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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES
(HANSARD)**

Tuesday 15 July 2025

House of Commons

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

FULLER INQUIRY PHASE 2 REPORT

Resolved,

That an humble Address be presented to His Majesty, That he will be graciously pleased to give directions that there be laid before this House a Return of a Report, dated 15 July 2025, entitled Independent Inquiry into the issues raised by the David Fuller case—Phase 2 Report.—(*Anna Turley.*)

Oral Answers to Questions

ENERGY SECURITY AND NET ZERO

The Secretary of State was asked—

Renewable Energy Sector: Workers' Rights

1. **Alex Ballinger** (Halesowen) (Lab): What steps he is taking to support workers' rights in the renewable energy sector. [905199]

The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Michael Shanks): The Government are committed to strengthening collective bargaining and trade union recognition. The Employment Rights Bill and the plan to make work pay will modernise rights and improve conditions. The Office for Clean Energy Jobs engages unions to ensure that renewable energy jobs support economic growth, the net zero transition and workers moving from carbon-intensive sectors.

Alex Ballinger: Many of my constituents in Halesowen work in energy-intensive industries such as forges and heavy manufacturing. The Government are rightly supporting those industries to become more energy-efficient, but workers need new skills, as well as skills in the many new jobs in the renewable energy sector. As they make this transition, how is the Department supporting workers in the west midlands to get the right skills for these new industries?

Michael Shanks: My hon. Friend is right to raise that point. Supporting workers in energy-intensive industries is essential as we transition our economy. The Government will provide over £1.2 billion per year in skills funding by 2028-29, supporting training in renewables, low-carbon construction and advanced engineering. We are also investing over £100 million over three years to develop

engineering skills in England and launching new technical excellence colleges to make sure that training stays aligned with employers' needs. We will also push forward on the clean energy workforce strategy this year.

Green Industries: Supply Chain Jobs

2. **Mary Glendon** (Newcastle upon Tyne East and Wallsend) (Lab): What steps he has taken with Cabinet colleagues to help increase the number of jobs in supply chains in green industries. [905200]

The Secretary of State for Energy Security and Net Zero (Ed Miliband): The industrial strategy published last month set out our plans to build clean energy supply chains in the UK, including a new £1 billion fund through Great British Energy to partner with the private sector to create jobs in Britain and the new clean industry bonus, which has the potential to unleash billions of pounds of private investment in offshore wind supply chains. We are determined that the clean energy future will be made in Britain.

Mary Glendon: The power cables over the Tyne are a barrier to businesses securing work for large renewable energy structures, risking possible net GVA benefits of up to £1.2 billion. It has been proposed that the removal of the cables will be completed in 2032. Will the Secretary of State help me push for it to be brought forward so that Tyneside is not held back in the global race for green jobs?

Ed Miliband: First, I congratulate my hon. Friend on being such a brilliant champion of the port of Tyne and what it offers, and she is right to draw attention to this important issue. Approval of any works to reroute the line is a matter for Ofgem, but we stand ready to engage with her and, indeed, Ofgem to try to bring this forward. I suggest that my hon. Friend the Energy Minister meets her to discuss this important issue.

Wera Hobhouse (Bath) (LD): Despite the growing need for green jobs—obviously, we are all in favour of making sure we have green jobs—fewer than one in 10 employees receive any dedicated green skills training, according to an OVO Energy survey. What can we do to support businesses, and what can the Government do to accelerate that important training programme in all businesses where we need green jobs?

Ed Miliband: The hon. Lady raises an important issue. Later this year, we will publish a clean energy skills plan to address precisely this question: how do we make sure we equip workers with the skills they need to take advantage of those jobs? That is being led by my right hon. Friend the Education Secretary in the work she is doing with Skills England, but there is a whole range of things we can do. For the first time, the Government will publish what the skills needs are for clean energy jobs and how we will meet them, which will be an important step forward.

Dr Marie Tidball (Penistone and Stocksbridge) (Lab): As people fly off for their summer holidays, the chances are that the steel in the aeroplane's engine comes from the Stocksbridge Speciality Steels plant in my constituency. I am hopeful about the news that Liberty Steel, which

owns the site, has attracted potential investors for this asset. The asset is essential for our national security and provides opportunities for net zero infrastructure, including wind turbines. However, uncertainty about the firm means that pension contributions have not been paid to the skilled workforce for 10 months, causing significant worry and anxiety for 600 local steelworkers. What reassurances can the Secretary of State provide to Stocksbridge steelworkers about how the outstanding pension contributions will be paid, including in any future ownership arrangements?

Ed Miliband: My hon. Friend raises an important issue about her constituency and the steel industry, and I would say two things. One is that what this Government have done, which I am afraid was not done previously, is set up a dedicated fund for steel so that we are able to make the green transition. We talked about this in opposition, and we are now delivering billions of pounds to help the steel industry transition. The other is that I will take up the specific pensions issue she raised with my right hon. Friend the Business and Trade Secretary.

Graham Leadbitter (Moray West, Nairn and Strathspey) (SNP): The workers of Grangemouth deserved far better than they got from the Labour Government. To add insult to injury, they have had to watch them pull out all the stops for Scunthorpe and Prax Lindsey. In a written answer to me, the Energy Minister refused to confirm how much money the UK Government had spent to continue operations at Lindsey. Will the Secretary of State now come clean and tell us what price they are willing to pay to save jobs in England, which they were not willing to pay to save Grangemouth in Scotland?

Ed Miliband: The hon. Gentleman is so wide of the mark it is unbelievable. The Grangemouth closure was foreshadowed before this Government came to power. We have worked hand in glove with his colleagues in the Scottish Government—all the way along, Gillian Martin and I have been working on it—and for him to try to make party politics out of the issue is, frankly, a disgrace.

Mr Speaker: I call the shadow Secretary of State.

Andrew Bowie (West Aberdeenshire and Kincardine) (Con): The British oil and gas industry is a resilient sector—it has had to be, given this Government's actions over the past year—and it takes a lot to shock it, but shocked it was when, on 2 July, sadly the Energy Minister claimed to the Scottish Affairs Committee that there was no “material difference” between oil and gas imports and production from the North sea. Might the Secretary of State take this opportunity to apologise and clarify those remarks, because thousands of workers in the energy industry supply chain in Aberdeen and across the UK are very worried that the Department has such scant regard for them, their work and this world-leading industry?

Ed Miliband: First of all, Mr Speaker, let me congratulate the hon. Gentleman on his promotion to shadow Secretary of State. *[Laughter.]* On the specific issue he raises, we will take no lectures from the Conservatives. Some 70,000 jobs were lost in the North sea on their watch. And here is the difference: we are building the future.

The Acorn project was talked about for year after year by the Conservatives but nothing was done. This Government are delivering.

Mr Speaker: I call shadow Minister Bowie.

Andrew Bowie: The Secretary of State will not apologise. That is absolutely fine. The industry already knows that this is a Government who want nothing to do with it, and who take every opportunity to talk it down and make every effort to shut it down. In that same session last week, the Minister who is sitting to the Secretary of State's left also claimed that

“much of the gas that is extracted from the North sea is exported”. That is simply not true: 100% of all the gas extracted from the North sea is used in Britain. The Secretary of State knows that, so why is he so determined to talk down this industry, spout falsehoods and myths, drive investment out of the UK, rely more on imports and, crucially, cost people's jobs and drive the skills we need out of this country? That is exactly what he and his colleagues are doing.

Ed Miliband: Here is the difference between them and us. They would keep us hooked on fossil fuels for time immemorial. They have learned not a single lesson from the disaster they inflicted on this country: family finances ruined; business finances ruined; public finances ruined. A year on, there is not a word of apology.

Clean Power: Jobs

3. **Emma Foody** (Cramlington and Killingworth) (Lab/Co-op): What estimate he has made of the number of additional jobs that have been created in clean power industries in the north-east since July 2024. [905201]

4. **Noah Law** (St Austell and Newquay) (Lab): What estimate he has made of the number of additional jobs that have been created in clean power industries since July 2024. [905202]

9. **Chris Vince** (Harlow) (Lab/Co-op): What estimate he has made of the number of additional jobs that have been created in clean power industries since July 2024. [905207]

10. **Katrina Murray** (Cumbernauld and Kirkintilloch) (Lab): What estimate he has made of the number of additional jobs that have been created in clean power industries since July 2024. [905208]

The Secretary of State for Energy Security and Net Zero (Ed Miliband): Since coming to office, the Government have shown how clean power can create jobs across our country, with thousands of jobs in nuclear, through our investments in Sizewell C and small modular reactors; in carbon capture and storage; in offshore wind; and in home heating through our warm homes plan. This is what it means to deliver reindustrialisation through our clean energy sprint.

Emma Foody: I thank the Secretary of State for that answer. The north-east is uniquely placed to be the home of the green energy revolution, with the expansion of the Energy Academy in north Tyneside providing a skills pipeline. How will the clean energy industries

sector plan help to provide long-term certainty for investment and deliver good quality jobs for communities across my Cramlington and Killingworth constituency and the north-east?

Ed Miliband: I see the north-east as an absolute powerhouse for the clean energy jobs we want to create. Early on in this Government, we did something which again had been talked about for years by the Conservative party in delivering the east coast carbon capture, usage and storage cluster, which is projected to create thousands of jobs, including benefits for my hon. Friend's constituency. It is not just the direct jobs that will be created, but jobs in the supply chain. We have an opportunity—the north-east will be at the heart of this—to lead in the clean energy jobs of the future.

Noah Law: I declare an interest as the chair of the all-party parliamentary group on critical minerals. Building local supply chains in Cornwall is one of the primary means by which local people can benefit, if we are to dig nearly £1 billion-worth of stuff out of the ground every year or pump 95 GW of offshore wind power onshore. Therefore, what steps is the Secretary of State taking to ensure that supply chain businesses, particularly those of the size we have in Cornwall, and their workforces get the support they need, so that workers and local communities may share in the spoils of that investment?

Ed Miliband: Let me first say how much I love Cornwall. I love Cornwall for many reasons, but one reason I love it is the opportunity it offers to drive the jobs of the future. I know from my visit that, whether it is through critical minerals, geothermal or offshore wind, there are huge opportunities in Cornwall. That is what the industrial strategy is designed to superpower. That is what the huge investments my right hon. Friend the Chancellor made in the spending review will provide. As part of our clean energy workforce strategy later on this year, Cornwall will be at the heart of it.

Chris Vince: I know that the Secretary of State loves Harlow as well. Does he agree that the historic investment in clean energy secured at the spending review will mean thousands of job opportunities for young people, including in Harlow, in renewable energies, nuclear, energy efficiency and so much more?

Ed Miliband: I love Harlow, Mr Speaker, and I love Harlow college. The visits I have made to the college have been incredibly inspiring; I have seen with my own eyes the enthusiastic young people there and spoken to them about green skills and the jobs of the future. When I think about what this Government intend to deliver, it is absolutely about my hon. Friend's constituents in Harlow.

Katrina Murray: Will the Secretary of State join me in congratulating TK Murray Ltd—no relation, honest—an energy-saving contractor based in Kilsyth, on having already cross-trained more than half its workforce to become fully fledged installers of air source heat pump technology from gas boilers? This has been facilitated by Warmworks, which has developed a supply chain of more than 30 small and medium-sized enterprises to make more than 750 green jobs a reality.

Ed Miliband: I love Cumbernauld, Mr Speaker. My hon. Friend raises the important opportunities in heat pump technology. The growth in heat pumps that we are seeing is not just about a better deal for consumers, but about the manufacturing that we can see. My hon. Friend has given a great example of that.

Mark Pritchard (The Wrekin) (Con): If the Secretary of State loves Shropshire, and I am sure he does, I hope he will not bulldoze over all our green belt—but that is another story for another day.

The Secretary of State talks about green jobs. I am sure he does not want our fire services to be deployed more and more, but with solar energy feeding into battery energy storage systems, there is real concern at Shropshire fire service and across the country that there will be fires that are very difficult for our fire services to control. Does the Secretary of State agree that our fire services should be a statutory consultee on future planning applications for battery storage?

Ed Miliband: This is an important issue that we need to take seriously. At the moment, it comes under the health and safety regime, but we are consulting on the best arrangements to ensure that we have the highest standards of safety. There are high safety standards in place, but as we see the growth of batteries, we will endeavour to ensure that those standards are maintained.

Alison Bennett (Mid Sussex) (LD): It goes without saying that I love Burgess Hill. One brilliant business there is Steve Willis Training, which is this week celebrating 25 years in business, training the region's future electricity, plumbing and heating engineers. Does the Secretary of State agree that such businesses are vital in delivering the skills of the future, and will he join me in congratulating Steve Willis Training on being a brilliant family business that provides key skills to the south-east?

Ed Miliband: I warmly congratulate Steve Willis Training on its 25 years in operation and on the work it is doing. The hon. Lady makes an important point: we can help to create jobs in the private sector, but the question then is whether people will have the skills to fill them. Organisations and companies like Steve Willis Training are fundamental to that. Sometimes it requires lots of training; sometimes it requires shorter amounts of training to retrain people in new technologies like heat pumps. It is vital that that training happens.

Mr Richard Holden (Basildon and Billericay) (Con): People across Basildon and Billericay, and indeed across the country, want to see more jobs in energy production and to see cheaper energy. What they do not understand is why the Government are backing some but not all forms of energy. Why are the Government insisting on shipping jobs in oil and gas abroad, rather than keeping them here while investing in green energy at the same time?

Ed Miliband: The answer is that we are not. As the right hon. Gentleman knows, the reality is that the North sea has been a basin in decline and that 70,000 jobs were lost under the previous Government. The question is: do we create the jobs of the future as well as maintaining

existing fields for their lifetime? This Government are committed to doing so. If he wants to see those jobs, he should support our plans.

Seamus Logan (Aberdeenshire North and Moray East) (SNP): Tempted as I am to wax lyrical about the beauties of Aberdeenshire, I will instead ask the Secretary of State a very simple question. By this time next year, how many jobs will GB Energy have created in Aberdeen and Aberdeenshire?

Ed Miliband: GB Energy will create thousands of jobs across the country, including in Aberdeen. Here is why GB Energy really matters: we have chosen to put its headquarters in Aberdeen, as we recognise that Aberdeen is the clean energy capital of our country—not just for oil and gas, which is important, but for the future. SNP Members are chuntering on the Front Bench, but they never did anything to create that future for people in Aberdeen.

Electricity Grid Capacity

5. **Calum Miller** (Bicester and Woodstock) (LD): What steps he is taking to increase electricity grid capacity. [905203]

The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Michael Shanks): We are working with Ofgem and the National Energy System Operator to accelerate network infrastructure through reforms to planning, supply chains and other areas, delivering the capacity needed to achieve clean power by 2030 and to drive economic growth.

Calum Miller: In my constituency of Bicester and Woodstock, the local plan anticipates significant new employment sites to create jobs and growth. Tritax Big Box tells me that it wants to put solar panels on 100% of usable roof areas on the buildings that it intends to create. Local planning policies would support that, yet I was shocked to learn that Tritax expects to install solar panels on only 25% of usable roof space. It cannot get a permit to generate electricity or consent to export to the grid. Will the Minister or his officials meet me to discuss how we can turn this into a win-win opportunity for rooftop green solar?

Michael Shanks: That sounds like a fantastic opportunity. Our ambition is to see solar panels on as many rooftops across the country as possible. It is a win-win opportunity, as the hon. Gentleman rightly puts it. He and I have spoken about a number of these issues previously, and I am happy to discuss this one with him. If he could write to me with the specifics, we will certainly look at the matter. In the meantime, we are looking at reforming all those processes to make sure that we can get as much power as possible.

Mr Speaker: I call the Chair of the Energy Security and Net Zero Committee.

Bill Esterson (Sefton Central) (Lab): The challenges of increasing electricity grid capacity include the ability to get planning consent and to achieve grid connections, as the Minister knows. In the report that the Select Committee published last week, we referred to the problem of inconsistency in some of the guidance and energy plans over which comes first—the grid connection or the planning consent. Will the Minister please address

that and ensure that the Government clear up that inconsistency, so that we can move forward with increasing electricity generation and grid capacity?

Michael Shanks: I thank my hon. Friend for the question and for the work that he and the whole Committee have been doing on this matter. His report has been my bedtime reading every night this week as it is an important piece of work. He is right about two things. First, where processes are not as well aligned as they should be, we absolutely need to look at what we can do to make sure that they work much more coherently. The second point his report made, which we are also looking at, is how we bring together things such as the strategic spatial energy plan, the holistic network design and the land use framework to make sure that we have coherent plans across the country, so that we can plan properly our energy system.

Energy Costs: Businesses

6. **Shaun Davies** (Telford) (Lab): What steps he is taking to help support businesses to reduce their energy costs. [905204]

The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Miatta Fahnbulleh): We know that the cost of energy is a huge challenge to businesses across the country. That is why our mission to deliver clean power by 2030 is so important: that is how we will get bills down for good. While we try to get there, we are taking action to support businesses, including through the new British industrial competitiveness scheme, which will reduce electricity costs by around 20% to 25% for more than 7,000 businesses.

Shaun Davies: When the Government help businesses reduce energy costs, including by aiding their transition, businesses such as the pubs and cafés in Dawley, Madeley and Oakengates and manufacturers on Stafford Park and Halesfield can then protect and create jobs and pass on savings to customers. Will the Government back those businesses and ask the energy giants, which continue to make tens of billions of pounds of profit, to pay for it?

Miatta Fahnbulleh: My hon. Friend is completely right to stress the challenges faced by businesses. The Government are committed to backing businesses. We are working with the regulator to make sure that the system is fair for everyone and, as is set out in our industrial strategy, from 2027 the new British industrial competitiveness scheme will reduce electricity costs by up to £40 per megawatt-hour, which will benefit thousands of electricity-intensive industries, including the ones in his constituency. We are very clear that we are backing businesses, and we will do everything we can to support them in driving down bills.

Martin Vickers (Brigg and Immingham) (Con): Energy costs are an issue that the Prax oil refinery has brought to my attention over the years as a problem it has been facing. I appreciate the calls I have had with the Minister for Energy about this. I was able to visit the plant on Friday, and there was clearly growing concern, with hundreds of jobs at risk. What assurance can the Minister offer my constituents who are affected by this situation?

Miatta Fahnbulleh: The hon. Member is right to raise this situation; we know that it is very difficult, and we have been engaging on it. There have been long-standing issues with how the plant is run. We are trying, across the piece, to support businesses to make the transition—and support them within the transition—so that we can protect jobs across the country.

Mr Speaker: I call the shadow Minister.

Nick Timothy (West Suffolk) (Con): When the price cap fell last month, the Labour party boasted, “£129 off your bills, delivered by Labour”. The Minister knows that energy bills fell as wholesale gas prices fell, and she knows that her policy is to take the country off gas and keep increasing policy costs on bills. That is why she refuses to repeat the claim. Will she take this opportunity to apologise for her party saying something that she knows is untrue?

Miatta Fahnbulleh: Every time the hon. Member stands up to speak, I hold my head in absolute frustration. He is gambling with fossil fuels, and quite frankly the Conservatives should hang their heads in shame. Energy bills rocketed under their watch and they did nothing about it—they were happy with that. That is not a legacy that we are willing to contend with, which is why we are taking action in the short term to drive down bills through our sprint to clean power. Their legacy is one they should be ashamed of, so they should not be lecturing us.

New Nuclear

7. **David Taylor** (Hemel Hempstead) (Lab): What assessment he has made of the role of new nuclear in supporting a clean energy transition. [905205]

24. **Adam Thompson** (Erewash) (Lab): What assessment he has made of the role of new nuclear in supporting a clean energy transition. [905222]

The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Michael Shanks): The clean power 2030 action plan makes it clear that nuclear will play an important role in our future energy system, providing low-carbon baseload power to the grid. We are delivering the biggest new nuclear building programme in a generation, having committed almost £17 billion at the recent spending review.

David Taylor: I was grateful to the Secretary of State for showing his love for Hemel Hempstead when he came to launch a new scheme on solar panels the other month. On the question of new nuclear and clean jobs, could the Minister outline how communities like mine in Hemel Hempstead will benefit from these new jobs?

Michael Shanks: Well, my right hon. Friend the Energy Secretary says that we love Hemel Hempstead; I think we agree on that. The nuclear sector is poised for significant growth. That will help deliver on our energy needs in the future, and it is how we will deliver thousands of skilled jobs across the country. The nuclear skills plan is a collaborative effort between Government, industry and academia, setting out the targeted work we need to address the skills gap and bring forward the thousands

of apprentices we will need to deliver this work in the future. The regional skills hubs we have established will help to deliver training support locally to ensure that every community in the country benefits.

Adam Thompson: Rolls-Royce in Derby has recently been announced as the preferred bidder for the delivery of small modular reactors, which means that many of my Erewash constituents will become the beating heart of the workforce that delivers the reactors. Can the Minister explain how Derbyshire’s finest SMRs will help to end our reliance on foreign oil and gas?

Michael Shanks: My hon. Friend is absolutely right; the Government are committed to delivering a new golden age of nuclear, securing an abundance of clean power after 14 years of dither and delay from the Conservatives, and with that will come investment across the country. On 10 June, following a robust two-year process, Great British Energy Nuclear selected Rolls-Royce SMR as its preferred bidder to deliver the UK’s first small modular reactor, subject to final Government approvals and contract signature. The Government are making available £2.5 billion across the spending review to enable this to be one of Europe’s first SMR programmes.

Jim Shannon (Strangford) (DUP): I have always been a supporter of nuclear power. Unfortunately, we do not have access to nuclear power in Northern Ireland, but I know from discussions with the Minister that he is very keen to ensure that modular nuclear power opportunities are available in Northern Ireland. Business that I have spoken to want access to these opportunities, as does the Northern Ireland Assembly. I know that the Minister is always committed to trying to make things better, so has he had an opportunity to talk to the relevant Minister in the Northern Ireland Assembly about ensuring that access to modular nuclear power is available to us in Northern Ireland?

Michael Shanks: I regularly engage with Ministers in the Northern Irish Executive, including in the Department for the Economy, which has responsibility for energy policy in Northern Ireland, and we discuss a range of issues. We are happy to support the Northern Irish Executive in any way we can, either with technology or through rolling out the regulatory framework. We are really excited about the opportunities posed by SMRs and are happy to discuss that in Northern Ireland as well.

Industrial Electricity Prices

8. **Wendy Morton** (Aldridge-Brownhills) (Con): What steps his Department is taking to help reduce industrial electricity prices. [905206]

25. **Sir John Whittingdale** (Maldon) (Con): What steps his Department is taking to help reduce industrial electricity prices. [905223]

The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Miatta Fahnbulleh): We understand that high energy bills are a challenge for businesses, and particularly energy-intensive companies. We are clear that, in the long term, our mission to deliver clean power is the only way to bear down on that cost. But

while we get there, we are providing the support needed through the British industrial competitiveness scheme and the supercharger scheme, protecting over 7,000 businesses.

Wendy Morton: The UK's industrial electricity prices are among the highest in Europe, and it is quite clear that the Government's current policies are failing manufacturing businesses in constituencies such as mine. Will the Minister commit to introducing support that genuinely reduces electricity costs for manufacturers, including by tackling high wholesale energy prices, rather than prolonging the uncertainty, which sadly puts local jobs at risk?

Miatta Fahnbulleh: I gently remind the right hon. Member that industrial energy prices rocketed on the Conservatives' watch. Gas prices for non-domestic companies went up by 170%, which was catastrophic for UK plc. We are taking action to support businesses through our sprint to clean power and, critically, the measures we are providing through the British industrial competitiveness scheme. Those measures have been supported by Make UK, the British Chambers of Commerce, UK Steel and the Chemical Industries Association. The Conservatives dithered, delayed and did nothing to support businesses; we are cracking on and getting on with the job.

Sir John Whittingdale: On Friday, I visited C&M Precision Ltd, a small manufacturing company in my constituency. Electricity represents easily its biggest cost. What is the Minister doing to listen to small and medium-sized enterprises like C&M who feel that their voice is simply not being heard?

Miatta Fahnbulleh: We are listening to businesses, particularly small and medium-sized businesses. We have heard companies complain, for example, about being locked into expensive fixed-term contracts. That is why Ofgem is working to deliver blend-and-extend contracts so that businesses can benefit from lower prices. We have heard their frustration at the lack of a redress system, which is why last December we expanded the ombudsman service to 99% of businesses so that they can get redress and financial awards of up to £20,000. We have also heard their frustration about energy brokers, which is why we have consulted on introducing regulation of third-party intermediaries. We will respond in due course.

Mike Reader (Northampton South) (Lab): Last week, the Energy Security and Net Zero Committee heard from Make UK and representatives from the chemical, petrochemical, steel and ceramics industries that closer alignment and collaboration with the EU on energy pricing is critical to reducing bills. That is also recognised in the Government's industrial strategy. What more is the Department doing to bring that forward quickly?

Miatta Fahnbulleh: My hon. Friend makes a good point. Industry voices have been calling for that close alignment, particularly on the emissions trading scheme—we have heard that from UK Steel, the CBI, Make UK and the Energy Intensive Users Group—and we believe that those stronger linkages are the right thing to do to cut red tape at the border, to protect

consumers from higher costs and, critically, to boost trade and growth, which the Government are absolutely committed to doing.

Alistair Strathern (Hitchin) (Lab): One way to drive down energy costs, including for energy-intensive industries, could be to help cut curtailment costs by encouraging the co-location of new energy-intensive industry sectors with some of the renewable sectors that we are currently having to pay to switch off. As we start to roll out more data centres across the country, what conversations have Ministers had about how such centres could be optimally located to help reduce our energy bills at the same time?

Miatta Fahnbulleh: My hon. Friend makes a good point, as always. We in the Department are working across Government—as part of the AI Council as well as with colleagues in the Department for Business and Trade—to ensure that we have the co-ordination and collaboration to support businesses on the ground.

Clean Energy: Supply

11. **Marsha De Cordova** (Battersea) (Lab): What steps he is taking to help increase the supply of clean energy. [905209]

The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Michael Shanks): We will continue to support new renewables through the contracts for difference scheme in conjunction with initiatives such as the warm homes plan, the future homes standard and the boiler upgrade scheme. Great British Energy and Great British Energy Nuclear will together invest more than £8.3 billion over this Parliament in home-grown clean power.

Marsha De Cordova: I welcome the Government's mission to achieve clean power by 2030. I know that the Minister will agree that it is vital that we make the transition to net zero as quickly as possible, not only to fight climate change but to lower energy bills. Does he agree that whereas previous Governments have failed to deliver for the British people, our plans are the single best way to bring down energy bills for families, including in my Battersea constituency, and to provide them with much-needed energy security?

Michael Shanks: I completely agree. My hon. Friend makes the point that this is not just about action on the climate—as important as that is—and creating thousands of new jobs, but about bringing down bills and, crucially, delivering on that energy security point. The truth is that even though our clean power mission is about doing all four of those things at the same time, the Conservative party opposes all of that action, would leave us much more vulnerable to the volatility of the fossil fuel markets, and would turn its face against the economic opportunity of the 21st century.

Sir Jeremy Wright (Kenilworth and Southam) (Con): The Minister will recognise that one way to increase the supply of clean energy is to enable community energy projects to supply local energy markets. When Ministers are asked about that, as he knows they have been many times, they generally say that there is no technical

obstacle to it happening, but will the Minister recognise that there is world of difference between, on the one hand, something being technically possible and, on the other, that same thing being facilitated and encouraged so it really happens? Will he focus on the latter as the Government develop their energy market reforms?

Michael Shanks: I completely agree. The right hon. and learned Gentleman is absolutely right: there are no technical barriers to doing it, but that does not mean that it is a straightforward process. To be honest, things that I thought would have been much more straightforward, like how we define “community”, are more difficult to get right, but we are absolutely determined to do it. He is right to make the point about delivering clean power that benefits local communities, so that they can buy it locally and really see the benefit of hosting it. That is exactly what we are determined to do and we will continue to work to make it happen.

Warm Home Discount

12. **Luke Akehurst** (North Durham) (Lab): What assessment he has made of the potential impact of extending the warm home discount to all households in receipt of means-tested benefits on people receiving those benefits. [905210]

The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Miatta Fahnbulleh): We know that households are under huge pressure with the cost of living, and energy costs are a big part of that. The expansion of the warm home discount scheme will mean that nearly 3 million more families will receive vital support with their energy bills this winter. This will provide much-needed help at a time when people desperately need it.

Luke Akehurst: Will the Minister confirm how many residents in my North Durham constituency will benefit from the extension of the warm home discount to all households in receipt of means-tested benefits?

Miatta Fahnbulleh: Sadly, we do not have data at constituency level, but I can tell my hon. Friend, who is a brilliant champion for his constituency, that around 100,000 extra households in the north-east will benefit from the expansion—an increase of around 50%.

Mr Gregory Campbell (East Londonderry) (DUP): The Minister will be aware that many homes, particularly in rural areas, are older properties that are difficult to insulate. Does she agree that we all need to concentrate on those older types of properties, many of which are the homes of elderly people who cannot afford expensive energy? We need to concentrate on ensuring that those homes are properly insulated and that the warm home discount scheme is extended to such properties.

Miatta Fahnbulleh: The hon. Member makes an important point. We are very clear that we need to make sure that we have the right solutions for every household, including those in rural communities. I have met representatives from rural communities, councils, Members and some of the companies that are trying to do work in rural communities. We are absolutely committed to getting this right as part of the warm homes plan.

Renewable Energy: Private Sector Investment

13. **Jess Brown-Fuller** (Chichester) (LD): What assessment he has made of the adequacy of mechanisms to encourage private sector investment in renewable energy sources. [905211]

The Secretary of State for Energy Security and Net Zero (Ed Miliband): Since the election last year, we have secured over £50 billion of investment into the UK’s clean energy industries. Last year’s renewables auction for allocation round 6 was the most successful in our history, and we will shortly open the AR7 auction. This is the way to deliver energy security, lower bills and good jobs for our communities.

Jess Brown-Fuller: Private sector investment via community energy schemes is a popular way of engaging people to get behind renewable energy projects in their area. A great example is Meadow Blue Community Energy in my constituency of Chichester, which puts money back into the community with a grant scheme and is now funding solar panels on local school roofs. Does the Secretary of State agree that community energy projects would attract more private sector investment if grid access costs were reduced and the delivery of local supply was made easier?

Ed Miliband: The hon. Lady raises an important issue, which was also raised by the right hon. and learned Member for Kenilworth and Southam (Sir Jeremy Wright). She is right about the virtues of community energy. Great British Energy is going to partner with local communities to deliver community energy up and down the country, because sometimes public capital—it could be loans, it could be grants—can help lever in the private capital that we need. She is also right about some of the barriers, as the Energy Minister mentioned. I want to assure her that we are going through the different barriers in granular, nerdy detail to see how we can break them down.

Torcuil Crichton (Na h-Eileanan an Iar) (Lab): I must declare an interest as a crofting tenant of Knock and Swordale common grazing, as good a definition of a community as you can ever get, but Knock and Swordale, along with several other community power schemes in my constituency, cannot get grid connections except through active network management connections, which basically means that the communities can supply power to the grid only when the big boys—the commercial companies—are not doing so. These connection offers are next to useless, and the National Energy System Operator, Ofgem and the transmission companies have to be told from this Dispatch Box that they cannot be agnostic about what kind of grid connection they offer and to whom. They must put communities first if communities are going to support this transition.

Ed Miliband: My hon. Friend, who I have talked to on a number of occasions about these wider issues, raises a really important point. I was just talking to the Energy Minister about it. Let me take away my hon. Friend’s point about access. We are committed to driving forward community energy, and we will talk to NESO and Ofgem to get it right and make sure it happens.

Net Zero Policies

14. **Matt Turmaine** (Watford) (Lab): What steps he is taking to ensure scientific evidence is used to support his net zero policies. [905212]

The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Kerry McCarthy): Yesterday, the Secretary of State made an incredibly important statement to this House outlining the crises we face when it comes to climate change and the decline of nature. Tackling this starts with being honest about the science and what the experts are telling us. We know that we can only have climate security for future generations by acting at scale today.

Matt Turmaine: I thank the Minister for her answer. Energy security is important not just to help bring bills down now. Does the Minister agree that it is also vital for the future and for protecting future generations, including in my constituency of eminently lovable Watford, because those young people are the ones who will face the climate change consequences in the years to come?

Kerry McCarthy: As someone who grew up in Luton, I am not sure I am allowed to say that I love Watford, because there is an age-old rivalry there—but yes, we know that acting now with our clean energy superpower mission, scaling up renewables, reinforcing the grid and reducing our reliance on volatile fossil fuel markets will mean a cleaner, more secure future for generations to come. That is why, unlike the Conservatives, we are following the science and showing the leadership that is needed at home and abroad.

Graham Stuart (Beverley and Holderness) (Con): Around Beverley, there are proposals for five solar farms, totalling 465 MW. Can the Minister assure my constituents that the scientific evidence that will be used to assess this will include the cumulative impact of these projects on the area around Beverley?

Kerry McCarthy: Yes, of course we look at the cumulative impact of these developments. Having been in the Department, the right hon. Gentleman will know that we have an excellent team of scientists led by Professor Paul Monks, who I want to pay tribute to because he is standing down later this year. I am sure the right hon. Gentleman would want to do so too.

Mr Speaker: I call the shadow Secretary of State—and congratulations on your marriage!

Claire Coutinho (East Surrey) (Con): Thank you, Mr Speaker.

The Secretary of State tried to argue yesterday that he is a climate change believer and everybody else who disagrees with him is a denier, because he does not want to engage with any legitimate criticism of his policies. He is offshoring British industries—in other words, replacing British goods with dirtier imports with higher emissions. Can the Minister confirm what the scientific evidence is that doing so will help to tackle climate change?

Kerry McCarthy: Perhaps if the right hon. Member had been here yesterday, she would have been able to engage with the Secretary of State on this. The science is absolutely clear: every avoided fraction of a degree of

warming makes a difference to the severity of climate impacts. That is why the Prime Minister went to the global leaders summit at COP29 last year to announce a new 1.5°C-aligned nationally determined contribution, and we will continue to show international leadership.

Radio Teleswitch Service

15. **Christine Jardine** (Edinburgh West) (LD): What steps he is taking to manage the radio teleswitch service switch-off. [905213]

The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Miatta Fahnbulleh): The Government have stepped in to ensure a more controlled and carefully managed phase-out of the radio teleswitch service. I have been engaging directly on this and meeting Energy UK and Ofgem fortnightly to discuss progress and the suppliers' phase-out plan. My focus and priority is absolutely clear: to ensure that there is no impact on consumers and that we minimise any consumer detriment.

Christine Jardine: I welcome the Government's change in course, because the previous hard deadline would have left many people, including people in my constituency of Edinburgh West, vulnerable and, indeed, unaware that there was any need to change their meter, but there is still a big problem in Scotland, as 100,000 people are still waiting on meters, and may be unaware of this issue. On engaging with the community, will the Minister please tell us what she is doing in Scotland to ensure that rural communities are approached about this, and vulnerable people get protection?

Miatta Fahnbulleh: We have been working closely with the Scottish Government and engaging with Scottish MPs. We know that about 97,000 meters needs to be replaced in Scotland. All those households have been contacted multiple times. In addition, because we know that there are particular challenges in some rural communities, we have done a sprint, in which suppliers are working in collaboration with the local authority to bring down the number of replacements needed. I can reassure the hon. Member that no area will be switched off without us contacting consumers to inform them, without us allowing them to book in emergency appointments, and, critically, without us informing MPs and local authorities, so that we do this in the best possible way.

Climate Change Committee Report

16. **Peter Swallow** (Bracknell) (Lab): What assessment he has made of the potential implications for his policies of the Climate Change Committee's report entitled "Progress in reducing emissions", published on 25 June 2025. [905214]

The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Kerry McCarthy): The Climate Change Committee report made clear the progress we have made in the past 12 months on overturning the terrible legacy of the Conservatives, who turned their back on climate action. We know that clean power is the route to energy security, lower bills and good jobs. It is a shame that the Tories and Reform are still stuck in the past.

Peter Swallow: The Climate Change Committee says that the UK should be proud of its approach to consistent and sustained decarbonisation, but there is much more to do. This week, Bracknell Forest Community Climate Action is hosting a summit to discuss what can be done locally to address climate change and support nature. Does the Minister agree that local initiatives like this demonstrate the strong public support for action on climate change?

Kerry McCarthy: We know that there is strong public support, and we are keen to engage more at a local level with groups like Bracknell Forest Community Climate Action. That is why we have set up the local net zero delivery group to work with councils and mayors, and why we will produce a public participation strategy later this year. I very much hope that my hon. Friend's constituents will get involved in that.

Dr Danny Chambers (Winchester) (LD): Will the Minister join me in congratulating the fantastic Lib Dem-run Winchester city council on being rated the greenest council in the UK by Climate Action UK? That is a lot of work by politicians, and it shows what politicians who dearly believe in this issue can achieve if they crack on and deal with it, rather than weaponising it in some kind of culture war.

Kerry McCarthy: I am happy to join the hon. Member in congratulating his local council. I visited the Local Government Association the week before last, I think, with the local net zero delivery group, on which we have representation from all areas of local government. I am keen to learn from the best and translate that into action for others who need a bit more encouragement.

Renewable Energy

17. **Helen Maguire (Epsom and Ewell) (LD):** What steps he is taking to increase the use of renewable energy. [905215]

The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Michael Shanks): Our clean power 2030 action plan sets out our pathway to delivering clean power. To support that plan, we recently launched the solar road map, which confirms plans to increase domestic solar installations through the future homes standard and warm homes plan.

Helen Maguire: Over 50% of our food and £2.7 billion in lifesaving medicines depend on the cold chain, but operators face soaring energy costs and growing grid instability. In Epsom and Ewell, Sunswap is pioneering battery and solar-powered refrigeration, which cuts emissions while protecting vital supply chains. Will the Minister commit to targeted support for renewable energy innovators like Sunswap, whose technology can strengthen both sustainability and national resilience?

Michael Shanks: The hon. Lady is right that we have an enormous amount of innovation in this space and real potential to meet our future needs, not just as a result of the pathway that we have outlined, but through innovative solutions like the one she mentioned, which provide specific support to targeted industries. I am happy to look further into her proposals, and at the funding available for innovation. If she wants to write to me with any details, I will happily follow up.

Dave Robertson (Lichfield) (Lab): A business in the village of Fradley in my constituency has a plan to put millions of watts of solar on the roof of its businesses. Unfortunately, it cannot proceed with that application, because there is not sufficient export capacity on the site. It would never export a watt of that electricity, which would meet only a fraction of its energy needs. Will the Minister meet me, so that we can discuss how we can make regulatory changes to support projects like this one?

