rid of the hostile environment and say, "We welcome people to come and live here. We want you to be part of our communities." People will never be able or willing to integrate if we keep saying, "We do not want you here", and taking three years to decide on visa applications. Anything the Government can do to reduce child poverty would be incredibly helpful. I hope the child poverty strategy can include children whose parents have no recourse to public funds.

3.4 pm

Kim Johnson (Liverpool Riverside) (Lab): It is a real pleasure to serve under your chairship today, Dr Huq. I congratulate my hon. Friend the Member for Sheffield Hallam (Olivia Blake) on securing this important and timely debate. I say "timely", because we have just heard from the Chancellor today a statement about her spending plans for the coming years, yet there was no significant mention of a strategy or funding to alleviate child poverty, aside from a partial extension of free school meals. This is after we were told that the Government would not agree to lift the two-child benefit cap that continues systematically to drive families into poverty every single week. We were promised a taskforce and a Government-endorsed strategy by spring. It is now June, and we are yet to hear a peep from the taskforce. Instead, we hear numerous rumours that the strategy report could be given to us as late as November and that, while the Prime Minister backs lifting the cap in full, his chief of staff is blocking it.

As the MP for Liverpool Riverside, the most deprived constituency in the country, where one in two children are now living in poverty, it is disheartening to say the least that children living in poverty are so low down the list of political priorities for the first Labour Government in a generation. I am proud that Liverpool is a city of sanctuary. As a port city, we host some of the oldest diverse communities in Europe. We are a proud city of migrants—the world in one city.

[Kim Johnson]

We cannot talk about child poverty in Liverpool without recognising that the children of migrants and asylum seekers are disproportionately living in poverty, especially those impacted by the no recourse to public funds condition. The Joseph Rowntree Foundation estimates that 1.5 million children in migrant families live in poverty, making up more than a third of the total number of children in poverty. More than half of the children living in families with no recourse to public funds live in poverty, and recent analysis by the IPPR has shown that those children also face a far higher risk of deep poverty.

We know that child poverty is a major driver of life outcomes, from educational attainment to health and income levels. No child should have their opportunities limited by the circumstances they were born into. Our policymakers must take action to level the playing field and ensure that every child living in this country has the chance to thrive and achieve their potential. Will the Minister agree to go back to the Government and ensure that accurate and up-to-date data is provided on how many children, including British citizens, are affected by no recourse to public funds? Will he outline any analysis that the Government have done on how many children are in poverty as a direct result of it?

Chris Murray: Does my hon. Friend agree that no recourse to public funds is a question not just of child poverty, but of deep poverty? NRPF children are significantly over-represented among those children in the UK who are in deep poverty—and those children are often either British themselves, as she said, or on an ineluctable pathway to citizenship. Does she agree that that is the group the Government need to look at in the first instance?

Kim Johnson: I agree about deep poverty; I might come to that point in a moment.

The End Child Poverty coalition, a fantastic campaign group of more than 120 organisations, from trade unions to faith-based groups and national and local children's organisations, has said that abolishing NRPF entirely would have the greatest impact on removing children of migrant families from poverty. Will the Minister guarantee that he will take what we have heard today back to the child poverty taskforce and make the case for abolishing NRPF entirely, to alleviate the worst pressures on migrant children and give them a fair start in life? A Labour Government should always take action to benefit the most vulnerable in our society. We must settle for nothing less.

3.9 pm

Jim Shannon (Strangford) (DUP): It is a real pleasure to serve under your chairship, Dr Huq. I give special thanks to the hon. Member for Sheffield Hallam (Olivia Blake); this debate is so important—that is why we are all here—and she set the scene incredibly well. She was a sponsor of early-day motion 1317, which called for greater protection for children suffering from poverty, and she has debated these issues before. I say to her with all honesty that I think her constituents should be extremely proud of her record in this House, including this debate and others that she has been involved in.

Across this United Kingdom of Great Britain and Northern Ireland and further across the world, poverty is a heartbreaking and very sad reality faced by too many children and families. Child poverty is extensive, with parents doing their absolute best to make ends meet in a world in which tough decisions must be made in order to survive, given the extreme costs of daily essentials. The hon. Member for Aberdeen North (Kirsty Blackman), in her contribution, told some graphic stories of what mothers have to do to survive and feed their children; she too set the scene very well. The fact that people feel that they must take those steps to protect their children gives us an idea of their desperation. Again, she set the scene so well. We of course acknowledge the pressures on migrant parents living in poverty, and I believe we have a responsibility to protect migrants with children who come here legally.

There is no constituency across this United Kingdom that has not experienced elements of poverty. I will give some stats from Northern Ireland to add to the debate. The figures are staggering, but they give some background to the scale of the situation. Official data indicates that a substantial number of children in my Strangford constituency live in poverty, and in 16 of the 18 constituencies in Northern Ireland more than 20% live in relative poverty. That tells us the impact in this great United Kingdom of Great Britain and Northern Ireland: we have comparatively high levels of wealth, but 20% of children in Northern Ireland still live in poverty. The stats also show that child poverty in Northern Ireland has increased in recent years, with relative poverty rising from 18% to 24% between 2021 and 2023.

Poverty has significant consequences for child development. We often say—the Minister has probably said this in the past—that children who do not have a decent meal to start their day have restricted physical and mental capacity to engage in the classroom and with their friends, and missing meals leads to poor health outcomes. When it comes to the development of a child, it is really important that meals are available; where they are not, it causes educational difficulties and increases mental health problems too.

In the past few years of my life as an elected representative, I have been incredibly shocked by the stats on mental health conditions in children. I find it incomprehensible. It is hard to gauge why it is happening. The fact that children as young as eight have mental health problems tells me that there is a real need to help those children and parents directly.

Parents are being made to choose between a warm home and a warm meal. No parent should be left to make that choice. The statistics have remained stagnant. My constituency office deals with these issues weekly, and that tells me where we are. I am glad that MPs are able to help, but we can only do so because of the organisations on hand to help people.

I have a wonderful relationship and partnership with the churches, organisations and food banks in my constituency, which I have built on over the years. They help people regardless of age, nationality and immigration status. Within minutes of a quick phone call, the food bank in Newtownards makes sure the family has what they need. Sometimes we go and collect it, sometimes they deliver it and sometimes the person is able to get somebody else to go and get it. The main thing is that we have an organisation that can help, and we are really indebted to it.

Kirsty Blackman: Does the hon. Gentleman agree, though, that that should not be the case? Those families should get support without needing a food bank to step in. Some people will always fall through the cracks, but it feels as if this is a system-wide problem, rather than just a couple of individuals falling through some cracks.

Jim Shannon: It is wrong that that happens—I always say that—but the food bank brings together the church, Government officials and people with good will. It is about the generosity of people. I hope that that does not sound negative to the hon. Lady, because it is not supposed to be, but I see the positives of food banks. I understand the reasons for her position, but I am always moved by the goodness of people who say, "This week, I am going to contribute some of my income to the food bank." Uptake of the food bank in Newtownards is significantly up on the year before. She is right that it should not have to happen, but it does happen, and it is good that people step up.

I have met food bank representatives in my constituency, and the work they do each day to help others is incredible. For parents with babies, the food bank provides nappies, milk formula and other essentials that children require, which are increasingly expensive. The food bank steps outside the norms and, as the hon. Member for Aberdeen North will know, it helps people with pets, for example. Those who are diabetic can access certain types of food that will not impact their diabetes. With inflation at just over 3%, we have to recognise the importance of food banks.

There must be greater capacity for free school meals across the UK, as I have said before in this House and directly to Ministers in the Northern Ireland Assembly. The figures highlight the need for change. In March 2024, the Royal College of Paediatrics and Child Health revealed that 109,000 children in Northern Ireland were in relative poverty. With some 97,000 to 98,000 children receiving free school meals in Northern Ireland, there is a potential shortfall of around 11,400 children who are eligible for assistance and are not claiming.

What happens in Northern Ireland is not unique—it happens everywhere in the United Kingdom—so how will the Government reach out to those who are unable to take advantage of the system put in place by the Governments here and back home in Northern Ireland? More must be done to make parents aware of what they are entitled to.

I will bring my comments to an end, but I look to the Minister for reassurance that he hears the comments of Members from across this United Kingdom. Our children are important. I do not doubt for one second that he agrees with what we are saying, but I suppose we are looking for how we can address this issue—it is about solutions. First, support for parents is pivotal. Secondly, support must be accessible. Thirdly, we have a responsibility to ensure that we do not make life harder for our constituents.

I am ever mindful that responsibility is sometimes devolved, and that the devolved institutions sometimes have the responsibility, but this place could be the great convincer—it starts here at Westminster and filters out to Scotland, Wales and Northern Ireland—in how to do it better. With great respect, I ask the Minister to engage with the devolved institutions to protect our children, get them out of poverty and, importantly, give them the best possible start in life.

3.18 pm

Maureen Burke (Glasgow North East) (Lab): I thank my hon. Friend the Member for Sheffield Hallam (Olivia Blake) for securing today's debate. It is a privilege to serve under your chairmanship, Dr Huq.

For any child in modern Britain to grow up in poverty is inexcusable. We must consider the impact that the no recourse to public funds regime has on child poverty across the UK. According to stats from Action for Children, 7,772 children in Glasgow North East are growing up in poverty. That translates to 11 children in every class of 30 growing up in families that cannot afford the basics: heating, food, clothes and even personal hygiene products. That is a matter of national shame, and I think we all feel the same about that.

Of those children, some will be living with no recourse to public funds. As the NRPF partnership points out, the sheer number is unpredictable because the data is not available—we simply do not know. However, we do know that NRPF conditions will bring any child closer to, or further into, a life of deprivation and poverty.

Like other colleagues, I hope the Government will consider redesignating child benefit so that it falls outside the NRPF policy. I, too, hope that the upcoming child poverty strategy will include detailed consideration of the conditions in which refugee and asylum-seeking children live. We must ensure that the children of families fleeing persecution, who often wait many months for a decision on their asylum application due to the backlog created by the previous Government, do not fall through the net of basic support on which any child living in the UK should be able to rely. Our aim, as a Government, must be to root out poverty everywhere and in every family.

3.21 pm

Anna Sabine (Frome and East Somerset) (LD): It is a pleasure to serve under your chairship, Dr Huq. I congratulate the hon. Member for Sheffield Hallam (Olivia Blake) on securing this important debate—it is also clearly important to her.

No child in Britain should grow up in poverty. As one of the wealthiest countries in the world, it is nothing short of a political choice that millions of children go without the basics, including food, housing and opportunity. It is a choice that the last Government made repeatedly.

Liberal Democrats believe in a fairer society in which every child has the chance of a bright future, regardless of their background, postcode or parents' immigration status. Look at what happened under Conservative rule—there are more than half a million more children in poverty since 2015. That is not a policy failure; it is policy working exactly as designed. Choices such as the two-child benefit cap, cuts to universal credit and the freeze on child benefit are not abstract figures; they are deliberate decisions that hit the poorest families hardest. Families with no recourse to public funds—those in the UK on visas or seeking asylum—were even harder hit, as the hon. Member for Sheffield Hallam rightly said.

It is morally indefensible that a child could go hungry simply because of their parents' immigration status. Children are children, and they need food, care and opportunity—that should not be conditional. We therefore welcome the Government's decision to permanently extend free school meal eligibility to children in NRPF households.

[Anna Sabine]

It is a victory for decency and common sense, and I am proud that the Liberal Democrats helped push for it. However, we must go further.

We need automatic enrolment for free school meals so that no eligible child is left behind due to bureaucracy or poor information, because red tape should not be a barrier to feeding hungry children. Although the Government have extended free school meals to families on universal credit, strict income thresholds still apply to NRPF households, and that must change. We must ensure that all children in poverty, without exception, have access to free school meals.

Longer term, Liberal Democrats are clear that we want to see universal free school meals for every child—no stigma or barriers, just fairness and nourishment for all. Let us not forget that the NRPF policy was never designed with child welfare in mind. It has grown over decades into a rigid system that denies thousands access to the most basic safety nets, especially during crises such as the cost of living emergency we are facing now. Yes, some families can apply for a change of conditions to gain access to public funds, but that process is far too complex and burdensome, requiring specialist support that many families cannot access. The Government must simplify the system and make it navigable and humane, because when children go hungry, we should not ask their parents to fill out a 40-page form, often in a second language, to prove their destitution.

Around 3.5 million people in the UK currently hold visas that usually come with an NRPF condition. We do not even know how many of them are living in hardship, because the Home Office, as we have heard, does not track that data. That is not governance; it is negligence. While local authorities are left to pick up the pieces, they do so with dwindling resources and with impossible decisions pushed on to them by a central Government who wash their hands of responsibility.

Liberal Democrats believe it is time to stop punishing children for the immigration status of their parents. It is time to stop hiding behind bureaucracy and to make the moral and political choice to end child poverty once and for all.