Michael Shanks: My hon. Friend makes a point that others have raised. We are looking in granular detail at how the system works to ensure that the regulatory landscape allows such opportunities to be taken. I am very happy to meet him to discuss this further. We are taking a detailed look at every single aspect of the system, so that communities, businesses and others can benefit from being able to export power to the grid. That will help the country with its energy needs and deliver a benefit for local communities.

Household Energy Bills

18. **Alex Brewer (North East Hampshire) (LD):** What steps he is taking to help reduce household energy bills. [905216]

22. **Mrs Elsie Blundell (Heywood and Middleton North) (Lab):** What steps he is taking to help support low income families in the context of trends in the level of energy prices. [905220]

23. **Max Wilkinson (Cheltenham) (LD):** What steps he is taking to help reduce household energy bills. [905221]

The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Miatta Fahnbulleh): We believe that the best way to protect households permanently is through our mission to deliver clean power by 2030. Combined with our warm homes plan to upgrade millions of homes across the country so that they are warmer and cheaper to run, that will drive down energy bills and make cold homes a thing of the past. We know that we need to support people while we make that transition, which is why we are extending the warm home discount.

Alex Brewer: Almost 10% of people in my North East Hampshire constituency live in fuel poverty. I agree with the Minister that investing in renewable energy would help to tackle that, so how is she working with the Ministry of Housing, Communities and Local Government to empower local authorities to develop renewable energy generation locally—by following Europe's lead in putting solar over car parks, for example—in order to make energy cheaper and more sustainable?

Miatta Fahnbulleh: The hon. Member is right: there is a big push to work with local and regional authorities to ensure not only that we generate renewables that can impact on bills, but that we upgrade homes. Through local energy action plans, local authorities are, for the first time, working with the National Energy System Operator and other systems operators to drive that. Local and regional authorities have a crucial role to play in upgrading millions of homes across the country.

Mrs Blundell: My Heywood and Middleton North constituents live in a state of profound uncertainty as to how the unpredictability of global energy markets will affect their families. Does the Minister agree that if we want to protect those families from volatility, we must end our reliance on global fossil fuel markets, and introduce targeted interventions to bring bills down, particularly for those on the lowest incomes?

Miatta Fahnbulleh: My hon. Friend is right. It beggars belief that the Conservative party is so stuck in its ideological opposition to moving towards clean power. We are clear that we must break our dependence on global fossil fuel markets, which led to record energy bills during the energy crisis. We are making that sprint, but it is critical that we support the most vulnerable households while we make that transition, which is why I am so proud that this Government extended the warm home discount so that an extra 2.7 million households—one in five—will benefit this winter.

Max Wilkinson: I congratulate Ministers again on embracing the principles of the sunshine Bill campaign, run by me and many others to ensure that solar panels are included on the roofs of all new houses. In the heat of recent weeks, people in my constituency have been sweltering in beautiful old regency buildings, which pose a particular challenge in this respect. Do Ministers agree that if we line up heat pump technology and solar panels, we can lower our energy bills and keep cool at the same time?

Miatta Fahnbulleh: The hon. Member is right. We believe in a solar panel revolution. That is one of the key things that Great British Energy will bring about across the country. On overheating, it will be critical to ensure that as we upgrade homes, we make them fit for purpose in the context of climate change. We are including air-to-air heat pumps in the boiler upgrade scheme, and we will consider other measures to keep homes cool.

Chris Hinchliff (North East Hertfordshire) (Lab): The Government have taken long-overdue steps to secure rooftop solar on new builds, but there is even greater untapped potential on existing commercial and domestic rooftops. Will Ministers consider introducing a scheme, similar to those in other countries, offering free installation of rooftop solar for businesses and residents? The costs could be paid back through a long-term power-purchasing agreement. That would simultaneously increase the supply of clean energy and cut bills.

Miatta Fahnbulleh: My hon. Friend is right to talk about the potential of solar on our commercial buildings. We know that solar can reduce energy bills by about £600. We are looking at all the options, because we are absolutely serious about a solar rooftop revolution, whether on our homes or commercial buildings.

Mr Speaker: I call the Liberal Democrat spokesperson.

Pippa Heylings (South Cambridgeshire) (LD): We welcomed the joint agreement signed in May between the UK and the EU, in which small steps were taken to address the impacts of the Conservatives' botched Brexit deal on energy costs and bills. What further steps will the Secretary of State take to forge energy co-operation

through a recoupling of the UK and EU electricity markets and the UK's participation in the EU's internal electricity market, to boost trade, bring down renewable energy costs and reduce energy bills?

Miatta Fahnbulleh: We have been listening to industry voices, and they are very clear about the opportunities for stronger alignment. We will continue to engage with them, and with our partners in the EU on the opportunities as we make the sprint to clean power.

Topical Questions

T1. [905224] **Graham Stuart** (Beverley and Holderness) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Energy Security and Net Zero (Ed Miliband): Since the last oral question time for the Department, the spending review announced the largest investment in clean energy in our country's history—investment in new nuclear; in carbon, capture and storage; and in hydrogen transport and storage. We are investing £8.3 billion through Great British Energy and £13.2 billion in our warm homes plan for energy security, lower bills and good jobs.

Graham Stuart: Evidence from the National Grid, Ofgem and Imperial College London shows that locational or zonal pricing would save billions of pounds a year, lower bills and reduce the need for expensive and often unpopular grid infrastructure. Why has the Secretary of State ruled it out?

Ed Miliband: I made a comprehensive statement to the House on this last Thursday, and the grounds for the decision are these: first, there is the question of fairness, and secondly, there is the question of the cost of the transition and what would happen in the meantime. We need investment in our clean energy infrastructure, and we need investment in growth. I believe that our way—reformed national pricing—is the right way forward.

T3. [905226] **Ben Goldsborough** (South Norfolk) (Lab): In the fight for energy security, every area of our country must play its part, but that means energy infrastructure projects should be distributed evenly. What is the Department doing to ensure that no community will be asked to do more than its fair share?

Ed Miliband: My hon. Friend makes an important point. That is why the strategic spatial energy plan will set out where we need our energy infrastructure, so that we can have a planned system that matches power needs and infrastructure at least cost to bill payers and taxpayers.

Mr Speaker: I call the shadow Secretary of State.

Claire Coutinho (East Surrey) (Con): Yesterday, the Secretary of State said I was hiding when I was, in fact, with my six-month-old baby, who I know he is aware of. On behalf of all young mums who face those kinds of comments in their first few weeks back at work, may I gently suggest he reflects on those remarks?

I want to ask the Secretary of State a very simple question: is £82 higher or lower than £72?

Ed Miliband: On the first point, I completely respect the right hon. Lady's decision to be with her young baby, and there was no offence intended. I think it is very important that we understand the needs of new parents and, indeed, parents across the country. On the question she asked, I do not know what she is getting at, frankly.

Claire Coutinho: I do not know whether the Secretary of State does not know or does not want to say, but £72 a megawatt-hour is what electricity cost last year, and £82 is the price he has paid for offshore wind, and he is set to do the same this year—and that is before the extra costs for the grid for wasted wind and back-up, which are going through the roof, thanks to his policies. Yesterday, he committed to radical honesty. In that spirit, will he admit either that he cannot add up, or that his policies cannot bring down bills?

Ed Miliband: I am going to be radically honest and tell the right hon. Lady the truth: she is gambling on fossil fuels—the same thing she did that led us to the worst cost of living crisis in our country's history, with family finances, businesses' finances and public finances wrecked. The only way to bring down bills for good is through cheap, home-grown power that we control. We have an energy security plan. The Conservatives have an energy surrender plan.

T4. [905227] **Anneliese Midgley** (Knowsley) (Lab): What ambitions does the Department have for sectors and technologies that GB Energy will prioritise, since the chief operating officer has said that he wants to evolve it into a major energy company, and what might that mean for job creation, including in constituencies like mine?

Ed Miliband: GB Energy will prioritise a whole range of projects, and that is a matter for GB Energy, as a publicly owned energy company at arm's length from Government, but there are huge opportunities right across our country, whether in floating wind, tidal, hydrogen or offshore wind and supply chains. GB Energy is owned by the public and will benefit people right across Britain.

Mr Speaker: I call the Liberal Democrat spokesperson.

Pippa Heylings (South Cambridgeshire) (LD): Across Europe, we have already seen 2,300 heatwave-related deaths—avoidable deaths—and the Met Office report says that things will just get worse. The Lib Dems and I have a really cool idea. Will the Secretary of State work with local authorities to open up public spaces with air conditioning, such as leisure centres and libraries, so that they can provide relief from extreme heat for the elderly and vulnerable?

Ed Miliband: There is no monopoly on good ideas, and the hon. Lady raises the important issue of how we adapt as a country to the climate crisis. We know we have a lot more to do, and we will listen to all good ideas.

T5. [905228] **Cat Eccles** (Stourbridge) (Lab): In my constituency I am proud that we have the first example in the country of a high-energy use craft that has transitioned fully to renewables, having worked with a

UK manufacturer to create a super-efficient electric furnace. Will the Secretary of State come to Stourbridge and visit Allister Malcolm Glass at the Stourbridge Glass Museum with me, to highlight it as an example for others to follow, and protect high-energy use heritage crafts across the country?

Ed Miliband: My hon. Friend raises a great example, and I will take a risk and say yes, I will come to Stourbridge. I love Stourbridge, and I look forward to seeing that project.

T2. [905225] **Carla Denyer** (Bristol Central) (Green): The Government's new Scope 3 guidance for offshore projects is hugely welcome. We are already battling deadly heatwaves and overshooting climate limits, so it is critical that we stop extracting new oil and gas. Given that there is no scenario in which Rosebank, or indeed any new oil and gas wells are compatible with limiting global temperature increases to 1.5°C, why are the Government trying to delay recognition of that climate reality by saying that applications will be considered on a case-by-case basis? Will the Minister give us a conclusive science-backed answer now, and confirm that Rosebank will not be going ahead?

The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Michael Shanks): Of course the Government follow the regulations that we have put in place quickly, and applications must be considered on a case-by-case basis—that is the way anyone would expect them to be dealt with. I will not say on the Floor of the House any more about those applications, as they are live decisions that will be made in due course by the Department.

T6. [905229] **Melanie Onn** (Great Grimsby and Cleethorpes) (Lab): What reassurance can the Minister offer the nearly 1,000 workers at Prax that the Government are 100% focused on finding a new owner for the Lindsey oil refinery?

Michael Shanks: I will repeat what I have said before: we are obviously hugely disappointed by the way that the owners have dealt with the company. I repeat the ask that I have made in the House a number of times, and in writing to the chief executive, that he should put his hands in his pockets and do the right thing by the workforce. We are doing everything we can as part of the insolvency process safely to manage the refinery, and to look at whether there are buyers interested in taking it on.

T7. [905230] **Blake Stephenson** (Mid Bedfordshire) (Con): The latest central estimate from the Office for Budget Responsibility puts the cost of achieving net zero by 2050 at £803 billion, with half that cost attributed to lost fuel duties. Does the Secretary of State accept that the Government will need to increase duties elsewhere, including on renewables, which could push bills up further?

Ed Miliband: The most significant thing about the OBR report is that it says there is an 8% threat to our GDP by 2070 in a 3°C world, and a 56% rise in the debt to GDP ratio if we do not act on climate change. That is the most important thing from that report, which I recommend all hon. Members read over the summer.

T8. [905232] **Juliet Campbell** (Broxtowe) (Lab): I have received numerous emails from my constituents in Broxtowe, raising concerns about the loss of or threat to meadows. Meadows are critical to our environment and have been part of our natural heritage for centuries. They provide a wealth of benefits such as a unique wildlife habitat, flood alleviation and the promotion of clean air. Without better protection, remaining historic meadows and their ecological value risk vanishing beneath our feet. Will the Minister commit to including the protection of meadows in the list of irreplaceable habitats?

The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Kerry McCarthy): I appreciate my hon. Friend's concerns. This is a matter for the Department for Environment, Food and Rural Affairs, but I am happy to talk to colleagues as they bring forward their land use framework. Nature-based solutions to climate change are important, so we very much engage with our colleagues in DEFRA on these issues.

Llinos Medi (Ynys Môn) (PC): Solar developers are not playing by the rules when it comes to accessing the land of people on Ynys Môn. Government guidance states that developers must act reasonably when trying to obtain permission to access the land, but my constituents have received threatening emails and there have even been cases of developers trespassing on land. Does the Minister condone such behaviour, and does he believe that current guidance is strong enough to protect constituents such as mine?

Michael Shanks: I do not know the specifics of the case that the hon. Lady raises—if she wants to send any details to me, I will certainly look at them. We clearly want to see and expect in every single case a partnership between developers delivering projects that we think are important, the planning system responsible for putting the processes in place and the communities who should have their local area protected and be able to access it. I am happy to follow up with her if she wants to raise specifics with me.

T9. [905233] **Steve Witherden** (Montgomeryshire and Glyndŵr) (Lab): The Vyrnwy Frankton project, which aims to connect onshore wind to the grid, would cut across my constituency and affect local communities and cherished countryside, posing a threat to businesses and tourism. Will the Minister assure me that the impact of the project and its associated lifetime costs will be minimised by undergrounding the cables along the route, except where geology makes that impossible?

Michael Shanks: That is not the position of the Government, because report after report and the evidence points to the fact that undergrounding cables is significantly more expensive than putting them above ground. Individual applications will clearly look at the individual circumstances and make a decision on that. We have said as a Government that communities that host network infrastructure should benefit through community benefits and direct money off bills, and that is what we will deliver.

Ben Obese-Jecty (Huntingdon) (Con): It was recently announced that the surplus Ministry of Defence land at RAF Wyton in my constituency has been designated as an MOD trailblazer site. The Housing Minister confirmed

to me last week that no assessment has yet been made of the energy infrastructure currently in place. The Prime Minister recently confirmed to me here in the Chamber that my proposal to develop a defence technology cluster on the site would be supported. To that end, is the Minister prepared to look into the available energy infrastructure and substation connectivity at the site and write to me with his assessment?

Michael Shanks: The hon. Gentleman is assiduous in raising these sorts of questions with me. I am very happy to look at the possibilities. He is right to outline the potential of sites such as that, and we will look at it.

Tracy Gilbert (Edinburgh North and Leith) (Lab): Nova Innovation in my constituency is pioneering floating solar, which is generating clean energy. Will my right hon. Friend outline what steps the Government are taking to support the development of floating solar?

Ed Miliband: That sounds incredibly exciting, and I look forward to finding out more.

Lincoln Jopp (Spelthorne) (Con): We have been using floating solar technology in this country since 2016. Last month, the French started the largest plant in Europe, producing 74.3 MW. The Chinese have single plants that produce 350 MW. Given the scale of its use across the world, bar Britain, why did the Secretary of State refer to floating solar as a nascent technology? What is nascent about it?

Ed Miliband: It sounds like I am being educated about floating solar. I am happy to share the hon. Gentleman's enthusiasm for it; if he has proposals about how we can take it forward, I am all ears.

Perran Moon (Camborne and Redruth) (Lab): In France, Germany, Croatia and elsewhere on mainland Europe, geothermal energy is being taken very seriously. I was disappointed that geothermal energy got little mention in the industrial strategy, particularly as there is estimated to be 30 GW of energy in the Cornish granite batholith. Will the Secretary of State meet me to discuss how we clear the barriers to unleash the potential of the Cornish granite batholith?

Michael Shanks: My hon. Friend always raises the huge potential of Cornwall in this House and in the energy space. He is right to talk about the potential for geothermal; we are hugely excited about the opportunities that it presents. I am very happy to meet him and others to discuss further how we can take it forward.

Wendy Chamberlain (North East Fife) (LD): I am already being contacted by constituents who are worried about affording their energy bills this winter, but do not feel that the service they get from the energy companies is properly supporting them. What steps are the Government taking to ensure that energy companies provide the support that they need?

The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Miatta Fahnbulleh): We are very clear that energy companies have strict obligations to follow. We are working with Ofgem to ensure that it adheres to those obligations, and we are doing the job

of reviewing Ofgem to ensure that it is a proper consumer champion, with the mandate and powers to work on behalf of consumers and reform this market so that it works in the interests of the hon. Lady's constituents.

Brian Leishman (Alloa and Grangemouth) (Lab): More than 100 INEOS chemical employees are to lose their jobs at Grangemouth because the refinery has closed. The £200 million commitment to Project Willow does not help them in the here and now, and it is frankly an insult to the workers who are about to lose their livelihoods to talk about training opportunities at Forth Valley college that are not being afforded to them. What have the Government actually done and what will they

do for those workers who do not have the same redundancy or training package as the refinery workers?

Michael Shanks: We are looking in the round at how we can deliver jobs and opportunities on the Grangemouth site. The National Wealth Fund made an unprecedented commitment of £200 million, and I have been meeting companies that are potentially interested in developing projects, to make sure we get them over the line. We have delivered on the training guarantee and delivered support beyond that provided by the Falkirk and Grangemouth growth deal. We are doing everything we can to support the workforce there, and we will continue to do so.

Afghanistan

12.40 pm

The Secretary of State for Defence (John Healey):

With permission, Mr Speaker, I wish to make a statement on a significant data protection breach from February 2022 relating to the Afghan relocations and assistance policy. It led to the High Court granting an unprecedented super-injunction and the previous Government establishing a secret Afghan resettlement route. Today I am announcing to the House a change in Government policy. I am closing that resettlement route, disclosing the data loss, and confirming that the Court order was lifted at 12 noon today.

Members of this House—including you, Mr Speaker, and me—have been subject to the super-injunction. It is unprecedented. To be clear, the Court has always recognised the parliamentary privilege of proceedings in this House, and Ministers decided not to tell parliamentarians about the data incident at an earlier stage, as the widespread publicity would increase the risk of the Taliban obtaining the dataset. However, as parliamentarians and as Ministers, it has been deeply uncomfortable to be constrained from reporting to this House. I am grateful to be able to disclose the details to Parliament today. I trust that you, Mr Speaker, and Members will bear with me if I take the time to ensure that the House now has the fullest information possible, as I discussed with you yesterday.

The facts are as follows. In February 2022, 10 months after the then Defence Secretary, Ben Wallace, introduced the Afghan relocations and assistance policy and six months after the fall of Kabul, a Defence official emailed an ARAP case working file outside authorised Government systems. As the House knows, ARAP is the resettlement scheme that this country established for Afghan citizens who worked for, or with, our UK armed forces over the combat years in Afghanistan. Both in opposition and in government, Labour has backed that scheme, and ARAP has had full support from across this House.

The official mistakenly believed that they were sending the names of 150 applicants. However, the spreadsheet in fact contained personal information associated with 18,714 Afghans who had applied to either the ex gratia scheme or the ARAP scheme on, or before, 7 January 2022. It contained names and contact details of applicants and, in some instances, information relating to applicants' family members. In a small number of cases, the names of Members of Parliament, senior military officers and Government officials were noted as supporting the application. This was a serious departmental error. It was in clear breach of strict data protection protocols, and was one of many data losses relating to the ARAP scheme during this period.

Ministers in the previous Government first became aware of the data loss in mid-August 2023, 18 months after the incident, when personal details of nine individuals from the dataset appeared online. Action was taken to ensure they were swiftly removed, an internal investigation was conducted, and the incident was reported to both the Metropolitan police and the Information Commissioner. The Met deemed that no criminal investigation was necessary, and the Information Commissioner has continued to work with the Department throughout.

However, journalists were almost immediately aware of the breach, and the previous Administration applied to the High Court for an injunction to prevent the data

loss becoming public. The judge deemed that the risk warranted going further and, on 1 September 2023, granted a super-injunction, which prevented disclosure of the very existence of the injunction. That super-injunction has been in place for nearly two years, during which time eight media organisations and their journalists were served to prohibit any reporting. No Government wish to withhold information from the British public, parliamentarians or the press in this manner.

In autumn 2023, previous Ministers started work on establishing a new resettlement scheme specifically designed for people in the compromised dataset who were not eligible for ARAP but who were nevertheless judged to be at the highest risk of reprisals by the Taliban. It is known as the Afghanistan response route, or ARR. It was covered by the super-injunction. The then Government initially established the ARR to resettle a target cohort of around 200 principals, but in early 2024 a combination of Ministers' decisions on the scheme's policy design and the court's views had broadened that category to nearly 3,000 principals.

I want to provide assurance to the House and the British public that all individuals relocated under the Afghanistan response route, ARAP or the Home Office's Afghan citizens resettlement scheme undergo strict national security checks before being able to enter our country. The full number of Afghan arrivals under all schemes has been reported in the regular Home Office statistics, meaning that they are already counted in existing migration figures.

As shadow Defence Secretary, I was initially briefed on the ARR by James Heappey, the former Armed Forces Minister, on 12 December 2023, and issued with the super-injunction at the start of that meeting. Other members of the present Cabinet were only informed of the evidence of the data breach, the operation of the ARR, and the existence of the super-injunction on taking office after the general election. By that time, the ARR scheme was fully established and in operation, and it was nearly two and a half years since the data loss.

I have felt deeply concerned about the lack of transparency to Parliament and to the public. I felt it only right to reassess the decision-making criteria for the ARR. We began, straightaway, to take a hard look at the policy complexities, costs, risks, court hearings and the range of Afghan relocation schemes being run by the previous Government. Cabinet colleagues endorsed the need for new insights in the autumn of last year, while the scheme kept running. In December 2024, I announced the streamlining of the range of Government schemes that we inherited into the Afghan resettlement programme to establish better value for money, a single set of time-limited entitlements and support to get Afghan families resettled. On behalf of the House, I sincerely thank our colleagues in local government, without whom this unified resettlement programme would simply not have been possible.

At the beginning of this year, I commissioned Paul Rimmer, a former senior civil servant and ex-deputy chief of Defence Intelligence, to conduct an independent review. The review was concluded and reported to Ministers last month. Today I am releasing a public version of Rimmer's review, and I am placing a copy of it in the Library of the House. I am very grateful to him for his work.

Despite brutal human rights abuses in Afghanistan, the Rimmer review notes the passage of time—it is nearly four years since the fall of Kabul—and concludes:

“There is little evidence of intent by the Taliban to conduct a campaign of retribution against”

former officials. It also concludes that those who pose a challenge to the Taliban rule now are at greater risk of a reaction from the regime, and that

“the wealth of data inherited from the former government”

by the Taliban

“would already enable them”

to target individuals if they wished to do so, which means that it is “highly unlikely” that merely being on the spreadsheet

“would be the...piece of information enabling or prompting the Taliban to act.”

Rimmer is clear: he stresses the uncertainty in any judgments and does not rule out any risk. Yet he concludes that, given this updated context, the current policy that we inherited

“appears an extremely significant intervention...to address the potentially limited net additional risk the incident likely presents.”

The Rimmer review is a very significant element, but not the sole element, in the Government’s decision to change policy, to close the ARR and to ensure that the court order is lifted today. Policy concerns about proportionality, public accountability, cost and fairness were also important factors for the Government. This was not a decision taken lightly; it follows a lengthy process, including the Rimmer review, detailed ministerial discussions and repeated consultations with legal advisers. Just as I have changed Government policy in the light of the review, the High Court today, in the light of the review, ruled that there was no tenable basis for the continuation of the super-injunction.

To date, 900 ARR principals are in Britain or in transit, together with 3,600 family members, at a cost of about £400 million. From today, there will be no new ARR offers of relocation to Britain. From today, the route is closed. However, we will honour the 600 invitations already made to any named persons still in Afghanistan and their immediate family. When this nation makes a promise, we should keep it. Today I am also restoring full accountability for the Government’s Afghan relocation schemes to Parliament, and I would expect our Select Committees now to hold us to account through in-depth inquiries.

Let me turn to the practical action that we have taken as a result of this policy change and in preparation for the lifting of the court’s super-injunction. My first concern has been to notify as many people as possible who are affected by the data incident and to provide them with further advice. The Ministry of Defence has done that this morning, although it has not been possible to contact every individual on the dataset, owing to its incomplete and out-of-date information. Anyone who may be concerned can head to our new dedicated gov.uk website, where they will find more information about the data loss; further security advice; a self-checker tool, which will inform them whether their application has been affected; and contact steps for the detailed information services centre that the MOD has established.

This serious data incident should never have happened. It may have occurred three years ago, under the previous Government, but to all those whose information was

compromised I offer a sincere apology today on behalf of the British Government, and I trust that the shadow Defence Secretary, as a former Defence Minister, will join me in that.

To date, 36,000 Afghans have been accepted by Britain through the range of relocation schemes. Britain has honoured the duty we owe to those who worked and fought alongside our troops in Afghanistan. The British people have welcomed them to our country, and in turn, this is their chance to rebuild their lives, their chance to contribute to and share in the prosperity of our great country. However, none of these relocation schemes can carry on in perpetuity, nor were they conceived to do so. That is why we announced on 1 July that we would no longer accept new applicants to ARAP. However, I reiterate the commitment that we made then to processing every outstanding ARAP application and relocating those who might prove eligible, and we will complete our commitment to continuing the review of the Triples.

I recognise that my statement will prompt many questions. I would have liked to settle these matters sooner, because full accountability to Parliament and freedom of the press matter deeply to me—they are fundamental to our British way of life. However, lives may have been at stake, and I have spent many hours thinking about this decision; thinking about the safety and the lives of people I will never meet, in a far-off land in which 457 of our servicemen and women lost their lives. So this weighs heavily on me, and it is why no Government could take such decisions lightly, without sound grounds and hard deliberations. During the last year we have conducted and now completed this work. I commend my statement to the House.

12.56 pm

James Cartledge (South Suffolk) (Con): I am grateful to the Secretary of State for advance sight of his statement and for receipt earlier this morning of a hard copy of the Rimmer review. I also thank the Secretary of State and the Minister for the Armed Forces for briefing me yesterday and other parliamentary colleagues today. Furthermore, given the nature of the super-injunction and the fact that the timing and nature of the statement relate entirely to the court’s lifting of that super-injunction, I recognise that it was entirely right for the Secretary of State to update the House at the earliest opportunity, and I welcome the opportunity that colleagues now have to scrutinise these matters.

Let me begin by declaring an interest. I was a Defence Minister in August 2023, when the Department first became aware of the breach, my main role being to chair one meeting on the matter in August 2023 because I was the duty Minister. Thereafter, however, as Minister for Defence Procurement and with this sitting outside my portfolio, I had relatively minimal direct involvement. That said, the Secretary of State has issued an apology on behalf of the Government and I join him in that, and in recognising that this data leak should never have happened and was an unacceptable breach of all relevant data protocols. I also agree that it is right for an apology to be issued specifically to those whose data was compromised.

It is nevertheless a fact that cannot be ignored that when this breach came to light, the immediate priority of the then Government was to avoid a very specific and terrible scenario: namely, an error on the part of an

[James Cartlidge]

official of the British state leading to the torture, or even murder, of persons in the dataset at the hands of what remains a brutal Taliban regime. As the Rimmer review confirms, that scenario, thankfully, appears to have been avoided. Of course, we understand that the review was set up in January and reported to the Secretary of State in June.

I want to be clear that it is entirely appropriate that the Secretary of State has sought to update the Department's understanding of the threat on the ground in Afghanistan that exists today, particularly for those persons in the dataset who had previously been considered to be at the greatest risk of reprisals. However, the House will appreciate that when Ministers became aware of the data breach in August 2023, we did not have the luxury of six months in which to assess the situation. As Rimmer says in paragraph 53:

"The review notes that the passage of time is particularly relevant."

I know that my former ministerial colleague—the former Minister for the Armed Forces, James Heappey, who led the response to the leak—will have been focused entirely on what he saw as his duty of care to those at risk of reprisals, based on the threat assessment that pertained at the time. However, any threat picture is constantly evolving, and as I say, I support the Secretary of State's decision to review the MOD's understanding of the threat. Given the latest situation, as reported by Rimmer, we support his conclusion that the Afghanistan response route can now be closed.

Turning to the super-injunction, I entirely understand why this would be a subject of considerable interest, particularly to the newspapers and media outlets concerned. We have an independent judiciary, and it is not for me to comment either on the decision to grant the injunction in the first place or to lift it today, but it is surely telling that paragraph 56 of the Rimmer review states that planning at the time that the Government became aware of the breach in the summer of 2023 was based on a

"risk judgement that were the Taliban to secure access to the dataset, the consequences for affected individuals may be serious."

Had that not been the case, no doubt the Court would have been less likely to grant the injunction, and certainly not a super-injunction.

On the leak, can the Secretary of State confirm that it was by a civil servant, and that Ministers at the time took steps to change the casework procedure by not using spreadsheets sent by email, but moving to a more secure system fully within the entirely secure network? Can he confirm that, although the dataset was of about 18,000, only a relatively small portion were identified as at high risk of reprisals, and only a small number had been settled here, which is why, as he stated, the cost is about £400 million, not the £7 billion reported elsewhere? Now that these matters are rightly in the public domain and given the reassessment of the threat in the Rimmer review, I agree that it would be wholly appropriate for the Defence Committee and others to look further into these matters.

Can the Secretary of State comment on one specific item being reported, which is that someone—I refer not to the person who made the leak, but another apparent third party who obtained some of the data—was engaged

in blackmail? Did the original Metropolitan police investigation look at that, and if not, will he consider reopening it so that the police can look at that specific point, which has serious implications?

Although we must recognise the huge role played by Afghan nationals in support of our armed forces, any policy in this area must always be balanced against our own national interest. We support the Government in closing the ARR scheme, as we did with their decision to close the full ARAP programme.

John Healey: I welcome the tone in which the shadow Defence Secretary has responded, and I welcome his joining me in the apology on behalf of the British Government to those whose data has been compromised. I also welcome his acceptance that, as he put it, it was "entirely appropriate" for the Defence Secretary, as part of a new Government, to look to update the Department's assessment of the threat. I am very pleased that, as the House will have noted, he supports Rimmer's conclusions and my policy judgments that the Government have announced today. The shadow Defence Secretary is right that, in simple terms, Rimmer gives us a revised, up-to-date assessment of the risk—in particular, the risk to those individuals whose data may be on that spreadsheet. He does confirm that it is highly unlikely that their name being on the dataset increases the risk of their being targeted.

The shadow Defence Secretary asked me three or four specific questions. He asked about the official—it was a defence official. I cannot account for the improvements in data handling that previous Ministers may have made, but when I did his job in opposition, this data leak was just one of many from the Afghan schemes. I can also say that, in the past year since the election, the Government have appointed a new chief information officer, installed new software to securely share data and completed a comprehensive review of the legacy Afghan data on the casework system.

On the £7 billion figure, which I think the shadow Defence Secretary may have picked up from court papers, that was a previous estimate. It is related not simply to the Afghan response route but an estimate of the total cost of all Government Afghan schemes for the entire period in which they may operate.

On the significance of today's announcement and the policy decisions that we have taken compared with simply continuing the policy and schemes that we inherited, the taxpayer will pay £1.2 billion less over the period, about 9,500 fewer Afghans will come to this country and, above all, proper accountability in this House and proper freedom of the media are restored.

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

Mr Tanmanjeet Singh Dhesi (Slough) (Lab): I thank the Secretary of State for advance sight of his statement. Although I welcome it and his intent to inject parliamentary transparency and scrutiny, this whole data breach is a mess and wholly unacceptable. As I mentioned to the Minister for the Armed Forces during our recent secret briefing, I am minded to recommend to my Defence Committee colleagues that we thoroughly investigate it to ascertain what has transpired, given the serious ramifications on so many levels.

As things stand, notwithstanding the contents of the Rimmer review, how confident is my right hon. Friend the Defence Secretary that the Afghans affected, many of whom bravely supported our service personnel, will not be at risk of recriminations and reprisals?

John Healey: I can only recommend that my hon. Friend reads in full the public version of the Rimmer report, which I have published today. Rimmer sets out conclusions and an updated risk assessment, taking an up-to-date view, recognising that the situation in Afghanistan is nearly four years on from the point at which the Taliban took control and that the present regime sees those who may threaten the regime itself as a greater threat to their operation than any former Government official or serving official.

I recommend that my hon. Friend reads that report, and I expect that he, as the Defence Committee Chair, will want to take full advantage of this restored parliamentary accountability. I have always believed that our Select Committee system in this House is perfectly capable of, and better suited to, many of the in-depth inquiries that often get punted into public inquiries or calls for such inquiries. I hope he will have noted the fact that the shadow Defence Secretary also endorsed that view.

Mr Speaker: I call the Liberal Democrat spokesperson.

Helen Maguire (Epsom and Ewell) (LD): I thank the Minister for the Armed Forces for his briefing on this issue this morning.

I am pleased this House now has the opportunity to scrutinise this alarming data breach. It was right that the then Government moved to introduce a new scheme to try to minimise the risk to the Afghan soldiers and their families caught up in this breach involving 18,714 individuals in total. It is the very least we owe them given the sacrifices they made to support our campaign in Afghanistan, and I welcome the apologies from both sides of the House as a result of this data breach.

There are, however, serious questions raised about how this data breach was allowed to happen under the Conservatives' watch, and the heightened level of risk it has created for the Afghans involved. What steps have been taken to address the root cause of the breach and ensure that it cannot happen again? Reporting by the *Financial Times* this afternoon suggests that an original relocation scheme considered for all 25,000 Afghan personnel could cost up to £7 billion. Will he confirm what assessment his Department has made of that figure, and why that was kept hidden from the public?

The immediate priority must be to ensure the safety of all those individuals caught up in this breach, so what assurances can the Secretary of State provide that lifting the super-injunction does not heighten dangers for the individuals concerned? What steps is he taking to ensure that the individuals whose data was leaked are aware of the incident? What additional support is being provided to them directly now that the case is in the public domain? In the light of these developments, can he outline when the casework and final relocations under this and the ARAP scheme will be completed?

John Healey: I welcome the hon. Lady's response. I provided the answers to two or three of her questions directly to the shadow Defence Secretary. On the steps

we have taken to ensure the reduced risk of data losses and data breaches in future, one can never say never but I am more confident that I was 12 months ago. I have also given a response on the £7 billion figure. The estimated full costs of all Afghan schemes that will run to their completion, from start to finish, because of the savings that will derive from the policy decisions we have taken today, will be between £5.5 billion and £6 billion. The cost of the ARR scheme to date—the cost and the sums committed to bring the 900 principals and their immediate families who are in Britain or in transit—is about £400 million. On those still to come, I expect the cost to be a similar sum.

I think I said in my statement to the House that Rimmer recognises the uncertainties and the brutal nature of the Afghan Taliban regime. There can never be no risk in such judgments and decisions, and that is one reason that I and the Government have taken this decision with hard deliberation and serious intent. I hope the House will back it this afternoon.

Emily Thornberry (Islington South and Finsbury) (Lab): I am grateful to the ministerial team for my early briefing, which gave me an opportunity to read a Foreign Affairs Committee report that came out—it was begun in September 2021—in 2022 under the chairmanship of the right hon. Member for Tonbridge (Tom Tugendhat). It is called “Missing in action: UK leadership and the withdrawal from Afghanistan” and it was excoriating:

“The manner of the withdrawal of international forces from Afghanistan was a disaster, a betrayal of our allies, and weakens the trust that helps to keep British people safe.”

It said:

“the Government should keep better records—securely held—on locally-employed staff”—

we have heard that this is one of the many data losses from ARAP—

“to ensure that any evacuation can be carried out more effectively. It should devise a policy, based on clear and fair principles, about the assistance that will be offered to local partners in the event of a security deterioration, and report to us when it has done so.”

I hope that such a policy has been developed, that more lessons have been learnt and that Ministers will report to my Foreign Affairs Committee about where we are now.

John Healey: I am sure Ministers will report to my right hon. Friend's Committee if she invites us to do so. She is right to make the big argument that anyone providing data to the British Government has a right to expect that personal data to be stored securely, handled safely and not subject to the sort of loss or breach that we saw too often in the early days of the Afghan relocation schemes.

Mr Speaker: I call the Father of the House.

Sir Edward Leigh (Gainsborough) (Con): I commend the Secretary of State for his honesty and I agree with everything he says in his statement. What an appalling mess, but part of the original sin was our intervening militarily and then scuttling out. On a wider point, may I take it that we have learnt our lesson and have got over the liberal imperial itch of the Cameron and Blair eras to intervene militarily in ungovernable countries such as Iraq, Afghanistan, Syria and Libya? Let us now move on, but I support what the Secretary of State said.

John Healey: I am grateful to the right hon. Gentleman for his remarks. I am certainly grateful for his support for my statement this afternoon. Although he has not said it, he is a big champion of press freedom and I expect that he also recognises that an important part of our decision has been the period in which we have seen no public knowledge, no media reporting and no parliamentary accountability. We set that right today.

Louise Jones (North East Derbyshire) (Lab): As a veteran of the war in Afghanistan, I was appalled to watch the chaotic mismanagement following the fall of Kabul that left Afghans who served alongside our troops and who worked so hard for a better Afghanistan, dangerously exposed. This was a situation that I feared would happen and could see coming even when I served in Afghanistan in 2017. The fact is that the previous Government had plenty of warning that that situation could happen and failed to plan properly for it. This data breach joins a litany of other data breaches, delays and failures of our allies. Does the Secretary of State agree that we must give our fullest support to those Afghans, so they can rebuild a new life in the UK?

John Healey: I do indeed. I know from Afghan families who were relocated in the early days to my own constituency in South Yorkshire that it was the voices of Members on both sides of the House, speaking up in exactly the same terms as my hon. Friend just has and recognising the debt this country owes to many of those who worked alongside or served with our armed forces and who made possible in the first place the very difficult job that our forces undertook in Afghanistan, that provided a warm welcome, and they continue to do so. To those Afghans, we are offering a new home and a chance to rebuild their lives and contribute to our country.

Lincoln Jopp (Spelthorne) (Con): I welcome the Secretary of State's statement and the tone of voice with which he delivered it. I commanded the Scots Guards in 2010 in Afghanistan, at the high watermark of violence. I was very well served by Naz and Mukhtar, and I will always be grateful both to the Ministry of Defence for getting them to Britain and to the communities in this country who have welcomed them to their new lives here. I want to focus on a particular phrase the Secretary of State used. The shadow Secretary of State asked whether it was a civil servant who carried out the leak. The Secretary of State said it was a "Defence official" and *The Times* is reporting that it was a soldier. I think it is worth clarifying exactly whether it was a civil servant, a spad or a soldier, because conflating the term "Defence official" to cover members of the armed forces is something that might come back to bite the Secretary of State if he continues to do it.