3.24 pm

Danny Kruger (East Wiltshire) (Con): It is a pleasure to serve under your chairship, Dr Huq. I offer my thanks and appreciation to the hon. Member for Sheffield Hallam (Olivia Blake) for her speech, and for securing the debate. She expressed very well the complexity of migration and the welfare system, which I will come to.

It is important that we get our migration routes right, recognising the great difficulty of safe and legal routes in our system, and how much we could do better on that front. I recognise that, in previous years, we facilitated large-scale asylum and humanitarian visa routes through the Syria, Hong Kong and Ukraine schemes. Leaving aside the question of safe and legal routes for refugees, we have seen large-scale migration flows and visa awards in recent years. That has put significant pressure on different aspects of our society, from wages and housing to public services and welfare.

The hon. Lady gave a compelling account of the challenges of hardship faced by migrant families. Other hon. Members also spoke eloquently of the impact of poverty, particularly on children, as illustrated by the hon. Member for Strangford (Jim Shannon). My concern with the general proposal made by the hon. Member for Sheffield Hallam and others is that it does not refer to the likely dynamic effects of effectively abolishing no recourse to public funds status. It would induce a pull factor if we were to signal or enact instant or speedier eligibility for public funds to people claiming asylum or on a visa. We would inevitably and significantly increase the demand for places in the UK, and we need to acknowledge that.

The hon. Member for Sheffield Hallam mentioned the sanctuary city of Sheffield, and the hon. Member for Liverpool Riverside (Kim Johnson) did the same. I represent part of Swindon, which is also a sanctuary borough, thanks to the Labour council. I met social care providers this morning who talked about the immense pressure that the increase in migrant families is placing on public services in Swindon, including on social care and children's services. Inviting many more people to come and live with us is not without consequence.

Kirsty Blackman: I would like to correct the shadow Minister. The hon. Member for Sheffield Hallam (Olivia Blake) and I both mentioned the pull factor, and the fact that there is no evidence for it. On stretched public services, the fact that people coming to study can no longer bring dependants has decimated the social care sector in Aberdeen. We normally rely on those dependants to work in our care system, and we are struggling to look after our elderly people as a result.

Danny Kruger: I am sorry if I missed the hon. Ladies' references to the pull factor, but I simply do not believe that the offer, or the lack of offer, of support has no effect on the demand for places in the UK. I think people will factor in those considerations when deciding whether to apply for a visa here. If we are offering additional public finances, that would make a more attractive offer.

I recognise the hon. Lady's point about the labour market and the availability of people working in social care, although that is perhaps a topic for another day. The point was also made by the care providers in Swindon I spoke to this morning. They also said that this country could do so much better in supporting and training care workers who were brought up here.

Leaving aside the potential dynamic effect of ending the no recourse arrangements, I do not think the hon. Member for Sheffield Hallam sufficiently acknowledges the pressures on the system that are a consequence of high rates of migration. Studies suggest that around 1 million people are likely to get indefinite leave to remain—estimates vary between 750,000 and 1.25 million—which is 1 million people coming down the pipeline, as it were, and likely to have recourse to public funds.

Because of how the immigration system has worked in recent years, we are talking about people who are overwhelmingly on low wages and who come with dependants, notwithstanding the genuine contribution that many of them will make. Overall, on a pure analysis of the numbers, they and their families will represent a fiscal loss to the country over the time they are in the UK.

Even based on the very optimistic assumptions about lifetime earnings that the OBR uses, the 1 million or so people who are expected to get indefinite leave to remain

in the coming years will have a net fiscal lifetime cost to the country of £234 billion. That is what we are looking at with the current system.

Olivia Blake: I thank the hon. Member for his contribution, but I want to push back a bit on his comments about what I was implying. There is a net contribution from migrants—we know that to be true—and it is not all about costs. If some of the things I outlined in my speech happened, there would be a benefit of £800 million to the economy. We have to consider it in the round.

Danny Kruger: I am grateful for that intervention, and I recognise the complexity of the subject we are discussing. The hon. Lady has cited evidence that contradicts mine. I need to look into the study she mentions, because my strong understanding is that, on the basis of the overall immigration we have welcomed in recent years—and, frankly, it is my party that is responsible for it—the net fiscal effect is negative.

Of course, there are many migrants who contribute economically, and there are many migrants who contribute even if they are not contributing economically; not everything is counted in pounds and pence. But if we are talking about the fiscal effects, I am confident in saying that, based on the number of people expected to achieve indefinite leave to remain, who the hon. Lady presumably wants to have recourse to public funds earlier, we are looking at a significant increase in the financial burden.

I want to acknowledge the point that the hon. Lady and other Members have made: the current system shunts costs around the system. The consequence of people living in poverty might be that the Department for Work and Pensions does not bear the cost, but other parts of the public system do—local authorities most of all. That is not an argument to say, "In that case, let the DWP provide the money," because overall, we would be spending a lot more, and as I said, inviting more people to come if we did that. However, I acknowledge that it is not as if these costs are not borne at all; some of them are borne elsewhere.

I want to end by making a very obvious point. Our welfare system remains one based on contribution in principle and, to a certain degree, in practice, in so far as the national insurance system still exists. In the public mind, there is rightly an expectation that, for the sake of fairness and trust in the system, we should maintain an arrangement whereby welfare is funded by and is for the benefit of citizens of this country. There are, of course, many exceptions to that—other people make contributions, and other people are eligible for support—but that is the basis on which our system depends.

My strong view is that the proposal by the hon. Member for Sheffield Hallam, echoed by the hon. Member for Aberdeen North (Kirsty Blackman)—and I think the Liberal Democrat spokesperson, the hon. Member for Frome and East Somerset (Anna Sabine), made a similar point—effectively to scrap the no recourse to public funds arrangement would terminally undermine, weaken and eventually destroy the basis of our welfare system, which is that people pay in and receive.

To conclude, I look forward to the child poverty strategy. If we are serious about reducing child poverty, including for those children living in migrant families who are here now, we need to reduce the flow of low-wage families into the system in the first place, whether from abroad or through our own failure to support families in this country. That means extending the qualification period for ILR, which my party has suggested, and it is good that the Government are now considering following suit.

We should obviously be helping families with their finances through meaningful and effective reform of the welfare system. We should be supporting the community infrastructure that gives support to families and young people, and we should be creating well-paid jobs through an economic policy that stimulates growth—not taxing jobs out of existence, as the Government are sadly doing. Those are the best ways to support children in poverty.

Dr Rupa Huq (in the Chair): I call Keir Mather MP, who is making his Westminster Hall Dispatch Box debut as Minister for the day.

3.34 pm

Keir Mather (Selby) (Lab): It is a pleasure to serve under your chairship, Dr Huq. I thank my hon. Friend the Member for Sheffield Hallam (Olivia Blake) for securing this incredibly important debate. She has a formidable record of advocating for the rights of migrants in this place, and does so on behalf of her constituents in Sheffield, who share her belief in safety, security and dignity for all who live in our country.

I am grateful to my hon. Friend and other hon. Members who have spoken so passionately in this important debate. The speeches made by hon. Members on both sides of the House have shown the real and emotive human stories that lie at the core of this policy, and the delicate balance of priorities that any Government must maintain to provide dignity to those who seek to build their lives in the United Kingdom while maintaining an immigration system that is managed and fair, and that, importantly, commands the support of the British public.

I will come to some of the specific points that hon. Members have raised, but I will first briefly set out the Government's position in broad terms. The House has ably demonstrated its familiarity with the details of the long-standing policy in question, but I will none the less provide some necessary context. The no recourse to public funds policy seeks to ensure that those coming to the UK do so with the ability to support themselves and their families. That is to ensure that migrants can begin building their lives in Britain while avoiding unexpected pressures in the welfare system.

When applying for permission to enter or stay in the UK, most migrants must demonstrate that they can financially support both themselves and their dependants. On that basis, a no recourse to public funds condition is attached to their permission to enter or stay. That means that most temporary migrants will not have access to benefits that are classed as public funds. Those in the UK without an immigration status who require such a status are also subject to the NRPF condition. There are certain specific exemptions to the NRPF condition—for example, certain benefits, such as those based on national insurance contributions, may still be accessed.

As part of the NRPF policy, there are a number of safeguards in place to protect vulnerable migrants. For the purposes of this debate, I will outline the safeguards in place to protect migrant children specifically. First,

[Keir Mather]

local authorities have a general duty, as imposed by children's legislation, to safeguard and promote the welfare of children in need in their area. Hon. Members have noted some of the difficulties that local authorities face in doing that work, and I will take those away from this debate. That support does not depend on the immigration status of the child or their parents, and as such local authorities can provide basic safety net support through financial assistance for those most in need.

Although asylum seekers and their dependants are not typically eligible for mainstream benefits, where they are at risk of destitution, the Home Office has a statutory duty to provide basic accommodation and a cash allowance to cover their other essential living needs. Support generally consists of basic accommodation and a standard weekly allowance that is reviewed on an annual basis to ensure that it remains sufficient. Additional financial support is also provided to pregnant women and young children to encourage healthy eating. Such support is at a level equivalent to that provided for the same purpose to British citizens on low incomes. Additionally, asylum-seeking children receiving that support are entitled to free healthcare, schooling and school meals.

As was mentioned by my hon. Friend the Member for Sheffield Hallam, migrants here under the family or private life routes, the "Appendix Child Relative"—CRP—route, or the Hong Kong British national overseas route have the option to apply for a change of conditions to have the NRPF condition lifted for free. My hon. Friend also ably described a lot of barriers to people seeking to access that scheme, which are important to takeaway, especially in how they relate to people's ability to speak English and navigate the world of legal aid.

Migrants who have been granted leave to remain under the Homes for Ukraine, Ukraine family and Ukraine permission extension schemes all also have recourse to public funds. If there are particularly compelling circumstances, discretion can be used to lift the NRPF condition on other immigration routes.

Further to that, migrant children subject to the NRPF condition have access to various initiatives that are in place across the United Kingdom to support disadvantaged children. Those include free school meals, which are subject to certain eligibility thresholds; funding for schools to support disadvantaged children; 15 hours per week early years entitlement for disadvantaged two-year-olds in England; 15 hours per week early years entitlement for three to four-year-olds in England; support for children with special educational needs and disabilities; and local authority grants for help with the cost of school uniforms for low-income families. The Home Office continues to work across Government and with stakeholders to review and adapt the support given to disadvantaged migrant children, in line with evolving policies and legislation.

I turn now to some of the issues raised by hon. Members in the debate. The first is the issue of data collection, which was discussed very ably by hon. Members on both sides of the House. My hon. Friend the Member for Sheffield Hallam noted the adoption of the Atlas casework system, which will automate a large proportion of casework and could create new opportunities for data collection overall.

The ability to collect data about the total number of people who are part of the scheme is challenging. The Home Office works with stakeholders who produce that data, but work is ongoing within the Home Office to gather information and explore what can be provided as evidence. As I am not the Minister responsible for this policy, I cannot comment in specific detail about how that process will operate, but I wanted to assure my hon. Friend that that work is ongoing.

My hon. Friend also ably raised the issues regarding application processes for the lifting of conditions and the language barriers that migrants can face; those points were also powerfully made by my hon. Friend the Member for Glasgow West (Patricia Ferguson). My hon. Friend the Member for Sheffield Hallam also raised the issue of British-born children not having access to public funds. In that set-up, there is usually one parent who can claim public funds, but I hope to provide her with some reassurance about where that is not the case when I talk later about how the no recourse to public funds system will intersect with the Government's child poverty strategy.

The hon. Member for Aberdeen North (Kirsty Blackman) was right to predict that we might have a difference of view on NRPF and its merits as a whole, but she also talked about the human outrage that in this country there are still young people and children who display signs of malnutrition and rickets. The Government are steadfastly committed to eradicating the scourge of those diseases right across our United Kingdom through, for example, the roll-out of free breakfast clubs in primary schools across the country. Extending free school meals to young children whose parents are in receipt of universal credit will mean that half a million more children across the United Kingdom will have access to free school meals, which will also have an enormous impact.

The stuff that the Government are doing around the edges will also have an enormous impact on the food poverty that children experience every day. I point to the £13 million that was recently allocated to 12 charities to ensure that food grown by British farmers is provided as quickly as possible to children facing food poverty. It is such work, writ large, that will allow us to make a dent in this scourge.

The individual cases that the hon. Member for Aberdeen North spoke about are particularly distressing; I am certain that they will have shocked everybody in this Chamber. I am not sure when she received the correspondence from the Home Office that she referred to—*[Interruption.]* She indicates that it was under the previous Government. If she would like to reach out again on that specific issue, or on any other casework matters, I will be very glad to ensure that that information is passed along to the relevant Minister.

The hon. Member for Bermondsey and Old Southwark (Neil Coyle), who is no longer in his place, asked whether the Home Office will have a role in the development of the child poverty taskforce, which I will turn to later. My hon. Friend the Member for Birmingham Hall Green and Moseley (Tahir Ali) also made very important points about the impact of child poverty in his constituency.