John Healey: This was a data breach that took place three and a half years ago under the decision and leadership of the previous Government and previous Defence Ministers. The challenge this Government faced was far bigger than the actions of one official that long ago. My full focus since the election in July last year has been to get to grips with the costs, the proportionality—or disproportionality—of the schemes in place, and the lack of accountability to Parliament, freedom of the press and public knowledge. It is that set of factors that has taken up my time and my attention.

Derek Twigg (Widnes and Halewood) (Lab): I note that the shadow Secretary of State made great play of the changes and the extra safeguards that Ministers of the previous Government put in place following the breach. I also note that the Secretary of State said he had had to make more changes and introduce new software. That suggests to me that the changes put in place by the previous Government were not good enough. Can I ask him this clearly? Who had knowledge of this incident in the 18 months after the data breach had taken place before it reached Ministers? How were there no checks on anyone in the Department who had access to that sort of data to ensure they were using it properly?

John Healey: My hon. Friend poses questions to me in the House this afternoon that I simply cannot answer. The events date from a period well before I took office. As he above all will appreciate, new Ministers have no access to the policy advice, the legal assessments, any of the papers or even the threat assessments that previous Government Ministers may have commissioned. I think that that subject is, if I may say so, proper material for the Defence Committee, on which he serves in such a distinguished way, to perhaps take a deeper look at and to call witnesses on who may be in a better position to answer those questions than I am this afternoon.

Finally, my hon. Friend asked about software. I am afraid I am one of the last people to be able to give an authoritative view on the question of cyber-security and up-to-date software, but the nature of this work means that there is a constant requirement for new software and for updating. The fact that we have taken the steps in the past 12 months that our experts and I have regarded as necessary does not necessarily mean that the steps taken by previous Ministers were inadequate. What I can say, however, is that when I was the shadow Defence Secretary, we were aware of and exposed in opposition the building backlogs in casework, the regular data breaches and the broken promises that sadly too often characterised the Afghan relocation schemes, particularly in the early years.

Ian Roome (North Devon) (LD): I, too, welcome the statement given by the Secretary of State today. As a member of the Defence Committee, I look forward to giving this matter the scrutiny it deserves. I will not go into the detail of the report, but I think it is important to clarify, if the Secretary of State is able to do so, whether the data breach in question has in the past put or is now putting any serving members of the UK armed forces at risk?

John Healey: I look forward to being called to give evidence to the hon. Gentleman's Committee if it does launch such an inquiry. To the best of my knowledge and belief, no serving member of our armed forces is put at risk by the data loss.

Michelle Scrogg (Barrow and Furness) (Lab): It is staggering to hear of yet another serious data breach under the previous Conservative Government. Does the Secretary of State—[*Interruption.*] Conservative Members can bicker from their Benches, but it was clearly a mistake made when they were in power. Does the Secretary of State agree that we have inherited a chaotic and poorly managed system, and can he tell us what systems have been put in place to correct that? We must not see

more systems with officials emailing an Excel spreadsheet—it absolutely beggars belief. Can he confirm that this will never happen again?

John Healey: My hon. Friend is absolutely right in the criticism she levels. I would just say, however, that I do not think any Minister could stand here and guarantee that there will never be another data breach, data loss or data error in that way, in the same way that no chief executive of any organisation could say so. I can say that we have taken steps to reduce the risk of that happening and that we no longer do any casework on spreadsheets, which was the technology that was available in the early days of this scheme. That was part of the problem, I think, in the inadvertent mistake made by the Defence official.

Sir Julian Lewis (New Forest East) (Con): What worries me more than the lifting of this super-injunction is the fact that we have closed down all the Afghan schemes at the very time that undocumented Afghans who felt it necessary to flee to Iran and Pakistan are being rounded up for forcible repatriation to an Afghanistan led by the Taliban. I understand that the investigation into our obligation to the Triples—the special forces that our forces trained—will continue, and I welcome that. Will the Secretary of State confirm that despite the closure of the schemes, anybody who is found to have worked closely with our armed forces and is in imminent danger can still be rescued and admitted to this country?

John Healey: It is more than four years since the previous Defence Secretary, Ben Wallace, launched on behalf of this country the Afghan relocations and assistance policy with the full support of this House. There has been ample time for anyone who could conceivably believe they might qualify to make their application. None of those schemes, including ARAP, was ever conceived or designed to last in perpetuity, which is why we closed them at the beginning of this month to any new applicants, and why I have taken the decision, based on Rimmer and the other factors I have identified, to end the ARR scheme today. On the ARAP applicants—the sort of Afghans whom the right hon. Gentleman is concerned about—we will complete any remaining applications that are in our system waiting to be processed. On the Triples, we will complete the second phase of the review that we have given a commitment to them and to this House to undertake.

Dame Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): I welcome the Secretary of State's support for parliamentary transparency and for the work of the Committee corridor in this House. I have no doubt that my excellent colleagues who chair the various Committees that are responsible will do a thorough job of examining this matter, and I hope that the Secretary of State will facilitate the sharing of any information that may need to be handled in a sensitive manner. When Labour was last in government, there were a number of breaches of this nature; a predecessor of his asked to be notified of every one, and most were due to human error. It is great that we are updating the IT systems and dealing with the security, but could the Secretary of State touch on the measures that will be put in place to guard against the human error that will inevitably creep in?

John Healey: For functions and roles like this, having sound, secure caseworker software, good training and proper protocols—all of which are now in place—greatly minimises the risk that anything like this data breach, which we now find out took place in February 2022, is likely to happen again. Most importantly, I think it will help to provide the reassurance that anyone providing data to the British Government or state should have that that data will be held and handled securely.

Mark Pritchard (The Wrekin) (Con): If the Defence Secretary will forgive me, I detect some wriggling. The fact is that he is justifying this super-injunction and not telling Parliament, the press, the public and, unbelievably, the Afghans who were potentially in harm's way. Is it not the case that his argument is actually very thin? Even the MOD admits that Taliban-aligned individuals already had access to the database, so not telling those Afghans that they were in harm's way is, quite frankly, unbelievable. The precedent of a super-injunction is very concerning for this place. How do we know that there is not another super-injunction about another leak? Of course, the Secretary of State could not tell us, could he?

John Healey: Well, I can say to the right hon. Gentleman that if there is another super-injunction, I have not been read in. In his characteristic way, he makes an important point about how unprecedented, uncomfortable and, in many ways, unconscionable it is to have a super-injunction like this in place. In the light of that, I hope he will accept that it was a difficult decision to review the risks, the costs and details of the scheme, and the legal hearings that have taken place. Those have all been components of the important policy decision that I have been able to announce to the House today, and I hope he will back it.

Catherine Atkinson (Derby North) (Lab): My husband served in Afghanistan and has always felt keenly the debt that our country owes to those who worked alongside and supported our forces, and I know that many of my constituents who served there feel the same. If we fail to honour our debts, why should people in future conflicts trust us and support our troops? Does the Defence Secretary share that concern? Does he also agree that it is right that we offer a warm welcome to the Afghans who come to our country seeking sanctuary?

John Healey: I agree 100%, Mr Speaker. My hon. Friend speaks so plainly, so forcefully and so passionately. When we first debated the obligation to put in place the ARAP scheme four or five years ago, when I was shadow Secretary of State for Defence, one of the things that struck me most was that those who felt fiercest were, understandably, those who had served—those in this House who had been part of the 140,000 British men and women who had served in Afghanistan over 20 years—because they recognised just what a debt this country and they owe to people like those whom my hon. Friend's husband speaks about.

Wendy Chamberlain (North East Fife) (LD): I welcome the Secretary of State's pledge to restore full accountability to the Government's relocation schemes, but I am saddened that this is the first opportunity that we have had to talk about the closure of ACRS and ARAP on the Floor of

[Wendy Chamberlain]

the House, given that they were announced by written statement at very short notice only two weeks ago. May I ask a couple of specific questions? On the ARR, which we have only found out about today, the Secretary of State mentioned 600 invitations that will be honoured. For those who were not accepted and are part of the breach, are they aware of that? ARAP has been closed to new applications, but, again—I have asked the Minister of State for the Armed Forces about this before—what is the communication strategy for updating them? The ACRS was never open to vulnerable women and the civil rights defenders it aimed to protect. Again, what communication will the Government have with those individuals who are in hiding either in Afghanistan or in third countries?

John Healey: We made a statement about the closure of the Home Office-run ARAP and ACRS on 1 July, and the hon. Lady will have had opportunities since then to raise those matters in the House. On the information to those who may be affected, we will honour the invitations that have been issued to 600 ARR individuals. To everyone else in the dataset, we have communicated the latest position this morning. We are offering access to further advice through the designated area of the gov.uk website, and that includes steps that individuals can take, if they wish, to get in touch with our information services centre, which has been set up by the MOD to deal with questions and concerns that people may have.

Ms Stella Creasy (Walthamstow) (Lab/Co-op): It is a very shocking story that the Secretary of State has told us today, and I pay tribute to him for his commitment to be transparent about it. Sadly, this comes as no surprise to many of us here and to those in our offices who, over that period of time, had to deal with hundreds of desperately distraught people ringing in to find out what might happen to their relatives. I have to be honest with the Secretary of State: this matter is not closed. I join the right hon. Member for New Forest East (Sir Julian Lewis) in being desperately concerned that we still have people who would have qualified under these schemes, but who, because of failures like this, fled Afghanistan or tried to go to other countries. We tried to raise this issue with Ministers, but could not get meetings with them, and now we discover that there were secret schemes.

The Secretary of State will understand that, right now, MPs' offices across this country will be hearing this and be worried that, again, they will get those phone calls and have those queries. He is right to say that there must be parliamentary scrutiny. Can he assure us that there will be additional resources to help us support our constituents who come forward and that he will keep an open mind that, even four years later, there will still be cases that are relevant to this scheme that should be heard—people who should be given sanctuary here—if we are to honour our debt to those people who kept our forces safe?

John Healey: I pay tribute to my hon. Friend, who has been one of the most active and most assiduous Members of this House in championing the cause of her constituents and others who may be trying to get access to the scheme. It has been over four years since

the ARAP scheme was first established, and there are still 22,000 ARAP applicants whose applications will be processed. Where eligibility is established, they will be offered the relocation that this country has undertaken to give them. Those applicants need not have applied from Afghanistan, but many did so. From the outset, one of the most important features of the ARAP scheme—given that the Taliban had taken over in Afghanistan—was that it applied to female Afghans who formerly worked alongside our own forces and even served in the Afghan forces alongside our own, who have potentially been at greatest risk. For them, the offer to relocate to this country, and to rebuild and re-establish a life here, has been very important.

Sir Geoffrey Clifton-Brown (North Cotswolds) (Con): I commend the Secretary of State for the calm and sensible way in which he has announced the change in Government policy today. I can already announce to the House that, since the briefing earlier today, I have made preliminary arrangements for MOD officials to address the Public Accounts Committee to examine the cost implications. Some £400 million has been spent so far, and I think the Secretary of State said in parentheses that another £400 million will be spent on the 600 people currently based in Afghanistan who have received invitations under the scheme. Can he give me and the House an assurance that if those 600 people, who must be in some danger, do need assistance, it will be rapidly provided?

John Healey: The hon. Gentleman is very fast off the mark, and I am glad that he has already issued his invitation to his Committee. He is asking for figures as Chair of the PAC. The cost of what has been spent and committed in order to get in transit to Britain the 900 principals eligible under ARR, plus their immediate family members, is around £400 million. For the remaining members of the ARR and their immediate families who have been issued invitations, we expect something similar again. But because of the policy decisions that we have been able to announce and the changes that we have been able to make to the programmes we inherited—he may want to probe this with his Committee—it means that the taxpayer should be paying £1.2 billion less over the next few years, and that around 9,500 fewer Afghans will come to this country.

Baggy Shanker (Derby South) (Lab/Co-op): I welcome the Government's decision to support the lifting of the super-injunction today and bring this awful matter properly into the public domain. Does the Secretary of State agree that it is right and proper that this issue is now fully scrutinised by Parliament?

John Healey: I do, indeed. One important feature for me in being able to make this statement and to set out the details before the House this afternoon has been that we are now restoring the proper parliamentary accountability of Ministers to this House for the decisions that we take, the schemes that we run and the spending that we commit on behalf of the taxpayer. I look forward to Members in this Chamber—and, I hope, in the appropriate Committees—undertaking their proper constitutional role in a way they have not been able to do over the past two years without being constrained.

Dave Doogan (Angus and Perthshire Glens) (SNP): This has been a difficult statement for the Secretary of State—make no mistake. He said in his statement that this was a breach of very strict data protection protocols. Well, on the basis of this breach and the other breaches around Afghan resettlement, those protocols were clearly not strict enough. He has declined to say whether it was a contractor, a civil servant or a member of service personnel. I do not think that anyone in this House wants to know who it was, but I would like to know how senior that person was. If it was a junior member of MOD staff, the delinquency is both systemic and personal, but if it was a senior member of MOD staff, the delinquency is purely personal on the basis of their knowledge and seniority.

This instance related to brave Afghans, but what reassurance can the Secretary of State give us that the brave personnel of the UK forces would not be compromised by a level of delinquency similar to this in the MOD—and why the synchronicity between the lifting of the super-injunction and the ending of the schemes? Should we not walk a mile in the shoes of the people who have fled the Afghan regime, and do should we maybe think whether we need an ARR-plus wash-up to get these people out of danger if it becomes a reality?

John Healey: I wanted this House to hear the policy decisions that I had made and I wanted this House to hear them first. The judge, aware of the decisions that the Government had taken and the announcements that I was planning to make today, took his decision to lift the super-injunction and to deliver his court judgment at noon.

On the question of the individual responsible for the original data loss, that is not something I am prepared to pursue in this House. Clearly the overarching responsibility was with the Ministers at the time. My full focus has been to get to grips with what we inherited, take a fresh look at the policy that was in place, and be in a position—with the proper degree of deliberation, and with sound grounds—to come to the House and announce the changes I have this afternoon.

Mark Ferguson (Gateshead Central and Whickham) (Lab): As I am sure many Members do, I feel a sense of anger that once again the Afghan people have been betrayed. I thank the Secretary of State for his candour and his response, and for lifting the super-injunction, which will allow proper parliamentary scrutiny, but will he assure me that the following three questions will be answered? First, how was a year allowed to pass between the initial leak and it being uncovered? Secondly, how was an email with a spreadsheet attached considered a serious way to send around what effectively amounted to a kill list of Afghans for the Taliban?

Thirdly, the role of James Heappey in overseeing this has been mentioned. What role, if any, was held by the two Secretaries of State for Defence over that time, one who served until August 2023 and one who served from August 2023—to my mind, either side of the information coming to light? If we do not get to the bottom of those questions, we will do an immense disservice to the British people and, worse, to Afghans, who have been let down once again.

John Healey: My hon. Friend signals some of the areas that the necessary parliamentary scrutiny will consider. I have to say, it was 18 months, not one year, between the original data loss and when it was first discovered and brought to Ministers' attention in August 2023. To his second question about the spreadsheet, this was a period in which officials and the Department were working at breakneck speed to put in place novel schemes that were urgently needed. Clearly that sort of spreadsheet software is inappropriate for this casework system, and it is no longer used in that way. Finally, on the role of my predecessors, Grant Shapps was the Defence Secretary who oversaw the design, extension and establishment of the ARR scheme.

Neil O'Brien (Harborough, Oadby and Wigston) (Con): As well as risking lives, this extraordinary error has cost taxpayers huge sums. The Secretary of State says that it will now cost £1.2 billion less, but what will be the total cost of all these schemes after that? First, given the extraordinary lack of transparency that this Parliament has been subjected to—and voters too—will the Secretary of State agree to publish the legal advice that led to the expansion of the ARR and other schemes so that we can properly discuss it? Secondly, the Secretary of State did not mention any official resigning or being sacked over this extraordinary episode. I think my constituents will find that quite surprising. Will he name the number of people who have resigned or been sacked over this extraordinary error, and if nobody has been, does he agree that that is wrong?

John Healey: I am not in a position to make a decision about publishing the legal advice that led the previous Government and Defence Secretary to extend the scheme. It is not legal advice that I have had access to or seen. On the question of costs, the hon. Member for North Cotswolds (Sir Geoffrey Clifton-Brown), Chair of the Public Accounts Committee, will do the job. I can confirm that the total cost of all Afghan relocation schemes to date, for those 36,000 Afghans who have been brought to this country, is around £2.7 billion. The expected cost over the entire lifetime of those schemes, to bring in anyone who may subsequently prove eligible, is between £5.5 billion and £6 billion. That is at least £1.2 billion less because of the policy decisions I have taken this afternoon.

Amanda Martin (Portsmouth North) (Lab): I thank the Secretary of State for his openness and transparency, and for his apology, and I thank Portsmouth city council for its involvement in Afghan resettlement schemes, which have helped many of those who served alongside my Portsmouth North constituents. I welcome today's decision. The Government rightly took time to consider all the options and examine the complexities, including through the Rimmer review. They considered the cost to taxpayers and the safety of those affected, alongside the need for transparency and openness in this House and to the press and the public. Does the Secretary of State agree that we must, as a Government, reaffirm our commitment to public transparency?

John Healey: I do agree, and this House is doing so this afternoon in response to my statement. The role that my hon. Friend's local council in Portsmouth and councils across the country are playing in making sure

[John Healey]

that there is a warm welcome and a unified Afghan resettlement programme in place for those Afghans and their families who we are welcoming into this country is remarkable. We thank them for that. Central Government and this House could not see these schemes operate effectively without our local councils.

Sir Iain Duncan Smith (Chingford and Woodford Green) (Con): I commend the Secretary of State's statement. I will not dwell on the past, because I am sure that the Defence Committee and other Select Committees will have a look at that. I want to ask him about where this goes in future. All these schemes are closing, but there are still people out there who do not recognise the statement in the report that there is no longer a widespread campaign of targeting individuals. I have one case in my mind. The Minister for the Armed Forces knows exactly who I am referring to: Sami Atayee, who has fled and is in hiding in Pakistan, and whose brother has been arrested during the pursuit. He was not directly employed by the British Government—he could not have been, for security reasons—but the testament of General Olly Brown and others all say that he saved lives for British servicemen and servicewomen. We surely owe people like that a debt of honour and gratitude for their work, so I simply ask the Secretary of State to look at what might replace the schemes that he has got rid of, which were inflexible, very narrow and often left out those who really did this Government a service. I would be grateful if he came up with some flexible idea that allows some of these people to seek succour here in the United Kingdom.

John Healey: I hesitate to be too blunt with the right hon. Gentleman, because I have a great deal of respect for him. If any applicant is not eligible under the criteria of the scheme that this House has approved and the Government have in place and operate, that can really only lead to one decision. He encourages me to look in a creative way at other options. My hon. Friend the Minister for the Armed Forces is very familiar with the case that the right hon. Gentleman raises. We will look at it again, but I do not want to raise false hopes for him, or for the man whom he describes so vividly, and with such concern.

Peter Swallow (Bracknell) (Lab): I am proud that Bracknell Forest is involved in the Afghan resettlement programme, and is offering transitional support to the brave Afghans who risked their life to support our troops. Any such scheme depends on public trust, so it is concerning to hear that under the Conservative Government, we instead had secrecy, security breaches and a super-injunction. Will the Secretary of State take this opportunity to reaffirm two commitments: first, that this Government will continue to honour the moral obligation we owe to the Afghans who fought alongside our troops, and, secondly, that we will do so in a way that reaffirms this Government's commitment to public transparency?

John Healey: I will indeed reaffirm our continuing commitment to honouring the obligations and duty that we owe to those who served or worked alongside our forces. Through the ARAP scheme, we will complete the processing of any outstanding applications, and any

who prove eligible will get full relocation and resettlement support. I am glad to be able to restore a degree of that parliamentary scrutiny and transparency that our system in Britain depends on.

Calum Miller (Bicester and Woodstock) (LD): I thank the Secretary of State for his statement. He said: "When this nation makes a promise, we should keep it." I agree. In the chaos of withdrawal, my constituent who left under ARAP was made a promise by British officials that his pregnant wife could follow him. Two years later, we have still not kept that promise. My constituent's wife and child continue to move around in Afghanistan to evade the Taliban, and my constituent is so desperate that he is talking about returning to Afghanistan—despite the risk to him—to be reunited with them. The Minister for the Armed Forces, who knows the case, has told me that the Ministry of Defence will not consider it, and that this is now a matter for the Home Office. In the light of that, will the Secretary of State repeat his commitment that our nation should keep its promise to my constituent? Will he undertake to discuss with the Home Secretary how her Department will ensure that such cases are afforded proper treatment in the light of our commitment to the Afghan people?

John Healey: I will take a look at the case and, if required, I will speak to my right hon. Friend and colleague, the Home Secretary.

Josh Fenton-Glynn (Calder Valley) (Lab): I pay tribute to all the diplomats and armed forces involved in what was clearly an extraordinary operation. It is a stark reminder that our asylum system—despite the demagoguery we sometimes hear in this place—often represents a sacred duty to those who put their lives at risk for us and our allies. Will the Secretary of State confirm that while the ARR is now closed, we will continue to process cases of those in the ARAP scheme since 1 July, including the one that I have raised with officials?

John Healey: My hon. Friend speaks powerfully. Where there are outstanding ARAP applications, they will be processed. Where there are outstanding Triples cases that fall into the second phase of the review, that review will be completed, and where eligibility for ARAP entitlement is established, that will be honoured.

Ben Obese-Jecty (Huntingdon) (Con): I thank the Defence Secretary for his statement, but I think it asks a lot more questions than it answers. Will he outline exactly how the dataset came to be accidentally emailed? Will he confirm that it was indeed an accident? What was the security classification of that dataset? Who was the dataset emailed to, given that it is now feared to be in the hands of the Taliban? I appreciate that he might not be able to answer some of those questions, but given that this happened three years ago, what level of investigation has taken place? Can that be published?

John Healey: I think that I reported earlier to the House that the incident under previous Ministers was reported to the Metropolitan police. It was also reported to the Information Commissioner. The Met police deemed no criminal investigation or further action to be required. The Information Commissioner still has the case—we are working closely with them—and I would expect

some conclusions and judgments from the Information Commissioner's Office before too long, but I simply cannot say when.

Melanie Ward (Cowdenbeath and Kirkcaldy) (Lab): I ran an aid agency when the Taliban came to power in 2021 and vividly recall trying to get the then Government to help with the evacuation of brave Afghan colleagues, aid workers and human rights defenders—people who had served humanity—under huge threat. I remember the confusion that reigned in the UK Government. To hear that the lives of tens of thousands of Afghan civilians were further put at risk by this data breach is deeply shocking. The Defence Secretary will know that under the Taliban, Afghan women and girls are enduring the world's most severe women's rights crisis. Does he agree that the UK must do all it can to support the women and girls of Afghanistan in realising their right to equality?

John Healey: I do. Where female Afghans are eligible for the schemes, it has been important that they have been able to apply, and we have been able to offer them the same relocation and resettlement as others. My hon. Friend speaks with great authority and passion about that period in Afghanistan four years ago, when the Taliban were taking over as Kabul fell. I am sad to say that her characterisation of policy confusion and programme failure is exactly what was going on in the British Government at that time.

Ben Lake (Ceredigion Preseli) (PC): The Secretary of State will know that communities in Wales, as across the UK, have been proud to welcome those Afghans and their families who served alongside UK personnel. Many colleagues have raised concern about the Afghans who might remain in Afghanistan or in adjacent countries and may still be in danger for their services rendered. How confident can we be that all those in severe and imminent danger of reprisals will receive invitations for resettlement?

John Healey: Those who have received invitations will have those honoured. On the concerns that the hon. Member may have about the assessment of risk in Afghanistan, I recommend that he reads Paul Rimmer's report, which is comprehensive and up to date. It inevitably contains some uncertainties, and it identifies the risks that are inevitably there in any policy judgments that Government Ministers like me must make. I will also reinforce the point that the hon. Member made about the welcome and the pride with which the Welsh people embrace those Afghans who come to rebuild their lives in our country.

Mary Glindon (Newcastle upon Tyne East and Wallsend) (Lab): My constituent has an active application to bring members of his family, who are currently in a third country, to safety in the UK. The MOD has advised him to assume that their data has been compromised, which is deeply concerning given the nature of the work

he used to undertake. He has been told that this third country cannot be supported, even though his family might not be safe in Afghanistan. Will the Secretary of State help to ensure that his case is accelerated, given the further danger that the data leak may have put his family in?

John Healey: If my hon. Friend writes to me with the details of that case, I will certainly take a hard look at it.

Jim Shannon (Strangford) (DUP): I thank the Secretary of State very much for his well-chosen, careful, contrite words, which were said in a tone that the House appreciates. As an MP who has often decried the abandonment of those Afghans who helped to secure safety for our troops, and whose job put them in the firing line, I must agree with the principle of doing the right thing, and being a nation that is seen globally as supporting those who support us. The issue of secrecy to the House is critical; the Secretary of State has outlined that. Does he agree that Governments must always totally protect those who were put in harm's way, under the principle of doing what it is always right to do? I think of my constituent who served along with our forces in Afghanistan, and whose Afghan friend is in hiding in Pakistan with his wife and three children. I think of him and the fear he is in. If I send the Secretary of State the details of that gentleman and his family, will he ensure that he gets the help we should give him? That is what my constituent wants, what I want as his MP, and what that person wants.

John Healey: I appreciate the way in which the hon. Gentleman raised his concerns about that case. If he writes to me with the details, I will take a hard look at it.

Alex Ballinger (Halesowen) (Lab): I served twice in Afghanistan alongside some of the bravest soldiers, judges and women's rights defenders I have met. After the fall of Kabul, I was based in Pakistan with the Foreign, Commonwealth and Development Office, where I was involved in the evacuation from Afghanistan. At that time, despite the excellent work of people who served in Op Pitting, we saw many mistakes made by the last Government, including dogs being prioritised ahead of people. This data breach, which was held secret for years, is just the latest embarrassment from that evacuation. Will the Secretary of State consider a Select Committee inquiry into not just the breaches in this case, but the entire Afghan relocation system, which has failed so many times?

John Healey: One of the great joys of this House is the depth and breadth of experience that Members on all sides bring to debates. I applaud my hon. Friend and the insights he brings from his experience in Afghanistan and Pakistan.

It is certainly not for Ministers to define the terms of any inquiry that a Select Committee of this House may choose to undertake. That will be a matter, quite properly, for those Committees. If Ministers are summoned and required to account and give evidence, we certainly will.

Points of Order

2 pm

Sarah Owen (Luton North) (Lab): On a point of order, Madam Deputy Speaker. Over the weekend a member of staff in the Commons, Muhbeen Hussain MBE, was publicly defamed online by several Conservative MPs, including Members of the shadow Front Bench. Following threats of legal action, the defamatory posts were deleted by some, but the damage was already done. This behaviour not only does reputational damage, but given the current discourse, brings serious harm and, potentially, risk to life.

What advice does the Speaker's Office have for Members in this House and in the other place who abuse the power dynamic of their elected office to defame openly a young staffer who also works in this House, while quietly deleting their tweets without an apology? Does that fall short of the standard expected of those who serve in this House and would it be proper for them to apologise?

Madam Deputy Speaker (Ms Nusrat Ghani): I am grateful to the hon. Member for giving notice of her point of order. The Chair is not responsible for Members' comments on social media, but I am sure the Table Office will be able to advise on how to pursue the matter further.

Mr Paul Foster (South Ribble) (Lab): On a point of order, Madam Deputy Speaker. Yesterday in Westminster Hall the debate on the Northern Ireland veterans petition took place. Given that this is an exceptionally sensitive and emotive issue, Westminster Hall was at full capacity, and many veterans were in attendance and many more were watching online, do you feel that it is appropriate conduct for the shadow Secretary of State for Defence, the hon. Member for South Suffolk (James Cartlidge)

to shout across the floor that I, a military veteran discussing emotive and exceptionally challenging veteran issues, should "show some courage", in a way that was clearly audible for all to hear? Given the nature and importance of the issue we were attempting to debate, that the remark was shouted from a sedentary position, that the hon. Member is the shadow Secretary of State for Defence and that I and many colleagues found it to be wholly inappropriate and insulting to infer that I lack courage, do you feel that that is acceptable parliamentary language?

Madam Deputy Speaker: I am grateful to the hon. Member for giving notice of his point of order and, I believe, for confirming that he notified the hon. Member for South Suffolk. The remarks he refers to were not recorded in *Hansard*. None the less, I remind all hon. Members that good temper and moderation are the characteristics of parliamentary language and that heckling from a sedentary position from either side of the House does nothing to enhance the quality of debate.

BILL PRESENTED

DIEGO GARCIA MILITARY BASE AND BRITISH INDIAN
OCEAN TERRITORY

Presentation and First Reading (Standing Order No. 57)

Secretary David Lammy, supported by the Prime Minister, the Chancellor of the Exchequer, Pat McFadden, Secretary John Healey, Stephen Doughty, and Luke Pollard presented a Bill to give effect to, and make provision in connection with, an agreement between the governments of the United Kingdom and the Republic of Mauritius concerning the Chagos Archipelago.

Bill read the first time; to be read a Second time tomorrow, and to be printed (Bill 285) with explanatory notes (Bill 285-EN).

Human Fertilisation and Embryology (Regulation)

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

2.3 pm

Dame Caroline Dinenage (Gosport) (Con): I beg to move,

That leave be given to bring in a Bill to make provision about the regulation of online providers of fertility and certain ancillary services by the Human Fertilisation and Embryology Authority; and for connected purposes.

Having a child is variously viewed as one of the most life-changing, exhausting, expensive, thankless, frustrating and ultimately magical and rewarding things we ever do in our lives. My two sons sometimes drive me round the bend, but I quite literally love them more than anything in the world.

For many people, having a child requires a form of fertility treatment; in fact, one in six couples in Britain is affected by infertility problems. More than 52,000 people accessed fertility treatment in 2023—the most recent year for which statistics are available. For perspective, that is up from 6,000 in 1991. In the past 25 years, the proportion of children being born by in vitro fertilisation has doubled. The regulator for the fertility industry, the Human Fertilisation and Embryology Authority, reports that there are now enough children born by IVF for there to be one in every classroom around the UK. That is for a number of reasons.

It is worth celebrating that since 1991 social attitudes towards women getting into and staying in work have progressed even further; there are now 10% more women in employment. Sometimes, however, building a successful career can make it harder to build a family. One in 10 fertility treatments are undertaken by single women, and the average age of those women is slightly older, at 36. Although the proportion of young adults in the UK who identify as lesbian, gay or bisexual has doubled in the last five years, the Government amended the law that regulated fertility access to remove the barriers for female same-sex couples for the first and only time in 2008, and that is what we are here today to discuss: apart from that one change, regulation has remained static while industry, attitudes and lifestyles have raced ahead.

The Human Fertility and Embryology Act 1990 regulates fertility clinics, and despite the fertility landscape constantly modernising and moving with the times, that piece of legislation has remained largely unchanged since it was passed 35 years ago. The failure of the regulatory regime to oversee adequately the uniquely high-stakes world of modern fertility treatment was thrown into sharp relief recently with the unexpected closure of Apricity Fertility. Acting as a hub that connected parents to the very complex web of fertility services, it was effectively a digital concierge service, linking women with partner clinics and offering advice and support, yet not providing any of the medical services itself.

Just days before Christmas, on 20 December, Apricity Fertility notified customers that it would cease all operations from 1 January. While families across the country were opening their Christmas presents, hundreds of Apricity customers, including women who were just about to start their IVF injections, were opening emails that

would ruin their Christmas and leave them in limbo at a very crucial point in their fertility treatment. Patients scrambled to seek confirmation from clinics that they could continue with their treatment, because as we know, even a month's delay can massively affect the chance of a successful cycle. In many cases, having already spent every single penny that they had in the world in the pursuit of having a baby, some were told by their insurers that they would have to pay thousands more up front to continue their treatment.

We know that IVF is a physically demanding and incredibly emotionally fraught process. IVF cycles are more likely to be unsuccessful than successful, but Apricity boasted an above-average success rate of 46%. As IVF.net stated, therefore, for hundreds of couples, Apricity's closure was

“more than a logistical hurdle—it is a devastating emotional blow.”

Even worse, families who had signed up Apricity were not offered the peace of mind that a regulator provides, because it was not regulated; it was an unlicensed online clinic. That means that the health and advice on offer could have been complete rubbish and could have been backed by no expert knowledge at all—and such online services are expanding in scope and number.

The HFEA has warned:

“For some time a range of activities marketed as fertility treatments have taken place outside of HFEA licensed clinics in a variety of settings, including ‘wellness’ clinics. More recently, the fertility market has started to move online, in settings which are outside of the regulated scheme”.

More people are accessing the fertility market and treatments than ever before, and particularly in that way. Though the HFEA cannot put an exact number on that, precisely because such services fall outside its regulatory scope, given that 73% of IVF cycles are funded privately, it is likely to be a very large proportion.

In recognition of the changing landscape, and with patient trust and safety in mind, the HFEA recommended in 2023 that the 1990 HFE Act

“should be revised to accommodate developments in the way fertility services are provided.”

I know that Health Ministers have met the chair of the HFEA to discuss updating the regulatory regime around fertility treatment, but such change will require primary legislation. I have had no firm commitment that the Government are seeking a change in the law, but the case of Apricity has underscored the urgent need to safeguard patients' rights to their data, their eggs and their sperm.

This is a classic case of regulation just not keeping pace with modern life. It is criminal that organisations that are in the business of making dreams come true can just disappear, along with people's money and their hopes of starting a family. The Chancellor has made it clear that she is no fan of regulators, but in the field of medical treatment and specifically the process of IVF, a strong regulatory regime is absolutely vital to ensuring confidence and security, so I urge Ministers and Members across the House to support my Bill, to bring in the recommendations of the HFEA and to support women and families at one of the most important stages of their lives.

Question put and agreed to.

Ordered,

[*Dame Caroline Dinenage*]

That Dame Caroline Dinenage, Katie Lam, Liz Jarvis, Aphra Brandreth, Sir Ashley Fox, Joe Robertson, Christine Jardine, Jim Shannon, Sarah Champion, Florence Eshalomi, Samantha Niblett and Wendy Morton present the Bill.

Dame Caroline Dinenage accordingly presented the Bill.

Bill read the first time; to be read a Second time on Friday 12 September, and to be printed (Bill 284).

BUSINESS OF THE HOUSE (TODAY)

Ordered,

That, at today's sitting, business in the name of the Leader of the Opposition shall be treated as being taken on an allotted day provided under paragraph (2) of Standing Order No. 14 (Arrangement of public business); such business may be entered upon at any hour and may be proceeded with, though opposed, for up to six hours after the start of proceedings on the Motion for this Order; proceedings shall then lapse if not previously disposed of; and Standing Order No. 41A (Deferred divisions) shall not apply.—(*Lucy Powell.*)

Opposition Day

[9TH ALLOTTED DAY]

Welfare Spending

Madam Deputy Speaker (Ms Nusrat Ghani): I inform the House that Mr Speaker has not selected any amendments. I call the shadow Secretary of State to move the motion.

2.12 pm

Helen Whately (Faversham and Mid Kent) (Con): I beg to move,

That this House believes the two-child benefit cap should remain in place and that households with a third or subsequent child born from 6 April 2017 claiming Universal Credit or Child Tax Credit should not receive additional funding, because those who receive benefits should make the same decisions about having children as those who do not; further believes that lifting the cap would exacerbate a benefits culture which is unfair on the taxpayers who pay for it and unfair on those who become trapped on benefits, because those who can work, should work; and generally supports further changes to reduce welfare spending and ensure that benefits are there only for those who need them.

All of us have to make difficult choices in life about what we can afford. Many of us here are fortunate, but one of those choices will have been the number of children we have. We may wish that such an important decision were not tainted by something as unromantic as money, but that is the hard fact of the matter. Children are wonderful—I say that as the mum of three teenagers—but bringing them up is an expensive business. As Conservatives we believe in the importance of family, in personal responsibility, in fairness, and as families and as a society, in living within our means. That is why today we are calling on all Members to affirm our commitment to a policy that reflects those principles.

Let me take a step back for a moment and reflect on the situation we are in as a country. We have 28 million people in Britain who are now working to pay the wages, benefits and pensions of 28 million others. More than half of all households received more in benefits and benefits in kind than they have paid in taxes. To spell that out, more people are net recipients than net contributors. That is happening right now, and with every day that passes, spending on benefits is going up and up. Health and disability benefits alone are set to hit £100 billion by the end of the decade. That is more than we spend on defence, on education and on policing.

While it might seem kind to spend more on welfare, it is not. It is not kind to those trapped in the welfare system and written off to a lifetime on benefits. As we embark on a doom loop of uncontrolled spending, higher taxes, struggling businesses, entrepreneurial exodus, rising unemployment and then more people out of work and on benefits, it is not kind to those who lose their jobs and their incomes in that cycle of misery. If the moment comes when we cannot afford to provide welfare even to those in desperate need, it most definitely will not be kind to them, the very people our welfare safety net is meant to be there for.

Dave Doogan (Angus and Perthshire Glens) (SNP): The shadow Minister talks about kindness. Does she agree, therefore, with the Children's Commissioner for

England, who has said that children in England are now living in “Dickensian levels” of poverty? A principal element of that is the two-child cap. What element of kindness does the shadow Minister see present in that unfairness?

Helen Whately: I do not agree with the hon. Member. I am going to talk about poverty in a moment, so if he will just hold on, he will hear my view on that point.

This is a ticking time bomb. If we do not solve this problem, our economy will collapse, yet opposite me sit members of this Labour Government who have just shown us, with the welfare chaos over the past couple of weeks, that they will not, and indeed cannot, fix this. In fact, they are just making it worse.

If hon. Members cast their minds back to early 2020, they will remember that Labour was in the midst of a leadership election. The now Prime Minister made a clear and unequivocal commitment to

“scrap...punitive sanctions, two-child limit and benefits cap.”

Then, once he had secured the leadership of the Labour party and the election neared, he changed that tune. He said Labour was not going to abolish the two-child limit. He acknowledged the need to take tough decisions and not to make unfunded spending promises, and on this we can agree. But saying that he would take tough decisions is not the same as actually taking them.

Take for example the Universal Credit and Personal Independence Payment Bill, now just called the Universal Credit Bill, which Labour voted through last week. It was meant to save £5 billion. The first U-turn brought that down to £2 billion, and the next U-turn then brought it down to—well, the Minister on the Front Bench at the time could not tell us, but the consensus is that it will now cost the taxpayer around £100 million.

Dame Harriett Baldwin (West Worcestershire) (Con): My hon. Friend is making a powerful speech. Does she agree that, as a result of that Bill, one of the things that is most shocking is that in due course it will actually pay someone more to be on welfare than to work full time on the minimum wage?

Helen Whately: My hon. Friend makes an important point about the problem of a welfare trap, where people would better be better off on benefits than working full time on the minimum wage.

Deirdre Costigan (Ealing Southall) (Lab): Will the hon. Lady give way?

Helen Whately: I will first make a little progress, but then I will be happy to give way to the hon. Lady.

Last week’s welfare fiasco saw a Bill that was meant to save money become a Bill that will cost money. We have also seen the fiasco of the winter fuel payments cut, with the Government having to row back on their tough talk because taking money from low-income pensioners is not, in fact, the way to make savings. And now we are debating the future of the two-child limit, which Cabinet Ministers, including the Prime Minister, have indicated is the next tough choice that they are not going to make.

Dame Caroline Dinenage (Gosport) (Con): My hon. Friend talks about tough choices. Does she agree that families that are in work make tough choices every

single day, about what they can afford and how they spend their money, and that those who receive benefits should really have to make the same tough choices?

Helen Whately: My hon. Friend makes an important and thoughtful point. Many families, whether they are living off benefits or in work, would like to have more children but have to make these difficult choices about what they can afford. This is a point about fairness.

I know that many Labour Members passionately believe that the limit should go, and they will make arguments today about child poverty as if they were the only ones who care about it—[*Interruption.*] For the avoidance of doubt, that is not true. Our difference of opinion is about what to do about it. I think all of us are at a loss to know what the Prime Minister believes in. By contrast, we know what we believe in and we know why we are here. That is why we have brought forward this debate on the two-child limit, because somebody has to make the case for fiscal responsibility, for living within our means, for fairness, for ensuring that work pays and for keeping the two-child cap.

I want to be clear that all of us—including those of us on the Opposition Benches—want children to have the best possible start in life. Let us also be clear about what the two-child limit actually is, because I note that some Members from other parties are confused. The two-child limit restricts the amount of additional universal credit that families receive for having children to the first two children only, with some sensible exceptions, such as for twins or non-consensual conception. The cap does not apply to child benefit, which is available to all families with incomes of up to £80,000 for every child, regardless of the number of children in a family.

Sir John Hayes (South Holland and The Deepings) (Con): I am proud to be a member of the party of Wilberforce, Shaftesbury and Disraeli, who all understood that it is essential to free people from need, and that in that effort the state can be a force for good. But in freeing people from need we should not limit them to a life of dependency. It is entirely possible to believe that although welfare can be a force for good, so too can personal responsibility, and responsibility means making the kinds of choices that my hon. Friend has set out.

Helen Whately: I could not put it better than my right hon. Friend.

We know that bringing up children is expensive and important. When working couples have to make tough decisions about whether they can afford to start a family in the first place, they should not be made to pay more in taxes to fund their neighbour to have a third, fourth or fifth child. Someone in a job does not get paid more just because they have another child. If we are worried about people getting caught in a benefits trap where it pays more to be on welfare than in work, how much worse would it be with neither the two-child benefit nor the benefits cap? It would mean benefits increased by thousands. When I say thousands, the House of Commons Library has told me that a family with five children would get more than £10,000 extra a year and a family with eight children would get more than £20,000 extra a year. That is more than the after-tax income of someone working full time on the minimum wage.

Deirdre Costigan: Does the hon. Member seriously believe that any family anywhere in the country will take seriously the Conservative party lecturing them on personal and fiscal responsibility, when this is the party that not only brought the economy to its knees through the uncoded promises of Liz Truss's Government, but partied in the back garden of No. 10 when the rest of us were under covid restrictions?

Helen Whately: If I could take the hon. Lady back a bit, she might remember when we came into office in 2010, and we had to bring down the deficit year after year to get the country's finances under control.

Giving children the best start in life is not as simple as handing out more money. It is about giving parents the community support they need as they encounter the challenges of bringing up a child, which is why we launched the family hubs. It is about education, but school teachers around the country are being let go. It is about growing up in a household with someone in work, but across the country people are being made redundant because of the Chancellor's jobs tax.

I know that I will not win over everyone here with my argument. For instance, I do not expect to convince the four remaining Reform MPs, because their leader has said that he would remove the two-child limit—the hon. Member for Clacton (Nigel Farage) believes that is the right thing to do and said that he is not finished yet on benefit giveaways. But asking the taxpayer for ever more in taxes to pay for their neighbour's benefits is not the right thing to do. The country, taxpayers and future generations cannot afford this. The Prime Minister, the Chancellor and Cabinet Ministers have been unable to rule out more tax rises this autumn. Businesses, working people, pensioners, savers, homeowners—whose pocket will be picked next?

Last week, the Office for Budget Responsibility warned that the UK's finances are in a very "vulnerable position". Now more than ever we need the Government to take the tough decisions—but will they? I know Labour Back Benchers are itching to vote to scrap the limit, but where are the Government on this? Will they take the position of the Prime Minister in 2020, in 2024 or now, or will they have to abstain because the Government just do not know? Soon we will see.

Only the Conservatives understand the importance of personal responsibility, fairness and living within our means. Labour, the Lib Dems, the SNP, the Greens and Reform all voted last week for more welfare spending. Will they do the same today, or will they vote with us to back the people getting up every morning, going out to work, doing the hard yards, making the hard choices and working hard to build our country?

2.24 pm

The Minister for Employment (Alison McGovern): Well, there we have it—as ever, all politics and no economics. The Conservatives come to this House to talk not about the people of this country, but about themselves. In March, we found out the truth of the Tory record on child poverty, which is highly relevant to their motion today. From 2010 to 2024, the number of poor children skyrocketed by nearly 1 million. After 14 years in office, the Conservatives left us with 4.5 million of our children growing up without the ability to make ends meet. That is what Tory Governments do, just as

they did from 1979 to 1997, when child poverty more than doubled, leaving 4.2 million children in relative poverty. The Conservatives can come to this House to defend the failures of the last Government as many times as they like, as their motion does today. Every single time, we will remind them of their record.

Graham Stuart (Beverley and Holderness) (Con): Will the Minister give way?

Alison McGovern: I will give way if the hon. Gentleman apologises to the 4.5 million children in this country growing up in poverty.

Graham Stuart: The Minister and Labour Members are in absolute denial about the state of the country. The Government came in with growth as their No. 1 mission, and what have they done? They have brought growth to an absolute, shuddering halt. They have done what every Labour Government do, which is to increase unemployment. Who does that hurt the most? It is the poorest. From an age point of view, who does that hurt the most? It is the young. An increase in youth unemployment of 45% was a scar on this country that the last Labour Government left. It was the Conservative Government that outgrew Germany, France, Japan and Italy over the 14 years we were in power. She should be ashamed of her record, even though it is only 12 months old.

Alison McGovern: I thank the right hon. Gentleman for that lengthy intervention. I deeply regret that he does not feel the need to look his own record in the face and, more than anything, that he has nothing to say to the 4.5 million children in this country without the means to make ends meet.

Emergency food parcels distributed by Trussell Trust food banks have increased by 164% over the past 10 years, and 1.1 million children are living in households that have gone to a food bank over the past 12 months. In this country we now have more food banks than police stations. Are the Conservatives proud of that record? I hope not.

Nobody in this country should be begging—no child should face that indignity. The consequences are serious. Over 80% of parents say they struggle to get basic support, such as a GP appointment, or to see a health visitor. Schools are in an attendance crisis, with one in five kids now missing a day a fortnight or more, and it is worse for poor kids. That is the Conservatives' record. These failures for our children will echo down the years and will turn up in our nation's life expectancy, the benefits bill they say they care about and, worst of all, in the sense of hopelessness that far too many people in this country now have.

Do the Conservative Opposition have a response on their record? As we have heard, no, they do not. Have they apologised to families in the UK? As we have heard, no, they have not. Have they reflected on their record? As we have heard, no, they have not. They bring a motion to this House to do none of the above, but to agree with the Tory party policy from 10 years ago. They are the same Conservative party that created the mess we are in now, and they have no regrets. Their motion talks of a benefits trap, and the hon. Member for Faversham and Mid Kent (Helen Whately) just

repeated that. They will be awfully cross when they find out who spent £3 billion on the universal credit system that they now say traps people in poverty. They promised that universal credit would get people into work; instead, it pushed people into incapacity benefits.

Paul Holmes (Hamble Valley) (Con): I gently say to the Minister that she and her Back-Bench colleagues do not have a monopoly on talking about poverty. If she really cared about poverty, she would not have allowed a policy to be brought before this House last week that, before it was changed, would have put 150,000 extra children into poverty. If she genuinely believes in tackling poverty, why is she still standing at the Dispatch Box as a Minister, because she should have resigned for putting more children into poverty under her proposals?

Alison McGovern: I do not believe for a moment that it is just people in the Labour party who care about poverty in this country. Former Conservative Members of this House who were discharged from their duties by previous Prime Ministers, and many other Members of different parties over many years, have cared about poverty. We should deal with facts in this place, and I am merely repeating, for the benefit of the House, the Conservative Government's record on poverty. I will cover the details of the child poverty taskforce in my speech. If the hon. Gentleman wishes at any point to make representations to the taskforce of Ministers dealing with child poverty in this country, I will happily receive them.

Sir Desmond Swayne (New Forest West) (Con): On the question of facts, will the Minister give way?

Alison McGovern: Let me make a little progress, if I may.

The official Opposition's motion speaks of a "benefits culture". I simply ask them this: who made that culture happen? Who was in charge for the past decade and a half? Either the last Tory Government were powerless to stop that culture being created, or they were responsible for it—which is it? Until they can see the consequences of their own time in office and accept the damage that they did, which they clearly cannot, no one will hear a single word that they say.

There are, however, people in this country who deserve a hearing: those who have experienced childhood under the last Tory Government. As the hon. Member for Angus and Perthshire Glens (Dave Doogan) mentioned, we heard last week from the Children's Commissioner—who, I point out, was appointed under the Conservatives—on her work capturing the opinions of children who have grown up in poverty because of the policies espoused by Conservative Members.

Paul Waugh (Rochdale) (Lab/Co-op): The Minister is making an important speech with which many Labour Members will agree. She will be aware that 59% of families with more than two children and which are on universal credit are in work. That is far from the feckless parent caricature that we have heard from the Conservatives. More importantly, does she agree that the children should come first, so we should urgently scrap the two-child cap as quickly as possible?

Alison McGovern: As my hon. Friend rightly points out, in the speech by the shadow Minister, the hon. Member for Faversham and Mid Kent (Helen Whately), we heard yet again from a Tory party that wants only to ignore the facts in favour of dividing people in this country, as it did for the many years it was in government. That is not what people want. People want this country to move forward together.

Sir John Hayes *rose*—

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

Alison McGovern: I will mention a few contributions by the Children's Commissioner for England, and then I will give way further.

We heard from the commissioner that children think that free breakfast clubs and school meals are important. That is why we have begun the roll-out of free breakfast clubs in all primary schools and last month announced the expansion of free school meals to all on universal credit, lifting 100,000 children out of poverty by the end of this Parliament.

Young people told the commissioner about how they absorb their parents' money worries. One 16-year-old girl said:

"I worry about money quite a lot. I see myself as quite approachable to my mum so my mum will tell me absolutely everything."

Children need to grow up without that stress, so we have introduced the fair repayment rate for universal credit households, so that a debt to the Government does not keep families poor, which will help 700,000 households with children.

Sir John Hayes: I am mindful of two of her predecessors in Birkenhead. The first is F. E. Smith, the great Tory, who talked about "all must have prizes". Sometimes, in our modern Britain, it feels that all must have state support. The second is the late Frank Field, who is much regarded and revered in this House for his honesty about welfare reform. The Minister is right that successive Governments have failed to grasp this nettle. The truth is that the relationship between the state and the individual has changed over time. We need a welfare system that focuses support on those in the greatest need. She surely believes that, and that requires bold welfare reform. Is she up for that or not?

Alison McGovern: I thank the right hon. Gentleman for his intervention and for reminding me of two of my predecessors. I cannot claim to have known the former, but I did know Frank Field very well. Frank and I talked many times, particularly with regard to Birkenhead, about his belief in the value of work. He wanted to see our shipyard thrive and young people in Birkenhead grow up with the pride of employment. I like to think that when the Prime Minister came to Cammell Laird shipyard recently to talk about the value of good work in Birkenhead, Frank would have felt very proud.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): Will the Minister give way?

Alison McGovern: I will continue for just a moment.

[*Alison McGovern*]

All the young people who spoke to the commissioner could not have been clearer about the challenge of learning in overcrowded bedrooms. They were clear and direct about the shame of not always being able to keep clean because of a lack of hot water. I am deeply proud that we have committed funding for social housing to get children out of temporary accommodation, and expanded the warm home discount for all those on universal credit who are eligible. To ensure that the next generation of families experience a friendly face and have a place to play, we have expanded Best Start family hubs to every local authority.

As I said earlier, those are just some of the changes being brought about thanks to the child poverty taskforce chaired by my right hon. Friends the Secretaries of State for Work and Pensions and for Education.

Stuart Anderson (South Shropshire) (Con): The family hubs are a great thing. The Minister said that they have gone to every local authority, but, if I have read the data correctly, none has gone to South Shropshire. Will she look into that and see whether we can get them there?

Alison McGovern: I will ask the Minister with responsibility for family hubs to write directly to the hon. Gentleman and work with him on that suggestion.

From the word go on taking office, the Prime Minister wasted no time in setting up the taskforce of Ministers to analyse the situation for our children in poverty.

Stephen Flynn: If I recall correctly, from the get-go, the Labour party suspended seven Members of its parliamentary party for voting to scrap the two-child cap. The Minister's colleague, the hon. Member for Rochdale (Paul Waugh), asked her very clearly whether she believes that the two-child cap should be scrapped, but she did not answer. Perhaps now she will. Does she believe that the cap should be scrapped—yes or no?

Alison McGovern: I will come to the two-child limit in a moment, but let me correct the right hon. Gentleman: the issue then was Members voting to amend the King's Speech.

From the word go on taking office, the Prime Minister wasted no time in setting up the taskforce of Ministers to analyse the situation for our children in poverty and to identify the most cost-effective ways of helping them to experience better childhoods. Our child poverty strategy will be published later this year, but, as I have said, we have already taken steps that we believe will help to mitigate the worst effects of 14 Tory years. Just yesterday, the Chancellor announced the better futures fund, the world's largest social outcomes fund, which will be backed by £500 million of Government funding over 10 years to support vulnerable children, young people and their families.

Several hon. Members *rose*—

Alison McGovern: I have given way a lot, Madam Deputy Speaker, and I am worried that you will be quite cross with me if I keep giving way, so I will make progress.

Jamie Stone *rose*—

Alison McGovern: I did say that I would give way to the hon. Gentleman, so let me do so before I finish my speech.

Jamie Stone: The Minister is extraordinarily gracious. She has rightly talked about universal credit, and what she says is very interesting indeed. I have constituents on legacy benefits who are—I think this is the right word—"migrating" to universal credit. The trouble is that they have to wait five weeks until they get their first cash. How will they make ends meet? What about the direct debits? I worry about that. Perhaps the wonderful group of Ministers considering these matters could look at that situation, because people are really caught in a trap.

Alison McGovern: The hon. Gentleman is not the only person who worries about it, and I will receive his intervention as a submission to the child poverty taskforce.

The child poverty taskforce is looking at all the levers we can pull—across income, costs, debt and local support—to prevent poverty, including social security reform. Our universal credit review is considering ways that the system can improve in order to stabilise family finances and provide roots into good work.

On the two-child limit specifically, the consequences of the Conservative choices made over the past decade and a half are clear for all to see. We have rightly said many times that we will not commit to any policy without knowing how we will pay for it. Taxpayers in this country—who include many parents, grandparents and those who care deeply about the fortunes of the next generation—have the right to know that they have a Government who will help grow our country and our economy. Poverty creates stony ground for that growth. It robs people of the dignity of being able to look after themselves and the choices about how to live their own lives. It robs children of what should be a worry-free time and makes them less able to take risks and try new things as they grow up.

This makes bad beginnings for a country that needs its next generation to be innovators, to be inventors and to build our future. I say this as one of three in a family with hard-working parents where money was tight. We knew every day in those years when I was growing up that the Tory Government at the helm did not give a stuff about people like us—we knew that every single day. Families in this country who are struggling should know that this Labour Government think about them every day. We have taken action to improve life for our kids, and we will keep fighting for that every single day.

Madam Deputy Speaker (Ms Nusrat Ghani): I call the Liberal Democrat spokesperson.

2.41 pm

Steve Darling (Torbay) (LD): Children are 20% of our population in the United Kingdom but 100% of our future, and it is shocking that almost a third of those children are growing up in poverty. That is why the Liberal Democrats believe the two-child limit should be lifted, as well as the benefit cap.

There are 4.5 million children living in poverty in the United Kingdom. That is almost a million and a half more than the population of Wales, which is shocking in the 21st century. Some 44% of children live in a family where someone has a disability, which relates

back to the conversations we have had about universal credit and PIP in recent weeks. The figure I have is slightly different from that of the hon. Member for Rochdale (Paul Waugh): 72% of children living in poverty live in a family where an individual is in work—people are in work, and yet their children are in poverty.

I reflect on a visit I made to a primary school in Paignton in the winter, where the headteacher said, “We have children who are coming into school cold, hungry and tired.” The impact of this on children is shocking. I represent the most deprived constituency that has a Liberal Democrat MP. The fact of the matter is that children do not choose to be born into large families, so having a benefits system that punishes those children is perverse in the extreme. This has been exacerbated by the cost of living crisis. Whether it is skyrocketing rents or utility bills, those are all significant challenges that have an impact on these youngsters.

The shadow Secretary of State, the hon. Member for Faversham and Mid Kent (Helen Whately), said that people have choices. What about a couple who choose to have three or four children, and everything is going well, but suddenly one of them is in an accident or contracts a significant disease that debilitates them, and their partner has to give up work to look after them and the rest of the family? That is not a choice; it is a sad circumstance for that family. We as a society need to make sure that the safety net is there to support them.

The Liberal Democrats have made a manifesto commitment to lift the two-child limit and the benefit cap, and it is not just us who believe this is the right way forward. The big four children’s charities believe this is the best, most cost-effective way to tackle child poverty. The Joseph Rowntree Foundation—a much loved organisation of mine—also believes this is the best way to tackle child poverty.

Childhood is a very short period of our lives. It is sad that the child poverty strategy has been delayed, but I hope it will emerge in the autumn. When I was the leader of Torbay council, we turned round children’s services from failing to good within two years. Part of that was ensuring that we used the whole of our orchestra of Torbay to support children: the Government’s biggest instrument is lifting the two-child limit and the benefit cap, because we desperately need to lift these children out of poverty.

2.45 pm

Gill German (Clwyd North) (Lab): Tackling the causes of child poverty is the reason I came into this place. As a teacher and then cabinet member for education, I know only too well about the child poverty that has grown for over a decade—I could see it happening before my eyes. In Wales, much has already been put in place to mitigate the impact, including in my own work: long-established free breakfast clubs, work to lower the cost of the school day and universal free school meals in every primary school.

There is also the incredible work that my local schools do, with family support spaces, banks of winter coats and food banks—yes, food banks—in schools, to make sure that children go home to a proper meal. The necessity of these in 21st-century Britain is a stain on our country, so when I hear Conservative Members talk about benefits culture, blaming people for their financial struggles and telling them to live within their means,

I am frankly staggered, because it is their inaction and shoulder-shrugging that has led us to where we are today.

Graham Stuart: Does the hon. Lady recognise that there were 800,000 fewer people—including 300,000 children—in absolute poverty and 4 million more people in work in the UK when the Conservatives left power in 2024 than there were in 2010? Labour Governments take us in the opposite direction: they put people in the dole queue and make the whole country poorer. That is why the Conservative party can be proud of its role in poverty reduction, including for children.

Gill German: I thank the right hon. Member for his intervention, but to be frank, I do not recognise any of it. The Tories sat on their hands and allowed low-paid work to grow, access to work to dwindle, welfare dependency to deepen and daily living costs to soar.

Stuart Anderson: Will the hon. Lady give way?

Gill German: I have just given way, so I will make some progress.

I came to this place because I did not want to mitigate the impact of child poverty any more—I wanted to do something about it. That is exactly what this Labour Government are doing, by boosting the minimum wage, taking others on the pay scale up with it; by investing in getting people trapped outside the labour market into work—the surest route out of poverty in the long term for them and the generations that follow; by negotiating trade deals to bring food costs down; by expanding the warm home discount, so that almost 1 million more families can afford to pay their bills, and investing in our own clean energy to bring those bills down for good; by increasing the standard rate of universal credit above inflation for the first time ever; and by establishing a fair payment rate for those who find themselves immediately in arrears with universal credit, which is a recognised driver for food bank use—an early action towards our manifesto promise to end mass food bank dependence for good. That is what action looks like—not indifference, not inertia, and not blaming those who are in need of support.

I know only too well that the drivers of child poverty are complex and multifaceted, but we must not shy away from that complexity. That is why I am proud that one of this Government’s first actions was to begin work on a child poverty strategy where, importantly, everything is on the table to drive down poverty and drive up opportunity.

Jim Shannon (Strangford) (DUP): Will the hon. Lady give way on that point?

Gill German: I am just about to finish, if the hon. Gentleman will forgive me.

I look forward to the findings of the child poverty taskforce in the autumn. More than that, I look forward to getting to work to make child poverty a thing of the past, so that we can continue to act, rather than to blame as the motion does today. We must put child poverty into the dustbin of history, where it belongs.

Several hon. Members *rose*—

Madam Deputy Speaker (Ms Nusrat Ghani): Order. We have two Opposition day debates that are both heavily subscribed, so we will start with a speaking limit of four minutes.

2.51 pm

Dr Kieran Mullan (Bexhill and Battle) (Con): I am pleased to have the opportunity to speak in this debate, which at its heart is about fairness and what works, rather than what sounds good. I believe that supporting families and helping parents requires a balanced system that provides support for those who need it, but that also ensures a sense of fairness to the taxpayer and the many working families who do not see their incomes rise automatically when they have more children. The previous benefit structure, which adjusted automatically for family size, was unfair on taxpayers, who pay for the extra benefits being received. Indeed, under the previous Labour Government, 1.4 million people spent years trapped in out-of-work benefits, with 50,000 households allowed to claim benefits worth over £500 a week, or over £26,000 a year, which was higher than the average wage at that time.

Taxpaying families who are not in receipt of benefits often have to make tough decisions when choosing how many children to have, and many will have made the decision not to have more simply because they could not afford it. As others have pointed out, for demographic reasons we may wish that that was not the case, but it is, and it simply is not fair to ask families who are making those difficult decisions to pay for the benefits of others who are not making those choices.

Joy Morrissey (Beaconsfield) (Con): My hon. Friend makes an excellent point. This is about fairness; it is about hard-working families who are trying to take care of their two children, while watching someone who is on benefits having multiple children. It is about fairness, equity and welfare state dependency.

Dr Mullan: I agree. I find it hard to believe that Labour Members would allow and support a system where someone could have five, six, seven, eight, or nine children—all being paid for by somebody else—and think that that is fair.

Sir John Hayes: I spoke earlier about F. E. Smith, who spoke about all having prizes who had “stout hearts and sharp swords”.

The stout hearts drive us to do the best for those in the greatest need, but our sharp swords should make us brave enough to recognise that there are those who are absorbing welfare expenditure that should be spent on those needy people. That is what the Government ought to do, but I heard none of that from the Minister.

Dr Mullan: It is the inability to have difficult conversations and make difficult points that puts Labour Members on the wrong side of these issues and on the wrong side of British taxpayers, who understand the complexity of these things.

Rachel Gilmour (Tiverton and Minehead) (LD): Will the hon. Gentleman give way?

Dr Mullan: Not right now.

I recognise, of course, that some people are not able to make the same choice about the number of children in their family—including, for example, children who are cared for under kinship arrangements, or adopted; there are many exceptions to the policy to make it fair. The welfare system is already growing unsustainably, with spending on health and disability benefits alone set to hit £100 billion by the end of the decade, yet Labour, Reform and the Liberal Democrats all back higher welfare spending, including scrapping the two-child limit, which will keep taxes high. The Resolution Foundation estimates that scrapping the two-child benefit limit will cost £3.5 billion a year by 2029-30. Is this really an appropriate time to put more pressure on the public finances?

Graham Stuart: The focus of the motion today is the two-child benefit limit, yet we heard not a single word from the Minister about it. That shows just how listless and drifting the Government are, when those on the Front Bench cannot tell the truth to this House or to those on the Back Benches. The truth is that the Labour party is riven in two, and those on the Front Bench no longer have any power of propulsion.

Dr Mullan: As others have pointed out, the Government put forward welfare reforms that were supposed to save money but ended up costing money, and this is yet another attempt to placate their Back Benchers in a way that we cannot afford. We must be clear about our record: we brought down absolute child poverty when we were in government. Labour Members are happy to quote figures on relative poverty and take them at face value, but when we quote figures on absolute poverty from the same datasets, they do not want to hear it. I am clear that I care more about absolute poverty, and how much someone actually has to spend on things that they need, than I do about relative poverty.

David Pinto-Duschinsky (Hendon) (Lab): Does the hon. Gentleman also care about deep poverty? That increased to a point where four in 10 children who were in poverty under the Conservatives were in deep poverty. Will he apologise for that?

Dr Mullan: I think we need to look at the absolute poverty figures and at what difference we can make to them—and what makes a long-term difference to the number of people in poverty of any kind is employment. We reversed the decline in employment, but we are now seeing it get higher every day under this Government's policies. That is what is bringing even more people into poverty—their record on the economy and on employment.

Rachel Gilmour: Will the hon. Gentleman give way?

Dr Mullan: I want to finish my speech.

Poverty is, of course, a matter for Government. It is about policies and about incomes, but there is another important side to child poverty in this country that people are too uncomfortable to talk about: child maintenance and the absence of payments made in single-parent families. Research by the single-parent advocacy organisation Gingerbread found that 43% of children in single-parent families in the UK are living in poverty, compared with 26% in couple families. We know that poverty has many causes and there is no single solution, but there is clear evidence that when

child maintenance is paid in full, it has a significant impact in lifting children out of poverty. Research shows that where it is received, child maintenance cuts the child poverty rate by 25%.

Gingerbread's "Fix the CMS" report found that 57% of parents who care for a child and had a child maintenance arrangement in place reported that they did not receive the full amount. The amounts involved are significant. At the end of September 2024, total cumulative arrears of payments that were formally expected stood at £682.1 million, and that figure is due to reach £1 billion by the end of the decade. That is just a fraction of the story, because those figures are based only on the sometimes quite pitiful amounts that non-custodial parents have to pay, either because they earn little or because they hide what they earn. Those figures also do not include parents who are not pursued for money by the custodial parent.

Absent parents are denying children much higher amounts of money than the official figures suggest, and there is a deep unfairness to that. If a custodial parent simply chose not to provide any more resources to the child they care for, they would face criminal sanction for neglect. A non-custodial parent who does not give money for the upkeep of their child faces no similar ramifications. I have no idea why we do not place an expectation on a non-custodial parent to make the same efforts to find work and earn money as we do with out-of-work people on benefits, as they are also creating a burden on the taxpayer.

As the Minister may know, there is legislation that allows steps to be taken to place non-paying parents in home detention. I urge her and the Government to look closely at that. If people cannot be bothered to go out, work and pay for their children when they do not live with them, they should not be allowed out on a Saturday night to drink beers with their mates. That would help to drive down the huge amount of money that is owed to children by parents who are simply not paying for them—

Madam Deputy Speaker (Ms Nusrat Ghani): Order.

2.58 pm

Matt Rodda (Reading Central) (Lab): It is a pleasure to speak in support of the policies outlined by the Minister. I wish to discuss the crisis in the system, the situation in my constituency, and some of the important initiatives under way to get people back into work.

It is worth reviewing the scale of the crisis that the current Government inherited just a year ago. After 14 years of the previous Government, 4.5 million children were living in poverty, 2.8 million people were on long-term sickness and disability benefits, and the cost of those benefits was up by £20 billion since the pandemic.

Jim Shannon: Will the hon. Gentleman give way?

Matt Rodda: I will not, I am afraid. I need to make some progress.

In addition, one in eight young people were out of work due to long-term sickness and were on sickness and disability benefits. In short, the system that the Government inherited this time last year was in crisis and, moreover, trapped people in poverty.

We are lucky to have a growing local economy in my constituency. We have a town that attracts many new businesses, and we grow our own businesses. However, that wealth is not spread evenly. Despite the impressive array of new buildings in the town centre, there is a stark contrast between the wealth in those businesses and some of the wonderful science parks on the edge of the town, and the poverty in which some of our residents live. I want to see that issue addressed. The Government are taking important steps forward in tackling that issue. I certainly saw the problems when I was a councillor in Reading. They can include families struggling to get by in an area where the cost of living is particularly high and the cost of housing is high; that is a crucial part of the issue.

Creating more good jobs is very important, and that is not just my opinion. Those jobs need to be spread across the country, and I believe the Government are making real progress on that, and on growing the economy. Indeed, I will correct a point that was made earlier: the UK economy has grown more in the first quarter of this year than any other comparable G7 economy, and that is in a difficult economic context around the world. As well as a need for economic growth, there is a need to improve access to good jobs. That is one of the points I want to cover.

Anna Dixon (Shipley) (Lab): Does my hon. Friend agree that disabled people have been written off by the Conservatives for too long? They have not been given opportunities to access work and good jobs, and they have been blamed by the Conservatives, for the sake of cheap headlines. Does he also agree that the Labour Government's proposed transformation of jobcentres, which is already under way and will involve retraining dedicated work coaches, will help people to access the good jobs that he talks about?

Matt Rodda: My hon. Friend is absolutely right and makes an excellent point.

Dave Doogan: Will the hon. Gentleman take an intervention from a Member on the Opposition Benches?

Matt Rodda: I will make a little more progress.

I have discussed some of the challenges in my constituency, which are very pertinent to the wider debate. Even in areas of the UK where economic growth is at quite a reasonable level, we face real challenges accessing some of that wealth. The Minister outlined the 17 initiatives aimed at encouraging people to return to work, building their confidence and growing their ability to access work. That is so important. I would like to see more of that, and I hope that the Minister will say more about that later.

Many of my constituents who are not able to benefit from the great opportunities in our town are struggling with a series of challenges in their lives. That is not through their own lack of initiative, but often because of pressures on childcare and many other issues.

Jim Shannon: I agree with the points that the hon. Gentleman makes about child poverty. In Northern Ireland, child poverty has grown by between 35% and 40% in total, so many people in Northern Ireland have experienced child poverty in the last five years who would not have experienced it for a long time before that. The Government have indicated that having a

[Jim Shannon]

strategy may work. Does he feel, as I do, that we need a strategy not just for Westminster, but for the whole United Kingdom, so that we can collectively address this issue?

Matt Rodda: The hon. Gentleman makes a very important point. This must be a strategy for the whole United Kingdom. I am obviously reflecting on the issues in my community, where we are lucky to have relatively high economic growth, but that growth is not spread or shared evenly. I want more detail from the Minister about the 17 very exciting pilots, which have focused on offering help and support.

I appreciate that time is pressing, but let me briefly focus on some of the very important first steps that the Government have taken in this area. Some of these policies are not solely within the remit of the Department for Work and Pensions, but are cross-Government. It is important to see the context. We have had the biggest investment in employment support for many years, with £3.5 billion being invested in that important field. There has also been an increase in the minimum wage to £12.21 per hour, and the initiative to build more homes during this Parliament. That is vital. As I said, one of the biggest challenges for families in my area is the very high cost of housing, so it is very important that we build homes to buy and to rent across the country, and that families can access those. Greater supply will obviously drive down the cost.

It is also important that families are supported with childcare. That is a very important aspect of helping parents return to work, particularly when they have young children. I was delighted to hear the Best Start announcement, and there will be a Best Start project in Reading. Other initiatives have provided similar support; the free breakfast clubs, for example, are also very important. I want a quicker roll-out of those programmes.

Adrian Ramsay (Waveney Valley) (Green): Will the hon. Gentleman give way?

Matt Rodda: I am afraid that I really am pressed for time.

We need to see the wider context of the very difficult inheritance the Government had. Hard work is under way, but it will obviously take time to shift some of these very persistent problems. The focus on helping people to return to work is so important, and I hope that the Minister will say more about these important trailblazers; they seem extremely well-designed. Thank you for my time today, Madam Deputy Speaker.

3.5 pm

Sir Ashley Fox (Bridgwater) (Con): The UK's benefits system is designed to act as a financial safety net. It exists so that people in hardship through no fault of their own can be supported. Supporting families and helping parents into work requires a balanced and fair system. It must provide meaningful support for those who need it most, while maintaining a sense of fairness for taxpayers. That is why the Conservatives introduced the two-child limit and believe it should be retained—so that people on benefits face the same choices as those in work. The welfare system is growing unsustainably, with spending on health and disability benefits alone set to hit £100 billion by the end of the decade.

John Glen (Salisbury) (Con): Does my hon. Friend acknowledge the words of Richard Hughes of the OBR, who said in a report last week:

“The UK cannot afford the array of promises that it has made to the public”?

He also said that debt is on a trajectory that the UK “can’t sustain”.

Sir Ashley Fox: I am grateful to my right hon. Friend for making that point. It is essential that we put Britain's finances on a sustainable path. All benefits are funded by taxpayers or borrowing, so every time the cost of benefits rises, so does the burden on taxpayers, or the debt we place on future generations.

Sir John Hayes: My hon. Friend is right about the cost of benefits, but he is also right to suggest that they need to be directed to those in the greatest need—the most deserving. That is what we all want across this House. Sadly, because of family breakdown and the fragmentation of communities, the state has stepped in to do what was once done, in my early life, by families, individuals and communities. It is really important that this welfare reform is seen in that broader context, and that we direct the money to those with the greatest need.

Sir Ashley Fox: I am grateful to my right hon. Friend for making that point. I know that he, like all Conservatives, believes in personal responsibility, living within our means and fairness to the taxpayer.

Rachel Gilmour: Will the hon. Gentleman give way?

Sir Ashley Fox: I will not take any more interventions.

Many thousands of couples think every year about whether to have children. They make that choice based on several factors, but one of the most important is whether they can afford to bring up that child as they would like to. Under the previous system, pre-2017, there was a fundamental element of unfairness in the system. A family in receipt of benefits saw those increase automatically every time they had another child. That is not true for a family not in receipt of benefits. Why is it that someone on benefits should not have to make the same choices and sacrifices as someone in work? Why should a taxpayer who is unable to afford to have more children subsidise the third, fourth or fifth child of someone not in work?

The welfare bill in this country is increasing at an unsustainable rate. Unemployment is rising, thanks to the action of the Government, and more people than ever are receiving disability benefits, but this Government seem completely powerless to do anything to reverse that trend. The Prime Minister says that his welfare reforms strike the “right balance”, but the truth is that he was forced into a humiliating U-turn by his own Back Benchers and has had to totally gut his plans. Scrapping the Government's PIP reforms means that the welfare Bill will make no savings at all—indeed, the total package will end up costing the taxpayer about an extra £100 million a year. What a fiasco!

The Government set out to save £4.5 billion, and have ended up spending more taxpayers' money to buy off Labour rebels. No thought was given to the burden on the taxpayer, or to the extra debt that the Government would incur and the interest that will have to be paid on

it by our children. The fact that so many Labour Members want to remove the two-child benefit cap is testament to the irresponsibility with which they treat the public finances. Their solution is always to spend more money—preferably belonging to someone else.

Now, we have the spectacle of the leader of Reform UK, the hon. Member for Clacton (Nigel Farage), saying that he also supports scrapping the two-child cap, despite having been an outspoken supporter of it when it was introduced. Reform supporters in my constituency are rather puzzled by his decision. It suggests that the hon. Member is not guided by any political principle, but is chasing votes in the red wall, where he hopes to win seats from the Labour party. In my view, that confirms that he is wholly unserious about governing this country. There is only one party in this House that is serious about sound money, and that is the Conservative party. We are the only party that is serious about stopping the creeping reliance on welfare, and that cares about taxpayers keeping more of the money they earn.

3.10 pm

Tom Hayes (Bournemouth East) (Lab): Today, we have seen lots of colleagues taking interventions from each other. When I stand up to speak, particularly about poverty, I take interventions from another source—my mum. She will be sitting at home, watching the TV, and she will text me, because she knows that I am going to talk about my upbringing—about growing up in poverty, caring for her and my father, who were disabled and were forced out of work because the NHS and the social security system were nowhere to be seen when my mum and dad needed them. She is going to text me, as she always does, to say, “I’m sorry. I did my best.” She does not always realise that poverty is systemic—that it is about society and the structures we build. She internalises the shame and the guilt, and feels like she did not do enough.

Given what has been said today, I also fear that my mum will ask me a further question: “Why are some of those MPs suggesting, or saying, that I am a scrounger, as a person dependent on the welfare system?” I do not think that Members of Parliament intend to create that impression, but they should know that what they say perpetuates the shame and stigma of poverty, which is impossible to eradicate in one lifetime, and is passed on from one generation to the next. That is why I stood for Parliament. I am in this place to try to tackle child poverty, so that the people of Bournemouth East—the constituency I represent—do not have the same kind of childhood I had, living without very much, and relying on the love of a mum and dad who will sacrifice everything to get you to where they think you need to be, when they should be able to depend on a wider social security system. I ask Members speaking in today’s debate to reflect on the language they use, because the outside world is watching.

Antonia Bance (Tipton and Wednesbury) (Lab): Does my hon. Friend agree that his mum and dad did a brilliant job bringing him up; that mums and dads in all sorts of circumstances do their level best, bringing up their kids; that they are proud—as my hon. Friend’s parents no doubt are of him—of the job they have done, and the contribution that their children make; and that a person’s circumstances of birth do not define who they are going to become?

Tom Hayes: I always agree with my hon. Friend, especially when she says that I should agree with my mum. I thank her for her intervention, and I agree that nobody’s background should shape their future. We are in this place to create a better social security system, a better NHS and better public services, so that children today in all our constituencies can access the support that they need, in the form that they need, enabling them to truly thrive.

It deeply saddens me that in my constituency of Bournemouth East, children are growing up in poverty. Some 27% of children in my constituency are growing up in relative poverty; in the ward of Boscombe West, that figure is 43%, and in the ward of Springbourne, it is 36%. That is unacceptable in 2025 in modern Britain, and we should not put up with it. Looking beyond my constituency, a near-record 2.8 million people are out of work due to long-term sickness—thrown on the scrapheap. Some 300,000 people fall out of work every year because of their health, and part of the reason for that is the underfunding of our public services; that leaves people on waiting lists, and waiting lists kill.