My hon. Friend the Member for Liverpool Riverside (Kim Johnson) spoke with characteristic experience, expertise and passion on the plight of people in her constituency, particularly the children in poverty. I politely

and respectfully disagree with her about the extent to which the Government are committed to tackling the scourge of child poverty across our country.

The child poverty taskforce will report later in the year, because it wants to produce a long-term and holistic approach to tackling this scourge and the details need to be right. However, that does not mean that we have been unable to take concrete action to make a real dent in this awful problem. I point to the extension of free school meals to half a million more children, which will lift 100,000 children in England totally out of poverty; supporting 700,000 families through the fair repayment rate on universal credit deductions; a national minimum wage increase for 3 million workers; rolling out free breakfast clubs in our primary schools; and the household support fund being extended until March next year at a cost of £742 million. In my view, those actions will have a concrete impact on child poverty.

Kim Johnson: I appreciate my hon. Friend taking my intervention, and the things that he just mentioned are great. In London, Scotland and Wales, there are universal free school meals. However, schoolchildren from my constituency sent postcards to the Prime Minister last year, asking, "If you have them in London, why can't we have them in Liverpool?" Breakfast clubs are great. I have one of the poorest constituencies in the country. One school in my constituency has free breakfast clubs, and the only reason why it can do that is that it has been doing it for a long time. Setting up a breakfast club is a problem for a lot of schools; it costs money, time and effort, in terms of changing school rotas. So although breakfast clubs are great, we need to go further. We need to be big and bold. The Sure Start programme was big and bold, and we need to do something similar.

Keir Mather: My hon. Friend is right to point to the achievements of the last Labour Government in making progress on this issue. She is also right to hold my feet to the fire and say that no distance is too far when it comes to tackling child poverty. That needs to be at the core and be the philosophy of everything that this Labour Government seek to achieve. At the same time, though, we need to recognise the progress that we are making, get behind it as a Government and be able to action the art of the possible in the immediate term. Supporting those policies will mean that, due to the increased roll-out of free school meals, 100,000 children will not be in poverty who otherwise would have been.

I turn to the comments from the hon. Member for Strangford (Jim Shannon). When I made my maiden speech in the House of Commons in an Adjournment debate, he was uncharacteristically not in his place, so I am very grateful that we have had the opportunity to interact with one another two years down the line. He is right that the scourge of child poverty is present right across the United Kingdom, and that a child growing up in Northern Ireland who is facing that issue needs just as much support as one growing up in England, Wales or Scotland. As someone from a party that wants to improve the life chances of children across the entire Union, I think that point is incredibly well made. That is why, when the child poverty taskforce reports later in the year, there will be a nationwide strategy to improve the outcomes and life chances of people across the United Kingdom.

The hon. Member also pointed to the incredibly important issue of the impact on educational attainment for children living in poverty, and especially food poverty. It is an outrage that children in this country are unable to learn because they are too hungry to focus in class, and he made that point incredibly powerfully.

My hon. Friend the Member for Glasgow North East (Maureen Burke) similarly made an important point on that subject, and she raised the important issue of delays in the asylum backlog, which the Government are laser-focused on driving down. I remember how powerful her maiden speech in the House of Commons was, and how it touched on experiences, both in her life and in her constituency, relating to the impact of hardship. Her points today were incredibly well made.

I turn to the child poverty taskforce. As many hon. Members have ably said, a single child living in poverty in Britain is one too many. Tackling this scourge and providing every child in Britain with the ability not just to get by, but to live a happy, rich and fulfilled life is at the core of this Labour Government's mission for our country.

The child poverty taskforce was announced in the summer of 2024, with the objective of improving children's lives and life chances and tackling the root causes of child poverty in the long term. Poverty scars the life chances of our children. In the 14 wasted years of Conservative Government, child poverty numbers increased by 900,000. We continue to grapple with that legacy today, with 4.5 million children now living in poverty in the UK and 1.1 million children using food banks to eat.

I am pleased to confirm that children whose families are in scope of the NRPF policy will be included in the child poverty strategy. Officials are working closely with the Cabinet Office and with officials across Government on the detail and delivery of this new initiative, and specifically its application to children who are subject to NRPF. The Government are grateful to stakeholders for their support in facilitating discussions to build our understanding of child poverty among migrant families. That included hearing from those families themselves, to listen to the challenges they face and to have meaningful discussions on possible solutions.

The Government have recently announced, via the immigration White Paper, a review of family policy, and the findings from this taskforce will be utilised for future policy development in this space. Work in this area remains ongoing, so I am sure my hon. Friend the Member for Sheffield Hallam will understand that I am not in a position today to offer substantive comment on the detail. But I can say that the Minister for migration and citizenship, my hon. Friend the Member for Feltham and Heston (Seema Malhotra), is meeting her counterpart in the Department for Work and Pensions next week to discuss in more detail what the Home Office's role will be in delivering the child poverty strategy.

To conclude, the NRPF policy is, and will continue to be, a means by which we maintain a managed but fair immigration system. Temporary migrants coming to the UK are expected, in general, to support themselves and not rely on Government support, but it is right that the policy is continually reviewed and assessed for its impact, particularly in relation to migrant children. This is something we take incredibly seriously, and I

[Keir Mather]

point to the Home Office's involvement in the child poverty taskforce as evidence of the Government's continued commitment to protecting vulnerable children.

I offer my thanks to all my hon. Friends and Members across the House who have participated in this debate, and I thank my hon. Friend the Member for Sheffield Hallam for securing it. These are sensitive, complex issues and it is right that we discuss them thoroughly and carefully. I believe that has very much been the case today.

3.50 pm

Olivia Blake: It has been really helpful to hear from other Members on a number of issues. The hon. Member for Aberdeen North (Kirsty Blackman) spoke about the inconsistency in local authority support. My hon. Friend the Member for Liverpool Riverside (Kim Johnson) painted a vibrant picture of the community she represents and the deep poverty felt by the migrant communities within it. I thank the hon. Member for Strangford (Jim Shannon) for speaking so passionately about child poverty. He spoke about the use of food banks and the mental health impacts of poverty on children in particular, which I was very moved by. My hon. Friend the Member for Glasgow North East (Maureen Burke) made it clear that NRPF deepens the poverty that young people experience, and highlighted the opportunity that we have with the child poverty strategy.

I thank the Lib Dem spokesperson, the hon. Member for Frome and East Somerset (Anna Sabine), for her focus on free school meals. That issue has been addressed but it points to a challenge: if the move to free school meals is based on receipt of universal credit, we need to ensure that young people with no recourse to public funds are not lost in that, because we won that battle in the last Parliament during covid to ensure that they could get access to free school meals. We just need to make sure that their eligibility does not slip through the cracks if there is a different way of coming up with the numbers of who is eligible and who is not.

I thank the shadow Minister and congratulate him on his first outing—

Dr Rupa Huq (in the Chair): Actual Minister!

Olivia Blake: The acting actual Minister. I congratulate him on his first time at the Dispatch Box. I was really heartened by some of the things he said, but once again, I want to make sure that all the measures in the child poverty strategy take into account the fact that these people are not eligible through means-tested criteria, so support based purely on those will not benefit these children. I think the Minister has heard that point and the many others that have been made today. I thank him for taking that back to the Minister responsible, and I look forward to reading more on this issue as the months draw closer to the child poverty strategy being developed.

Question put and agreed to.

Resolved,

That this House has considered child poverty and no recourse to public funds.

3.52 pm

Sitting suspended.

Outdoor Education

4 pm

Dr Rupa Huq (in the Chair): I will call Tim Farron to move the motion. As is the convention with 30-minute debates, only interventions are permitted, not whole speeches, because we need to allow time for the Minister to reply, as well as for all those lovely interventions that are coming.

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

That this House has considered outdoor education.

It is an absolute joy to serve under your guidance, Dr Huq. I am happy to take some interventions, but I shall do my best to leave at least 10 minutes for the Minister at the end.

It is my privilege to chair the all-party parliamentary group on outdoor learning. It is also my privilege to be the Member of Parliament for many outdoor education centres in the lakes and dales of Westmorland and Lonsdale: the Bendrigg Trust at Old Hutton, which supports young people with disabilities; Brathay, near Ambleside, which develops young people from challenging backgrounds; the Outward Bound Trust on Ullswater; Patterdale outdoor education centre; the Field Studies Council centres at Blencathra and Lindale; the YMCA at Lakeside; and countless others, including the many university, local authority, charity and privately owned centres; as well as all the freelance specialists who use the outdoors to infuse our young people with joy, resilience, physical and mental health, and new skills and perspectives.

Phil Brickell (Bolton West) (Lab): I commend the hon. Member for securing this debate. He mentions the joys of spending time in the great outdoors, and I thank him for mentioning Patterdale Hall, which is a truly excellent outdoors centre that I benefited from a great deal. Last month's Supreme Court judgment, upholding the right to wild camp on Dartmoor, shows just how precarious our rights of access to nature are. Following that landmark ruling, does he agree that the Government must urgently introduce primary legislation to expand the right to roam on land and water across England?

Tim Farron: It is vital to ensure that people have access to nature. As somebody who represents national parks, I always think that they are there for everybody, not just those of us who live there. The hon. Gentleman makes an important point.

Outdoor education is crucial to our economy, culture and communities in Cumbria, and we are deeply proud of the whole sector and the many hundreds of people who work in it. The benefits of outdoor education experiences are obvious to anyone who has ever gone for a hike through a muddy field while wrestling with an Ordnance Survey map, abseiled, potholed, spent the night camped in a lakeland forest, climbed a rockface or kayaked down a river. These are experiences that form young people and stay with them for the long term. We know, not only through academic research but powerfully through our own experiences, the transformational and tangible good that outdoor learning delivers for the lives of children and young people.

Jim Shannon (Strangford) (DUP): Will the hon. Member give way?

Tim Farron: Go for it.

Jim Shannon: I commend the hon. Gentleman for securing the debate. He is absolutely right, and I support his endeavour to ensure that the Minister will respond positively to him. In February 2025, the Education Minister in Northern Ireland launched the outdoor learning project to enhance pupils' experience of outdoor learning, with some £4 million invested for pre-schools, nursery schools, primary schools and special schools to buy outdoor furniture and equipment to enhance high-quality outdoor learning. If you want to get your feet muddy, come to Northern Ireland.

Tim Farron: It is an offer I dare not refuse. In a moment or two, I will say something about cross-party working across the devolved nations, and the hon. Gentleman makes an important point as to how Northern Ireland is taking the lead.

Research from the University of Cumbria demonstrates the benefits for young people of widening their horizons, building their confidence and character, and nurturing a love of learning, greater awareness of nature and an intelligent approach to risk. Once a child has overcome their fear to crawl through a dark and cramped cave, wade through a fast river or work with a classmate to build something, other challenges in their normal lives back at home are put into perspective.

Maya Ellis (Ribble Valley) (Lab): I thank the hon. Gentleman for securing this important debate. Viki Mason is a forest school practitioner in my constituency who provides amazing outdoor education for primary schools, but the schools continually struggle to find funding for her services and those of providers like her. Does he agree that if we want young people to grow up with the benefits of the experiences he describes and with an appreciation for the natural world around us, so that we can protect it and encourage them to protect it, we must ringfence education funding for outdoor education at the very earliest stages of learning?

Tim Farron: I completely agree; I will say more about that in a moment.

Building on the benefits of outdoor education for the rest of the curriculum, the rapport built between teachers and students during a week-long residential where both are immersed—often literally—in the glory of nature means that when life returns to normal the next Monday in the classroom, those students are much more likely to engage, listen and learn. Outdoor education is a wonderful investment with guaranteed returns for the individual, for society and, indeed, for the Exchequer.

Will Stone (Swindon North) (Lab): We know about the importance of the educational benefits, but does the hon. Member agree that outdoor education can be used to tackle knife crime in urban areas? Will he join me in thanking Mike Harrison, who owns Green Trees forest school in Swindon, for his hard work on that?

Tim Farron: I am happy to join the hon. Gentleman in thanking Mike. Yes, the societal outcomes are huge beyond the classroom. The increased love of learning, better engagement and greater curiosity about the natural world are all part of delivering better outcomes for young people in general throughout their lives.

Several hon. Members *rose—*

Shockat Adam (Leicester South) (Ind): Does the hon. Member agree that, as one in eight children living in urban areas does not have a garden, we should encourage some sort of exchange programme between rural and urban schools so that they can also enjoy the outdoors and benefit from it?

Tim Farron: That is a great suggestion. I will happily take the other intervention.

Andy MacNae (Rossendale and Darwen) (Lab): The hon. Gentleman is making a wonderful point about the value of outdoor education within the education system. Does he agree that the Ofsted assessment mechanism is a great tool for encouraging greater use of the outdoors and of sport and activity per se? Would he suggest that we look to make sure that any outstanding school must provide great access to the outdoors?