We know that 4.5 million children are in relative poverty after housing costs, a figure that has risen by 900,000 since 2010. We also know that the Tories presided over the worst Parliament ever recorded for economic inactivity; it rose by over 800,000 to 9.4 million people. We hear from Opposition Members about the connection between work and welfare, but when they presided over such economic inactivity, such poor productivity and such sluggish growth, is it any wonder—

John Glen: Will the hon. Member give way?

Tom Hayes: I will not be taking an intervention.

Is it any wonder that, as a consequence, we have people who are in significant difficulty, particularly when the social security and public services that they rely on have been chopped back?

As such, I welcome the launch of the child poverty taskforce as an early priority of this Government. I was pleased to meet the Minister just last week to talk about my priorities, which include trying to make sure that play is not squeezed out of childhood and that we have a social security system to meet the needs of children, particularly in the disadvantaged areas of my constituency.

Edward Morello (West Dorset) (LD): I thank my hon. Friend and colleague from Dorset for giving way. He has talked about the issues outside his constituency of Bournemouth East, and he does not have to look far to see some of the inequalities that are in play—only to West Dorset. He will know from our beautiful part of the countryside that delivering services, including access to affordable healthcare, is even more difficult in rural Britain due to the sparsity of the population. That makes it even more important to support those most vulnerable members of our community.

Tom Hayes: I thank the hon. Member for his intervention. He invites me to champion his work. I do not think I will do that, but I will acknowledge his hard work and commitment, and I am pleased that he is a colleague.

The child poverty taskforce is going to be critical. The report that it will release, based on feedback from all Members of this House and all our civil society

[Tom Hayes]

organisations, will be so important, so I am glad that we are taking the time to get this right. It will be a once-in-a-generation opportunity truly to tackle the root causes of child poverty. I am also pleased that, although we have launched that taskforce, this Government are cracking on with the hard work. Just this week, we have seen the announcement of the better futures fund—£500 million from this Government, to be matched by £500 million from local government and the private sector. In total, that is a £1 billion fund that will make a huge difference.

Similarly, I am pleased that we are providing free school meals for all children in families that are on universal credit—that will have a significant impact for my constituents. I am also pleased about the revamped Sure Start, which I think we should talk about more. A revamped Sure Start in all of our local authority areas, with the money that is being given to it, will be able to spot some of the hardships—the physical and mental health issues—that arise from poverty, and to tackle its root causes as well as its symptoms. It will give children a chance to grow, play, learn from each other and develop with peer support, and it will enable their parents, who have been starved of parenting support under the Conservatives, to learn from each other and get what they need. We have a long way to go in order to reverse the decline caused by the Conservatives and lift as many kids as possible out of poverty, but together across this House, I believe that we all have the solutions. I hope we can take this debate forward in the right way and lift those kids out of poverty.

3.17 pm

Blake Stephenson (Mid Bedfordshire) (Con): We must have a fair welfare system—one that provides vital support to those who need it but does not create a barrier to finding work. We need a financially sustainable system that delivers fairness for the taxpayer and does not entrench dependency. The Government's Universal Credit and Personal Independence Payment Bill—which I think has now been shortened to the Universal Credit Bill—barely saves any money. In fact, I think we heard from the shadow Secretary of State, my hon. Friend the Member for Faversham and Mid Kent (Helen Whately), that it will cost more money, and it will make no impact on helping people back to work. That highlights the Government's complete failure to reform our welfare system.

The welfare bill continues to rise, and economic growth is being strangled as a result. With thousands signing on to incapacity benefit every day, it is clear that we must get serious and take control of welfare spending. We cannot become a welfare state with an economy attached. I will always stand up for those in Mid Bedfordshire who need vital support. The two-child limit is an important safeguard in our welfare system, striking a balance between supporting families and helping parents into work, and ensuring fairness for working families who do not see their incomes grow as their families grow. Working families across the country are having to make difficult decisions about the size of their family.

Rachel Gilmour: Will the hon. Member give way?

Blake Stephenson: I will happily give way—the hon. Lady has been trying for some time.

Rachel Gilmour: Does the hon. Member accept that even with his emphasis on parental financial responsibility, the two-child benefit cap punishes the entirely innocent party—the children, who had no choice in their existence? Is that not deeply unjust?

Blake Stephenson: I am sympathetic to the point, but I will get on to how unjust and unfair it is to expect other families to pay for those situations, and the fiscal stability and security we need as a country.

Joy Morrissey: Does my hon. Friend agree that this is actually about growth in the economy, low tax, the welfare state being there as a safety net—not as a path to dependency, in which our economy is stifled and lacks any growth—and children whose parents work hard being given the same privileges and fairness as anyone on welfare benefits?

Blake Stephenson: I absolutely agree. It is important that we get people into work so that they can look after their families and make the right decisions for them.

Shifting the financial responsibility of children on to the state risks not only entrenching inequality, but opening the floodgates to unsustainable dependency, encouraging parents to have children beyond their means under the assumption that the state will bear the cost. It is neither equitable nor responsible for the state to incentivise larger families through an open-ended benefits system. That is especially true as the cost of our welfare bill and its burden on the taxpayer continues to rise. The fiscal reality must not be ignored.

Projections from the Child Poverty Action Group and the Institute for Fiscal Studies estimate that removing the cap would create an additional £1 billion annual cost to the public finances. As we grapple with considerable economic pressures, such a policy shift is simply not affordable. Removing the cap would force the Government to raise taxes further, borrow even more money—when borrowing is already out of control—or divert public funding away from other stretched public services. The Government have lost control of the public finances, and working families cannot afford to take another hit.

Ayoub Khan (Birmingham Perry Barr) (Ind): The hon. Gentleman mentioned raising taxes, but does he accept that there are many ways to do that? One way is to look at large corporations and people who have far more money than they will ever use.

Blake Stephenson: I certainly accept that there are many ways to raise taxes, but my constituents and businesses in my constituency are paying far too much tax as it is. We cannot continue to squeeze corporations, businesses and hard-working people further to achieve the hon. Gentleman's aims.

The Government have lost control of public finances. Working families cannot afford to take another hit. I recognise the sensitivity of the debate. It is crucial that we support those in genuine need, and we must work towards ending child poverty. The state, however, simply cannot afford to subsidise unlimited family expansion on the backs of working people.

Several hon. Members *rose*—

Madam Deputy Speaker (Ms Nusrat Ghani): Order. The speaking limit has now been reduced to three minutes.

3.22 pm

Deirdre Costigan (Ealing Southall) (Lab): I have visited St Anselm's food bank in Southall on many occasions and spoken to its brilliant volunteers, but the people who find it hard to speak to me are those collecting the food. Being poor and unable to feed their family is not something they want to shout about. I can see the distress written on their faces. Those mums and dads have not decided to live in poverty. Many of them have jobs, but they just cannot make ends meet. They are the casualties of 14 years of Conservative Government—of public services that were cut to the bone, leaving people without a vital safety net when things go wrong; of a jobs market that left workers on bargain-basement terms and conditions and low-wage jobs with no protections; and, of a welfare system with a basic rate that just was not enough to live on, instead pushing people into relying on sickness benefits.

David Pinto-Duschinsky: Does my hon. Friend agree that, exactly because of those problems, we should all welcome the uplift to the basic rate of UC, which will lift the income of 6.5 million families?

Deirdre Costigan: I absolutely welcome that point. The Conservatives put 1 million more children into poverty, with 800,000 children now relying on food banks such as St Anselm's to eat. In the motion today, the Conservatives have the bare-faced cheek to blame those families, as if parents choose to let their kids go hungry. The only people to blame for this are Liz Truss's Conservative party, who gambled with the country's finances, betting it all on pie-in-the-sky promises they knew they could not pay for, bringing the economy crashing down overnight. Families in Ealing and Southall are still suffering the consequences; 40,000 of them are having to go to the food bank this year.

Under this Labour Government, we want to make food banks the exception and not the norm. That is why Labour has opened new breakfast clubs, such as the one in Wolf Fields in Southall; expanded nurseries, such as in Allenby primary; extended free school meals for all those on universal credit; and reduced energy bills by £150 for more than half a million Londoners.

We know, however, that we need to change the whole busted system that puts people into poverty in the first place. That is why Labour is ending the low-paid, bargain-basement jobs of the Tory era. Our Employment Rights Bill will end zero-hours contracts, with families no longer wondering from week to week if they can get enough hours to afford food. We are stopping fire and rehire, extending sick pay to low-income workers, and we have raised the minimum wage for 3 million working families. Our next step is to address the injustices faced by those working in the gig economy.

Jake Richards (Rother Valley) (Lab): My hon. Friend is talking about other areas of public policy that affect welfare. Is not the other side of the coin the 2.8 million people out of work due to long-term sickness and the state of our NHS? The fact that waiting lists are coming down month after month under this Labour Government will help people who are currently on benefits to get back into work.

Deirdre Costigan: I agree with my hon. Friend, and we are making huge progress on reducing those waiting lists. We are also fixing the broken welfare system that the Conservatives left behind. We are increasing the basic rate of universal credit to help those families who rely on it, so that it starts to become enough to live on, and they do not have to use food banks. We have changed the rules, so that people are no longer better off on sickness benefit. That is how the Conservatives left the welfare system, but we are the Labour party, and we believe in good jobs as the best route out of poverty. We have put more than £1 billion into helping people find those good jobs.

What do the Conservatives have to say for themselves? There is no apology to the almost 1 million children that they put into poverty and left reliant on food banks. There is no apology to the almost 3 million people on long-term sick leave living on benefits when many of them wanted to work. There is no apology to the tens of thousands of families struggling to get by on bargain-basement jobs. They created the problem, and as their motion shows today, they have absolutely no plan to fix it. All they can do is blame the very families their policies have forced into poverty. It is clear that only this Labour Government are serious about getting Britain working, ensuring that those who cannot work have a decent living income, finally ending reliance on food banks, such as St Anselm's in Southall, for good.

3.17 pm

Cameron Thomas (Tewkesbury) (LD): Two weeks ago, the House came together to watch the Labour party tear itself apart over to what extent it would remove welfare support from some of the most vulnerable in society, including, but not limited to, those with Parkinson's and dementia.

It is not all bad news, though. Jeff got married in the same week, so congratulations to Jeff. He got married in Venice. By most accounts, it was a lovely and private affair. Although it cost him approximately \$50 million, he probably would not have noticed, because he is worth \$328 billion. Like most very wealthy people, his wealth has almost doubled in the past two years. For context, it would take an MP earning only their salary, which is almost three times the average UK salary, 2.5 million years to accrue that kind of wealth. Clearly the Government will not be taxing Jeff, whose wealth lies offshore, although he does own a modest UK-based delivery business with an annual turnover of £30 billion. It paid less than 3% in cumulative tax on that figure last year.

Labour did promise that those with the broadest shoulders should carry the heaviest burden. I am sure that enough wealth exists within our own borders to keep our most vulnerable citizens supported. Will the Government therefore commit themselves to both keeping and increasing digital service tax, so that big tech pays its fair share?

3.28 pm

Luke Murphy (Basingstoke) (Lab): I am grateful to the Opposition for initiating a debate that enables us to discuss one of the most critical issues facing our nation: child poverty. Every child growing up in poverty represents a future diminished, opportunity denied and potential unfulfilled. Every child deserves the best start in life, so

[*Luke Murphy*]

that they can learn, achieve and go on to live the best life that they deserve. That is why tackling child poverty is now firmly back at the top of the Government's agenda.

For 14 years, the previous Government presided over a shameful legacy that led directly to this crisis. As others have said, they left us with 4.5 million children in relative poverty, including 3,000 in my constituency. Since 2010, child poverty increased by a staggering 900,000 children, but instead of trying to tackle the problem, the Conservatives decided in 2015 to abolish the target of eradicating child poverty. Their motion and, indeed, their rhetoric allude to the idea that Governments should "make work pay," but when they were in government they oversaw the first Parliament on record with living standards lower at its end than at its start.

Some within the Conservative ranks have today shown a shocking disregard for this issue. They have talked of personal responsibility, but their version of personal responsibility appears to be lecturing others on it rather than taking any themselves. If they were taking personal responsibility on child poverty, they would come to the House and explain why it rose by 90,000 children. Was it a matter of policy design, was it a matter of policy failure, or was it, indeed, the fault of the children themselves?

Tom Hayes: Does my hon. Friend agree that people in disadvantaged and poorer areas typically live in overcrowded, poor-quality rented accommodation, and that this Labour Government's efforts to improve the quality of rented accommodation should be commended as a way of tackling child poverty?

Luke Murphy: Absolutely. As one who has fought outside the House for significant investment in affordable housing, particularly social housing, I greatly welcome the Government's massive investment in the affordable housing programme.

It falls to this Government to fix the mess that the Conservatives left behind. We are committed to driving down poverty and driving up opportunity in every part of our country, delivering the change that the country so desperately needs. We have already made a considerable downpayment on the comprehensive strategy on child poverty that is due later this year, providing free school meals for all children in households receiving universal credit, for which so many of my Labour colleagues campaigned for many months and years; delivering free breakfast clubs in schools; reforming universal credit deductions with a new fair repayment rate, which the Minister mentioned earlier and which puts hundreds of pounds back into the pockets of 700,000 of the poorest families; and increasing the standard allowance of universal credit.

Looking ahead, our plan to get Britain working involves the biggest investment in employment support in a generation, including an additional £1 billion a year by the end of the Parliament for work, health and skills support through a "Pathways to Work" offer.

Adrian Ramsay: The hon. Gentleman has rightly highlighted the terrible record of the previous Government and the number of children who went into poverty

during that period, which includes an extra 250,000 who went into poverty as a result of the introduction of the two-child benefit cap. He has listed some actions that this Government are planning to take. Will he add to that list his support for scrapping the cap, and will he join figures in his own party, such as Lord Kinnock and Mark Drakeford, in supporting the introduction of a wealth tax for the super-rich, so that we can fund the tackling of inequality and support the most vulnerable?

Luke Murphy: I will not get ahead of our Chancellor when it comes to the announcements about taxation that will be made later in the year, but I am confident that those on the Front Bench know that they have our full support in delivering the final recommendations of the child poverty taskforce, also later in the year.

This Government will never allow young people to be written off, as the Tories did for years. As I said at the beginning of my speech, I am pleased that the Conservatives initiated the debate, which has given us all a chance to discuss child poverty and their record on welfare, both of which are shocking. I lament the fact that they have failed to recognise the scale of their failure today, but I am pleased that this Government are getting on with the job of returning people to work, ensuring that social security is there for those who need it, and tackling the moral stain on our country that is child poverty.

3.34 pm

Ayoub Khan (Birmingham Perry Barr) (Ind): I find it deeply shameful that we must see our constituents suffer under the cruelty of the two-child benefit cap. It is a policy that punishes children for the circumstances of their birth, and it has no place in a civilised society. Outside the walls of the Treasury building, in Birmingham Perry Barr I receive testimonies from the families who must live with the reality of the two-child benefit cap, and 53% of children in my constituency live in poverty, which is more than 3,000 impacted by this cap.

These are not just statistics; they are lives. In Birmingham Perry Barr, I constantly receive heartbreaking testimonies from families living with the consequences of this callous measure. Let me tell the House what that means in real life. It means a mother skipping meals so that her children can eat. It means children sharing a bed in a cold, damp flat because the heating bill must come second to food. It means school uniforms being bought two sizes too big because they need to last for years. At a time when food prices are soaring, with energy bills spiralling out of control, rent being unaffordable and council tax rising, this Government have actively chosen to make life harder for struggling families. No child's future, no child's health and no child's dignity should depend on how many siblings they have, yet under this Labour Administration that is exactly the situation we have created.

This is not just an economic failure; it is a moral one. Working families—and more than 50% are working while relying on some benefits—and those doing everything asked of them are being abandoned in their hour of need, and it is happening under Labour's watch. The Institute for Fiscal Studies has stated outright that scrapping the cap would bring nearly half a million children out of poverty. Ending this policy would not just relieve families, but ease the pressure on food

banks, schools and charities—the organisations that have been forced to pick up the slack where the Government have abdicated responsibility.

Despite all this evidence and all the human suffering, this Labour Government refuse to act. Time and again, they have shown where their priorities lie: protecting billionaires and large corporations from paying their fair share, while children go to bed cold and hungry. The Government say that they are committed to solving the issue, but they continue to fail the British public at every turn. At current projections, they are on track to be the only Labour Administration in living memory to oversee an increase in child poverty rates. It would be a shameful legacy to leave behind and the deepest betrayal of our future generations, so I urge the Government and Ministers to change their stance, stand on the side of British families and end the two-child limit. We face a child poverty emergency, and it is up to us to respond with the urgency it demands.

3.37 pm

Antonia Bance (Tipton and Wednesbury) (Lab): In the Black Country we work hard, we are proud and we do not lack for personal responsibility, but forces bigger than any individual—deindustrialisation and the cruel 14 years of austerity—mean that good folk earn less, are sicker, and have fewer chances and fewer choices than people elsewhere. As I stand here every day in this place, the kids living behind the doors that I knocked on during the general election and every week since live in my heart, because one in two of them—one in two—in my ends grow up in poverty. That means every second family, every second door, every second kid, and in the 12th most deprived borough in the country, that is our share of the 4.5 million kids growing up in poverty in this national emergency.

I want to thank the churches, mosques, gurdwaras and community organisations in my ends that are serving dignity, love and solidarity alongside food parcels, warm clothes and hot food. But I will also say this: when the state walked away from us, took money from our councils, closed our Sure Starts, cut the social security that we have paid for, and watched as good jobs in heavy industry fled and nothing replaced them, we picked ourselves up, we helped one another and we somehow kept the wolf from the door.

Community self-defence is now exhausted, but I say to those children that at long last the cavalry are coming. In this rich country, no one will go without the basics, and every child will matter again. Just look at the start we have made—ending no-fault evictions, building council homes and banning zero-hours contracts. This autumn, people will see the scale of our ambition in the child poverty strategy. The down payments we have already made include free school meals for every family on universal credit, and free breakfast clubs, including at St John Bosco primary school in West Bromwich in my constituency. There will be family hubs in every single town, and we are fixing local government finance so that it once again takes account of deprivation and of places such as mine.

Darren Paffey (Southampton Itchen) (Lab): My hon. Friend is making an incredibly powerful speech about the resilience of her community and the action that this Labour Government are taking. Her constituents, like

mine, are being lectured on personal responsibility. Does she share my astonishment that, despite the opportunity to take some responsibility themselves for a mini-Budget that crashed our economy, and for 3 million people out of work and a welfare system out of control, we are hearing no apology or personal responsibility from the Conservative party?

Antonia Bance: My hon. Friend will be unsurprised to hear that I am awaiting that apology, both for that and for the 900,000 more children in poverty under the previous Government.

As I was saying, that is a down payment on the child poverty strategy to come. I know that I do not need to urge ambition on my hon. Friends on the Front Bench. They carry in their hearts every day the children who did not eat last night. They know that whether you have dinner this evening should not depend on how many siblings you have.

There is no need to listen to those on the Opposition Benches, who pushed up child poverty by 900,000. Come and walk around Friar Park or Princes End, meet those kids and tell them why someone's choices, far away here in London, mean they have no tea tonight. It is time they apologised to the children of this country. And there is no point listening to the absent bandwagon johnnies of Reform. If they cared about people on low wages, they would not have voted against increasing statutory sick pay, banning zero-hours contracts or increasing the national minimum wage. As always, it is Labour that stands for working-class families.

3.41 pm

Caroline Voaden (South Devon) (LD): Poverty robs children of their future: it limits their life chances; impacts their long-term health; and reduces their ability to participate in the bits of childhood that widen their experience, build resilience and teach new skills.

We may live in a beautiful part of the world, but the children in South Devon who go to school hungry, who live in overcrowded and unsuitable accommodation, and whose parents are working two or three low-paid jobs just to make ends meet—they are the children whose lives have already been limited by the situation they are growing up in. Emma Hopkins, from the Mother's Manifesto group in Totnes, told me that they had heard from mothers who were regularly skipping meals so that they could feed their children, living on the brink and racked with anxiety. The mental health impact of that is enormous. One mum of two, filling up on tea, was worried that her eldest child just does not believe her any more when she says she has already eaten.

That is not something we should hear in 2025. It sounds like something from a Dickens novel, but over 5,300 children in South Devon were living poverty in 2023, facing daily challenges that no child should have to endure. If the Government lifted the two-child limit today, families across my constituency and everywhere else would feel the difference immediately. Surely, if we want to reduce the welfare bill in the long term, we must lift children out of poverty now to give them the best chance to grow up healthy, with the best opportunities to go on to have meaningful work.

[Caroline Voaden]

Some 4.5 million children across the UK are living in poverty, and the two-child limit is one of the biggest drivers of rising deep poverty among children. Alongside that, the benefit cap disproportionately harms some of the most vulnerable in our society. Single parents, disabled households and families struggling with high housing costs are penalised regardless of their actual needs. And in an area where the ratio of income-to-housing cost is one of the highest in the country, families in South Devon are particularly hard hit. That is not just unfair; it is a failed policy that is causing real harm to children and their families.

The Liberal Democrats believe that these arbitrary limits must be removed. We would replace them with an evidence-led approach to social security, one that recognises the complexity of family life and the genuine needs of children. Investing in children is not only right; it makes economic sense. Supporting families now reduces future strain on healthcare, social services and the justice system. It strengthens community and saves public money. The Government must end the two-child limit and the benefit cap. That is the most effective way to lift hundreds of thousands of children out of poverty, and we owe it to our children to do better.

3.44 pm

Brian Leishman (Alloa and Grangemouth) (Lab): Pessimism is understandable when brutality is overpowering. Just over a year ago, the British public tried to shake off that pessimism and emerge from the brutal reality of life in Britain after 14 years of relentless cuts that have torn apart the social safety net of our country. It is little wonder that people felt so pessimistic.

The motion on welfare before us is the continuation of the austerity that has contributed to Britain becoming an incredibly unequal society. In 2010, 30,000 people needed an emergency food parcel; now, that figure is over 3 million and rising. Nearly 80% of people who are reliant on food banks are in work. While the very richest have received tax breaks and enjoyed seeing their wealth grow at eye-watering rates, we have seen the creation of a new stratum of society: the in-work poor. It is telling of the politics of this country that despite being the sixth largest economy in the world, we have people in full-time employment who are reliant on the generosity of others to survive. That is pure political failure. Morally, it is just not right.

Having a child is a blessing, and not a blessing that everyone receives. The two-child cap is an inherently cruel policy that punishes the least advantaged. The idea that a third, fourth or fifth child is worth less than the first two is beyond wicked.

Stuart Anderson: I thank the hon. Member for giving way. The Government have not yet set out their policy on the two-child limit. If they decide not to scrap it, will he support that policy?

Brian Leishman: I thank the hon. Gentleman for that point, which I will come on to. He has clearly had advance sight of my speech.

The Government should of course lift the two-child cap immediately, and it was wrong of them not to make that a part of the King's Speech.

The wording in the motion referring to a “benefits culture” is both lazy and classist, not to mention demonstrating the ignorance—wilful or otherwise—of the Conservatives about the struggles experienced by millions in this country. However, I expect that from some in the Conservative party. I agree that the welfare system is broken and that it needs changed, but the changes it needs are not to be found in this motion or in what the Government put before the House last week. Like thousands of my fellow party members, I do not expect that from the Labour party. Last week's vote was a stain on a great party that should be defending and fighting for the people that this motion seeks to belittle.

Improving living standards should be the priority of this Government and every Government, and we are not doing nearly enough—not yet. A year into this Government, what people need is not MPs creating a living standards coalition group; they need them voting in this place to improve living standards, not writing letters about improving living standards. After last week's vote, which came too late for disabled people, I urge MPs to wake up before making the same mistake again.

I urge the Government to resist going down the road of pitting old people against children or children against striking workers, or any of that nonsense. Leave that division and nastiness to other parties that seek to divide and conquer and create inequality.

Madam Deputy Speaker (Caroline Nokes): I call the shadow Minister.

3.48 pm

Danny Kruger (East Wiltshire) (Con): It has been a very good debate, and I am very grateful to all hon. Members across the House who have contributed.

It is still no clearer to us what the Government think or intend to do about the two-child cap, but it has been very good to hear so many strong voices from the Opposition Benches for and against the two-child limit. Of course, we do not really know what the Prime Minister himself thinks. He campaigned for the Labour leadership on a promise to scrap the two-child limit; then, in order to win the general election, he campaigned to keep it. Now, under pressure from his Back Benchers—once again, I pay tribute to the real powers in the Labour party—he is hinting that he will scrap it after all at a cost of £3.5 billion. Add to that the £4.5 billion the Government have to find because they abandoned their welfare reforms and the £1.3 billion they lost when they U-turned on the winter fuel payment, and the Government will have to find £9.3 billion this autumn.

Peter Swallow (Bracknell) (Lab): I would like to clear up what this Prime Minister and Government have done. They have expanded eligibility for free school meals to include more than 3,000 children in Bracknell Forest; expanded Best Start family hubs, which is something the previous Government never funded in Bracknell Forest; expanded the warm home scheme; rolled out free breakfast clubs in primary schools; limited expensive school uniforms to three branded items—

Madam Deputy Speaker (Caroline Nokes): Order. The hon. Gentleman should know that interventions must not be his speech read out at speed.

Danny Kruger: I am very grateful to the hon. Gentleman for his recitation, much of which was Conservative policy now rebranded by the Labour Government and the rest was further spending commitments. The Government are incapable of cutting spending, so we know where this is headed: tax rises in the autumn. There will also be tax rises on wealth. We know what wealth is: it is the product of economic success. It is what happens when people risk their capital and make things that people want. Wealth means more jobs, higher wages and more tax revenues. It means that we can reduce debt and invest in more businesses. And wealth taxes, which are coming, will mean less of all that. That is the Labour way—circling the drain and then going down to national bankruptcy. That is where a wealth tax and welfare spending lead us to, and the rest of the House seems to support that plan.

Iqbal Mohamed (Dewsbury and Batley) (Ind): According to the latest DWP data, more than 11,800 children in my constituency of Dewsbury and Batley are living in poverty. This is not abstract and it is not inevitable; it is a direct result of policy choices by the previous Government and the maintenance of that policy by the current Government. One parent shared—

Madam Deputy Speaker (Caroline Nokes): Order! May I please urge people to make interventions short and pithy and not pre-prepared and read out.

Danny Kruger: I will come in a moment to the matter of child poverty, and I recognise the point that the hon. Gentleman is making.

I was just referring to the fact that all the parties except ours—indeed, it is unclear what those on the Government Front Bench think—seem to support lifting the two-child cap. The Liberal Democrats cannot seem to see a spending opportunity without grabbing it with both hands. Their spokesman, the hon. Member for Torbay (Steve Darling), spent £4.5 billion just in his speech earlier this afternoon. Then we have the SNP Government, who have presided over higher economic inactivity and lower employment than in England, have missed all their targets for child poverty, and still clamour for more money for welfare.

Then there is the Reform party, which is sadly absent today. I do quite like the Reform party and I agree with its Members on lots of things, but there is a problem: they would spend money like drunken sailors. I can see what is happening and I am very worried about it—they will end up in an electoral pact with the Liberal Democrats with a joint ticket to protect welfare spending. I do not know how hon. Members feel about the anticipated alliance.

The hon. Member for Dewsbury and Batley (Iqbal Mohamed) and others, particularly Members on the Government Benches, have cited widening poverty rates over the past decade or more, and they repeatedly raised the issue of 4.5 million children, but they are talking about relative poverty. The fact is that relative poverty increased under the previous Government because, overall, the economy grew, as more people became more prosperous. As the median income rises, more people come under it; that is how it works. If relative poverty goes down under this Government, it will be because they shrank the economy. That is highly likely, but it is not an achievement to boast about.

Relative poverty is not a measure of anything except the operation of the law of averages. Therefore, what we need to look at is real poverty, absolute poverty. As we rescued the public finances and grew the economy, absolute poverty went down under the Conservatives.

On children, the percentage of children in absolute poverty after housing costs fell between 2010 and 2024. We pulled 800,000 people out of absolute poverty and averted over a million more people falling into absolute poverty. We had more people in work, a higher employment rate, and fewer workless households than since records began. We should thank my right hon. Friend the Member for Chingford and Woodford Green (Sir Iain Duncan Smith) for that. Mention was made of Wilberforce and Disraeli. One day they will add the name of Duncan Smith to that great record.

Madam Deputy Speaker (Caroline Nokes): Order. That should have been “the right hon. Member for Chingford and Woodford Green”.

Danny Kruger: It just doesn't flow as well, but yes, apologies Madam Deputy Speaker.

Luke Murphy: In 2023, the shadow Minister said:

“The narrative that the public has now firmly adopted—that over 13 years things have got worse—is one we just have to acknowledge and admit.”

Does he still acknowledge and admit that things got worse under his Government?

Danny Kruger: I am grateful to the hon. Member's archaeology in finding my previous quotes. Many things did get worse over the last decade and a half—of course I recognise that. But much of it was as a consequence of the global financial meltdown that his party presided over. We spent many painful years fixing the deficit that Labour left us.

I want to quickly cite the previous Government's record on young people. Labour Members have boasted of the new Labour years, but in 1997 youth unemployment stood at 650,000, and by the time Blair and Brown had finished in 2010 it was up a third to 940,000. When we left office 14 years later, we had almost halved it down to 560,000—lower even than in 1997. That is the Conservative record.

I will conclude shortly, but I first say to those across the House who want to lift the child benefit cap to consider what they are asking. They are asking working people who pay more in tax than they receive in public services—and who themselves have had to take agonising decisions about whether or not they can afford to have another child given the taxes they pay—to fund the benefits for other people who receive more from the system than they pay in.

Paul Waugh: The shadow Minister makes a point about the state funding children. Does he accept that a million families that have three or more children receive child benefit presently? If he accepts that point, does he, as a father of three—as am I—not accept the principle that those children come first under the child benefit? What is the difference between child benefit and universal credit? Does he want to cap child benefit at two children?

Danny Kruger: The difference is that child benefit is paid to everybody. Child benefit is a universal entitlement. We need to ensure that we are not adding to the incentives in the system to live a life on benefits. I fully recognise the point that the hon. Gentleman makes.

When I say that some people receive more from the system than they pay in, I am not trying to stigmatise those people. That point has been thrown at us, but it is not the case. I am not stigmatising people who receive more in benefits than they pay in tax. Life is not all about whether someone is a net fiscal contributor or not. I agree with points made by some Members that we should think more about social structures than fiscal transfers, but when it comes to fiscal policy there is a limit. Reciprocity matters, and when we are talking about money, it is right that people living on benefits face something of the same realities as people who pay for themselves.

We still have too many families trapped in welfare. What we need is more families and, yes, larger families supporting themselves through well-paid work. We need a tax system like that in Europe, America and across the world, which recognises families. The previous Government made an important step with the changes to the high-income child benefit charge, which was scrapped by Labour. The best thing we can do for families is to get the tax system and, crucially, the wider economy right, so that we have good growth, good jobs, higher wages, flexible childcare and strong communities.

Kanishka Narayan (Vale of Glamorgan) (Lab): The shadow Minister talks about trade-offs in public finances, growth and child poverty. In the period since 2015-16, there was zero progress on absolute poverty and zero progress on relative poverty—public finances ruined and growth flat. Does he not think that the central trade-off was between a Tory Government and a thriving country?

Danny Kruger: The story of the last 14 years is quite easily told. In 2010 there was a budget deficit of 9%, and we had almost fiscal bankruptcy. We spent 10 years very painfully restoring the public finances at great cost, and I totally understand that. Then we were back down to a balanced budget. Then covid hit, and we spent the last five years trying to recover from that. On welfare, we have a very proud record of reducing unemployment and making work pay. Since covid we now have this great problem of disability and sickness benefits. That is the challenge that we were undertaking to fix as we left office and that the Government have now completely failed to conclude.

It is not too late. I am glad to see the Minister for Social Security and Disability in his place. His review should not wait until next autumn; we need it this autumn. We need proper plans to fix the welfare system, not just to increase spending as the Government are now doing. I urge hon. Members across the House to support our motion. Let me be clear: every Member who does not is voting for welfare dependency and national bankruptcy. Only the Conservatives have a plan to fix this.

3.59 pm

The Parliamentary Under-Secretary of State for Work and Pensions (Andrew Western): Before I turn to some of the rawer politics as the debate demands, I thank all hon. Members who have taken part in this important

debate. Like other hon. Members, I am appalled by the level of child poverty in this country. Running through the debate was an underlying and understandable anger at the unacceptable increase in child poverty since 2010, with 1.1 million children using food banks to eat.

Graham Stuart: I am sure that the Minister wants to give a fair and balanced overview, and we all wish to see fewer people in relative poverty, notwithstanding his support last week for a measure that would have put it up by a quarter of a million. Just to have balance on the record, does he recognise that, in absolute terms, between 2010 and 2024 the number of children in poverty dropped by 300,000, and the number of people in poverty overall by 800,000?

Andrew Western: I absolutely accept that the Conservative party, because of its shameful record, made a fundamental change to the way in which poverty is assessed. We have returned to the internationally recognised comparator that exposes that shameful record. We will not run away from that internationally recognised comparator. It is on that on which we will be judged, and the Conservatives must also be judged on that.

I thank Labour Members who spoke in the debate so passionately about the work that the Government have already done on child poverty and the Conservative party's shameful record. I thank my hon. Friends the Members for Clwyd North (Gill German), for Reading Central (Matt Rodda), for Ealing Southall (Deirdre Costigan), for Basingstoke (Luke Murphy) and for Tipton and Wednesbury (Antonia Bance)—and, yes, my hon. Friend the Member for Alloa and Grangemouth (Brian Leishman). He and I may not agree on the process being followed by the Government to tackle child poverty wherever we see it, but I do not doubt his commitment and support to tackling it.

I thank in particular my hon. Friend the Member for Bournemouth East (Tom Hayes) for his powerful personal testimony about his upbringing, and about the stigma of poverty and the shame that many parents feel when they require extra support. Like him, I grew up in modest circumstances, as one of five children. For a period, in a single-parent household, we were dependent on tax credits, child tax credits and the education maintenance allowance—remember that? I will not allow privately educated Conservative spokespeople to lecture us on the plight of struggling families up and down the country when they have shown no care at all about the part they played in putting many of those families into crisis.

Graham Stuart: That is so low.

Andrew Western: What is low is scrapping the Child Poverty Act in 2016. The Conservatives' record on child poverty is cheap and low. *[Interruption.]* The right hon. Member for Beverley and Holderness (Graham Stuart) can continue to chunter from a sedentary position; I could reel off their record all day.

Dr Mullan: Will the Minister give way?

Andrew Western: I will not at the moment.

Let me come to the shadow Secretary of State, who, like many Conservative Members, was in total denial of the Conservative record, not only on child poverty, but on the welfare bill, which has spiralled enormously since 2020. They put 4.5 million children in poverty,

and they come here with this motion. There was no recognition of the fact that almost 60% of families affected by the two-child limit are in work. There was no understanding of the lack of clarity in their motion, which does not specify whether it relates only to universal credit and child tax credit. It says that children “should not receive” any “additional funding”. What of child benefit? What of disability living allowance for children? The motion is not worth the paper it is written on, unless that is now their policy.

The Conservatives have talked about personal and fiscal responsibility—quite unbelievable from the party that crashed the economy and left the welfare bill spiralling. They take no responsibility for their actions at all, but they seek to lecture others on how they should live their lives. The shadow Secretary of State talked about giving families broader support—for instance, through family hubs. How many Sure Start centres closed under the previous Government? In their first 10 years alone, it was 1,300. Then, we heard that only the Conservatives understand the importance of living within their means. I have two words for the hon. Member for Faversham and Mid Kent (Helen Whately): Liz Truss.

David Chadwick (Brecon, Radnor and Cwm Tawe) (LD): In Wales, sadly, we have some of the highest rates of child poverty in the United Kingdom, and some of the highest across Europe. Why is that? Why is poverty so stubbornly high in Wales, and would lifting the cap not improve things for Welsh children?

Andrew Western: Lifting the cap is one of the many levers that the Government are considering. We will look at that in the round, and when we come forward with our child poverty strategy, we will look to lift children in Wales, Scotland, Northern Ireland and here in England—children up and down this country—out of poverty, because that is a moral mission for this Government. Indeed, we have already started that important work, with free breakfast clubs, free school meals for families on universal credit, restrictions on branded school uniform items and, to the point made by the hon. Member for Bexhill and Battle (Dr Mullan), proposed changes to the Child Maintenance Service. We will also abolish direct pay, which was created by the Conservative party. This will lift 20,000 children out of poverty.

Dr Mullan: I am deeply moved by the Minister’s commitment to reducing poverty. Will he explain why, as a Minister, he supported the Government’s proposals in the Universal Credit Bill last week, which their own impact assessments said would increase poverty?

Andrew Western: The hon. Gentleman will be aware that there was £1 billion worth of employment support alongside those measures, the impacts of which are yet to be scored by the Office for Budget Responsibility. We are serious about getting people back to work as a route to tackling poverty, as well as providing an important safety net for those who need it.

The hon. Member for Bridgwater (Sir Ashley Fox) asked why others should subsidise someone’s third, fourth or fifth child. I say gently to the Conservatives that it is never the child’s fault. A third child has the same right to thrive as the first two, and if they do not, all three children suffer. A hungry child is a hungry child, whatever their background.

Stuart Anderson: On that point—

Andrew Western: I am afraid I will not take any further interventions, as I only have a couple of minutes left. The hon. Member for Tewkesbury (Cameron Thomas) tempted me to speculate about decisions around taxation. He will appreciate that that is way above my pay grade, and I hope that he is patient enough to wait for the next fiscal event to get an answer to his question.

Graham Stuart: On a point of order, Madam Deputy Speaker. Given collective responsibility, is it in order for a Minister of the Crown to argue against a policy of his own Government? If I have understood correctly, it is the policy of the Government and the Labour party to maintain the two-child benefit cap.

Madam Deputy Speaker (Caroline Nokes): Order. The right hon. Gentleman will know that that is not a matter for the Chair, and he is seeking to drag me into the debate.

Andrew Western: It is also not what I said, Madam Deputy Speaker. I said that we on our child poverty taskforce are considering all available levers in the lead-up to the child poverty strategy, which will come in the autumn.

The Opposition spokesperson, the hon. Member for East Wiltshire (Danny Kruger), made a point about controlling welfare spend. Yet again, we heard that the four years post-covid were not an appropriate time to tackle the spiralling welfare bill that the Conservatives created. In those four long years, the Conservative party got through three Prime Ministers, five Ministers for health and work, six Secretaries of State for Education and seven Sunak resets, yet the welfare bill continued to spiral. Child poverty worsened, and we had wasted years, so we will take no lectures from the Conservatives on welfare spend, and certainly not on the best way to tackle child poverty.