Tim Farron: The problem is that, at the moment, many schools do not provide that. It is often because of a sense of being beleaguered and lacking the financial wherewithal to do so. The hon. Gentleman makes a very powerful point.

To back up, on a day when we are talking about Treasury matters, the University of Cumbria's research demonstrates that there is a social return on investment of £4.32 for every pound spent on outdoor education as part of the curriculum. Research funded by the Minister's colleagues in the Department for Environment, Food and Rural Affairs through Natural England looked at the experience of schools and students who had access to outdoor education opportunities: 95% found that those experiences made lessons more enjoyable, 85% reported a positive impact on student behaviour, 92% reported improved engagement of students with learning and 92% reported increased student health and wellbeing.

The frustrating news is that outdoor education is becoming much more difficult to access. Some 13% of students never visit the natural environment or spend meaningful time outdoors, rising to 18% of children in the most deprived parts of our country. A third of children never, ever have lessons outside. Outdoor education centres are facing difficult times: 30 of them have closed in the last eight years. Learning outside and going on life-changing residentials is, sadly, becoming the preserve of schools from wealthier areas.

Tom Collins (Worcester) (Lab): The incredible outdoor educators we have in and around Worcester, including the Bramblewood Project, have shown just how transformative outdoor education can be for students who would otherwise struggle to engage with education. We have seen incredible impacts on children with special educational needs and disabilities, but every child and every person can benefit from a real and living relationship with nature. Does the hon. Gentleman agree that outdoor education should be not alternative provision, but provision?

Tim Farron: I completely agree. The hon. Gentleman makes an important point that I will try to flesh out a little in a moment.

Dr Danny Chambers (Winchester) (LD): In Winchester, we are fortunate to have the beautiful south downs and a lot of very productive farms. We had Open Farm Sunday last week. Does my hon. Friend agree that outdoor education, engagement with farms and agriculture and residential weekends are a great way to inspire the next generation of agricultural students, conservationists and environmental scientists?

Tim Farron: Yes to all those things. It is important to recognise that if we give people a sense of excitement of being in the outdoors, we open their imagination to making those sorts of choices in their studies and careers and later in their private life.

I am grateful to the outdoor education professionals who share their expertise with me regularly. They identify the barriers to young people accessing outdoor education, which include the steady erosion of school budgets. Outdoor education is seen as a nice add-on, but not essential, so it gets downgraded or dropped altogether to save money. Schools either do not do outdoor education visits at all or they reduce them from week-long to two-day affairs, with worse outcomes as a consequence.

There is also a culture of risk aversion that infects schools, teacher training institutions and society as a whole. Over the last couple of generations, we have sought to protect our children from danger and the unpredictable to such an extent that we have perhaps done them greater harm by denying them experiences that would have given them resilience, wisdom and better mental and physical health.

Over my years as the Member of Parliament for Westmorland and Lonsdale, I have seen trends in the issues that local people seek my help with at my surgeries, on the doorsteps and via my inbox. The issue that has grown most in volume is the utter tragedy of worsening mental health among our young people. I will continue to fight for every one of those young people and for their loving but often terrified families to get the care they need through mental health services, but why can we not choose to do something radical today that will reduce the number of people suffering mental ill health in the first place?

The outdoors is the antidote to many of our ills. Time on outdoor residentials pulls us out of our comfort zone. It makes us rely on others and experience the scary wonder of being relied upon by others. It teaches us that we can do things we thought were impossible. It nurtures an ability to solve problems and to rise above the panic that freezes us when crises hit. It builds relationships and the capacity to form friendships, skills that are transferable and, above all, the resilience to help us cope with the stuff that life will chuck at us.

Dr Al Pinkerton (Surrey Heath) (LD): My hon. Friend's rich evocation of outdoor education reminds me to reflect on my own time doing things like the Duke of Edinburgh's award. Although Surrey Heath might not have the soaring topographies of his constituency, what we do have is extraordinary outdoor education provision such as Briars Field forest school, which provides vital outdoor education, particularly for young children with special educational needs who otherwise could not access mainstream classrooms. Will my hon. Friend join me in paying tribute to those offerings that provide a genuine alternative to the classroom and profoundly change young people's mental health?

Tim Farron: Absolutely. That builds on what I am saying. When it comes to poor mental health, it feels like we are figuratively fishing struggling people out of

water, when perhaps what we really need to do is build their resilience so that they do not fall in in the first place. Ironically, of course, we do that in part by pushing people into the water—after an entirely appropriate risk assessment, of course.

Education and policy of successive Governments has failed to prioritise outdoor education to the extent that it has become for many a nice luxury at best, rather than the essential that it ought to be.

Caroline Voaden (South Devon) (LD): Will my hon. Friend give way?

Tim Farron: I will take one more intervention.

Caroline Voaden: My hon. Friend is making a powerful argument about the mental health benefits of outdoor education, which I wholeheartedly support. Does he agree with me that if we are to inspire the next generation to appreciate, understand and love nature and promote nature recovery, we need to introduce them to nature? In that spirit, will he commend Grenville House in Brixham and Forest and Beach outdoor education in my constituency, along with all the other schools that promote the Ten Tors expeditions on Dartmoor, for the vital work they do?

Tim Farron: I absolutely will. My hon. Friend makes an incredibly important point about integrating outdoor education in the curriculum as a whole.

To turn the situation around will take a serious, conscious and deliberate effort, and I want the Government to take this opportunity to make that happen. This absolutely has to be a cross-party mission. By the way, this is a small half-hour debate, and yet there are more people here than in many hour and a half debates, which shows how important this is to many people. There are no Conservatives here, but I want to pay tribute to two of them: Sam Rowlands, a Member of the Senedd in Wales, and Liz Smith in the Scottish Parliament, who have so ably led campaigns to increase access to outdoor learning. It is a joy to work with and learn from them.

I met the Minister's colleague, the Under-Secretary of State for Education, the hon. Member for Portsmouth South (Stephen Morgan), recently, and was impressed by his engagement and interest in the issue. I raised with him a point that I want to raise with the Minister here today; I also have a specific request to make—a few of them, actually. Here we go.

First, will the Minister conduct a review of access to outdoor education experiences in our schools? Specifically, will the Department for Education conduct a review of which children and schools are accessing outdoor education opportunities and which children and schools are not accessing those opportunities? Will she ensure that the review analyses why those who are not getting outdoor education experiences are missing out? Then, having identified those barriers, will she come to Parliament with a plan for systematically tackling them? Will she review the capacity in the sector to ascertain our ability to provide access in reality for every young person?

My second ask is for a nature premium, modelled on the existing PE and sport premium, for the 18% in the poorest of our communities who never even visit the natural environment. Children whose imagination is captured by the outdoors in early life through outdoor education are much more likely to make their own choices in an environmentally beneficial way through the rest of their life. Will the Minister look at the evidence from the trial in Glasgow, which is supported by a private donor, and commit to rolling out the nature premium across the country?

My third ask is basically three asks in one. There are three reviews happening right now that should have outdoor learning at their heart and could transform opportunities for young people if the Government choose to seize the moment. First, DEFRA's access to nature scheme is under review. It provides residentials for young people at schools where more than 30% of children have pupil premium funding. Is the Minister involved in that review, and is she pushing for that scheme to be maintained and extended?

Secondly, the Department for Culture, Media and Sport is leading on the Government's youth strategy. I understand that the interim report is due out this month. Is the Minister involved in the review, and has the Department for Education pushed for outdoor education to be central and integral to the youth strategy's mission to radically improve outcomes for our young people?

Thirdly, on the Department for Education's own curriculum review, will the Minister say something about her work to ensure that outdoor learning, including the importance of residentials, becomes central to the curriculum at both primary and secondary level? At the moment, I have to say, the signs are not encouraging: in the draft curriculum review, the word "outdoor" appears just once. How can the Minister reassure us that the final review will not completely miss this golden opportunity?

My final and fourth ask is an ambitious one, but surely this is the time to be ambitious for our young people. If the Government want to do something utterly transformational that will improve education and mental health outcomes, tackle obesity and physical poor health, and increase life chances and cohesion in our society, they should support my presentation Bill, which calls for every child to have an entitlement to a week-long residential outdoor education experience at primary, and then again at secondary school.

Schools should be fully funded to provide those experiences. Outdoor education centres should be involved in the design of those programmes, and they should be given the ability to expand capacity. No child should miss out because their parents could not afford it. The value would be immense. It would light the blue touchpaper on a lifelong love of nature, adventure and the outdoors. It would build citizens who can cope and thrive in the modern world. It would mean happier and healthier people, better learners, better workers and a better country.

Shockat Adam: Will the hon. Gentleman give way?

Tim Farron: I had better not, because I am running out of time.

There is so much catastrophising about the state of society—so much gloom-filled misery among our politicians and commentators. There was a headline in *The Daily Telegraph* this week—I do not know whether you saw it,

[Tim Farron]

Dr Huq—that said: "Britain is heading for utter oblivion". I mean, come on—get a grip. It is time to do something transformational and positive, not sink into this spiralling, miserabilist narrative, whining about decline and saying that the past is always better than the present, that our problems are all insurmountable and, above all, that it is always somebody else's fault. I am not having that, and nor are my communities in Westmorland and the outdoor education sector. In the lakes, the dales and the other wild places of our wonderful country lie the biggest, best antidote to so much that is wrong. Those are the raw resources, and we should get out there and make them our own. Let us deploy those resources.

That is why I beg the Minister: agree to our requests for a departmental review of the barriers to outdoor education, roll out the nature premium across our country, expand the access to nature scheme, reassure us that outdoor education will be at the heart of the curriculum review and the youth strategy, and make outdoor education experiences an entitlement for every single child. If that sounds like a lot to ask—several problems to solve, an overwhelming challenge, almost like a mountain to climb—I know some people who have the skills to help her. The outdoor education sector, the Institute for Outdoor Learning, the Association of Heads of Outdoor Education Centres and the all-party group are eager to be part of her team as she acts as the Government's internal advocate and champion for outdoor education.

4.19 pm

The Minister for School Standards (Catherine McKinnell): It is a pleasure to serve with you in the Chair, Dr Huq. I was so gripped by speech made by the hon. Member for Westmorland and Lonsdale (Tim Farron) that I forgot to get any water; I will pour some while I am starting, in case I get a frog in my throat.

I congratulate the hon. Gentleman on securing this important debate and the incredible passion with which he presents these issues. It is, rightly and understandably, not the first time he has raised them with me. I admire his passion, particularly because he represents a part of the world that has an absolute abundance of outdoor riches and opportunities. For him to advocate so strongly for children who do not necessarily have those opportunities on their doorstep is truly admirable, and I respect the arguments he is making in that regard.

I also agree that children and young people need to have that rich experience. As the Minister for School Standards, I know there are many demands on the curriculum and a lot of interest in the curriculum and assessment review, in the hope that it will deliver a broad and rich curriculum, enrichment and opportunities for all young people. Fundamentally, as a Government, we are determined in our mission to break down barriers to opportunity; we know that, as children grow and develop, giving them opportunities and a rich and broad curriculum is not only right, but what drives high and rising standards. The two things are not unrelated.

I do not have time to pay tribute to all the other contributions, but there is clearly a lot of passion in the Chamber about this subject. The hon. Gentleman set out very well the arguments for why we need to enable children and young people to have experiences that will help them develop resilience and build skills for life, so that they can handle life's ups and downs. For many people, spending time outdoors is how they take care of their mental and physical health.

The hon. Gentleman will be reassured to know that a growing body of evidence links access to nature to a range of positive health outcomes for young people; it helps them to develop a deeper understanding not only of our planet and the world in which we live, but their place within it. There is nothing more humbling than the sight of an enormous mountain or a huge lake, and I agree with him on the importance of being able to have those experiences.

We need an evidence base before we implement or mandate any changes in our school system. I need to discuss that so that I can come on to the hon. Gentleman's asks at the end of my speech. To build on the evidence that we already have, we are supporting research by the University of Oxford, which is looking at how the mental health and wellbeing of young people can be improved through nature-based programmes that would be delivered by schools. Outputs from this research will be published with the Department for Education and shared during summer this year. That further research will help us to understand the specific benefits of spending time in nature and ascertain which nature-based activities provide the strongest impacts and outcomes for young people.

However, as the hon. Gentleman also passionately set out, access to the benefits provided by nature is unevenly distributed among children and young people, with the most disadvantaged being the least likely to reap the rewards. Children in deprived areas have less access to green space and spend less time in it than those in the most affluent areas. Deprived inner city areas have only a fifth of the amount of good quality green space as the most affluent and children in the most deprived areas spend 20% less time outside. That inequity impacts health, wellbeing, development and career choices. It puts barriers in place for people that can last throughout their lifetime. As a Government, we are determined to break those down.

In April 2022, the Department for Education published "Sustainability and climate change: a strategy for the education and children's services systems". Through that, we have emphasised the importance of young people growing up with an appreciation of nature and a strong understanding of climate change and its causes, and of ensuring that they have the skills to help to create a sustainable future for us all. We believe that education settings have to play their part in shaping a sustainable future and helping young people develop responsible behaviours and a sense of responsibility for the world in which we live.

I appreciate that it is not quite the same as being in the beautiful Lake district, but the National Education Nature Park is delivered in partnership with the Natural History Museum and the Royal Horticultural Society, and it is helping to deliver on the vision by bringing together all the land from across education settings into a vast virtual nature park. It inspires children and young people to get involved in taking practical action to improve the biodiversity of their school grounds, while developing a greater connection to nature and learning about its role in climate change. Through the National Education Nature Park, children and young

people can participate in outdoor education at low or no cost and within the boundaries of their own education setting.

Shockat Adam: Will there be consideration for children with sensitivity issues and special educational needs in that programme?

Catherine McKinnell: Yes. The particular Nature Education Park is for schools to use and adapt as required. I appreciate the concern that the hon. Gentleman raises. Ensuring that all children have access to an excellent education is a priority for this Government, and that includes children with special educational needs and disabilities.

One of the things I want to focus on is our absolute determination that all children have access to a wide range of enrichment activities. That is an important part of our mission as a Government to break down barriers to opportunity. That might mean Duke of Edinburgh's award participation, accessing outdoor education through the combined cadet force, accessing local youth services or building trips into outdoor education settings. The Department has committed to publishing an enrichment framework. That will be non-statutory, but there will be very clear guidance for schools on developing their enrichment offer. For some schools, that will include a variety of outdoor education opportunities.

I want to be clear about mandatory class time in a natural setting. The Department does not—and cannot, under the Education Act 2002—prescribe how class time should be used to deliver the national curriculum subject content and certainly cannot prescribe activities outside school time. Setting a minimum expectation for access to nature would remove the school's discretion over the additional content of its curricula, which they are enabled to tailor to their local environment and to choose what to do within their extracurricular activities and timetable. The hon. Member for Westmorland and Lonsdale knows that many schools choose to do that.

Pupil premium funding is regularly used by schools to ensure equal access to those opportunities and that cost is not a barrier for some families to participate. I was chatting to people at a school just last week about that very thing—making sure that all the activities made available to all students are fully funded by the school. More generally, we are focusing on the quality of teacher training because, as the hon. Gentleman mentioned, some teachers do not feel confident. We are investing in teacher training because teachers know how to get the best for their students and need support and training to offer the best opportunities for the students in their area if they deem that taking classes outside will aid their learning. Geography is a good example of where taking students on outdoor activities will certainly enhance learning, but there are many examples in other subjects as well.

I am afraid that I have no time left to respond to the other, specific concerns that the hon. Gentleman raised, but I am more than happy to respond further in writing. I did not want to take away his opportunity to come back with a final comment, if that is the order of the day.

Dr Rupa Huq (in the Chair) *indicated dissent.*

Catherine McKinnell: No—I just carry on and finish? Fine. I am very keen and more than happy to look further at the issues that the hon. Gentleman has raised. The curriculum assessment review is an independent process. It is evidence led and we are very much looking forward to its outcomes. The hon. Gentleman is a passionate campaigner. He will continue to advocate on these issues and I will continue to listen and do what we can as a Department to make sure that every child has enriching opportunities.

Motion lapsed (Standing Order No. 10(6)).

NHS Funding: South-west

4.30 pm

Steve Darling (Torbay) (LD): I beg to move,

That this House has considered NHS funding in the South West.

It is a pleasure to serve under your chairmanship, Dr Huq. For me, the NHS is a family affair, as my wife has served it for more decades than she would want me to admit and my son is a registrar at Torbay hospital.

This time last year, many of us were out pounding the streets at the general election, and the NHS was a big plank of what many of us talked about. It was one of the key themes on which the Liberal Democrats fought the election. We knew the NHS was a shambles, but we did not know the challenge that would face the new Government when they came to power. The Minister for Care highlighted that the money for the new hospital programme ran out in the March just gone, and there was a £6.6 billion hole in the programme's budget. It was a real challenge for the new Government, but equally, their "waves" approach has caused real concerns in hospitals across the south-west and in our communities. It would be extremely helpful if the Minister for Secondary Care could address that today.

I will focus on Torbay hospital as a useful example of the challenges we face across the south-west. It is the third oldest hospital in the UK, with only 6% of the estate up to standard. Some bits are very good, such as the endoscopy and out-patient units, but those constitute an extremely small proportion. Someone suffering from cancer has to go to a number of locations across the hospital where there are real challenges. That is not the offer we want for those suffering from that disease. There have been almost 700 sewage leaks on the site, often infecting clinical areas, resulting in closures and delays of service to our community. The tower block of the hospital is swathed in scaffolding—not for a rebuild, but to stop clumps of it falling off and braining passers-by. There are some massive challenges, which have impacted our world.

Wave 2 mitigation bids went in in February from affected trusts. Torbay bid for £183 million to collapse the tower block and ensure that we have four fit-for-purpose wards built. I understand that the white smoke from the Government is yet to appear. So far, we have had only £7 million to help tackle some of the challenges, which hardly touches the sides.

Gideon Amos (Taunton and Wellington) (LD): I congratulate my hon. Friend on bringing the NHS in the south-west into the spotlight. Does he agree that the pressures on Musgrove Park hospital, due to the closure of the Yeovil maternity unit, put staff in an almost impossible position, with 30° heat in summer and leaking roofs and walls with holes in them in winter?

Steve Darling: I agree that staff are the NHS's most important asset and what makes it tick, which my hon. Friend is right to highlight.

Jim Shannon (Strangford) (DUP): I am here to support the hon. Gentleman; I congratulate him on bringing this subject forward for debate. He is right to highlight issues with cancer care. It is the same for us back home: only a third of those referred by GPs begin treatment within the target time. Does he feel that there is money to be saved through the administration in the south-west trust area? If there is, perhaps that could help.

Steve Darling: That is very insightful. After being around medics for many years, I know the concern about the increase in managers. Equally, I know that integrated care boards, which I will come on to now, have real challenges with the savings that they are making. There is talk of merging ICBs, including, in the far south-west, a merger in Cornwall and Devon. Both ICBs are relatively challenged, and I fear that it could be a marriage of two bankrupts. Perhaps it would be better to look at a bigger footprint, including Somerset.

Noah Law (St Austell and Newquay) (Lab): I welcome and echo the hon. Member's comment about an inappropriate marriage in respect of the Devon and Cornwall ICBs. They have quite different issues. I commend the work of Cornwall's ICB, of course, but we have to recognise the specificities of the peninsula penalty and the unique challenges facing both our areas.

Steve Darling: That is also very insightful. There are lots of good staff throughout the NHS, including in ICBs. It is about unlocking their potential, which I hope the Minister can do.

I was suggesting a bigger footprint, which could include Somerset and maybe even Dorset, as well as Devon and Cornwall, to give greater corporate capacity. I hope the Minister will reflect on that. Perhaps she will give some guidance on when we will hear about the ICB merger. A larger ICB could reflect the footprint of a mayoral authority; I fear that we could be poorer country cousins if we have only two county mayors in the west of England.

The real challenge with our ICB is that we are looking at a quarter of a billion pounds in cuts to services for Devon. The Exeter trust faces £69 million in cuts. The way to save money is mostly by not filling posts, so that is a real challenge. In Torbay, the figure is £42 million. We have an integrated care organisation, as a result of the merger of NHS acute and social care services, and people often say that is the direction in which we should be going. It saves 60 beds in the hospital by ensuring that we get people out of hospital sooner and into their own homes, where they want to be. However, I worry that the organisation is threatened by the quarter of a billion pounds-worth of cuts to services in Devon coming down the line; I fear for its future. I know that the Government actually want to move in the direction of services working together—it is so important.

The last area I want to touch on is Getting It Right First Time. I have heard from a number of professional sources that they feel that is a metropolitan approach that does not always work well in areas with significant rurality, such as Devon, mostly because it does not take into account some of the deprivation we have, our coastal communities, rural communities and the need for travel, or the fact that our population is older than those in metropolitan areas. We have older folk who are perhaps more digitally excluded. The approach does not always work.

We have seen that in respect of a procedure called PPCI—I will not share what that stands for, but it is an intervention used when someone is having a heart attack.

They have a balloon inserted through their groin that goes up to the artery, and a stent is inserted to prevent a blockage in the system. A proposed merger in the offer will see people from south Devon drive past Torbay hospital and go 24 miles up the road to Exeter. That was originally the out-of-hours service, but it is now the emergency service, so when someone is thrown in the back of an ambulance, assessed and told, "You need this intervention," they will go up to Exeter.

As my son says to me, "Time is tissue." A consultant told me that if we push forward with this approach, it could result in greater debilitation and deaths. As a result of campaigning, the can has been kicked down the road on two occasions, and the ICB is due to return to the issue again at the end of July. I thank the medics who stood up and shared their concerns about the issue, as well as the thousands of people who signed our petitions on it. This situation shows how, because of the challenges in more rural areas, Getting It Right First Time does not always lead to the right solutions.

I would welcome the Minister's reflections on wave 2 mitigation, on the challenges in relation to ICBs and, finally, on coronary care issues in south Devon and how we can ensure that we are providing an appropriate service for our communities.

Several hon. Members *rose—*

Dr Rupa Huq (in the Chair): Order. Given how many people wish to speak, we will start with a two and a half minute limit.

4.41 pm

Jayne Kirkham (Truro and Falmouth) (Lab/Co-op): I was not expecting to be called first, but thank you very much, Dr Huq.

Each year, Cornwall, which has a population of 650,000, welcomes around 4 million visitors, drawn by our beautiful beaches and coastline. Tourism is a key part of our economy and provides a livelihood for many, but the downside is the pressure on our public services. Some areas in Cornwall treble in population, and that has a profound impact on our NHS and our only hospital, the Royal Cornwall hospital in my constituency.

In 2021, our hospital was on black alert all summer, and 30% of those attending A&E were not registered with a Cornish GP; the August bank holiday saw almost 700 people go to the emergency department. Hospitals in other parts of the country tend to see reduced pressure in the summer, but the Royal Cornwall is under pressure all year—winter and summer. We also have a super-ageing population—that is not my term, but the NHS's—because many pensioners choose to retire down in Cornwall.

The current health funding formula does not reflect that seasonal reality or sufficiently account for factors such as population sparsity, rurality or poor transport links, all of which make healthcare much more expensive to provide and all of which affect Cornwall. Our health services are therefore very much overstretched.

The South Western Ambulance Service is the worst-performing ambulance trust in England, and its performance is worst in Cornwall. An April 2025 SWAS performance report showed that Cornwall had the worst category 1 mean response time—nearly 11 minutes, compared with the national target of seven minutes. It is the same for category 2, and the handover time is high as well.

Those ambulance delays have serious consequences. We have ambulances waiting outside our hospital, and in December 2023 two of our coroners wrote to the Secretary of State with a concern about avoidable deaths as a result. They were keen to stress that the challenges are systemic; they are not the fault of the trusts, and they are too big for a single doctor, nurse or paramedic to fix, and too big for the hospital trust or ambulance trust to fix on its own.

The waiting times have actually reduced well over the past year, partly because of the Government's focus on health and partly because of the work of local health partners and the granular work of the voluntary sector down in Cornwall, including organisations such as the CHAOS Group, Volunteer Cornwall and Age UK. Our foundation trust struggles with large numbers of legacy buildings that have been taken over by NHS Property Services, and it is being charged for rent and maintenance that has not been delivered. Giving control of those buildings back to the trust would help. Our mental health funding is also low, with many patients having to go out of county to be treated.

In summary, our health system is at breaking point. To tackle the systemic issues, we need to recognise that rural and coastal areas face higher costs and additional pressures for care, and we need a fairer formula that truly reflects seasonal demand and rurality.

4.44 pm

Rebecca Smith (South West Devon) (Con): It is a pleasure to serve under your chairmanship, Dr Huq. I thank the hon. Member for Torbay (Steve Darling) for securing this debate.

I am here to focus specifically on fertility treatment in Devon, which is one of the costs we have because of the atrocious funding situation to which the hon. Member referred. The Devon integrated care board is not currently funding fertility care for local patients in line with Department of Health and Social Care expectations, and is not following National Institute for Health and Care Excellence guidelines in their entirety. Its policy is not based entirely on the clinical factors recommended by NICE, but is based instead on previous clinical commissioning group policy, economic factors and additional non-clinical factors, which are all understandable, but that is not good enough for local patients.

NICE states:

"Commissioners…should commission sufficient capacity within specialist fertility services to provide 3 full cycles…for women aged under 40 years who meet the criteria for IVF…A full cycle should include 1 episode of ovarian stimulation and the transfer of any resultant fresh and frozen embryo(s)",

and that any previous cycle counts towards that total. NICE guidelines also state that women under 40 who meet the criteria for IVF treatment

"should be offered 3 full cycles of IVF"

with a cycle defined as including one episode, as I have said. A full cycle ends either when every available but viable embryo has been transferred, or when one results in a pregnancy.