This party inherited the Conservatives’ shameful legacy of disastrous levels of child poverty and a broken social security system that fails to command people’s trust. Across Government, we have started the urgent work to fix these problems and to drive down child poverty once again, as the last Labour Government did, in partnership with the devolved Administrations, charities, local authorities and others, and to build a fairer, more sustainable social security system that helps people build better lives by giving them the right incentives and support. We will do that important work because tackling child poverty is a moral mission for this Government, and we will oppose this motion today because all levers are under active consideration as we seek to do so.

Madam Deputy Speaker (Caroline Nokes): Before I put the Question, I will just remind the Minister that, like the shadow Minister, he should not be referring to Members by their name in the Chamber but by their constituency.

Question put.

The House divided: Ayes 106, Noes 440.

Division No. 268]

[4.10 pm

AYES

Anderson, Stuart
Andrew, rh Stuart
Argar, rh Edward

Atkins, rh Victoria
Bacon, Gareth
Badenoch, rh Mrs Kemi

Baldwin, Dame Harriett
 Barclay, rh Steve
 Bhatti, Saqib
 Blackman, Bob
 Bool, Sarah
 Bradley, rh Dame Karen
 Brandreth, Aphra
 Burghart, Alex
 Cartlidge, James
 Chope, Sir Christopher
 Cleverly, rh Sir James
 Clifton-Brown, Sir Geoffrey
 Cocking, Lewis
 Cooper, John
 Costa, Alberto
 Coutinho, rh Claire (*Proxy vote cast by Joy Morrissey*)
 Cox, rh Sir Geoffrey
 Cross, Harriet
 Davies, Gareth
 Davies, Mims
 Davis, rh David
 Dewhurst, Charlie
 Dinanage, Dame Caroline
 Dowden, rh Sir Oliver
 Duncan Smith, rh Sir Iain
 Evans, Dr Luke
 Fortune, Peter
 Francois, rh Mr Mark
 Freeman, George
 French, Mr Louie
 Fuller, Richard
 Glen, rh John
 Griffith, Andrew
 Griffiths, Alison
 Harris, Rebecca
 Hayes, rh Sir John
 Hinds, rh Damian
 Hoare, Simon
 Holden, rh Mr Richard
 Hollinrake, Kevin
 Holmes, Paul
 Huddleston, Nigel
 Hudson, Dr Neil
 Jenkin, Sir Bernard
 Jenrick, rh Robert
 Jopp, Lincoln
 Kearns, Alicia (*Proxy vote cast by Joy Morrissey*)
 Kruger, Danny
 Lam, Katie
 Lamont, John
 Leigh, rh Sir Edward
 Lewis, rh Sir Julian

Lopez, Julia
 Mak, Alan
 Malthouse, rh Kit
 McMurdoch, James
 McVey, rh Esther
 Mitchell, rh Sir Andrew
 Mohindra, Mr Gagan
 Moore, Robbie
 Morrissey, Joy
 Morton, rh Wendy
 Mullan, Dr Kieran
 Murrison, rh Dr Andrew
 Norman, rh Jesse
 Obese-Jecty, Ben
 O'Brien, Neil
 Patel, rh Priti
 Paul, Rebecca
 Philp, rh Chris
 Pritchard, rh Mark
 Raja, Shivani (*Proxy vote cast by Mr Mohindra*)
 Rankin, Jack
 Reed, David
 Rosindell, Andrew
 Shastri-Hurst, Dr Neil
 Shelbrooke, rh Sir Alec
 Simmonds, David
 Smith, Greg
 Smith, rh Sir Julian
 Smith, Rebecca
 Snowden, Mr Andrew
 Spencer, Dr Ben
 Spencer, Patrick (*Proxy vote cast by Joy Morrissey*)
 Stafford, Gregory
 Stephenson, Blake
 Stride, rh Sir Mel
 Stuart, rh Graham
 Swayne, rh Sir Desmond
 Thomas, Bradley
 Trott, rh Laura
 Vickers, Martin
 Vickers, Matt
 Whately, Helen
 Whittingdale, rh Sir John
 Wild, James
 Williamson, rh Sir Gavin
 Wood, Mike
 Wright, rh Sir Jeremy

Tellers for the Ayes:
 Sir Ashley Fox and
 Nick Timothy

NOES

Abbott, rh Ms Diane (*Proxy vote cast by Bell Ribeiro-Addy*)
 Abbott, Jack
 Abrahams, Debbie
 Adam, Shockat
 Ahmed, Dr Zubir
 Akehurst, Luke
 Alaba, Mr Bayo
 Alexander, rh Heidi
 Al-Hassan, Sadik
 Allin-Khan, Dr Rosena
 Allister, Jim
 Amos, Gideon

Anderson, Callum
 Anderson, Fleur
 Antoniazzi, Tonia
 Aquarone, Steff
 Arthur, Dr Scott
 Asato, Jess
 Asser, James
 Athwal, Jas
 Atkinson, Catherine
 Atkinson, Lewis
 Babarinde, Josh
 Bailey, Olivia
 Baines, David
 Baker, Alex

Baker, Richard
 Ballinger, Alex
 Bance, Antonia
 Barker, Paula
 Barron, Lee
 Barros-Curtis, Mr Alex
 Baxter, Johanna
 Beales, Danny
 Beavers, Lorraine
 Bell, Torsten
 Benn, rh Hilary
 Bennett, Alison
 Berry, Siân
 Betts, Mr Clive
 Billington, Ms Polly
 Bishop, Matt
 Blackman, Kirsty
 Blake, Olivia
 Blake, Rachel
 Bloore, Chris
 Blundell, Mrs Elsie
 Bonavia, Kevin
 Botterill, Jade
 Brackenridge, Mrs Sureena
 Brash, Mr Jonathan
 Brewer, Alex
 Brickell, Phil
 Buckley, Julia
 Burgon, Richard
 Burke, Maureen
 Burton-Sampson, David
 Butler, Dawn
 Byrne, rh Liam
 Cadbury, Ruth
 Caliskan, Nesil
 Campbell, rh Sir Alan
 Campbell, Irene
 Campbell, Juliet
 Campbell-Savours, Markus
 Carling, Sam
 Carmichael, rh Mr Alistair
 Carns, Al
 Chadwick, David
 Chamberlain, Wendy
 Chambers, Dr Danny
 Champion, Sarah
 Charalambous, Bambos
 Charters, Mr Luke (*Proxy vote cast by Chris Elmore*)
 Chowns, Ellie
 Clark, Feryal
 Coghlan, Chris
 Coleman, Ben
 Collier, Jacob
 Collinge, Lizzi
 Collins, Tom
 Collins, Victoria
 Conlon, Liam
 Coombes, Sarah
 Cooper, Andrew
 Cooper, Dr Beccy
 Cooper, Daisy
 Costigan, Deirdre
 Cox, Pam
 Coyle, Neil
 Craft, Jen
 Creagh, Mary
 Crichton, Torcuil
 Curtis, Chris
 Daby, Janet
 Dalton, Ashley
 Dance, Adam

Darling, Steve
 Darlington, Emily
 Davey, rh Ed
 Davies, Ann
 Davies, Jonathan
 Davies, Paul
 Davies, Shaun
 Davies-Jones, Alex
 De Cordova, Marsha
 Dean, Bobby
 Dean, Josh
 Denyer, Carla
 Dhesi, Mr Tanmanjeet Singh
 Dickson, Jim
 Dillon, Mr Lee
 Dixon, Anna
 Dixon, Samantha
 Dodds, rh Anneliese
 Doogan, Dave
 Dowd, Peter
 Downie, Graeme
 Duffield, Rosie
 Duncan-Jordan, Neil
 Dyke, Sarah
 Eagle, Dame Angela
 Eagle, rh Maria
 Eastwood, Colum
 Eccles, Cat
 Edwards, Lauren
 Edwards, Sarah
 Efford, Clive
 Egan, Damien
 Ellis, Maya
 Elmore, Chris
 Entwistle, Kirith
 Eshalomi, Florence
 Esterson, Bill
 Evans, Chris
 Fahnbulleh, Miatta
 Farnsworth, Linsey
 Farron, Tim
 Fenton-Glynn, Josh
 Ferguson, Mark
 Ferguson, Patricia
 Fleet, Natalie
 Flynn, rh Stephen
 Foody, Emma
 Fookes, Catherine
 Forster, Mr Will
 Foster, Mr Paul
 Foxcroft, Vicky
 Foy, Mary Kelly
 Francis, Daniel
 Franklin, Zöe
 Furniss, Gill
 Gardiner, Barry
 Gardner, Dr Allison
 Gelderd, Anna
 Gemmell, Alan
 George, Andrew
 German, Gill
 Gethins, Stephen
 Gibson, Sarah (*Proxy vote cast by Anna Sabine*)
 Gilbert, Tracy
 Gill, Preet Kaur
 Gilmour, Rachel
 Gittins, Becky
 Glindon, Mary
 Glover, Olly
 Goldman, Marie

Goldsborough, Ben
 Gordon, Tom
 Gould, Georgia
 Grady, John
 Green, Sarah
 Greenwood, Lillian
 Griffith, Dame Nia
 Gwynne, Andrew (*Proxy vote cast by Chris Elmore*)
 Hack, Amanda
 Haigh, rh Louise
 Hall, Sarah
 Hamilton, Fabian
 Hamilton, Paulette
 Harding, Monica
 Harris, Carolyn
 Hatton, Lloyd
 Hayes, Tom
 Hazelgrove, Claire
 Hendrick, Sir Mark
 Heylings, Pippa
 Hillier, Dame Meg
 Hinchliff, Chris
 Hinder, Jonathan
 Hobhouse, Wera
 Hodgson, Mrs Sharon
 Hopkins, Rachel
 Hughes, Claire
 Hume, Alison
 Hurley, Patrick
 Hussain, Mr Adnan
 Hussain, Imran
 Ingham, Leigh
 Irons, Natasha
 Jameson, Sally
 Jardine, Christine
 Jarvis, Liz
 Jermy, Terry
 Jogee, Adam
 Johnson, rh Dame Diana
 Johnson, Kim
 Jones, Clive
 Jones, rh Darren
 Jones, Gerald
 Jones, Lillian
 Jones, Louise
 Jones, Ruth
 Josan, Gurinder Singh
 Joseph, Sojan
 Juss, Warinder
 Kane, Chris
 Kane, Mike
 Kendall, rh Liz
 Khan, Afzal
 Khan, Ayoub
 Khan, Naushabah
 Kirkham, Jayne
 Kitchen, Gen
 Kohler, Mr Paul
 Kumar, Sonia
 Kumaran, Uma
 Kyle, rh Peter
 Kyrke-Smith, Laura
 Lake, Ben
 Lamb, Peter
 Lavery, Ian
 Law, Chris
 Law, Noah
 Leadbeater, Kim
 Leadbitter, Graham
 Leishman, Brian

Lewell, Emma
 Lewin, Andrew
 Lewis, Clive
 Lightwood, Simon
 Logan, Seamus
 Long Bailey, Rebecca
 MacAlister, Josh
 MacCleary, James
 Macdonald, Alice
 MacDonald, Mr Angus
 MacNae, Andy
 Madders, Justin
 Maguire, Ben
 Maguire, Helen
 Malhotra, Seema
 Martin, Amanda
 Martin, Mike
 Maskell, Rachael
 Mather, Keir
 Mathew, Brian
 Mayer, Alex
 Maynard, Charlie
 McAllister, Douglas
 McCarthy, Kerry
 McCluskey, Martin
 McDonagh, Dame Siobhain
 McDonnell, rh John
 McDougall, Blair
 McEvoy, Lola
 McGovern, Alison
 McIntyre, Alex
 McKee, Gordon
 McKenna, Kevin
 McKinnell, Catherine
 McMahon, Jim
 McNally, Frank
 McNeill, Kirsty
 Medi, Llinos
 Midgley, Anneliese
 Miller, Calum
 Milne, John
 Minns, Ms Julie
 Mishra, Navendu
 Mohamed, Abtisam
 Mohamed, Iqbal
 Moon, Perran
 Moran, Layla (*Proxy vote cast by Zöe Franklin*)
 Morden, Jessica
 Morello, Edward
 Morgan, Helen
 Morgan, Stephen
 Morris, Grahame
 Mullane, Margaret
 Munt, Tessa
 Murphy, Luke
 Murray, Chris
 Murray, rh Ian (*Proxy vote cast by Chris Elmore*)
 Murray, James
 Murray, Katrina
 Murray, Susan
 Myer, Luke
 Naish, James
 Naismith, Connor
 Nandy, rh Lisa
 Narayan, Kanishka
 Nash, Pamela
 Newbury, Josh
 Niblett, Samantha
 Norris, Alex

Norris, Dan (*Proxy vote cast by Chris Elmore*)
 O'Hara, Brendan
 Olney, Sarah
 Onn, Melanie
 Onwurah, Dame Chi
 Oppong-Asare, Ms Abena
 Osamor, Kate
 Osborne, Kate
 Osborne, Tristan
 Owatemi, Taiwo
 Owen, Sarah
 Paffey, Darren
 Pakes, Andrew
 Patrick, Matthew
 Peacock, Stephanie
 Pearce, Jon
 Pennycook, Matthew
 Perkins, Mr Toby
 Phillips, Jess
 Phillipson, rh Bridget
 Pinkerton, Dr Al
 Pinto-Duschinsky, David
 Platt, Jo
 Powell, Joe
 Powell, rh Lucy
 Poynton, Gregor
 Prinsley, Peter
 Quigley, Mr Richard
 Qureshi, Yasmin
 Race, Steve
 Ramsay, Adrian
 Rand, Mr Connor
 Ranger, Andrew
 Reader, Mike
 Reeves, rh Ellie
 Reid, Joani
 Reynolds, rh Jonathan
 Rhodes, Martin
 Ribeiro-Addy, Bell
 Richards, Jake
 Riddell-Carpenter, Jenny
 Rigby, Lucy
 Rimmer, Ms Marie
 Robertson, Dave
 Roca, Tim
 Rodda, Matt
 Roome, Ian
 Russell, Sarah
 Rutland, Tom
 Ryan, Oliver
 Sabine, Anna
 Sackman, Sarah
 Sandher, Dr Jeevun
 Saville Roberts, rh Liz
 Scrogham, Michelle
 Sowards, Mark
 Shah, Naz
 Shanker, Baggy
 Siddiq, Tulip
 Simons, Josh
 Slade, Vikki
 Slaughter, Andy
 Slinger, John
 Smart, Lisa
 Smith, Cat
 Smith, David
 Smith, Jeff
 Smith, Nick
 Smith, Sarah
 Smyth, Karin
 Sobel, Alex
 Sollom, Ian
 Stainbank, Euan
 Stevens, rh Jo
 Stevenson, Kenneth
 Stewart, Elaine
 Stone, Jamie
 Stone, Will
 Strathern, Alistair
 Strickland, Alan
 Sullivan, Kirsteen
 Sullivan, Dr Lauren
 Sultana, Zarah
 Swallow, Peter
 Swann, Robin
 Tami, rh Sir Mark
 Tapp, Mike
 Taylor, David
 Taylor, Luke
 Taylor, Rachel
 Thomas, Cameron
 Thomas, Gareth
 Thomas-Symonds, rh Nick
 Thompson, Adam
 Tidball, Dr Marie
 Timms, rh Sir Stephen
 Tomlinson, Dan
 Tufnell, Henry
 Turley, Anna
 Turmaine, Matt
 Turner, Laurence
 Twigg, Derek
 Twist, Liz
 Uppal, Harpreet
 Vaughan, Tony
 Vince, Chris
 Voaden, Caroline
 Wakeford, Christian
 Walker, Imogen
 Ward, Chris
 Ward, Melanie
 Waugh, Paul
 Webb, Chris
 Welsh, Michelle
 West, Catherine
 Western, Andrew
 Western, Matt
 Wheeler, Michael
 Whitby, John
 White, Jo
 White, Katie
 Wilkinson, Max
 Williams, David
 Wilson, Munira
 Wishart, Pete
 Witherden, Steve
 Woodcock, Sean
 Wrighting, Rosie
 Wrigley, Martin
 Yang, Yuan
 Yasin, Mohammad
 Yemm, Steve
 Young, Claire
Tellers for the Noes:
Anna McMorrin and
Kate Dearden

Question accordingly negated.

Taxes

Madam Deputy Speaker (Caroline Nokes): I must inform the House that Mr Speaker has not selected any amendment.

I call the shadow Chancellor of the Exchequer.

4.25 pm

Sir Mel Stride (Central Devon) (Con): I beg to move,

That this House notes that the Government was elected on the basis of a manifesto commitment not to increase taxes on working people and not to increase National Insurance or the basic, higher, or additional rates of Income Tax, or VAT; accordingly regrets the decision to raise employers' National Insurance contributions in the Autumn Budget 2024; further regrets the proposed changes to Agricultural Property Relief and the burden on taxpayers from increases in Council Tax, which is forecast to increase at its highest rate in 20 years; calls on the Government to reaffirm the statement made by the Chancellor of the Exchequer in the Autumn Budget 2024 that, from 2028–29, personal tax thresholds will be uprated in line with inflation once again; regrets that the Government plans to bring those whose only income is the State Pension into paying Income Tax this Parliament; and urges the Government not to introduce new taxes on the value of assets owned such as savings, homes and pensions, which would drive wealth creators away from the UK.

This is the Government of broken promises. The Labour party said during the general election campaign that it would do nothing on taxation, and yet it came straight into government and placed £25 billion-worth of taxation on businesses up and down our country. We know the consequences of that: it killed growth nearly stone dead, and it has cost around £3,500 pounds by way of lower wages alone to the average working family. It is a clear breach of the Labour party's manifesto. Members need not take my word for it—they can take Paul Johnson's, when he was the head of the Institute for Fiscal Studies. He has also been on the airwaves recently describing the move as not just a breach of the Labour party manifesto, but a “blatant” breach.

We had the Secretary of State for Environment, Food and Rural Affairs—then the shadow Secretary of State—out reassuring farmers, looking Tom Bradshaw, the president of the National Farmers Union, in the eye and telling him that at least when it came to inheritance tax, farmers had nothing to fear from a future Labour Government. How wrong they were!

Then there was the winter fuel payment debacle. Labour reassured pensioners up and down the country that it would not be means-testing the winter fuel payment. Before somebody jumps up and says, “Well, it only excluded millionaires,” it did not—some 80% of pensioners living below the poverty line were denied those payments and had to go through a long and cruel winter. The U-turn, when it finally came, will come as little comfort to pensioners who are now about to be dragged into income tax for the first time as a result of the Labour party's policies.

In opposition, the Labour party said it would freeze council tax, and yet we have seen in the latest spending review a £7 billion increase in council tax levied across this Parliament. According to the IFS, it is the largest increase in council tax in a generation—and that from the party that said it would not be putting up taxes on working people. Does it not think that working people pay council tax?

Dr Luke Evans (Hinckley and Bosworth) (Con): I am grateful to the shadow Chancellor for making that point. Does he believe that a humble toolmaker who happens to own a small business is a working person?

Sir Mel Stride: Indeed, my hon. Friend is absolutely right. We need to stand up for everybody—even our toolmakers.

Let us be frank: we have had to table this motion today, which seeks to do nothing other than reaffirm the commitments that the Labour party has already made, because of the litany of broken promises that I have just shared with the House.

Sir Jeremy Hunt (Godalming and Ash) (Con): Does the shadow Chancellor agree that, following the welfare U-turns, public finances today are in a far worse state than they were a year ago when the Government came into office? There is a crucial difference: a year ago, the Conservative Government were taking difficult decisions to bring taxes down in order to grow the economy; because this Labour Government are failing to take those decisions, there is only one way taxes can go, and that is up.

Sir Mel Stride: My right hon. Friend is absolutely right, and under his stewardship, things were so much better. As he points out, the Government have resiled from any attempt to control the welfare bill—an unfunded tax commitment of £5 billion. That, plus the U-turn on the winter fuel payment, is more than £6 billion of unfunded commitments that the Government are responsible for—unfunded commitments that they said they would never see themselves making. He is absolutely right: the legacy that he left when he was Chancellor in the previous Government was the highest growth in the G7 for our economy. We had near record levels of employment, and near record low levels of unemployment. We had had 13 consecutive months of real wage growth, and inflation had been brought down from over 11% due to the Ukraine war, to bang on 2% on the day of the general election. Where is inflation now? It is almost double what the Government inherited.

Ben Coleman (Chelsea and Fulham) (Lab): Given all the extraordinary and wonderful things that the right hon. Gentleman is setting out, is it not equally extraordinary that the British people thought you were a shower and needed to get rid of you—and they did? That is why you are on the Opposition Benches and we are over here.

Madam Deputy Speaker (Caroline Nokes): Order. I am not sure that the British people were seeking to get rid of me.

Sir Mel Stride: I think what the hon. Gentleman said was a gross impertinence, Madam Deputy Speaker. He also referred to you as an absolute “shower”, which is totally unreasonable. I have always been a great admirer of yours, as you know, and always will be. [HON. MEMBERS: “Name him!”] Name the hon. Gentleman—quite.

We have a Government who are grossly incompetent. As soon as they came into office, what did they do? They talked down the economy. It is no surprise that the British Chambers of Commerce is now saying that the No.1 concern of its members is high taxes, or that

the latest survey by the Institute of Chartered Accountants in England and Wales once again shows that business confidence is down—and that is for the fourth survey in a row.

Graham Stuart (Beverley and Holderness) (Con): Amid the shadow Chancellor's quite correct exposition on the subject of where the Government have gone wrong, does he not have a little pity for the Ministers on the Government Front Bench? After last week, it is quite clear that they are no longer responsible for the running of the Government, as that has been handed to the hard left who have no interest whatsoever in balancing the books, and do not care about rising debt, rising gilt costs and the other irresponsible outcomes of this Government, who are now absolutely out of control.

Sir Mel Stride: My right hon. Friend is absolutely right. When it comes to criticising this Government, it is always confusing whether to address those on the Front Bench or on the Back Benches, because they are never quite in the same place.

The big mistake that the Government made was to talk down the economy by going on about this confected black hole of £22 billion—something that the Office for Budget Responsibility has already debunked. The Government should stop using that number. They are the ones who created a black hole of some £6 billion, as I have just set out, and they should focus not on the black hole that they have invented, but on the one they have created. It is that black hole that is creating speculation across the summer about what will happen in autumn, damaging confidence and damaging businesses up and down the country.

Noah Law (St Austell and Newquay) (Lab): Does the right hon. Gentleman accept that regardless of the actual size of the black hole left by the previous Government, it is a significantly larger number than the one he is talking about with respect to the welfare bill?

Sir Mel Stride: I am not sure that I fully understood the point, but the hon. Gentleman seems at least to accept that there is a real black hole when it comes to this Government, of at least £6 billion.

Sir Alec Shelbrooke (Wetherby and Easingwold) (Con): Does my right hon. Friend find it extraordinary that when the Government came into office they made a big play of putting the OBR on a pedestal, but because they did not like the news, they now want to dismiss it and water it down?

Sir Mel Stride: Well yes, exactly. The Government will look to any floating branch or whatever to cling on to, to try to look a little better than they truly are.

We have seen a Government who have indulged in spending like it was the 1970s. The result of that has been to push up inflation, which has led to interest rates being higher for longer than they otherwise would have been. It is all very well for Labour Members to trumpet the fact that there have been four interest rate cuts since they came into office. The reality is that if they had not lost control of inflation, there would have been more and they would have come more quickly. The headroom that the Chancellor has against her fiscal targets is

wafer-thin. This is the usual Labour way: spending and spending and spending until it runs out of other people's money.

Melanie Ward (Cowdenbeath and Kirkcaldy) (Lab): The shadow Chancellor talks about interest rate rises. Will he enlighten us as to why he thinks we should take lectures on economic competence from his party, which has a shadow Cabinet with 16 members who served in the Government of Liz Truss and Kwasi Kwarteng?

Sir Mel Stride: It would be sensible for the hon. Lady to look at those on her own Front Bench and ask why they take these appalling anti-business decisions. The answer is that hardly any of them have any experience of private business or of setting up a company—in fact, not one senior Front Bencher from her party has that. That is unlike the Conservatives—whether that is myself; the shadow Home Secretary, my right hon. Friend the Member for Croydon South (Chris Philp); the shadow Business Secretary, my hon. Friend the Member for Arundel and South Downs (Andrew Griffith); or others—who actually understand the real world of business.

Dr Evans: The shadow Chancellor makes a very good point. Is he surprised by the Federation of Small Businesses, which has come out and said that for the first time ever in its index—since records began in 2008—more small businesses will contract than will grow? Is he as worried as I am about what signal that sends to those small business owners who are trying to grow for our economy?

Sir Mel Stride: My hon. Friend is absolutely right. The reality is that if we tax something, we tend to get less of it. This Government have taxed business, so it is not surprising that the economy has been damaged as a consequence.

An often fair question asked of the Conservatives is: what would we do? Let me answer that question directly. First, we would have taken very different choices. We would not have loaded up taxation on businesses and stifled growth in the way that Labour has: we would have focused on productivity. We would not have come into office and given the train drivers 14% and the junior doctors 22% with no strings attached whatsoever. We were told by the now Health Secretary during the run-up to the general election that all we needed to do was get around the table with the unions and settle and the problem would go away—well, the junior doctors are back for more.

Darren Paffey (Southampton Itchen) (Lab): Will the right hon. Gentleman give way?

Sir Mel Stride: I will momentarily.

We would of course have tackled the welfare bill, as we did when we were in office. We made £5 billion-worth of savings, as scored by the Office for Budget Responsibility, and we had 450,000 fewer people going on to long-term sickness benefits as a direct consequence of our policies. We had a clear plan to go into government and save £12 billion a year in addition.

Darren Paffey: While the shadow Chancellor is engaging in such fascinating whataboutery at the Dispatch Box, will he take the opportunity to say which of the 25 tax increases in the last Parliament he regrets or would undo?

Sir Mel Stride: I think this debate is actually about the tax policy of this Government. As I have clearly set out—[*Interruption.*] To be fair, there was the small matter of covid, which came along and shrank the UK economy by 10% overnight. People at the time speculated that we would see mass unemployment, the like of which our country had never, ever seen, yet through our intervention we ensured that that did not happen.

Likewise, when the Ukraine-Russia war brought inflation to our shores through energy price spikes, peaking at 11.1% at the back end of 2022, we took the tough decisions, along with the Bank of England, to bring that inflation down. In the meantime, we protected millions of low-income families up and down the country from the consequences of that inflation. That came with a £400 billion price tag, so it is not surprising that some taxes had to rise in order to pay for that.

Mr Richard Holden (Basildon and Billericay) (Con): The shadow Chancellor is making an excellent speech. Does he agree that the danger is that if Governments do not have a prudent financial position, they end up in the situation that we are now seeing, with the interest on Government debt going up and up? We are now paying around £10 billion a year more than we were at the time of the general election.

Sir Mel Stride: My right hon. Friend is absolutely right. With the increasing Government debt to which this Government are constantly adding, and the higher interest rates for longer for which they are responsible because of their extravagant spending, we are spending about £100 billion a year on simply servicing that debt, which is twice what we spend on defence. That is not sustainable, and things will get worse under this Government.

Joe Powell (Kensington and Bayswater) (Lab): Might the Chancellor elaborate on the national debt that the previous Government inherited in 2010, compared with what we inherited last year?

Sir Mel Stride: I would be delighted to talk the hon. Gentleman through that. The preceding Labour Government left this country with a deficit of 10.1%, or £160 billion a year, so clearly we had to get on top of that deficit. It is a simple fact of economic life that if a country is running a large deficit, its debt increases, but by the time of covid, we had largely settled that deficit. For the reasons that I gave a moment ago, of course we added to the debt and the deficit at that point, because we had to intervene to stabilise the economy. However, the inheritance that we received in 2010 was the start of that debt climbing. The hon. Gentleman should acquaint himself with the economic history.

What approach can this Government take in the autumn? They are not going to be saved by growth—that is for the birds. The OBR, the Bank of England and the International Monetary Fund have all downgraded growth, and the Office for National Statistics recently announced that for the second month in a row, we have had an economic contraction.

How else might the Chancellor make the numbers add up? Well, despite Ministers insisting that their commitment to the fiscal rules remains non-negotiable, there are reports of potential changes to the broader fiscal framework, including the early use of the flexibility

of a 0.5% of GDP range for the current budget target, which would allow £12 billion to £13 billion of extra borrowing. However, that would be a breach of faith. There are similar reports that Ministers might move to just one OBR forecast a year, to avoid an embarrassing emergency Budget like the one we saw in March. However, that would completely abandon the commitment not to sideline the OBR, so when the Minister comes to the Dispatch Box will he reconfirm that the Government's commitment to the fiscal rules also applies to the fiscal framework, and that we will continue to have two OBR forecasts per year?

The Government should be looking not for yet more borrowing, but to rein in spending. However, the welfare debacle shows that they are utterly incapable of doing that, so that leaves just taxes. The motion before us today simply asks the Minister to confirm the Chancellor's commitment not to extend the freeze on tax thresholds. She specifically said in her Budget speech that such a move

“would hurt working people. It would take more money out of their payslips.”—[*Official Report*, 30 October 2025; Vol. 755, c. 821.]

When the Minister comes to the Dispatch Box, will he confirm that he, too, holds that position? Will he also rule out wealth taxes? We have already seen tens of thousands of people—high net worth individuals—leaving our country. I know that socialists may say, “Good riddance to them—they are wealthy”, but the Adam Smith Institute calculates that the tax forgone as a consequence of their departure is equal to the tax paid by around half a million people on average earnings. The Labour party has no plan to stem that exodus of talent and wealth creation.

Whatever decisions are taken in the autumn, they will be bad ones, and as nervous markets look on, they may prove disastrous. It may even be that this Government take us to a dark place; it is hoped not, but if history is any guide to the future, the lights are surely flashing red. Surely, too, the British people, those hard-working men and women up and down our country—the businesses, the entrepreneurs, the farmers who toil all hours, our charities, our hospices, our veterans, our elderly, and all those who embody the very best of all that our country can be—deserve answers about the promises made to them, and about whether their pay packets, their pensions and their savings are safe. Surely, they deserve better than this wretched, rotten and defunct Labour Government.

4.44 pm

The Chief Secretary to the Treasury (Darren Jones): I congratulate the shadow Chancellor on another theatrical performance—one that I know we all enjoyed across the House. I remember fondly his previous attempts to weave the story of “Alice in Wonderland” into his contributions. The only conclusion I can draw today is that he has not found his way out of the rabbit hole just yet.

The shadow Chancellor made a number of points where he seemed to rewrite history. It was all the fault of Russia invading Ukraine, with not one mention of Liz Truss—“Who’s that? We’ve never heard of her.” When asked why, if everything was so hunky-dory under the Conservatives, they suffered such an historic loss, the answer was, “Oh, I don’t know.” There was no answer to the question. We had hope when he said,

“I will tell the House what I would do differently.” I sat and listened carefully, and the grand reveal: “I would focus on productivity.” Well, I think the Conservatives said that before, and how did that go? Not one policy, suggestion or apology for their record—not one thing.

In contrast, this Government were elected with an historic landslide and on a mandate of change. *[Interruption.]* Conservative Members question our historic landslide, but they should look at the number of seats we have on our side of the House, and how many they have on theirs. I encourage them to remember that the aim of the game is to get Members in this House. It was an historic landslide for the Labour party at the last election, elected on the promise of change—to put pounds in the pockets of working people and to deliver for the renewal of Britain.

At the Budget last year we fixed the foundations, stabilising the public finances and putting Britain back on the road to growth, after 14 years of Conservative waste and decline. *[Interruption.]* I know that the Conservatives do not want to hear it, but every time one of them gets up to speak—we have heard it already—it is as if they have forgotten about the £22 billion black hole they left in the public finances. Rather than act to fix it, they called an election, ran away and left it for us to clear up their mess. This Labour Government will never repeat the mistakes of the Conservative party.

Graham Stuart: The Chief Secretary said the name of the game is to get the maximum number of seats. I gently suggest to him that that is not the name of the game; the name of the game is to serve the British people and honour the promises we make to them. *[Interruption.]* He thinks that is amusing. If he wants to know where his vast majority came from, it came with a series of promises that, one by one, he is breaking.

Darren Jones: I roll my eyes because, evidently, all my hon. Friends put themselves forward and stood to serve the country. As my right hon. Friend the Prime Minister has made very clear, he changed the Labour party to make sure that we put the country first. The right hon. Gentleman makes the case that the name of the game is not to get Members elected to this House; if that is the case, he obviously played the game very well, because the Conservatives failed to do that miserably.

At the Budget, we took the decisions necessary to stabilise the public finances and give our public services a vital injection of cash to start to turn around the years of decline that members of the public across the country know: NHS waiting lists growing, schools crumbling, the prisons crisis, and project after project being cancelled or delayed. That investment was underpinned by changes to the tax system to make it fairer and more sustainable, while protecting working people against higher taxes in their payslips.

Wendy Morton (Aldridge-Brownhills) (Con): I wonder whether the right hon. Gentleman could help me out by explaining what a working person is.

Darren Jones: A working person is someone who goes to work, and in our manifesto we made a very clear commitment to protect working people through the taxes they pay on their pay slips—which is something that we experience when we go to work.

However, we did more than that. We ended tax breaks for private schools to help fund new teachers and raise education standards, supporting more than 90% of children in state schools to achieve and thrive. We removed the outdated concept of domicile status from the tax system, so that all long-term residents of the United Kingdom pay their fair share of taxes here. We ensured that the UK tax system remains internationally competitive, reforming the tax treatment of carried interest. We took further action by raising the higher rates for additional dwellings for stamp duty land tax to support first-time buyers and main home movers, giving them a competitive advantage. We made changes to the energy profits levy to ensure that oil and gas companies contribute to the clean energy transition. In the Budget last autumn the Government introduced the most ambitious package ever to close the tax gap, ensuring that more individuals and businesses pay the taxes they owe.

Stuart Anderson (South Shropshire) (Con): The Chief Secretary talks about the Budget. I have spoken to small businesses across my constituency that are feeling the impact of last year's tax rises, and they are concerned about uncertainty and a lack of clarity. Does he really understand the impact that last year's attacks on small businesses are having, and how devastating they are for our constituents?

Darren Jones: Of course we engage with businesses, small and large, week in, week out, as Ministers in the Treasury, across Government, and in our constituency capacities. As Members know, the introduction of the employer national insurance contributions was weighted with changes in the threshold for payment with the aim of reducing the burden on smaller businesses. We recognised that we were honouring our promise to working people not to increase the headline rates of employee income tax or national insurance in their pay slips.

Like other benefits that replace income, the state pension is taxable, but the personal allowance will continue to exceed the basic and full new state pension, which means that pensioners whose sole income is the full new state pension or basic state pension without any increments will not pay any income tax. The state pension continues to be the foundation of the support available to pensioners, backed by this Government's commitment to the triple lock. This year more than 12 million pensioners have benefited from a 4.1% increase in their basic or new state pension, which means that under this Government those on a full new state pension will receive an additional £470. The full new state pension is currently projected to go up by around £1,900 over the course of this Parliament, on the basis of the latest forecast from the Office for Budget Responsibility.

I note that Members of opposition parties have not opposed these spending plans. They have not said that they think the NHS should get less money this year, or that we have too many teachers, nurses or police officers. If they support our spending plans, I simply ask: how would they pay for them?

Melanie Ward: Like many of my constituents, I welcome the investment that was announced by the Chancellor at the time of the spending review for the long-awaited regeneration of Kirkcaldy town centre, a town centre that went only one way under 14 years of Conservative

[Melanie Ward]

rule and 18 years of the SNP. They talk about support for small businesses, but what really happened is clear. Does my right hon. Friend agree that it has only been possible to do this because of the decisions that we have made to raise revenue?

Darren Jones: I wholeheartedly agree with my hon. Friend, who is an excellent champion for her constituency. She is right to point out that the investment announced for her constituency was a consequence of the decisions made by this Chancellor and this Labour Government to invest in the renewal of Britain.

Mr Louie French (Old Bexley and Sidcup) (Con): I am not sure what financial qualifications the Chief Secretary has, if any, but last week's reports suggested that, privately, Ministers are briefing their Back Benchers that they will introduce a wealth tax without calling it a wealth tax. Can he confirm whether or not that is true?

Darren Jones: That is a slightly odd question, but I can definitely confirm that any tax changes, one way or the other, will be announced by the Chancellor at the Dispatch Box in the normal way in the autumn.

As I say, Conservative Members are welcome to come forward with suggestions about how they might pay for the decisions that this Government have taken. Maybe they disagree with our fiscal rules, which are our assurance to the financial markets that we will live within our means and reduce Government debt.

John Glen (Salisbury) (Con): The right hon. Gentleman is being generous in giving way. One area the Opposition would be looking at is a coherent reform of the welfare system so that, by changing the pathway to entitlement to benefits, we get that whole budget under control, which would make a meaningful difference to the fiscal position that the Government are in.

Darren Jones: As the right hon. Gentleman knows, my colleagues in the Department for Work and Pensions, with the Stephen Timms review and other work, are taking those measures forward.

Madam Deputy Speaker (Caroline Nokes): Order. The Chief Secretary is the third Minister or shadow Minister to refer to a colleague by name. It seems to be a bad afternoon for it.

Darren Jones: Madam Deputy Speaker, it is because the review is named after the Member, which led to my naming him, but the Timms review will be taking forward that work and coming forward with proposals in due course.

If Conservative Members wish to challenge the fiscal rules, I invite them to do so. Do they instead think it would be wise to let debt balloon year on year, as they did, to pay for the day-to-day costs of Government, ultimately spending more and more on debt interest and less on the priorities of working people? In contrast, our fiscal rules are non-negotiable, and they are the foundation for stability and investment.

The first rule is for stability—that day-to-day Government spending should be paid for through tax receipts—which is the sound economic choice and 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 allowed my right hon. Friend the Chancellor, at the Budget last year, to allocate £190 billion more to the day-to-day running of our public services over the course of this Parliament.

The second fiscal rule has enabled this Government to invest in Britain's economic renewal while getting public debt on a downward path. This rule has allowed the Chancellor to increase public investment by over £100 billion in the autumn and a further £13 billion this spring—investment to rebuild our transport network, our defence capabilities and our energy security. In short, it is investment to grow our economy, improve living standards and put more money into the pockets of working people in every part of the country.

Madam Deputy Speaker: I call the Liberal Democrat spokesperson.