[Rebecca Smith]

Devon ICB incompletely funds only a portion of one cycle. It has made up a different definition of a cycle, and, in the commissioning policy, defines a cycle as

"one…fresh and one…frozen implantation of embryos. A frozen embryo transfer episode will only be available if there are embryos generated from the fresh cycle suitable for freezing."

That does not include any remaining embryos from the first cycle of stimulation, nor the remaining two cycles recommended by NICE. Devon should be funding three full cycles, and it is not.

That means that we are living in a legitimate postcode lottery: people with a PL, TQ or EX postcode are being completely sold short. I believe we need to treat this, and we need to see what the Government can do to mitigate the problem and to encourage ICBs such as Devon to ensure that just living within their health authority should not mean that people cannot access the treatment that others in other parts of the country can access, particularly those under 40 years old.

4.46 pm

Tom Hayes (Bournemouth East) (Lab): In less than a year, this Government have recruited 1,700 new GPs, delivered 3.5 million new appointments and cut waiting lists by more than 200,000. Just today, we heard in the Chamber the good news from the spending review: a record cash investment increase, in real terms, of 3% every year up to 2029, the equivalent of £29 billion extra a year. That will help to put our NHS back on the road to recovery.

In Dorset, we are already seeing the impacts of the investment. Dorset ICB has seen 13,600 extra urgent dental appointments. The public health grant for Bournemouth, Christchurch and Poole council is up from £22 million in 2024-25 to £23.3 million in 2025-26. There have been four surgeries identified for enhancement in Bournemouth, one of which is in my constituency, and the waiting list for University Hospitals Dorset trust is down by 1,715 between July and now.

Lloyd Hatton (South Dorset) (Lab): I thank my hon. Friend for giving way, and for setting out so clearly the work this Labour Government are doing to fix our NHS. Will he take the opportunity to welcome the investment of some £100 million being delivered by this Labour Government that will totally rebuild the emergency department and critical care unit at Dorset county hospital? Does he share my belief that fixing the front door of our national health service is essential for driving down waiting lists in Dorset?

Tom Hayes: My hon. Friend makes a powerful point. I, of course, welcome that investment and it will benefit both his constituents and mine.

We are also seeing significant investments in the Royal Bournemouth hospital. Just yesterday, I was standing on top of the Coast building at the hospital, at the topping-out ceremony. The Coast building will feature 110 new beds across four floors, a larger kitchen and a catering facility. If we look across from the top of that building, we will see the new £91 million Beach building that houses the emergency department from the Royal Bournemouth. Services moved into that building in May, and it will also contain a maternity unit, critical care and a children's unit, which will be moving in next year.

These developments are all part of a £500 million transformation of University Hospitals Dorset sites, which is much needed and will have a critical impact. These investments across hospitals, and across Dorset, will improve care for the people of our region—for my constituents—and will support our staff, who have been really looking for light at the end of the tunnel after 14 difficult years of Conservative rule, so that they can care for patients in modern, purpose-built facilities.

I would like more. Despite all the investment and the upcoming reform, I would like the funding formula to be changed so that it reflects the age profile of our local area. The south-west and especially areas such as BCP have a much higher older population, but not the funding to match. Our house prices are high but, unlike in Hampshire, UHD staff do not get pay weighting. I would also like to register concerns about proposals to create new subsidiary companies in Dorset and Newcastle. I have called for a pause in those processes, because I have concerns about the terms and conditions. Existing staff who are TUPE-ed into a subco have their existing terms and conditions protected, but I am concerned that when new staff are recruited into subcos, they do not have existing NHS terms and conditions. That could particularly affect lower-paid roles.

In conclusion, I thank the Government for their prioritisation of our NHS. I feel that the NHS is firmly on the path to renewal and is in safe hands.

4.50 pm

Wera Hobhouse (Bath) (LD): Across Bath, people wait far too long for the NHS care that they urgently need. There are proven ways to bring down waiting times and boost NHS capacity, but they are not always used to their full potential. I recently visited Bath Clinic, an independent sector provider with the infrastructure, staff and capacity to deliver high-quality secondary acute care. Bath Clinic ringfences slots for NHS patients. If the slots are not filled, they simply sit empty. Valuable appointments are wasted while my constituents in Bath linger on waiting lists without any good explanation. I understand that, across England, ICBs are planning to commission between 5% and 20% less activity from private hospitals this year, while the latest data—from March—shows that NHS waiting lists are getting longer.

The longer patients wait, the more complex and costly their care becomes. Using independent sector capacity in the limited way that I have described gets people the treatment that they need when they need it, and helps them to return to work and to their lives. Everyone suffers when those slots are not used. This is not a criticism of the NHS or its dedicated staff. It is a call to make full use of every available resource to support them. The independent sector is not a replacement, but the capacity is there and it could make a real difference. This is also an issue of choice. The NHS constitution enshrines patient choice, so there is no excuse for not offering it.

I have one question for the Minister: can she help me to understand why independent sector healthcare providers are not being used? Services such as Bath Clinic are ready to help and they have capacity that otherwise will simply go to waste.

4.52 pm

Andrew George (St Ives) (LD): It is a pleasure to serve under your chairmanship, Dr Huq. I congratulate my hon. Friend the Member for Torbay (Steve Darling) on the debate. I will try, in my remaining two minutes, to cover four subjects very quickly. The first is about the fair funding question or whether the funding to an area is sufficient. The hon. Member for Truro and Falmouth (Jayne Kirkham) rightly referred to the seasonality of the pressures and the rural nature of the geography, but in Cornwall there is also the issue of the peninsularity of the geography. People cannot call on an emergency service to the north, south or west in a place such as Cornwall and therefore we need to make provision for services so that they can cover all eventualities. Also, this year, during the settlement process, people are talking about cost improvements within the ICB spending programme over the future year. In Cornwall, it is a cost improvement—the rest of us might describe it as a cut in services—of £108 million, which is about 7% of the budget overall. That will create tremendous pressure in areas such as ours.

The second issue is value for money estimates. I visited a brilliant project very recently: the Helston Gateway project, which has created a new GP surgery across 20 consultation rooms, and achieved that on the basis of a building cost of just £1,400 a square metre, which is half the cost that people would get if they went to private sector contractors doing it through NHS development programmes and certainly significantly less than in the private finance initiative programmes of the past. I strongly urge Ministers to look at such brilliant initiatives as a brilliant way to provide services.

The third issue is stopping private sector organisations cherry-picking the profitable parts of the NHS and therefore undermining acute sector trusts. Finally, I would welcome clarity as to why the acute trust in Cornwall is not having its debt written off, unlike other provider trusts and ICBs.

Dr Rupa Huq (in the Chair): The aim is to take the three Front Benchers from 5.09 pm, which means that the time limit is dropping down to two minutes each.

4.55 pm

Martin Wrigley (Newton Abbot) (LD): It is a pleasure to serve under your chairship, Dr Huq, and I congratulate my hon. Friend the Member for Torbay (Steve Darling) on securing the debate.

GP funding is in crisis. I have met representatives of individual practices in my Newton Abbot constituency, as well as the 28 practice managers from around the district. They all have a funding crisis. The recent GP settlement was described to me as unsafe, unsustainable and unfunded.

GP funding is complex, but in essence it has two parts: the global sum and the quality outcomes framework. The global sum is meant to cover basic costs, including salaries, facilities, and so on, and the QOF extra services, but it does not cover any of it. Practice managers across south Devon have told me that the global sum is £121.79 per patient per year. That works out as less than paying to take a dog to the vet for an annual check-up, or about a third of the cost of servicing a modest car, such as a Renault Megane. That sum is also then modified by the Carr-Hill formula, which, perversely, can reduce the sum in areas of deprivation. The Royal College of General Practitioners wrote in an open letter to Government last year that this formula is no longer fit for purpose and has contributed to the widening health inequalities across the country.

Practices in the areas of greatest deprivation have patients with more complex needs, yet they do not receive proportional funding to address those needs. For example, Buckland surgery in my constituency has 4,000 patients, but the Carr-Hill formula reduces the funding to the equivalent for 3,200 patients. Practice managers are juggling numbers to make things work. Some surgeries are short of a full-time GP; just imagine the impact that has on patients. No wonder it is difficult to get an appointment. That is unsafe. The Government have said that from October GPs must offer an open access service; that means that all available slots are booked, so emergency appointments cannot be seen. That is not sustainable.

4.57 pm

Adam Dance (Yeovil) (LD): It is a pleasure to serve under your chairmanship, Dr Huq, and I thank my hon. Friend the Member for Torbay (Steve Darling) for securing this vital debate.

I start by thanking the amazing NHS staff across Yeovil. The NHS makes me so proud to be British, but our NHS in Somerset has been left on its knees, particularly Yeovil hospital. First, we had the closure of the hyper-acute stroke unit and now we have had the temporary closure of the maternity services. As I have said before, I am worried that the decisions made to protect patient safety in Yeovil may undermine it. That is why we continue to push for the safe reopening of maternity services as soon as possible. It is also why I will soon submit a second call-in request on the decision to close the hyper-acute stroke unit at Yeovil. I again urge the Minister to join local health leaders in committing to fund and maintain a general district hospital in Yeovil.

Without enough properly supported and funded staff, the NHS cannot function. That is partly why Yeovil hospital is in the state it is in. What steps is the Department taking to encourage people to work in the NHS in the south-west, and what future guidance and support will the NHS in Somerset get to maintain staff, and to improve working culture and staff mental health?

Our GP practices and our dentistry desperately need support, too. I am really pleased to have received confirmation from the Minister that Crewkerne health centre and Church View medical centre in Neroche are set to receive a share of the £102 million for GPs to deliver upgrades to their practices. It is a shame that our other practices have not been so successful.

More must be done. The Government must get on with fixing the NHS dental contract and I am worried about the implications of the cuts and mergers faced by the ICBs. Although we are taking steps in the right direction, more must be done to fund our NHS, so that people in Yeovil get the safe and local healthcare they deserve.

Several hon. Members *rose—*

Dr Rupa Huq (in the Chair): Order. I think that someone will probably end up falling off the call list; there are people standing to speak who were not on the list and who were not standing at the beginning of the debate. Let us see how we go.

4.59 pm

Sir Ashley Fox (Bridgwater) (Con): It is a pleasure to serve under your chairmanship, Dr Huq. The NHS is a vital service. I pay tribute to the doctors, nurses and many other health professionals who look after my constituents. Bridgwater community hospital, Burnham-on-Sea War Memorial hospital and GP practices across the constituency provide the health services that people need.

Hon. Members will know that during the five years of coalition Government and nine years of Conservative Government, spending on the NHS rose in real terms every year. However, increased spending alone will not fix the problems in our region. NHS productivity fell during the pandemic and, despite recovering, is still lower than it was in 2019. We need improvements in both productivity and service quality.

My constituents have raised the difficulty of getting GP appointments when they need them. Last year, the Government announced a large pay rise for junior doctors with no strings attached. What is the result of that? Less than a year later, junior doctors are back asking for more and threatening to go on strike unless they get another above-inflation pay increase. I want to see our NHS staff paid more—they do vital work in our community—but those increases must come with improved productivity and service for our constituents. How does the Minister propose to provide more GP appointments? My constituents also find it difficult, if not impossible, to find an NHS dentist. What steps will the Minister take to improve dental care in the south-west?

The Government have announced that they will abolish NHS England. I sincerely hope that will reduce bureaucracy and lead to improved services and shorter waiting lists, but if it results in the same people being shuffled around and given different job titles, few savings will be made. I wish the Minister well as she endeavours to improve healthcare across our region.

5.1 pm

Ben Maguire (North Cornwall) (LD): It is a pleasure to serve under your chairmanship, Dr Huq. I congratulate my hon. Friend the Member for Torbay (Steve Darling) on securing this debate. Following the Chancellor's spending review announced in the House today, I am appalled that Cornwall and the wider south-west have been seemingly overlooked yet again, with Swindon the closest place to get a mention. Hospitals such as North Devon district hospital in Barnstaple, which serves thousands of my constituents, are crumbling before our eyes, as is the Camelford GP surgery.

Our constituents deserve to get appropriate care when they need it and, crucially for those living in rural areas, where they need it. With the recent cuts to bus routes such as the numbers 11 and 12 by the previous Tory-run council, residents of Bude, Launceston, Padstow and many other towns do not have a direct public transport route to their cancer appointments at Derriford hospital. Those routes urgently need Government funding.

Our Liberal Democrat policy aims for every cancer patient to start their treatment within 62 days of an urgent referral, but for many cancer patients in Cornwall, disruptions to vital transport links make that much more difficult. All the while, the number of cancer patients waiting over four months for treatment more than doubled between 2020 and 2023 under the previous Tory Government.

In comparison with the plans laid out today in the spending review, the Liberal Democrats would invest in a rural fund for our GPs, dentists and pharmacists so that, for example, my nine-year-old constituent Sophie would not need to wait 12 hours at A&E in Treliske with a tooth infection. That sort of investment would significantly reduce the number of visits to our hospitals in the first place. At the same time, we would tackle the fundamental issues that hold back our social care system; solve the care crisis with cross-party talks; introduce a fair deal for our carers, with a higher wage and a new royal college of care workers; and, finally, get our NHS back on track. We owe it to our brilliant NHS staff and our patients across the south-west.

5.3 pm

Rachel Gilmour (Tiverton and Minehead) (LD): My constituency, which straddles the Devon-Somerset border, has a disproportionately elderly population. We have perhaps even greater and more regular healthcare needs than some other parts of the country, but significant funding shortfalls have hit GP practices particularly hard.

In the coastal west Somerset area, we have what are termed dental deserts. The percentage of adults in my constituency seen in the last two years by a dentist falls well under the national average. A&E departments see the effects of that down the line. The failure to treat ailments at an earlier stage often leads to conditions deteriorating and to serious complications, leaving A&E departments overwhelmed.

Let us not kid ourselves: the strains on A&E capacity are downstream from the insufficiency of GP and dental services, whose raison d'être is to provide routine and preventive care. We need a systemic overhaul to shore up GP and dental services so that they are fit to tackle the problems at their onset and remove some of the pressure on accident and emergency.

I am all too aware that healthcare professionals tend to practise where they trained, so we want to swell the ranks of our nurses, doctors and dentists in Tiverton and Minehead by providing locally based training colleges. In Tiverton and Minehead, we also have a shortage of pharmacies. Let us be clear: this is about essential medication. Finally, I have often talked about the lack of transport facilities in my constituency. The paucity of healthcare provision across my constituency coupled with the significant shortcomings in public transport creates a bleak picture indeed.

5.5 pm

John Glen (Salisbury) (Con): It is a pleasure to contribute to the debate, Dr Huq. In every Budget that I have seen over the past 15 years, either as a Treasury Minister or as a constituency MP, more money—whether it is 1%, 2% or 3% more—has gone into the NHS, yet there is still a demand for even more money at the next fiscal event. In the south-west, there are 5.7 million people, 30% of whom live in rural areas. We will always have limited resources, so we have to be radical in organising them differently. I urge the Minister to look at not just how we deal with care based on the physical location of acute hospitals, but how we deliver more localised digital care and investment in relevant digital infrastructure.

The chief executive of the Bath, Swindon and Wiltshire hospitals group tells me that a national approach to AI would be hugely welcome to unlock the delivery of radiology, pathology, clinical administration and risk stratification in a much more effective way. We have to level with our constituents that services cannot all be delivered at the local hospital if we are going to have the best service and the appropriate aggregation.

I urge the Minister to address the issue of digital systems. How can we bring them to a different level and deal with demand management? Demand is outstripping supply, and we have to look at investment in public health. To that end, I urge her not to move most of the Porton Down campus to Harlow, which would save a considerable sum of money that we could use in the south-west.

5.7 pm

Edward Morello (West Dorset) (LD): I congratulate my hon. Friend the Member for Torbay (Steve Darling) on securing the debate. I will be as brief as I can. I would love to talk about the lack of NHS dentist appointments in West Dorset or the problem with the funding model for community pharmacies, but instead I will just make the point that integrated care boards such as NHS Dorset are being asked to cut their staff by 50% on top of previous cuts of 30%. These are the people who ensure that frontline services run smoothly, and I am concerned that gutting their capacity in such numbers so quickly risks destabilising the very system that we are trying to fix.

Although NHS Dorset has a plan in place to break even, it is reliant on delivering £190 million in savings. The trust has requested £14 million in additional financial support, but remains £22 million short of its funding target. There is also a pressing need for capital investment in digital infrastructure to help modernise hospital estates, such as Dorset county hospital, to streamline services.

The closure of the maternity unit at Yeovil means that Dorset county hospital in Dorchester is picking up much of the slack; it is looking after more patients with no additional cash. The fact is that delivering services in rural communities in the south-west is more expensive than it is in urban areas. What steps are the Government taking to ensure that rural communities are no longer left behind?

Several hon. Members *rose—*

Dr Rupa Huq (in the Chair): Order. I am afraid that we will now move on to the Front Benchers, starting with the Liberal Democrat spokesperson.

5.8 pm

Alison Bennett (Mid Sussex) (LD): It is a pleasure to serve under your chairship, Dr Huq. I thank my hon. Friend the Member for Torbay (Steve Darling) for bringing forward this important debate.

We have been reminded by hon. Members that the Conservative legacy is pensioners left in agony, waiting for hours for an ambulance that may not come in time; women forced to give birth in unsafe, overstretched conditions; and people having to pull out their own teeth—in the 21st century—because they cannot find an NHS dentist. We have heard from hon. Members that the south-west has some of the longest ambulance waits in the country, some of the worst repair backlogs, and waiting times for GPs and dentists that are simply unacceptable. That is not just a strain on our health services but a daily struggle for families, carers and patients across our region.

The Liberal Democrats believe that people deserve better, and that they should be in control of their own lives and health. That means people getting the care that they need, when they need it and where they need it, without them having to fight every step of the way. Instead of lurching from one crisis to the next, as previous Governments have done, we have a plan. It starts with early investment in community health—in GPs, pharmacists and dentists—so that fewer people end up in hospital to begin with. We will finally fix the crisis in social care, so that people are not left stuck in hospital beds with nowhere to go.

If we expect to rely on our NHS in future, we simply must invest in it. We need not just big grand schemes but investment in the simplest yet most important things. For example, in my own patch in Mid Sussex, the Princess Royal hospital recently had only one of its four lifts working over a weekend.

Caroline Voaden (South Devon) (LD): Does my hon. Friend agree that it is much more expensive to provide services in rural areas than in urban areas? An example is the pharmacy funding model, which relies on footfall. On a recent visit to Modbury pharmacy, staff told me that they are really struggling to stay afloat because they do not have enough footfall, and they cannot reach the national payment threshold that would enable them to survive. Does she agree that we need to look at rural exceptions for critical services such as community pharmacies?

Alison Bennett: My hon. Friend makes an excellent point about rurality, which is obviously a big issue in the south-west. It is also a serious issue in Sussex where we have things in common with the south-west, such as having an older than average population and all the challenges that come with that, as hon. Members have mentioned.

Hospitals want to be able to sort those issues out, but they are left juggling priorities, barely scraping by with the current levels of funding. Things do not work if we do not look after them, and if we do not look after our health system, it will not be able to look after us or our loved ones. Although I am sure that the Minister will make the point about capital investment in the NHS, which is welcome, the future looks very uncertain and precarious for our ICBs, as a number of hon. Members have said.

Soon after ICBs were first created, they had to cut their budgets by 30%. They have now been asked to cut their budgets by 50% on average. Indeed, for Sussex, the cut is more than 50%—it is 53%. It is no surprise that Sussex and Surrey have formally proposed merging their ICBs, which, by running at the same time as local government reorganisation and the creation of a mayoralty, means we will end up with an ICB that does not have the same footprint as the new incoming mayor.

Richard Foord (Honiton and Sidmouth) (LD): What does my hon. Friend think about how ICB funding is weighted? I contend that the formula overemphasises the size of each ICB and the size of the registered

[Richard Foord]

population, but does not account sufficiently for age, given that older people require more funding spent on them.

Alison Bennett: My hon. Friend makes a really good point. It is vital that when we look at per head of population funding, we think about the different factors that actually drive up the true cost of delivering healthcare across the country, which obviously varies by region.

On ICBs, I will press the Minister on three points. First, on the timescale for cuts to be delivered by ICBs, they have to be completed by the end of 2025. The Sussex ICB had about three weeks to make that initial submission to the Department. Does the Minister think that those timescales are realistic and achievable? Secondly, what will the cost of the redundancies be for ICBs? Has that calculation been done? For Sussex, we are looking at more than half the workforce losing their jobs. Thirdly, what is the impact assessment for patients and the service that they will receive as a result of cuts to ICBs?

For too long, social care has been treated like the back door of our public services. It has been overlooked, underfunded and taken for granted. That must change. That is why we must once again ask for more urgency on social care reform. I believe that personal care should be free at the point of use, just like the NHS—

Dr Rupa Huq (in the Chair): Order. I call the shadow Minister.

5.14 pm

Dr Caroline Johnson (Sleaford and North Hykeham) (Con): It is a pleasure to serve under your chairmanship, Dr Huq, and a privilege to contribute to this important debate. I congratulate the hon. Member for Torbay (Steve Darling) on securing the debate at such a timely point, following today's spending review.

The focus on NHS funding, particularly in underserved regions such as the south-west, is welcome, so that every area of the UK is properly equipped to meet the healthcare needs of all communities. I, too, represent a predominantly rural constituency, so I am keenly aware of the unique challenges in healthcare provision facing remote areas. Geography should not be a barrier to treatment, but for many in the south-west and beyond, it still is.

We heard in the spending review today that the NHS will receive a substantial cash uplift. We must ensure this money is spent in the most effective way possible. We do not have the allocations yet, but can the Minister enlighten us on whether there will be an amount allocated particularly for rural healthcare. The spending review document talks about efficiencies of £9 billion to be achieved by the Department of Health and Social Care. Can the Minister elaborate on how those efficiencies will be achieved?

Much has been said already about the financial pressures facing integrated care boards. The Government's proposal to restructure NHS clusters in the south-west into larger conglomerates is presented as a move towards greater efficiency, but care must be taken that this does not come at the expense of local responsiveness or patient outcomes. NHS England is legally required to assess the performance of each ICB annually and publish its findings. However, the Government have decided at the same time to abolish NHS England—a decision they took without a proper impact assessment.

Fred Thomas (Plymouth Moor View) (Lab): The hon. Member mentions patient outcomes, but in Plymouth we have patients awaiting assessments for attention deficit hyperactivity disorder being left in limbo and unable to move forwards. Does she agree that the current refusal by some GPs to enter into shared care agreements is effectively blocking access to a diagnosis for adults pursuing ADHD assessments through the right to choose?

Dr Johnson: I would need to look at that separately and come back to the hon. Member on it, although he should perhaps direct his question to the Minister, as she has control at the Department at the moment.

The problem with cutting both the ICBs and NHS England is that it risks destabilising the very structures that are designed to deliver care simultaneously. The chief executive of NHS England has stated that legislation will be required to change the duties on ICBs. When do the Government intend to introduce the health Bill and, when they do so, can the Minister rule out the removal of the duty in the Health and Care Act 2022 requiring integrated care systems to commission dental services?

In paragraph 5.12 of the spending review, the Government say that 92% of patients will start consultant-led treatment for non-urgent health conditions within 18 weeks, but *The Times* has reported that the figure is closer to 80%. Can the Minister please clarify where the 92% figure has come from, and if she is unable to do so today, will she write to me?

Much of this debate has been about infrastructure. Since the last general election, Ministers have pledged to deliver the new hospitals programme in full, without caveats or conditions. However, in Torbay, for example, the rebuilding has been pushed back, with construction now expected to begin between 2033 and 2035. Thanks to the efforts of my hon. Friend the Member for South West Devon (Rebecca Smith), Ministers have given the greenlight to rebuilding Derriford hospital's new accident and emergency facility. Can the Minister confirm if there are plans to bring any of the other projects forward?

Let me turn to national insurance contributions. The Royal College of General Practitioners has described the national insurance increase as,

"the straw that breaks the camel's back, forcing them to make tough decisions on redundancies or even closing their practice".

The Government's promise to recruit more GPs is welcome, but hiking national insurance puts that pledge in jeopardy, as GPs will have no choice but to cut staff numbers. This is a false economy, so will the Minister use any of the money allocated today to help those services, such as GPs, air ambulances, hospices, pharmacies and others, that are affected by the national insurance contribution rise?

It will not have escaped Members' notice that, despite the Chancellor promising that the NHS plan would arrive by spring, we are now at the start of summer—indeed, the Government promised that they had one before the election last year. Will the Minister provide some clarity on when we can expect this long-awaited plan?

5.19 pm

The Minister for Secondary Care (Karin Smyth): It is a pleasure to serve under your chairmanship, Dr Huq. I thank the hon. Member for Torbay (Steve Darling) for securing the debate. We could have had more time, as this is an important issue for us all across the whole south-west. I thank colleagues for taking part.

The hon. Gentleman is right that the system has real challenges receiving deficit funding in our part of the NHS recovery support programme. He will rightly be following that closely. In the autumn Budget, which I think virtually everyone in this room disagreed with, the Chancellor took the necessary decisions to put our NHS on the road to recovery, with a more than £22.5 billion increase in day-to-day health spending and over £3 billion more in the capital budget over this year and the last. Today, the Chancellor has announced the conclusion of the spending review, with £29 billion more day-to-day funding in real terms than in 2023-24. There is a £2.3 billion real-terms increase in capital spending over the spending review period—something I hope everyone welcomes.