4.57 pm

Sarah Olney (Richmond Park) (LD): Let me be clear: the legacy left behind by the last Conservative Government is one to be ashamed of. Their incompetence in governing left schools and hospitals crumbling, social care crippling underfunded, and record levels of sewage in our lakes and rivers. Their record is a dispiriting picture of low growth, high interest rates and record levels of inequality.

We know that this Government inherited a mess, and we know that the cause of that mess was years of reckless economic mismanagement, but that cannot be allowed to serve as cover for measures that damage business or cause suffering for the vulnerable in our society. The decisions taken by this Government at the autumn Budget have not worked. The national insurance jobs tax will damage small businesses, lower people's living standards and undermine the Government's own ambitions for growth. People endured years of Conservative mismanagement, which is why this new Government should be doing far more to grow our economy, create new jobs and improve living standards.

The Liberal Democrats acknowledge that the Government had tough decisions to make. However, instead of raising national insurance, cutting disability benefits and cutting departmental budgets even further, they should be taking bold and ambitious steps to grow our economy, which is the best way to raise tax revenue and boost living standards. That is why we have been calling on the Government to ignore the scaremongering from those on the Conservative Benches, and urgently negotiate a new, bespoke UK-EU customs union.

On taxation, as set out in amendment (b), tabled by my hon. Friend the Member for St Albans (Daisy Cooper), we all know that the Government are desperately looking for ways to raise revenue. I encourage Treasury Ministers to take a look at the measures set out in last year's Liberal Democrat manifesto, which would ensure that revenue is raised in a fair way, taking into account the huge amount of economic inequality that, sadly, we see across the United Kingdom.

This huge inequality in our country threatens to rip our social fabric apart, which is why the Liberal Democrats have proposed a better way: raising revenue fairly, doing so practically and tackling inequality; increasing taxes on some of the biggest and wealthiest corporations, including the big banks, by reversing the Conservatives'

tax cuts for banks; ensuring that the wealthiest people in the world who are doing business here are taxed effectively, by raising the digital services tax from 2% to 10%; fairly reforming capital gains tax in a way that cuts tax, or keeps it the same for the vast majority, while ensuring that the wealthiest 0.1% cannot avoid paying their fair share; and doubling remote gaming duty to ensure that gambling companies pay their fair share. Those steps could happen immediately, so I hope Ministers, who are keen to fill a fiscal hole, might follow our advice.

The previous Government did so much damage to our high street businesses, but the Labour Government's national insurance jobs tax has only made things even harder for them and their workers. High street businesses are the beating heart of our economy at the centre of our local communities, and they create the jobs that our communities rely on. The changes to employer national insurance contributions announced in the autumn Budget are an unfair jobs tax which will have highly damaging impacts across many sectors: on social care providers; on GPs; and on the hospitality sector, which has been hit by an extra £3.4 billion in annual costs through the cumulative impact of the changes announced in the autumn Budget. The Liberal Democrats voted against the changes to employers NICs at every opportunity. I once again urge the Government to scrap those measures.

As the motion looks to examine the causes of the economic challenges faced by people and businesses across the country, a perhaps surprising omission is the ongoing disastrous damage caused by the Conservatives' pitiful Brexit deal. The appalling agreement negotiated by the last Conservative Government has been a complete disaster for our country, particularly for high street businesses, who are held back by reams of red tape and new barriers to trade, costing our economy billions in lost exports. The dismal picture of the financial impact of their terrible Brexit trade deal is becoming increasingly clear. A recent survey of 10,000 UK businesses found that 33% of currently trading enterprises experienced

"extra costs directly related to changes in export regulations due to the end of the EU transition period".

Small businesses have been particularly badly affected, with 20,000 small firms stopping all exports to the EU. And a recent study has found that goods exports have fallen by 6.4% since the trade deal came into force in 2021.

The Liberal Democrats welcome the steps this Government are taking to rebuild our relationship with the EU, but I urge them to recognise that this should only be a first step towards negotiating a bespoke UK-EU customs union. Independent analysis has shown that a closer trading relationship with the EU could boost GDP by 2.2%. That would bring in roughly £25 billion of extra tax revenue every year, which would be crucial for fixing the public services which the Conservative party left broken.

More broadly, as we look at measures which would ease the pressure felt by so many businesses and boost the economy as a whole, we continue to call on the Government to introduce vital reform to the business rates system. In 2019, the previous Conservative Government promised a fundamental review of the business rates system, but they failed to deliver it. Meanwhile, the current Government pledged to replace the system in their manifesto, but still no action has been taken. The current system penalises manufacturers

when they invest to become more productive, leaves pubs and restaurants with disproportionately high tax bills, and puts local businesses at a disadvantage to online retail giants. The Liberal Democrats have called for a complete overhaul of the unfair business rates system and its replacement with a commercial landowner levy that would shift the burden of taxation from tenants to landowners. Our proposals for fair reform would cut tax bills, breathe new life into local economies and spur growth. Equally important, it would provide long-term certainty for businesses, which is what everybody across the UK wants.

On the Liberal Democrat Benches, we know the extent of the challenges the Government faced when they came into office. We acknowledge that they inherited a dire economic landscape—challenges now exacerbated by an unreliable actor in the White House and an aggressive Russia—but that cannot be an excuse for the mistakes the Government are making. They must take bold action to boost our economy. As such, we support the calls in today's motion to scrap the national insurance jobs tax and reverse the changes to agricultural property relief. People across the country are still struggling with the cost of living crisis, just as small businesses remain burdened with sky high energy prices, now compounded with an unfair jobs tax and an unfair business rate system.

The Liberal Democrats will continue to urge Ministers to go further and act with more urgency, investing in skills by reforming the apprenticeship levy, properly funding social care and boosting growth through negotiating a bespoke UK-EU customs union to give our economy the boost it so desperately needs.

5.4 pm

John Grady (Glasgow East) (Lab): I rise to speak against the Opposition motion. My right hon. Friend the Chancellor of the Exchequer has raised taxes. She has done so to stabilise the public finances, because the public finances that the Labour Government inherited were in a shocking state; she has done so to invest in public services, in particular the NHS and schools, because public services were left in a shocking state by the previous Government; she has done so to invest in national security; and she has done so to invest in Scotland. My right hon. Friend has raised taxes because public finances need to be managed carefully. We cannot keep pretending that we have money when we do not.

Harriet Cross (Gordon and Buchan) (Con): On pretending, it seems to me that Labour likes to pretend that the covid pandemic never happened and that the £400 billion that the previous Government spent to protect the country and protect jobs, which Labour supported and asked us to go further on, never happened. Will the hon. Gentleman reflect on that and at least acknowledge what happened in the recent past?

John Grady: I am very happy to reflect that the covid pandemic happened, but I also reflect that Liz Truss and Kwasi Kwarteng's mismanagement happened. The Conservatives lost the last election because they made a mess of the economy. They have lost their reputation for economic competence, which is why they have lost so many MPs and suffered an extinction event. I read in today's *Times* that it was thought that the common crane had been extinct for more than 500 years in Scotland,

[John Grady]

but it is now reported that there are six or seven nesting pairs in Scotland—more than we have Conservative MPs, and there may be a reason for that.

The Opposition motion implies a reversal of more than £20 billion in taxes. The Opposition need to explain how they would fund that. What cuts would they make, and what effect would that have on the businesses they claim to support? They need to explain whether they would reverse the investment in the NHS, which is essential to businesses. Many businesses have said to me that they want to see investment in the NHS in order to get the waiting lists down and reform the service. That is exactly what my right hon. Friend the Secretary of State for Health is doing. The disruption caused to businesses by NHS waiting lists is significant, but they are now coming down—if only the same could be said for Scotland.

The Opposition must explain whether they would reverse the investment in education, because businesses say to me every week that they want to see investment in skills. They need skilled workers to grow their businesses. It is essential for economic growth.

Graham Stuart (Beverley and Holderness) (Con): As a Scottish MP, does the hon. Gentleman wish to differ slightly with those on his Front Bench, who have said there should be no new licences for North sea oil and gas? That policy does not mean that we will consume a drop less oil and gas; it simply means that we will import it from abroad with higher emissions and with tens of billions of pounds of tax and tens of thousands of jobs lost. Surely, as a Scottish MP, he should speak up for his constituents and say to those on the Front Bench, “Come on—let’s get those licences going again.”

John Grady: All I will say, Madam Deputy Speaker, is the plain fact is that North sea oil and gas will be produced for many years to come, and the Government support that. The Government are also supporting investment in the industries of the future, such as offshore renewables. Under the Conservative Government, there was a contracts for difference auction with no successful bids, setting back our access to fixed-price, cheap electricity. That is the Tory economic policy on energy: turning up their noses at cheap, fixed-price energy. It is little wonder we are in such a mess.

Dave Doogan (Angus and Perthshire Glens) (SNP): Will the hon. Gentleman give way?

John Grady: I would like to make some progress, because there are many speakers, but I will give way.

Dave Doogan: I would just like to follow up on the hon. Gentleman’s talking down of Scottish skills and training—classic Labour. How does he reconcile the disparaging characteristic that he paints of Scottish skills, entrepreneurialism and training when Scotland has, for 10 years running, been the top destination for foreign direct investment outside London? What is it that foreign enterprise can see in Scotland that no Labour MP ever will?

John Grady: I cannot recall saying anything disparaging about Scottish education. I did criticise the Scottish NHS—[*Interruption.*] Well, the reality is that businesses

are absolutely petrified of the way the SNP is dealing with Scottish education. We have insolvent universities and colleges in crisis, and education standards are plummeting. Those are the facts, and they are why the Scottish SNP Government will lose in 2026 and we will have a new First Minister.

The Conservatives are meant to be patriotic and pro-defence. How is the investment in defence to be paid for? Would they reverse the record settlement for the Scottish Government given that we have Scottish elections next year? I think they should explain.

Stuart Anderson (South Shropshire) (Con) *rose*—

John Grady: I will make some progress if I may.

Our debt to GDP ratio is almost 100%, and we inherited that from the previous Government. Conservative Members object to tax rises while wanting tax cuts and increases in public spending and objecting to spending cuts. That is not realistic. We know from the disastrous Budget of Liz Truss and Kwasi Kwarteng that we must manage finances carefully. Some Opposition Members suggest that we should get rid of the Office for Budget Responsibility. The Conservatives shunned the OBR when Liz Truss and Kwasi Kwarteng put forward their Budget and we know what happened then. I find it quite surprising therefore that we still have Conservative Members who want to get rid of it.

The Conservative approach to the economy simply does not grapple with the serious state of the public finances; it inhabits a world of wishful thinking—a world of higher inflation, higher Government borrowing costs and higher interest rates.

Joy Morrissey (Beaconsfield) (Con): Will the hon. Member give way?

John Grady: No, I will make some progress.

The huge inflation unleashed by the previous Government caused immense misery to my constituents. The interest rate rises made life a misery for hard-working families who had bought their homes in Glasgow East. That is why my right hon. Friend the Chancellor of the Exchequer is right to focus on appropriate management of the economy and not wishful thinking. The real question is this: what has the Conservative party come to. Will it ever return to seeing things as they are, rather than proposing policies that bear no relationship to reality? Its proposals, as I understand them, are a form of magical realism, which is why the electorate have cast them into 100 years of solitude.

5.11 pm

Sir Andrew Mitchell (Sutton Coldfield) (Con): I can make a very short speech today, Madam Deputy Speaker, because my right hon. Friend, the shadow Chancellor, in his brilliant speech at the beginning of this debate, set things out so clearly. There are common themes running through both Opposition debates today. The first is that the Government have lost control of expenditure and the second one, which I want to develop very briefly, is that the Executive have failed to listen with appropriate care to what people in this House have said.

On the first of these points, my right hon. Friend the Member for Salisbury (John Glen) said in an eloquent intervention just a few minutes ago that the Government need to work out how to fix last week’s fiasco with the

welfare Bill. Far from saving money, this is virtually now another spending measure. It is important to remember that as the former Chancellor my right hon. Friend the Member for Godalming and Ash (Sir Jeremy Hunt) set out clearly, had we been successful in winning the last election, we would have reduced the number of working-age welfare recipients to pre-covid levels, thus saving £49 billion by the end of this Parliament.

The reason I focus on this welfare issue is that it is welfare expenditure with which this Government must get to grips, and they have failed to learn the lessons of the past. I was a very junior welfare Minister in what was then the Department of Social Security between 1995 and 1997. I learned two very important rules, which this Government would do well to consider. On both, it is clear that welfare reform is extremely difficult. The first is that we cannot take away from poor people benefits that they are already receiving. I think I am right in saying that no Conservative Government have ever reduced disability benefits in payment. But Labour did not absorb that vital lesson, which is why they got into so much trouble last week.

The second rule is that if a Government want to reduce the benefits bill, there are only really two ways of doing it. The first is to freeze the level of benefits; that has been done in the past, and it means not falling into the trap that the Government fell into last week. The second is to narrow the gateway into those benefits for future recipients. I urge the Government to absorb these important rules, because they will have to return to the issue of welfare expenditure if they are to make any progress at all on the economy.

I hugely praise the rebellion last week by Labour Back Benchers. They have hopefully taught the Executive a most useful lesson: listen to Back Benchers with respect and close attention. As a former Chief Whip, however, I deprecate rebellions unless I am involved in them. It usually takes years for the Executive to get into the habit of treating their Back Benchers with contempt and derision as unelected Downing Street special advisers strut up and down Whitehall, but this lot—this Government—managed to accomplish it extraordinarily quickly. They have learned the hard way not to treat their Back Benchers and elected Members with so little respect.

Tom Hayes (Bournemouth East) (Lab): Since working at Oxfam and campaigning for tax justice, I have admired the right hon. Gentleman's work. Were the Conservative party to listen to him, the right hon. Member for Salisbury (John Glen) and the right hon. Member for Wetherby and Easingwold (Sir Alec Shelbrooke), it could find its way back to a centrist position, which would be of benefit to our country. Will he acknowledge that this Government had a difficult inheritance; that since we came to power, we have faced a changed world, with tariffs, trade wars, sluggish global growth, rising authoritarianism and democratic backsliding; and that as a result, this Government have a harder job? Will he acknowledge that, so we can start to think about how we take forward shared improvements?

Sir Andrew Mitchell: The hon. Gentleman brings me elegantly to my final point. Having praised Labour Back Benchers and encouraged them to speak out, my one ask is that they now stand up for the election pledge, clearly set out in their manifesto, to restore development spending to 0.7%. I ask them to show the same zeal and

enthusiasm as they did on welfare for bringing back the 0.7%. Inexplicably and astonishingly, their Prime Minister has cut the figure from the 0.5% they, alas, inherited from us down to 0.3%, and it is already causing massive difficulties, of which the hon. Member, with his background in Oxfam, will be fully aware.

When the House comes back in September, I urge the hon. Member, particularly given his experience, to join other Back Benchers in saying to the Executive, "We will not put up with this. We said in our election manifesto that we would restore development spending to 0.7%, and in the same way that we showed the Government Front Benchers that they could not proceed as they planned with welfare, they cannot proceed as they plan to with development spending." I urge Labour Back Benchers to ensure that this rethink takes place in the autumn, when the folly of what has happened will be even clearer.

Several hon. Members rose—

Madam Deputy Speaker (Caroline Nokes): Order. The right hon. Member has set the tone with his speech length. If all Members could stick to around six minutes, everyone will get in. I call Joe Powell.

5.18 pm

Joe Powell (Kensington and Bayswater) (Lab): I congratulate the shadow Chancellor on securing a debate on this motion. When this Government came into office, they found Britain's public finances vandalised, the economy wrecked, debts soaring, sky-high mortgages, a cost of living crisis that has touched every household in this country, and a mismanaged pandemic, rife with dodgy contracts and corruption. The Conservatives today pretend that they have discovered fiscal responsibility, but we all remember that they increased taxes 25 times in the last Parliament, and gifted us the reckless Liz Truss mini-Budget, which sent mortgages spiralling and tanked the markets.

No Government in living memory have had a worse economic inheritance than this one. The Conservatives have no credible economic plan for dealing with the debt, no credible plan for growth, and no credibility whatsoever with the British public. What they did to the public finances and the national debt even before the pandemic is unforgivable.

Mr Holden: Labour Members pretend that 2010 was year zero. In truth, in 2010 there was an annual deficit of 10% of GDP in Government spending, which meant that the Government were borrowing £1 for every £4 they were spending. Does the hon. Member not acknowledge, or understand, that that was a far worse economic inheritance than any Government have been offered since the second world war?

Joe Powell: I thank the right hon. Gentleman for that intervention, because it is important to talk about debt. I was disappointed that the shadow Chancellor failed to acknowledge that the inheritance in 2024 was total national debt of close to 100% of GDP, which was up from 60% in 2010. The annual debt payments that the Government are having to make—as others have said, they are close to £100 billion, thanks to the Government's economic inheritance—are 8.3% of total public spending. Imagine what we could do if we spent that money on the NHS, our schools, or fixing the housing crisis.

[Joe Powell]

This goes much deeper than debt. The truth is that we inherited a sick economy, affecting living standards, wages and public services, and there was no plan for growth. The Conservatives left Britain with rising debt and flatlining growth, yet they oppose the very measures that the Government have taken to fix their mess.

Joy Morrissey: Just to correct the record, on the economy, we had the highest and fastest growth in the G7 when we lost the election. We handed the Government that highest growth. I know it is hard for Back-Bench Labour MPs to grapple with that, but it is a fact none the less.

Joe Powell: I thank the hon. Member for that intervention. Of course, the Conservatives tanked the economy, and when there is such a dramatic decline in growth, increasing it from a very low level to a slightly higher one is relatively straightforward. The economic growth figures for the first quarter of this year, as we know, are the highest in the G7.

The Government are trying to fix the mess, including through measures worth over £20 billion a year—measures aimed at repairing our public finances by addressing the black hole and investing in public services that were wrecked by austerity, poor management and wishful thinking. The Conservatives have a nerve to pretend that they would do things differently now. My constituents tell me the same. Indeed, a local resident, George, has been vociferous about the lack of a credible economic plan from the Conservative party, and will not stop sharing his views on the airwaves. Yes, even the former Chancellor of the Exchequer thinks that the Conservatives have no answers to the fiscal challenges that the country faces. There is plenty that George Osborne and I disagree on, but he is absolutely right on that.

At every turn, the Conservative party is backing the blockers and preventing a plan for economic growth, whether it is the Leader of the Opposition blocking new energy infrastructure in her own backyard or the shadow Business Secretary, the hon. Member for Arundel and South Downs (Andrew Griffith), signing letters to delay vital transport infrastructure. It is no wonder that our economy has been held back for so long.

The other parties, too, have nothing to offer. Reform wants Liz Truss's reckless economics all over again—the same failed experiment of unfunded tax cuts that crashed our economy and left our constituents paying the price. Meanwhile, the Liberal Democrats promise all the benefits of tough decisions with no way to pay for them. It is pure fantasy economics. I am glad that the Government have committed to not repeating those mistakes. It will fall on the Labour party to fix this mess, rebuild our economy and deliver the secure growth that Britain needs.

Nowhere is the cost of failure clearer than in the broken housing system. London boroughs now spend £4 million every single day on temporary accommodation—a massive waste of taxpayers' money. The Conservatives also locked us into paying billions for over-inflated asylum hotel contracts. That is another egregious waste of taxpayer money that we inherited from them. That is the direct result of not planning for investment or for the long term; it is the price of short-termism and a failure to plan for the future.

Let us look at housing—one part of our plan. We have ambitious planning reforms to deliver the greatest impact on growth at no fiscal cost. We have the biggest investment in social and genuinely affordable homes in a generation. We have leasehold reform, protection for renters and a new decent homes standard, which are all opposed by the Conservative party.

This Government are making tough choices to raise revenue. The Conservatives talk about businesses; I meet businesses all the time, and I understand the pressures that they are under. They tell me that it is vital that NHS waiting lists fall, so that their employees can access the treatment that they need; that we have modern infrastructure in Britain, including transport and energy; that their staff can afford housing options; and that we agree an EU youth mobility scheme to support our hospitality industry.

Bradley Thomas (Bromsgrove) (Con): When businesses in the hon. Gentleman's constituency make people redundant, do those employers explain to his constituents that they have to do that for the good of the NHS?

Joe Powell: I am glad that business confidence is at a nine-year high—that is from an independent assessment. The decisions that the hon. Gentleman refers to are already making a difference. Does he oppose the 4 million extra NHS appointments that this Government have managed to secure so far; the three trade deals with the US, India and the EU—deals that the Conservative party failed to get over the line—the four interest rate cuts; the efforts to close the tax gap; the fact that wages have grown more in our first 10 months in office than under the last 10 years of the Conservative Government; the rise in the national minimum wage to support low-paid workers; and the expansion of free school meals to half a million children, which also lifts 100,000 out of poverty?

The motion before us offers no ideas and no credible plan. If the Conservative party were serious about economic growth and tax, it would do some reflecting on its record, apologise to the British people and get behind the Labour plan to get Britain's economy booming again.

5.26 pm

Sir Alec Shelbrooke (Wetherby and Easingwold) (Con): The motion is simply asking the Government to commit to what they put in their manifesto. It seems that we are hearing every sort of speech other than speeches that address that point.

Let us first take the national insurance rise. It is extraordinary to ask us to believe that businesses in Labour Members' constituencies are delighted that their taxes have gone up because that will help public services. I am sure that they are all keen to see their taxes go up again to satisfy the new 30% pay rise that resident doctors want. We were told that that would not happen, and that that was why the Government had to put up taxes the last time. A bit of reality has to come to this conversation, given that local businesses are either cutting people's hours, on a recruitment freeze, making redundancies or going into liquidation.

Let us think about companies that go into liquidation. After 30 years of trading, a company in my constituency went into liquidation last month, simply because it could no longer cope with the NI rise. That was the straw that

broke the camel's back. Twelve people were made redundant immediately, meaning there would be no more taxes—no more income tax or purchasing tax—from that business, and on top of that, benefits would have to be paid.

We are on a downward spiral of tax and spend in this country. Indeed, it is quite incredible to listen to the speeches from Labour Members. It is as if nobody has left the country, no money has been withdrawn from the City, and no person has taken their assets elsewhere. Those are literally the headlines on the economy, day after day, in the *Financial Times* and other newspapers, yet we get a lot of harking back to the past, rather than recognition that Labour has been in power for more than a year.

Joy Morrissey: My right hon. Friend makes an excellent point about growth and wealth creators being taxed out of this country. They are simply taking their money and leaving, as the Labour party continues to tax them.

Sir Alec Shelbrooke: My hon. Friend sums things up perfectly. What terrifies me is that the Government do not seem to be taking any notice of that. When they talk about bringing in more taxes, such as a wealth tax, Labour Members all cheer. When my right hon. Friend the shadow Chancellor—I think it was him—said that Labour Members do not care, and would like to see more people who have wealth go, someone on the Government Benches shouted “Good!” It is absolutely incredible to say that the people who generate the wealth in this country are the enemy.

Let us just think about my constituency of Wetherby and Easingwold, which does exactly what it says on the tin: Wetherby and Easingwold are the two main market towns in the constituency. Market towns are part of the big ecosystem of the economy that is linked around farming, and the farming tax has created a huge problem in the farming community. People are scared to invest in capital equipment. That is the first thing. “How are we going to pay these bills? Is it even worth passing the farms on? So let's pause our investment.”

That ecosystem in my constituency is not just about the farmers and what gets sold at the farmers' market. It is about the businesses that service farm equipment. It is about the businesses that supply mechanical support. It is about the businesses that are involved in every aspect of the supply chain around farming in my constituency, and the worry and concern that is being felt throughout the communities means that they do not spend any money. That means that the Government are now losing out on VAT and on other taxes. So, what is their answer? Let us bring in a wealth tax; let us tax more—it is quite frankly frightening. In terms of taxation, I am terrified of where this country is heading.

Iqbal Mohamed (Dewsbury and Batley) (Ind): The right hon. Member is making an important speech. Some 80% of millionaires in our country want to pay more tax. They want to contribute to our society and to our public services, so does he agree that when people want to pay more tax, they should be given the opportunity to do so?

Sir Alec Shelbrooke: I am sure it has just slipped the hon. Gentleman's mind that people have the ability to do that. Famously, when Stanley Baldwin was the Financial Secretary to the Treasury, he gave a third of his wealth

to the country to try to help with the national deficit. He did it behind the scenes and just signed it “FST”. He did not actually declare that it was from him. People can pay more tax if they wish. What they cannot do is sit in an unfair position where they can see that we do not have the most competitive taxes in the world; otherwise, they would stay here. It is blatantly obvious what is happening. If I were to throw a party at my house and I locked everybody in and halfway through the party they were trying to tunnel under the fence or get out in a hot air balloon, I would not say, “Well, that's going really well. Let's lock some more doors.” This is an overall assault on the lifeblood of the economy of this country. All this motion does today is ask whether the Government will be sticking to their manifesto promises.

When the Chancellor came to the Dispatch Box last July, about a year ago, she kept talking about the OBR. She talked up the OBR, saying we could never again have a situation like under the Tories where they ignored the OBR. She announced £22 billion-worth of taxes for the alleged black hole. The OBR immediately came out and said, “That's not true, it doesn't exist.” At best, it was £9 billion, and most of that had been caused by giving pay rises to the public sector because, allegedly, that would solve the problem. We on these Benches warned that, without reform, the public sector would come back. And boy, have they come back!

If the Government wanted to be believed that there was a £22 billion hole, one, why did they raise taxes by £44 billion; two, why did they then do another £30 billion-worth of borrowing; and three, how come we now have a £30 billion hole? That is a £100 billion hole in the economy that has been created since 12 months ago. How can anybody say that the Government have taken responsibility for the economy and are building it up? Somebody on the Labour Benches said that we were trying to rewrite history, but they are trying to rewrite the last two weeks! Labour is the only party I have known to come to the House trying to cut welfare and increased the bill! Where is the money coming from?

What do we hear? We hear that we must get rid of the triple lock, because it is now going to cost £15 billion instead of £5 billion. How about we stop people self-declaring just to have time off work and get on universal credit, which is costing £40 billion, and we do not hit people who are on fixed incomes who do not have the ability to do other things? A great number of the retired people in this country are carrying the burden of supporting their families in work, looking after their grandchildren, and doing those things unpaid. We should be grateful to pensioners in this country and not be saying, “You're the ones whose income we've got to cut” because the Government are letting welfare run out of control.

This does not stop at what the Government have done to businesses in my constituency or to the ecosystem that relies on a rural economy, and it does not stop at them wanting to put solar panels all over credible farming land, pushing those businesses out even further, because they have brought in VAT on schools, and they have done it through pure ideology and envy. My constituents are not rich people. They have cars that are 15 or 20 years old. They do not go on holidays. They have been putting money in to give their children the best education, and they are now having to withdraw their children from those schools.

Joy Morrissey: The Labour party has decided to tax hard-working families on their choice of education. It means that people can no longer send their child to a SEND special school. It means they no longer have the choice to use their money, because the Labour party wanted to take a little more tax from them. Does my right hon. Friend agree that it is not a fair process and it is actually excluding people who want to protect their children for the future?

Sir Alec Shelbrooke: My hon. Friend makes a very powerful point. I am just wrapping up, but I will tell you this, Mr Deputy Speaker: I am a comprehensive schoolboy, and I am not going to take any lessons off the private schoolboy on the Front Bench who tells me that it is unfair that we are not taxing people who are trying to do the best for their children—talk about pull up the ladder, I'm all right, Jack.

Overall, the economy is being destroyed under this Government. We will have a political kickabout this afternoon, but I am terrified of where we are going. The 1970s is back good and proper—public sector strikes, ridiculous pay demands constantly bringing the Government down, 240% debt to GDP ratio predicted on this path, more and more taxes to come, and more and more wealthy people leaving. We saw what happened by 1977 when we went off to the IMF. The situation was so bad that the IMF said no! We are on that path, and it terrifies me.

Several hon. Members *rose—*

Mr Deputy Speaker (Sir Roger Gale): Order. It has become apparent already that if we are to get everybody in, we will have to set a formal time limit. After the next speaker, I will put in place a six-minute time limit. If there are a lot of interventions, which will of course add time, it will be reduced smartly to five minutes and possibly even to four minutes.

5.37 pm

Phil Brickell (Bolton West) (Lab): It is a pleasure to speak in the debate, and I do so on behalf of my constituents, who dutifully pay their taxes in the expectation that they will receive a fair deal in return. Today's motion from the official Opposition implies that the efforts that this Government have undertaken to deliver that fair deal are not in the interests of those constituents. I reject that premise entirely. Instead, Labour in government has constantly and rightly stuck to ensuring that those with the broadest shoulders carry the greatest burden. That approach has secured over £20 billion a year of revenue to pay for schools, the NHS and our national security. The Chancellor has restored responsibility and credibility—

Alison Griffiths (Bognor Regis and Littlehampton) (Con): Will the hon. Member give way?

Phil Brickell: I will make some progress given the time limits that will be put in place on other Members.

That finally put us on a strong footing to move on from the irresponsible and reckless chaos of Liz Truss's mini-Budget and the litany of unfunded spending commitments left behind by the previous Administration, who had no intention of implementing them.

I must remind the House of what Labour inherited from the last Government when the Chancellor walked through the doors of No. 11 just over a year ago: a national debt at nearly 100% of GDP—the highest since the 1960s; living standards falling for the first time since the 1950s; anaemic growth that left us second to last in the G7; and the UK as the only G7 country where the employment rate had still not recovered to pre-covid levels by the first quarter of 2024. That was the Conservative legacy—a legacy of economic mismanagement and a tax system weighed down by loopholes, complexity and underenforcement, so I will take no lectures on fiscal responsibility from the architects of that wreckage.

We on the Labour Benches will not indulge the fantasy that the path to prosperity lies in slashing public services, making unfunded promises and claiming that we can borrow endlessly without consequences. Our constituents deserve better. This Government, led by the Prime Minister and the Chancellor, are getting on with what Labour always provides: a Government of service.

First, let me address the abolition of the outdated non-dom regime. For too long, our tax code allowed the very wealthiest to live in this country and enjoy our services, infrastructure and rule of law but contribute only a token amount to the national purse. That ended, quite rightly, with this Government. The new residency-based regime is a matter of principle: "If you live here, you pay here."

Secondly, we have increased the rate of capital gains tax on share sales—not to punish wealth but to deliver fairness. Many of my constituents contact me to say that they see no reason why wealth—assets, and stocks and shares—should be taxed less than work. There is more to be done on that, but I welcome the measures that the Government have taken so far.

Joy Morrissey: What the Labour party is saying very clearly—it is useful to have it clarified—is that those who scrimp and save, who decide to give money or homes to their children, who save their farm for their children, do not matter. They will be the ones who are punished under Labour—not those who scrounge on benefits, but those who have saved their money and made choices. Labour is saying that those are the people it will punish. I thank the hon. Gentleman for clarifying that.

Phil Brickell: The hon. Member would do well to listen to what I have to say, and I will come to wealth taxation shortly, but I would appreciate it if she did not take that very condescending tone with me—I spent more than a decade working in the financial services industry myself.

These measures have been taken because it is simply the right thing to do. When a nurse in Bolton hospital is paying a higher effective tax rate than someone making millions on property or shares, the system is not just broken; it is unfair.

Thirdly, the Government have cracked down on tax-dodging, with more funding for HMRC to go after tax evaders and bring down the stubbornly high tax gap. That gap—the difference between what the Government are owed and what they actually collect—currently stands at almost £50 billion. That figure—50,000 times £1 million—is almost the size of the entire defence budget in 2023-24. Unlike the dearth of policy proposals from the Conservative party, I constructively implore

the Government to continue tackling the enablers of dodgy tax schemes. Firms that promote aggressive tax avoidance schemes will now be held to account with fines of up to £1 million. I welcome that measure in particular.

Rachel Blake (Cities of London and Westminster) (Lab/Co-op): On that point, does my hon. Friend agree that it is important for HMRC to work with local authorities to take action on tax evasion by high street stores that do not act fairly, like the awful Harry Potter stores in my constituency? I am worried about the impact that they have on the high street and on our tax revenues.

Phil Brickell: My hon. Friend, who has been a fantastic champion on tackling that issue, makes a valid point.

The Opposition would have us believe that taxes writ large are a drag on growth, but the truth is more nuanced. What stifles growth is instability. What repels investment is unpredictability. What corrodes trust is a tax system that rewards avoidance while underfunding our schools, hospitals and police. Labour is putting more money in people's pockets by boosting the minimum wage for 3 million workers. Wages are growing more in our first 10 months than in an entire 10 years under the Tories.

I would urge the Chief Secretary to the Treasury not to rest on his laurels, however, because there is more to do. I propose three policy priorities that I hope the Treasury will give serious consideration. First, we should review and reform current tax reliefs. Some £204 billion—a quarter of all tax revenue—was spent on tax reliefs in 2022-23, yet many of those reliefs are uncoded, unscrutinised and susceptible to abuse. The Treasury Committee was right to call for a rationalisation of those reliefs. We must audit them for efficacy, eliminate those that serve no public interest and crack down on those that have become vehicles for avoidance.

Secondly, I draw the Minister's attention to the issue of tax-dodging in our own backyard. At the end of last month, a number of British overseas territories, including the tax haven of the British Virgin Islands, missed yet another deadline to introduce public registers of beneficial ownership. The Minister will know that this is a long-running issue. The BVI in particular has missed deadlines in 2020, 2023 and 2025, as the right hon. Member for Sutton Coldfield (Sir Andrew Mitchell) knows well, he having campaigned strongly on this issue over many years.

In January this year, the Bureau of Investigative Journalism, working alongside the BBC and *The Guardian*, revealed that Roman Abramovich, the former owner of Chelsea football club, may owe the Treasury up to £1 billion in unpaid corporation tax, penalties and interest. That is from corporate structures with a value of \$6 billion, set up through an offshore web of hedge fund vehicles primarily registered in the British Virgin Islands and Cyprus, in what looks like an ultimately botched attempt to reduce tax liabilities.

When a Russian oligarch allegedly manipulates British secrecy jurisdictions in order to obscure profits made from UK-based centres of control, it undermines the credibility and fairness of our tax system. We need every British overseas territory to adopt full public beneficial ownership registers, so that sham structures such as Abramovich's can be traced, challenged and taxed. Dirty money—the kind that flows beneath the waves of

secrecy—corrodes the entire tax system, so I call on the Minister never to shy away from the globe-spanning challenge of tax abuse hidden in the nooks and crannies of our own backyard.

Let me turn to my third and final recommendation for the Government, which relates to the often overlooked distortion in our system of pension tax relief. This long-standing relief disproportionately benefits higher earners, and it has been my settled view for a number of years that we must look again at how it operates. Currently, higher rate taxpayers enjoy 40% relief on pension contributions, while the highest earners enjoy 45% relief. Basic rate taxpayers nevertheless enjoy a rate of just 20%. Total pension tax reliefs cost circa £40 billion per year to the Treasury, according to HMRC. Of that total, two thirds is relief for those on incomes in the 40% and 45% income tax bracket, which represented 12% of the adult population in 2023-24, according to the IFS.

That highlights the inequity here: a system of relief that is tilted to those who need it least, not to incentivise moderate earners putting into pensions but to support those on the highest incomes. I urge the Minister to consider moving to a flat rate model of, say, 30%, independent of income bracket, so that every saver gets equal recognition for securing their own retirement.

Finally, with my industry expertise in addressing tax evasion before I came to this place, I would like to address the siren calls of a broader wealth tax being made by a number of colleagues on the Government Benches and elsewhere in the House. Increases in capital gains tax to align them closer to income tax are welcome. Wealth and work should be taxed at similar rates—it is as simple as that—but I have a few words of caution for proponents of wealth taxes.

The Wealth Tax Commission itself acknowledges that wealth taxes could incentivise the wealthy to hide assets behind legal vehicles using expensive lawyers and secrecy jurisdictions. HMRC is already chronically short-staffed, under-resourced and hamstrung by complexity. Without dismantling the complex web of ultimate beneficial owners, offshore trusts, nominee directors and secrecy jurisdictions, we are at grave risk of opening up a game of whack-a-mole that we would likely see the Government lose to deep-pocketed and well-lawyered high net worth individuals who can run circles around HMRC and law enforcement and secrete their assets elsewhere.

My firm view is that the Government should instead crack down on tax evasion, simplify the tax code, streamline existing reliefs and bring capital gains tax levels closer to income tax. The Centre for the Analysis of Taxation estimates that closer alignment of capital gains and income taxes alone could raise some £14 billion for the Exchequer.

As a country, we face enormous challenges: an ageing population, creaking infrastructure, rising global instability and the urgency of the net zero transition. We know that public services are under strain. We need to raise funds in a way that is both fair and that promotes the growth we need to get our country back on its feet after 14 years of Tory decline. Let us be clear: taxation is not merely a tool for revenue but the lifeblood of our social contract, which is why we desperately need a responsible and workable tax system, to ensure that education is a right, not a privilege, that healthcare is free at the point of use and that the most vulnerable in our society are protected.

5.49 pm

Dave Doogan (Angus and Perthshire Glens) (SNP): The first line of the Tories' motion gets to the word "manifesto", and I accept their premise that that is what this is about—it is about the commitment

"not to increase taxes on working people, and not to increase National Insurance or the basic, higher or additional rates of Income Tax".

I do not think that is a tall order. The next item on the list, however, is VAT. Never mind the headline rate, the concern now, from comments inside the Government, is about what will be dragged into VAT or have its reduced rate increased. There is no clarity on that from the Government, much less any reference to it in their manifesto from which Parliament, and taxpayers across these islands, can take any comfort or otherwise.

The motion

"calls on the Government to reaffirm the statement made by the Chancellor of the Exchequer...that...personal tax thresholds will be uprated"

in the manner that they said. That is a fair point. Fiscal drag is an iniquitous thing to inflict on people. It eats into pay rises and erodes people's incentives to get on and progress, and there is a real concern, given the fiscal misadventure—it seems to be one farce after another with this Government, and one U-turn after another. They talk about introducing stability into the fiscal dynamic. Well I am holding my breath waiting for that to happen, but I think I am making a mistake in that pursuit.

Worst of all—well, it is not worst of all, but it is really bad—are the changes to agricultural property relief, which were also not in the Government's manifesto, and I sincerely urge the Minister to pause and review those changes. As others have articulated, that measure was clearly something that Treasury officials put in front of every new Chancellor, and every new Chancellor to date has had the wit to say, "Well, I'm not doing that,"—expect for this Chancellor, who is lacking in wit and much else to recommend her. She said, "Ooh, I'll just go ahead and do that," completely failing to understand the agricultural economy as it exists in these islands.