The SR puts the NHS on a sustainable footing by cutting waiting lists so that by the end of this Parliament 92% of patients will start consultant-led treatment for non-urgent health conditions at 18 weeks, delivering on the Prime Minister's plan for change commitment and prioritising people's health. To respond to the hon. Member for Bath (Wera Hobhouse), we do encourage use of the independent sector for capacity, and that is a decision for ICBs to make sure they achieve those standards. The settlement also supports the shift from analogue to digital, with a total investment of up to £10 billion in NHS technology and transformation between '26-27 and '28-29, and an almost 50% increase from '25-26. I agree with the right hon. Member for Salisbury (John Glen) that technology offers huge opportunities in geographies like ours.

Thanks to the Chancellor, we are taking the necessary steps towards fixing the foundations of our NHS and making it fit for the future. Since coming into office, the Government have published our urgent and emergency care plan, which will support the NHS across England to improve the timeliness and delivery of care to patients requiring urgent and emergency care over the next year, including for next winter. We are delivering on our plan for change through the accelerated roll-out of the NHS app. We will create an NHS fit for the future and continue to invest in the latest technology, shifting healthcare from analogue to digital.

Our investment and reform in general practice, to fix the front door to the NHS and bring back the family doctor, includes an additional investment of £889 million. We have published our elective reform plan, which will cut waiting times from 18 months to 18 weeks. We have exceeded our pledge to deliver an additional 2 million appointments, tests and operations—we have delivered over 3 million more. Waiting lists have fallen for the sixth month in a row and have now been cut by over 219,000 since we came to office. The Government have committed to a10-year health plan that will lead the NHS to meet the challenges set out in the plan for change to build the NHS for the future, and it will be coming very soon.

I know that hon. Members across the House share the concerns of the hon. Member for Torbay about the crumbling NHS estate after years of neglect. I wish to assure Members that my right hon. Friend the Chancellor has given us the funding to begin reversing the trend of decline in the south-west and nationwide, with health capital spending rising to £13.6 billion this year.

In the south-west region, allocations have been made totalling £448 million in operational capital, empowering systems to allocate funding to local priorities; over £238 million from our constitutional standards recovery fund to support NHS performance across secondary and emergency care; and £83 million from the £750 million estates safety fund to deliver vital safety improvements, enhance patient and staff environments and support NHS productivity. This includes £7.3 million for Torbay hospital in the constituency of the hon. Member for Torbay; £10 million from our primary care utilisation fund for improvements in the primary care estate; and almost £5 million to help to reduce inappropriate out-of-area placements for mental health patients in the south-west.

ICB allocations have been talked about a lot today. For the south-west, they have been confirmed as totalling £11.5 billion out of a total of £116.7 billion allocated for England. The regional allocation per capita for the south-west is above the national average. We heard from my hon. Friends the Members for South Dorset (Lloyd Hatton) and for Bournemouth East (Tom Hayes) that the signs are being seen in their constituencies.

Richard Foord: Will the Minister give way?

Karin Smyth: I am going to just complete these points, so that I can try to address as many points as possible.

In the constituency of the hon. Member for Torbay, the local ICB, NHS Devon, receives £2.5 billion of the £11.5 billion for the south-west. The allocation per capita for Devon is higher still, and above the south-west regional average. Likewise, NHS Cornwall and the Isles of Scilly ICB received just over £1.2 billion of that £11.5 billion total. The allocation per capita for Cornwall and the Isles of Scilly is above the south-west regional average and national average.

To respond to the hon. Member for St Ives (Andrew George), I understand from NHS England that the ICB has had the debt written off, so that might be something he wants to follow up. My hon. Friend the Member for Truro and Falmouth (Jayne Kirkham) and others talked about funding allocations—we could talk about this for a very long time. They are difficult things to get right, and are controversial, but the funding formulation does account for older people and for rural populations.

The latest financial performance position publicly available is for quarter three of last year. It showed an overall deficit position of £51.7 million against the year-to-date plans, of which Dorset ICS had the largest variance of £27.7 million. Final end-of-year positions are still being finalised and will be made publicly available in due course. For '25-26, NHS systems overall have received £2.2 billion of deficit support funding in their allocations. All systems in the south-west have now agreed a balanced plan for '25-26. The position on deficit support for '26-27 will follow the spending review settlement for individual organisations agreed as part of the planning guidance process.

[Karin Smyth]

NHS England will continue to support all organisations to deliver financially sustainable healthcare through a range of improvement measures, some of which we have heard about today. Devon integrated care board, and three trusts within the ICB, are currently part of the recovery support programme, which provides intensive support to challenged organisations. Where organisations are struggling significantly, the Department of Health and Social Care provides cash support to support the continuity of patient services—obviously, that is critically important. So that colleagues are aware, I am personally meeting with finance colleagues from NHS England and the Department of Health every week to support that work. We are clear as a Government that we need to be certain that every pound of taxpayers' money is used to best effect, and that best practice is followed in this region and across the entire NHS.

The hon. Member for Torbay asked about coronary services, and that is a local decision. NHS Devon and Torbay Foundation Trust have proposed undertaking a test-and-learn process for out-of-hours primary percutaneous coronary intervention. That service will be provided in Torbay and Exeter, which would involve a temporary change to provide out-of-hours services at Exeter only. Members will be aware that the ICB was due to make a decision on the pilot at its board meeting in May. However, following significant local feedback, the ICB has decided to reflect on those issues raised, and I am sure the hon. Member for Torbay will be following up on that. The ICB will be providing an update at its board meeting in July.

In conclusion, the Government are taking the necessary steps to fix the NHS, and the Chancellor's spending review settlement puts the NHS further on the road to recovery. I assure Members that we will write back to them on any other individual points raised.

5.27 pm

Steve Darling: I thank all colleagues for coming and joining this debate, however short people's interventions may have been. I also thank the Minister for casting at least some light on this subject, but what we have heard from other colleagues from all over the south-west has been very enlightening. I am sure that there is much more for us to go away and campaign on, but this has been truly debated.

Question put and agreed to.

Resolved,

That this House has considered NHS funding in the South West.

5.27 pm

Sitting adjourned.

Written Statements

Wednesday 11 June 2025

TREASURY

Mortgage Guarantee Scheme: Contingent Liability

The Economic Secretary to the Treasury (Emma Reynolds): Supporting first-time buyers is at the heart of this Government's housing strategy as we aim to build 1.5 million new homes this Parliament. The Government recognise the difficulties that many aspiring homeowners face in getting on the housing ladder—in particular, the challenge of raising a sufficient deposit for a home. To tackle this problem head on, we committed to introduce a permanent mortgage guarantee scheme in our election manifesto to ensure buyers with smaller deposits can get a mortgage and fulfil their home ownership ambitions.

Today, I can confirm that the Government will be launching a new mortgage guarantee scheme in July 2025, delivering on our manifesto commitment to support homebuyers with smaller deposits across the UK. This Government are committed to home ownership, and we will continue to explore ways to help more prospective first-time buyers own their own homes. The scheme will be permanently available, helping to incentivise and sustain availability of 91% to 95% loan-to-value mortgages through the economic cycle by providing lenders with a Government-backed guarantee—this will insure lenders against a portion of their potential losses on those mortgages. Mortgages offered through the scheme will enable eligible first-time buyers and home movers to buy a home with a deposit as small as 5%.

Guarantees issued under the new, permanent scheme will be valid for up to seven years after the mortgage is originated. Participating lenders will pay HM Treasury a fee for each mortgage entered into the scheme. This will be set and regularly reviewed so that expected claims against the guarantee should be covered by revenue from the fee. To limit the Government's exposure from the scheme, there will be a cap on the size of the Government's contingent liability of £3.2 billion. HM Treasury judges the risk of incurring losses through the scheme to be low, which would only materialise if the sum of fees was not sufficient to cover calls on the guarantee.

Authority for any expenditure required under this liability will be sought through the normal procedure. HM Treasury has approved this proposal in principle. A departmental minute has been laid in Parliament today. If, during the period of 14 parliamentary sitting days, a member signifies an objection by giving notice of a parliamentary question or by otherwise raising the matter in Parliament, final approval to proceed with incurring the liability will be withheld pending an examination of the objection.

[HCWS694]

Modernising Public Finance Systems

The Chief Secretary to the Treasury (Darren Jones): The Government have set out their ambition to fundamentally rewire the British state so that it works for working people and delivers the plan for change. To support this agenda, I am taking forward wide-ranging reforms to modernise and reform the architecture of public spending, alongside improving levels of delegation and reducing the burden of compliance reporting HM Treasury currently requests from Departments. This will be a key contribution to our ambition of an agile and productive state.

Under these reforms, HM Treasury is developing a technology solution that enables live sharing of financial, outcome and performance data at both a departmental and programme level. This will modernise the way that the Government undertake spending control—meaning that HM Treasury and Departments will have a shared understanding in real time of how Departments are performing against their budgets and objectives.

The Cabinet Secretary has written to all Secretaries of State and permanent secretaries, setting out his expectation that they should be accountable for ensuring their departmental financial and performance systems are fully integrated with HM Treasury systems at the conclusion of this project.

Following the publication of the spending review, all Departments will be participating in feasibility work for this initiative which will include an audit of their current systems and data approaches, to deliver on this vision and take Government and public spending towards a new technology-enabled operation.

HM Treasury are working with Cabinet Office to ensure this aligns with the shared services strategy for Government and wider functional system reform and will deliver this change in line with our agreed principles for civil service reform. Departments are being encouraged to support HM Treasury and the Cabinet Office to understand what improvements to delegations, conditions and reporting requirements could be made to improve Government delivery.

[HCWS693]

Petitions

Wednesday 11 June 2025

Petition presented to the House but not read on the Floor

Humanitarian situation in Bangladesh

The petition of residents of the constituency of Coventry East,

Declares that there are mounting reports of extreme violence, persecution, destruction, and repression taking place in Bangladesh; further declares that ordinary people are being terrorised, with rising violent crime, religious extremism, politically motivated attacks, public harassment of women, and persecution of religious and ethnic minorities; and notes that these abuses are occurring under the unelected interim government of Bangladesh, with grave concern that the situation may deteriorate further without international scrutiny.

The petitioners therefore request that the House of Commons urges the UK Government to recognise the human rights abuses taking place under the interim government in Bangladesh; to work with international partners to press the United Nations to carry out an investigation assessing the risks of potential repression, the country falling further into turmoil, and the wider implications for regional security; and to take steps to hold those responsible to account, ensuring protection, accountability, and justice for the people affected.

And the petitioners remain, etc.

[P003082]

OBSERVATIONS

ENVIRONMENT, FOOD AND RURAL AFFAIRS

Retrospective charges by Yorkshire Water

The petition of residents of the constituency of Rother Valley

Declares that Yorkshire Water should cancel their retrospective charge to residents of £46.65 which was not included in their last Annual Bill for April 2024-March 2025; further that in mistakenly not including this charge, Yorkshire Water has put residents under further stress during a cost-of-living crisis; further that such a mistake is particularly frustrating for residents given Yorkshire Water's failure to properly invest in upgrading infrastructure.

The petitioners therefore request that the House of Commons urge the Government to take into account the concerns of petitioners and take immediate action to stop Yorkshire Water retrospectively charging residents £46.65.

And the petitioners remain, etc.—*[Presented by Jake Richards, Official Report,* 2 April 2025; Vol. 765, c. 390.]

[P003058]

Observations from the Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Emma Hardy):

The Government and Ofwat recognise that billing errors can cause significant inconvenience and stress, and we are grateful to the hon. Member for raising this issue on behalf of his constituents. Customers should be billed correctly and unexpected charges that are outside of customers' control may not be budgeted for, especially in the context of bill increases. We expect companies to deliver a better standard of service and appreciate that this is a frustrating situation. However, where genuine errors have occurred, companies are within their rights to correct them.

Nevertheless, companies are subject to Ofwat's performance commitments, which provide financial and reputational incentives for delivery against the standards of customer service that they are expected to attain. The "customer measure of experience" (C-MeX) performance commitment is designed to incentivise companies to provide an excellent customer experience for residential (household) customers, including issues such as minimising incorrect billing. Where performance commitments are not met, companies must reimburse customers through lower water bills—known as "underperformance payments"—in the next financial year.

Furthermore, if incorrect billing does place customers in financial hardship, all water companies have measures in place for people who struggle to pay for their water and wastewater services. These include:

Bill discount schemes such as WaterSure and social tariffs;

Actively offering payment breaks or payment holidays;

Adjusting payment plans urgently to help with sudden changes in household finances;

Simplifying the processes for customers to get extra assistance; and

Helping customers get advice on benefits and managing debts, particularly for customers who have not been in financial difficulties before.

We expect water companies to engage with their customers proactively to ensure they know what support schemes are available and how to use them if they need help. We hope this response provides reassurance that companies are strongly incentivised to prevent billing issues and to provide vital support to customers who need it.

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