My constituency of Angus and Perthshire Glens is the garden of Scotland and the highest productive agricultural land in Scotland. An ecosystem exists around that farm enterprise, of recruitment, training, plant sales, feed stock, markets, fuel sales—it all exists, and it revolves like satellites around the farm business. Those farmers are now saying, "Why would I invest? What on earth would I invest for? Why am I investing my hard-earned capital into increasing technology and lowering the cost of production, so that I can get more competitive food on to the shelves of supermarkets and help with the cost of living, which this Government are incapable of doing anything about, meaning that my asset values go up, and so that when I die and my assets transfer, my tax bill goes up?"

Graham Stuart: The hon. Gentleman is giving a powerful speech on this subject. I was at the Great Yorkshire Show last week, and there we had not only livestock and farmers, but the whole supply chain around that. The only conversation there was exactly as the hon. Gentleman describes, of a whole industry brought low because of this misconceived measure. He talked

about Chancellors being presented with things. The caravan tax was presented to the Chancellor in 2012, and it took Government Back Benchers to persuade those on the Front Bench to change path. I hope Labour Members might do the same with the farm tax.

Dave Doogan: That is a welcome and comprehensive round-up of some of the broader issues on this, but it speaks to the fiscal innumeracy that says, "There is no cost to any of this; we can just help ourselves to that and it won't have any impact." As the right hon. Member for Wetherby and Easingwold (Sir Alec Shelbrooke) pointed out, if we speak to any rural plant sales or dealership, and they will say that sales have gone off a cliff, along with the VAT, employment, income tax, and national insurance that went with them. That speaks to a Treasury and a Chancellor who have a passing understanding of the price of everything but could not identify value in a line-up.

The motion goes on to talk about pensions. This is difficult, because I do not believe for one minute that we should pull pensioners whose income is only the state pension into tax. Neither do I believe that by dint of being a pensioner someone should get tax relief on the same income that somebody who earns that income will not get tax relief on. The Government are in a difficult position on this, and that is of their own making. Unless and until they guarantee to uprate the rates and protect pensioners from fiscal drag, there is little point in making a great big song and dance about the triple lock, if what that does is pull pensioners into taxation.

Where I diverge from the movers of the motion—

Graham Stuart: Shame! It was going so well.

Dave Doogan: Yes, it had to come, and I am relieved that there is a cleavage. Where I diverge with them is on a wealth tax. I see that we are in a state—the UK is not a country—where poverty levels among our children are rising in every country in the UK except Scotland. In Scotland, it costs us £150 million a year—it will be £200 million by the end of the decade—to mitigate Westminster's mismanagement of child poverty.

We cannot say that it is somehow punitive for people with assets of more than £10 million to attract an annual, modest rate on those assets. That is reflective of the highest tax burden that ordinary people have paid since the second world war—incidentally, I say to Conservative colleagues that that was the case before the election. The Labour party has just knocked that into the stratosphere with its misadventure.

There has been no talk anywhere in this Chamber today about Brexit. I remember the Prime Minister—what was she called? Theresa May. She was asked repeatedly, "What does Brexit mean?" She said, "Brexit means Brexit," which is as nebulous as it sounds. In 2025, we now know what Brexit means. It means enduring child poverty and flatlining growth, no matter who is in charge of the Treasury in the United Kingdom. It means a common purpose between Labour and the Conservatives to have a neurotic policy on immigration. It means pale imitations to substitute for EU programmes, such as substituting Erasmus with the pointless Turing scheme, or EU structural funding and other funding with "levelling up." It means a permanent drag on business.

The further we get from covid, the more we see that the fundamentals that are wrong with this economy are due to Brexit. The Minister, in his summing up, will doubtless say—

Mr Deputy Speaker (Sir Roger Gale): Order. I call John Slinger.

5.56 pm

John Slinger (Rugby) (Lab): This is all rather desperate from the Conservative party. I had thought that pantomime season was in the winter, but clearly it is not. I will defend the decisions taken by this Government to help working people, grow the economy and fix the mess we inherited from the previous Government, and we are doing so with fairer tax at the core.

I use the term “Government” regarding the last Administration loosely, because they did not believe in government. They ran the tank dry. They were running the factory without maintaining the equipment; they just made last-minute repairs, knowing that things would break down again, and they did. An astonishing 234 schools were found to contain RAAC—reinforced autoclaved aerated concrete—and were almost disintegrating before our eyes; our Army reached its smallest size since the Napoleonic wars; prisons reached capacity; and the Government did very little or nothing. The police saw 20,000 officers cut, and that was reversed only at the last point.

That is what the last Government were: crumbling and shambolic. They presided over a country whose public services were on their knees and whose people had not seen their prospects get better for many years. So woeful was their record that they vacated even the territory that they used to occupy—they became the weak-on-defence Tories, the soft-on-crime Tories and the high-tax Tories.

That brings me to my second point. The Conservatives increased the tax burden to its highest level since the second world war. It was stable at 33% from 2010 to 2019. The 2019 Parliament saw the biggest rise in the tax take in recent history, reaching 36% by 2024. They then engaged in a reckless, unfunded cut to NI, at a time when the economy was still stagnant. They did that deliberately—in my view, it was a poisoned chalice bequeathed to this Government. The Conservatives knew that Labour’s commitment not to raise tax on ordinary working people would mean that we could not and would not reverse that reckless tax cut. They knew full well that they were leaving behind a black hole—Conservative Members may not like to hear it, but they knew that. They knew that the public services were on their knees, but they did not care; they only cared about their electoral fortunes, which did not work out so well.

This Labour Government are not afraid of difficult challenges, nor of addressing those challenges. We actually believe in the concept of government and the responsibility of government—the responsibility to take the difficult decisions necessary to fill the unforeseen £22 billion black hole that we inherited. We therefore believe that we must raise revenue through taxation, as the Chancellor outlined in her Budget last autumn. Despite the accusations of the Conservative party, this has not been to the detriment of working people, nor is it the case that we are not asking the wealthiest in society to pay more. The opposite is true: we have raised taxes on wealth.

Private jet passengers now face a 50% tax increase, VAT has been added to private school fees, and we are raising £2 billion more from inheritance tax by closing reliefs used by the wealthiest.

Harriet Cross: In his speech, the Chief Secretary to the Treasury said that working people are people who go out to work. Do farmers go out to work?

John Slinger: Of course they go out to work. I believe that my right hon. Friend the Chief Secretary to the Treasury answered that point earlier in the debate, but I thank the hon. Lady for her intervention.

To add to my list, non-dom status is being largely scrapped, capital gains taxes have increased, and stamp duty on second homes now starts at 5%. These measures help raise the revenue that is required for massive public investment, benefiting working people, not making them worse off. The clue is in the name of our party—Labour. We are the party of work. We are also the party of getting our country, our economy and our public services working.

As such, I ask Opposition Members to look forward to the summer recess with optimism in their hearts. Do not let the doom-mongers and gloom-mongers fill their hearts, for change has already begun. That change is made possible by my right hon. Friend the Chancellor’s Budget and by the spending review. We are fixing the NHS—we promised 2 million additional NHS appointments in our first year, and have delivered 4 million. Waiting lists are down by 260,000, and 1,900 more GPs have been recruited. We are putting more money into people’s pockets; we have boosted the minimum wage for 3 million workers, and wages grew more in our first 10 months than over a whole 10 years under the previous Administration, testifying to the Conservatives’ incompetence and weakness when they were in government. We are fixing the foundations of our economy, with four interest rate cuts, three trade deals and business confidence at a nine-year high. In the first quarter of this year, UK growth was the highest in the G7. We are tackling childhood poverty, opening the first 750 free breakfast clubs, and expanding free school meals. In one day, this Government took action to take 100,000 children out of poverty.

I now turn to the motion in front of us, which implies a reversal of revenue-raising policies worth over £20 billion a year. If Opposition Members oppose the measures we have taken, which of the investments I have just mentioned would they reverse? Is it the free breakfast clubs? Is it the investment in the NHS, with shorter waiting lists, or is it the extra police? Perhaps more pertinently, given the title of today’s debate, how would they pay for it? The Chancellor is not ducking difficult decisions, and I am confident that if people observe her actions, they will see that she and this Labour Government were correct. I call it a “zoom out and dial down” approach. If people zoom out and look down, they will see that the challenges we face as a country—on tax, and on reform of many kinds—require us to take action. If they dial down the endless noise of discontent, whipped up by social media and sometimes in the media and by our political opponents, they will observe a country whose people have—

Mr Deputy Speaker (Sir Roger Gale): Order. I call Bradley Thomas.

6.4 pm

Bradley Thomas (Bromsgrove) (Con): Earlier this month, the House witnessed the Government lose control of swathes of their own party. They have had just more than a year in office, and yet the cracks could not be clearer. In the last year, the country has had to endure U-turns, tax increases and a stagnant economy, and yet the Chancellor and the Prime Minister have been pushed by their disapproving Back Benchers into the inevitable: they will have to break their fiscal rules and manifesto commitments.

The OBR has warned of an up to £12 billion cost from the watered-down welfare reforms. Labour promised to stop the chaos and support business through a stable policy environment. That was in its manifesto, yet employer national insurance contributions increased in April—another pledge disregarded. We have seen the national insurance exemption for Indian workers transferring to the UK, which the Indian Government said was a competitive advantage for them. The Leader of the Opposition opposed such a deal as Business and Trade Secretary, yet the Government continue to sell out British workers. Whose side are this Government on? Deals and decisions like that explain why 73% of voters believe that the Government do not have things under control.

David Pinto-Duschinsky (Hendon) (Lab): This is the Government who got trade deals that the Conservative party failed to do, and saved hundreds of thousands of jobs. Are you saying that you would not have signed those deals? Are you saying—

Mr Deputy Speaker (Sir Roger Gale): Order. I am not saying anything. Please address the Chair.

Bradley Thomas: The Government have not seen a success. Where we have seen tariffs imposed on the economy, the Government have not reduced them. There is a competitive disadvantage as a result of what we are seeing in the global economic climate. When Labour governs, Britain suffers.

Graham Stuart: On the trade deals, it turned out that the deal with the US entirely excluded the British bioethanol industry, until the President of the United States phoned up the Prime Minister and he unilaterally gave away the entirety of the market, putting at risk hundreds of jobs at Vivergo and thousands of jobs in the supply chain and at Ensus.

Bradley Thomas: I thank my right hon. Friend—that is another failure by Labour.

Sir John Hayes (South Holland and The Deepings) (Con): There are two fundamental macroeconomic problems facing this country. One is productivity, and the second is mass immigration, which has displaced investment in domestic skills. The Budget did nothing about those, and yet the tax system could be used to address both.

Mr Deputy Speaker: Order. The right hon. Gentleman is very experienced. He should have been here at the start of the debate if he wanted to intervene.

Bradley Thomas: My right hon. Friend the Member for South Holland and The Deepings (Sir John Hayes) is absolutely spot on. The message to the Government is clear: they cannot tax their way to prosperity.

Tom Hayes (Bournemouth East) (Lab): Will the hon. Gentleman give way?

Bradley Thomas: I will not; I have been generous with interventions.

More than half of business owners nationally are planning to, or have made, further cuts to staff numbers in response to increased employer national insurance contributions. In May, 109,000 jobs were lost in a single month. When we tax jobs out of existence, the fiscal rules are not merely stretched; they are shattered. The Chancellor will have either to break her campaign promises and raise taxes, or admit that her rules are broken. Either way, it means that working families and working people across the country will pay the price.

A fortnight ago, the Government rejected calls to protect those whose only income is the state pension from paying income tax. This retirement tax will hit 1 million of our lowest-income pensioners. This is not wealth; they are modest, often meagre incomes relied upon to heat homes, buy food and see a doctor. One in five single pensioners has no other income beyond the state pension and basic benefits, yet to fill a fiscal hole that they have created, the Government resist the plea of their most vulnerable citizens.

Joe Powell: Will the hon. Gentleman give way?

Bradley Thomas: I will not give way; I have been generous in taking interventions.

As the Chancellor grows increasingly desperate to save the sinking ship of her fiscal rules, there is now rumour of a wealth tax to compound the Government's contempt for not only working people, but industry leaders and innovators. That is not conjecture. Only last week, Lord Kinnock said that Labour should be "willing to explore" such disastrous measures. Let us be honest: a wealth tax really means a tax on hard-working people. It means an attack on pensions and on people who have done the right thing and want a sense of fairness, and anyone who has accrued anything will pay the price.

Tom Hayes: Will the hon. Gentleman give way?

Bradley Thomas: I have explained that I will not give way any further.

The nation deserves better. It deserves a Government who trust enterprise, rein in the bloated state and live within their means. I urge the House to support the motion and send a clear message: scrap the jobs tax, fix the welfare overburden, protect pensioners and give working Britain the honest, sensible Conservative growth plan it deserves.

6.9 pm

Brian Leishman (Alloa and Grangemouth) (Lab): We live in a country where wealth is hoarded by the few while poverty is the fate of the many. Yes, the Government have taken some welcome steps, addressing non-dom status and imposing VAT on private school fees, and I make no apology for being ideological about that. Those are steps in the right direction, but, as has been shown

by reforms to welfare, they are far from enough to stop cuts. The truth is that these policies do not come close to tackling the grotesque level of inequality in our country, nor will they generate the revenue that is needed to repair the failed ideology of austerity, privatisation and no small amount of political cowardice in the face of corporate greed.

The 2010s were the decade in which the super-rich won. They were handed tax breaks, were shielded by loopholes, and watched their wealth explode while wages stagnated and services crumbled. Millionaires and billionaires flourished. As I said in the earlier debate this afternoon, the fact that in one of the richest economies in the world millions of people in full-time work are relying on food banks to survive is a national disgrace. They go to work, they do their shifts, and still they are left to rely on the charity of strangers to get by.

This did not happen by accident. It is the result of deliberate political choices: austerity, privatisation, suppressed wages and a tax system rigged in favour of the ultra-wealthy. Even now, with Labour in power, we are being told to temper our ambition. How can we do that when there is a 13-year difference in life expectancy between the richest and the poorest in Scotland, and when thousands of children are growing up cold, hungry and facing an uncertain future?

However, there is an alternative to relentless cuts. There is an alternative to balancing the books on the backs of the poorest. There is an alternative to managed decline as we watch the state become bankrupt both financially and morally. That alternative is genuinely progressive taxation alongside investment in people and communities. I find common ground with my hon. Friend the Member for Bolton West (Phil Brickell), in that I also support equalising capital gains tax with income tax. Currently, many who earn their living through work are taxed more than those who profit by sitting on their wealth. Equalising those rates could raise an additional £12 billion a year. My hon. Friend and I do, however, disagree about the introduction of an annual wealth tax.

Since coming to this place, I have campaigned for the introduction of a 2% annual wealth tax on those with net assets over £10 million. This single policy could raise £24 billion a year, and the notion that the wealthy will flee en masse if we ask them to contribute fairly is a tired and dishonest argument. Even among the ultra-wealthy, there is a recognition that inequality has spiralled out of control. Many are willing to contribute more, as is confirmed by the work of Tax Justice UK and Patriotic Millionaires, but the Government must have the courage to do it.

When we invest in public services, when we lift people up, we build a fairer country and a stronger economy. Children do better at school when they are fed, housed and supported. Workers are more productive when they are not spending every hour worried about how they will make ends meet. Families are stronger when the welfare state works for them, not against them. We have to find new and just ways to fund welfare, to fund the green transition, to fund public services and to rebuild the country. The labour movement was not built to tinker around the edges; it was built to transform, and if this Government are serious about real change—the change that we promised—we must be bolder than we have been so far. Redistribution of wealth and power

for the benefit of workers and communities, and wider society, should always be the driving mission of any real Labour Government.

6.13 pm

Mr Richard Holden (Basildon and Billericay) (Con): The damage that this Labour Government have dealt to our economy is a real kick in the teeth for all those who voted for them last year—and for those who did not vote for them, but who wished them well and believed their words at the general election. Time and again, my right hon. Friend the Member for Richmond and Northallerton (Rishi Sunak), and many others on this side of the House, warned that the new Labour Government's priorities and promises on tax were not to be trusted, and that members of the public should take their words with a bucket of salt. The Labour party cried foul, diving to the ground like a premiership footballer screaming blue murder, but what has come to pass is far worse than many on this side of the House imagined it would be. For all the Government's talk of fixing the foundations, I have been pained to watch the suffering, distress and anxiety that they have wilfully chosen to inflict on the British people. They have hammered the small businesses on which people rely for their jobs, through changes to business property relief, agricultural property relief, VAT and dual cab taxes, and through the business rate rises and the national insurance tax rise.

I cannot think of a policy as woefully constructed and as disastrously executed as the national insurance tax rise. This Government claim to have been elected on a platform of promoting growth, but they are choosing to boost growth by blowing up businesses. That is so inexplicable that it calls into question the Government's ability to govern. The people hit hardest by the tax rises are those starting out in their first job, who will be hit by the thresholds, and part-time workers—often women—trying to get back into the labour market. It is among those groups that we see the highest rises in unemployment since the Budget.

It is because of the Government's choice to raise taxes that businesses are cutting back on hiring staff. They are also making staff redundant, shelving expansion plans and closing their doors. I see that in my constituency, where unemployment is up by about a sixth in the 12 months since the general election. It is also because of that choice that inflation is up and growth is down, and because of choices made by the Labour party that this country will continue to miss out on investment opportunities and economic security.

That brings me to the people who will feel the impact most acutely. During the pandemic, we celebrated key workers—the care home workers, teachers and hospice workers who went out every day in horrendous conditions to do their job in a spirit of service. What kind of Labour Government would willingly choose to punish those who represent the heartbeat of the nation? Only recently, I heard from a woman in my constituency who runs a small childcare business, which she kept going during the pandemic. She wrote to tell me that because of the tax rise, she has had to cut back her assistants' hours and turn away parents. On the one side, the Government pretend that wages are increasing, but on the other, employers are being forced to cut hours, so people are no better off. It is happening in every constituency up and down the country, and that is the real cost of this Government's choice.

[Mr Richard Holden]

The national insurance tax rise means less money for schools and teachers, for hospices and their staff, and for the healthcare workers who were applauded during covid—those operating in the most difficult circumstances. It is a fundamental disgrace that the Labour Government, who are always so keen to paint themselves as the kinder, more cuddly, and more friendly party, have made the catastrophic choice to balance the books and fix their failures on the back of essential workers and volunteers. The Government are raising taxes on hospices, which they are supposed to stand up for.

Joe Powell: Will the right hon. Gentleman give way?

Mr Holden: I give way to the hon. Gentleman on raising taxes on hospices.

Joe Powell: I thank the right hon. Gentleman for his defence of teachers. I am sure that he welcomes the pay rise for teachers of 5% last year and 4.4% this year, funded by the Budget.

Mr Holden: As the hon. Gentleman will know, that rise is not fully funded by the Budget, because the national insurance costs for schools have not been fully covered by the Budget.

Joe Powell *indicated dissent.*

Mr Holden: The hon. Gentleman may shake his head, but he should look at the statistics. Schools in my constituency and his will cut support staff and teaching assistants as a result of the black hole that his Government have created for their workers.

It is particularly pernicious that the Government are raising taxes on hospices. I visited St Luke's hospice in my constituency at the weekend. It is having to raise hundreds of thousands of pounds a year more—money that would be going towards care for the most vulnerable at the end of their life—to pay for a tax rise that Labour Members will today vote to maintain, while Conservative Members say that it should be removed.

My hon. Friends and I will always raise these issues, as we have the issues for farmers and our food security, or the mind-boggling plans to drive away wealth creators to fill up the Treasury's coffers, and we will continue to do that in opposition. We are asking the Government to listen to us, because we want the Government to change course and do the right thing. Bizarrely, we do not actually want the Government to drive the country off the edge of a cliff.

John Slinger: In the spirit of listening, I would be very grateful to know which of our investments in the public sector the right hon. Gentleman would cut.

Mr Holden: The Chagos deal comes to mind, which the Government seem so keen on: handing over British taxpayers' money for something we already own. We would not have made the same decisions that this Government have made. We made it very clear in government that we would not have handed out pay rises to train drivers without the need for reform, or to the junior doctors, who have come back yet again with another double-digit

pay demand. The hon. Gentleman needs to think about those things. He can say, "What would you have done?" but we actually said that we would not do those things before they happened, so actually we are the ones who have been financially responsible. He is the one handing money away to Mauritius, so that it can cut its income tax, while the Government Front Benchers seem a bit wary of answering the question of whether they will have to raise taxes later this year. We Opposition Members can guarantee that they will.

I call on the Government to do what is right and look again to their manifesto. The Government should choose to back enterprise, reward work, not punish those who help out in hospices, create growth and opportunity in every corner of our country, and back others who do so, instead of taxing everyone and everything they possibly can. Otherwise, I fear that this Labour Government will face the same fate as all other majority Labour Governments that have ever existed, and leave unemployment higher than when they entered office. That is not exactly the Labour party that people voted for in my constituency or across the country.

6.21 pm

Dr Jeevun Sandher (Loughborough) (Lab): The motion before us shows the difference in values between the two sides of this House. The Conservatives' motion speaks of wealth creators, but specifically says that only a few of us create wealth. On the Labour Benches, we believe that every single worker creates wealth in this country. We have seen the consequences of 14 years of their values in action: falling living standards, higher waiting lists, higher energy bills and a weaker nation. Our values, as we saw under the previous Labour Government, left us with a stronger, wealthier and prosperous nation, in which we taxed the wealthiest to invest in the services that we all rely on. We left a more prosperous and stronger nation last time, and that is what we are building this time.

We have seen the damage of the past 14 years, as expressed in the motion. We have seen what the Conservatives' values mean in practice. They believed that if a few did well, and there were a few tax cuts for those at the top, our country would be wealthier. That started in 2013, and continued with Truss. In reality, at the end of that 14 years, no one did well. We had the longest squeeze on wages since Napoleon threatened our shores. We were the only high-income nation to see sickness rise after the pandemic, had the highest energy bills in Europe, and were the worst-connected country in western Europe. That is the Conservatives' record. I believe the right hon. Gentleman wanted to make an intervention.

Mr Holden: The hon. Gentleman says that the last Labour Government left the country in a fantastic state. As I have mentioned before, they left behind a massive deficit and unemployment higher than when they took office. Does he not understand that a deficit of over 10% of GDP was an horrific legacy to leave in peacetime? Also, unemployment being higher was a betrayal of the people the Labour party is meant to stand up for.

Dr Sandher: The global financial crisis affected every single nation across the world. I do not deny, by the way, how difficult things were in 2010, but we also left

the Conservatives an economy that was growing, record low waiting lists, and investment in our nation and a plan to insulate our homes. Because they did not follow through on our plans, we had the worst insulated homes in western Europe, and some of the highest energy bills to go with that. Yes, we left in a difficult moment, but we left the Conservatives with a strong foundation for going forward.

The Conservatives left us poorer, sicker and slower, thanks to their their record on tax. In the worst cost of living crisis in a century, they attempted to cut taxes for the wealthiest. Everybody on the Labour Benches thought Truss was mad; I really do not know what Opposition Members believe anymore.

Graham Stuart: I am sure the hon. Gentleman would not want to mislead the House, so he will recognise that in 2010, fewer than 12% of homes in this country were properly insulated with an energy performance certificate rated C or above; when we handed over power last year, that figure was over 60%. He can look up those numbers, and I ask him to never misrepresent that record in this House, because that is the reality.

Dr Sandher: We saw it in the insulation build-out; David Cameron, as he put it, cut the green crap. Insulation rates were rising when we left office, but they were cut throughout the 2010s; as a nation, we have not had that insulation. That is why we brought in the warm homes plan and are funding it with £13 billion. Millions more homes will be insulated under this Government, bringing down energy bills by hundreds of pounds. Those plans for insulation are funded by the tax rises that the Conservatives oppose. Time and again, we ask them what they would like less investment in, and time and again, no answer is given.

We on the Government Benches are trying to build a country according to our values—a country where each of us is doing well, is doing better, is better educated, is healthier and finds it easier to get around. Those are the building blocks of our nation's wealth. To build that wealth takes investment, which must be funded, and those who benefit most from our nation's productivity should be asked to contribute more. That is exactly what this Government are ensuring.

Alison Griffiths: Does the hon. Gentleman recognise that if people are to contribute, the fundamental bedrock is having a job, and that the jobs tax is causing mass unemployment and business closures?

Dr Sandher: Employment is rising, and has risen since the general election. *[Interruption.]* The reason why unemployment is rising is that more people are seeking to enter the labour force; people are less inactive than before, because we are getting waiting lists down. I would rather people were looking for a job than stayed out of the labour force entirely, as the Opposition would have it. We want to build the kind of country where people are able to work.

We increased employers' national insurance contributions in the Budget while protecting the smallest businesses. We ended the non-dom tax break, to make sure that the ultra-rich could not escape taxes by using a loophole, and increased taxes on private jets. We are getting more of the energy giants' unearned profits into the public purse to invest in the things that we all need.

We know the Conservatives will complain constantly about the things we are raising money for, but they will never say what they would cut. We saw what happened over the past 14 years; we saw the weaker nation they left in their wake. The Government are investing to change that for good. After the past 14 years, we were left a weaker and more divided nation—a nation in which each of us produces less, and looks inward as we have found it harder to pay the bills. That is exactly what the Government are fixing, and what we are investing in.

I am proud of this Government. I am proud of this country. Most of all, I am proud of the country we will build, in which each of us does well, and we recognise that our common strength is found in our common prosperity.

6.28 pm

John Glen (Salisbury) (Con): A few months ago, I met a former civil servant. He told me that when he was working in government in the run-up to the '97 election, Ed Balls would come into the Department and say, "Look, this is what our manifesto says, but here is the three-page memo on what we are actually going to do in government." In fairness to that Government, they achieved quite a lot. In their first two years, of course, they stuck rigidly to the Conservative spending plans, and Tony Blair's economic adviser, Derek Scott, said that they had a golden economic legacy.

I have listened very carefully this afternoon to the speeches made by Government Members. Of course, I can acknowledge where we were, in terms of the economy, and the fact that the country wanted change; I recognise that. Government Members, however, have failed completely to acknowledge the scale of the once-in-100-years covid experience, what that did to our public finances, and the challenges it gave us in the Treasury—the tough decisions we had to make, and the inevitable scarring to the economy.

Dr Sandher: Will the hon. Member give way?

John Glen: I shall just finish my point and then I will give way to the hon. Gentleman.

The typical refrain is then to say, "What about Liz Truss?" I was not a member of Liz Truss's Government, but I am sure that my colleagues who were did the very best that they could. She was in office for seven weeks. I acknowledge that, politically, it was catastrophic for my party, and there are lots of lessons on which we will have time to reflect, but the failure to acknowledge properly the dominant reason for losing that last election, which was related to the scarring of what happened with covid and the fundamental challenges, does not do credit to this House. I shall give way to the hon. Gentleman if he still wants to intervene, presumably on Liz Truss.

Dr Sandher: I thank the right hon. Member for giving way. We sit on the Treasury Committee together and I find him to be an incredibly kind and brilliant Member of Parliament. He has been very kind to me personally as well.

On the experience of coming out of covid, our contention is not just about Liz Truss, but about the fact that we had the highest inflation and the highest energy bills. Natural gas, which we depend on, sets the price 98% of

[Dr Sandher]

the time. It is also 50% to 75% more expensive than wind and solar, so the lack of investment in clean energy left us with higher inflation and made us poorer.

John Glen: I will come on to address the fundamental dynamics of spending and that area in particular, but first I want to draw the hon. Gentleman's attention back to the subject.

Tom Hayes: Will the right hon. Member give way?

John Glen: No, I will a bit of progress now. I will give way to the hon. Gentleman later, even though he did not give way to me earlier.

The Chancellor came to the Treasury Committee in November. She said, "We have now set the envelope for spending for this Parliament, and we will not be coming back for more tax increases or, indeed, more borrowing. We now need to live within the means that we have set ourselves in the Budget and in the allocations of those spending totals." What has happened in a year? Of course, I recognise that events occur, and I have referred to those under the previous Government. They do present challenges, but the Labour party's fundamental problem is understanding the effect of high burdens of tax on wealth creators and their motivation to employ people and to invest in the productive capacity of the economy—more jobs and more tax revenues from lower rates. This Government are saying that we can do a little bit more on national insurance; that we can just put a few more burdens of regulation; that the long-term capital investment of £190 billion will transform our economy.

However, what I hear from businesses in Salisbury—small or large—is that the motivation to grow a business, to employ more people, and to say that they are determined to do so because there are some rewards from that is rapidly diminishing. What we hear is speculation about which additional taxes will be imposed after the next three months. Today, Government Members have suggested equalisation of capital gains tax, a flat rate of pension relief, a wealth tax, or higher bands of council tax—although they may have been ruled out. The overall effect on top of what we have already had is for businesses to say, "I'm not going to do this anymore." We have now had two consecutive months of negative growth. That may well continue, which is bad for everyone. It is bad for the capacity that we have as a country to invest in the transformation that we all seek to deliver on—some things we will agree on—and it is not sustainable if the Government do not recognise that businesses will not grow and expand if that tax level rises beyond a certain amount.

Tom Hayes: I thank the right hon. Member for giving way, particularly as I apparently did not give way to him. I did not realise that it was he who was trying to intervene on me, otherwise I would have given way.

I recognise what the right hon. Member is saying about covid. I think that as a country we have not yet come to the terms with the true impact of covid and we will not do so for a long time, because it still feels very near to us. As a new Member of this House, I take the point that we ought to understand the true impacts.

The concern for me and perhaps for other colleagues is that by trying to focus only on covid, and not on the economic and fiscal impact of Liz Truss—I know that he was talking about the political impact—we will never learn the lessons of the Liz Truss moment, and we just do not want to lose sight of the lessons that can be learned.

John Glen: Absolutely. [Interruption.] I am told that I ought not to take any more interventions, but I will say that Liz Truss's insight about the imperative for growth was right; we do need to look for growth. What she did not do was examine the conditions to do that in a way that the market could understand, and it had catastrophic effects.

We now have a Labour Government, and we now have working people being massively affected by tax changes. We have Andrew Bailey, Governor of the Bank of England, saying that as a reaction to the national insurance changes, businesses have made changes to employment—that means firing people—and we have Paul Johnson downgrading growth prospects, alongside virtually every other independent analyst.

The winter fuel payments were an absolute disgrace. The changes to agricultural property relief and business property relief were put on my desk at every fiscal event, but one just has to say no, because they are the wrong thing to do. The political capital that has been lost by the Government and the damage to their reputation for their stewardship of the economy is catastrophic. I say to those on the Labour Benches that we are facing some really tough challenges as we approach the next Budget. The choices that this Government need to make on taxes will define their future. What happened last week was the worst possible situation.

Several times today we have been asked, "What would you do?" What we would have done and what we would do now is take a root-and-branch look at the welfare system to see what the Government should do. We would focus on the most vulnerable and look after them well. We would recognise that one of the legacies of covid is that the pathway into benefits has gone fundamentally wrong and the country cannot afford it. Unless we grip that major driver of costs for this country, we shall see taxes rise and rise to meet those iron-clad fiscal rules, and we will be in a spiral of decline.

6.37 pm

Joy Morrissey (Beaconsfield) (Con): On 3 December 2024, the Chancellor made a commitment. She told a conference of business leaders that she would not need to raise taxes. It was a foolish claim from a Chancellor out of her depth. She then taxed the engines of growth in her Budget—the businesses and entrepreneurs who create jobs. She sent high-earning taxpayers fleeing from our country in record numbers. She taxed jobs with her betrayal after saying she would not raise national insurance contributions, and that rise has brought charities, small businesses and entrepreneurs to their knees. She has destroyed the family farm with her family farm tax. She has taxed hard-working families with the VAT attack on independent schools.

Having broken her promises and made false claims to businesses, the Chancellor is now coming for pensioners. She is coming for the people who have worked and saved, paid their tax and contributed to this country.

She is the only Chancellor who claims to be an economist but does not understand the Laffer curve. It is time for the Prime Minister to realise what he has and to act. He has a weak, out-of-her-depth Chancellor who is sending our country down a one-way street to a 1970s-level economic failure.

6.39 pm

Jim Allister (North Antrim) (TUV): A substantial level of political knockabout is inevitable in a debate such as this, but when it degenerates to the Punch and Judy of “It’s your fault—yes it is!” and “No, it’s not!” it is not really doing anything for my constituents who live in the moment of this Government. Therefore, the debate should properly have a focus on what the Government are doing in respect of our economy.

In Northern Ireland, we have felt, and continue to feel, the brunt of many of those measures, some of which, such as the inheritance tax on family farms, are cited in the motion. I agree entirely with the analysis of the right hon. Member for Wetherby and Easingwold (Sir Alec Shelbrooke) as to the depth and long-term consequences that that is having on family farms.

However, I want to focus for a moment on the other side of the inheritance tax imposition: namely, business property relief, because that has not had the same attention but is having an equally detrimental effect on many businesses. That is particularly so in Northern Ireland, where we have the staggering statistic that 89% of our businesses are micro-businesses—in the UK, the figure is 23%—which translates into the reality that most of those businesses are small family businesses. Those small family businesses, by virtue of what is happening to them with business property relief, instead of planning for growth are now having to plan for death—for inheritance—which is having a suppressive effect on our economy.

We must add to that the fact that we in Northern Ireland live subject to the pernicious Irish sea border, with all the costs that that brings. I heard some hon. Members lamenting that we got Brexit. Well, I lament the fact that in Northern Ireland we did not get Brexit—we were left under the EU’s clutches and controls. Let me illustrate that with a practical example that has just come to light. As a result in Northern Ireland of our living under EU rules, we live under the general safety regulation, and that means that a purchaser in Northern Ireland who wants to buy a new car from a car salesroom in Northern Ireland will be charged £4,000 more than his counterpart in Great Britain. Why? It is because the GSR has to be met. That is but another illustration of how individuals and businesses in Northern Ireland are being oppressed by the lack of Brexit and the continuance of EU rules.

I have heard talk today about wonderful trade deals. Those wonderful trade deals mean that goods coming from those countries into Northern Ireland are treated as coming into the EU. Therefore, if there is a differential in tariff, they pay the EU tariff. Those tariffs would not be paid in GB if those goods had 0% tariffs, or they might have a 10% tariff, but if they are being brought from the US or India into Northern Ireland, the EU tariff will be paid.

Some say, “You can claim it back.” Well, if someone is willing to go through the hideous paperwork of a reclaim and they can prove that the goods they brought

in will never end up across the border in the EU, they can eventually—maybe after a year—get a refund. What does that do for cash flow in any business? Those are the realities from Northern Ireland that the Government are refusing to face up to. They are causing trade diversion, yet the Government lamentably refuse to deal with that.

This motion carries considerable merit for me, in that it draws this Government’s attention to what they promised, and the contrast with what they are delivering is very substantial indeed. The Government might have a huge majority, but it is about governing well and not governing in whatever way takes their fancy or the fancy of their Back Benchers. They should do the job, do it right and do it right as far as Northern Ireland is concerned.

6.45 pm

Graham Stuart (Beverley and Holderness) (Con): It is a pleasure to take part in this debate. It is worth reminding the House of the situation in July last year: we had the fastest growth in the G7; employment was 4 million higher than in 2010, with up to 33 million people in employment; inflation was on target, at around 2%; and the UK, between 2010 and 2024, had grown faster than Germany, France, Japan and Italy. That was the legacy of Conservative stewardship.

I have asked Labour Members to give a more rounded picture, but sadly they almost always refuse to do so. Debt to GDP had gone up significantly, partly because of the massive deficit that we inherited in 2010, at more than 10% of GDP—that was phenomenal and had to be brought down over time—and partly because of covid and Ukraine, when we intervened to pay half of everyone’s energy bills. That is a more rounded picture. Overall, we managed to come out with people helped through covid and through the energy crisis, and with remarkably high levels of employment. Yet just a year later, under this Chancellor’s watch, that strong foundation has crumbled.

The Labour party needed to recognise that the economy was recovering and to let it grow. Instead, by coming in and being held by the manifesto commitments not to put up the main taxes on the one hand, and on the other, thinking that they were being clever and somehow keeping to their pledges by imposing national insurance rises on business but not individuals, that had the most bizarre and perverse effect.

The £25 billion hit on the economy created by the jobs tax comes down to about £16 billion after behaviour change, according to the OBR. Then, after compensation for the public sector, it comes down to about £11 million. Then, people have had to scabble around for hospices, GPs and so on, which means the net is probably about £10 million, and that is before the depressing impact on the overall economy, meaning it almost certainly comes to single-figure billions. But guess what the OBR also says: from next year, 76% of the impact of the £25 billion hit comes out of ordinary people’s wages. That is the situation.

The Government have imposed a tax of £19 billion on ordinary people’s earnings in order to generate less than £10 billion of tax revenue. That is utterly insane, and I ask Members on the Government Back Benches to have a look at that, follow it and come back. I would love to hear that those numbers are wrong, because I would love to hear that we are not doing something as suicidal, crazy and damaging as it appears to be.

[Graham Stuart]

I wish I could drink the Kool-Aid, like the hon. Member for Rugby (John Slinger). The funniest thing about him—a man for whom I have a great deal of respect and affection—is that, unlike some of his colleagues who spout this stuff, he gives every impression, which I believe, that he believes it himself. That is what is truly extraordinary.

John Slinger: I thank the right hon. Gentleman for allowing me to intervene. I am certainly not drinking Kool-Aid. I do believe what I say, and I believe it firmly. I respect the right hon. Gentleman as a colleague, even though he is from a different party, but there is no Kool-Aid for me.

Graham Stuart: I thank the hon. Gentleman for that.

The economy has contracted for two consecutive months, shrinking by 0.3% in April and 0.1% in May, in a textbook sign that we are in, or could be headed into, recession. Employment is down too, with Office for National Statistics data showing that payroll jobs have fallen by more than 100,000 in a single month, with around 274,000 fewer jobs compared with last year and unemployment climbing to 4.6%.

Following the excellent speech from my right hon. Friend the Member for Salisbury (John Glen), I would just say that we should look at the big picture. Again, I appeal to colleagues on the Labour Benches. There was a magnificent victory for Labour last year in the election, with 400-plus MPs elected, and it really is up to Labour Members to recognise just how scary a position we are in. We have debt to GDP at about 100% and we have a world in which the fastest growth is to be found in developing states, some of which are quite hostile to us and to our values.

The truth is that no rich, powerful country has a divine right to stay that way. Wealth does not just come down from the heavens. Even in the 14 years when we were in government, too often in this place we seemed to obsess only on how we would spend money. From the moment we got up in the morning to the time we went to bed at night, we would talk about how we would spend the money, but we have to generate it first. It does not matter whether our No. 1 concern is the alleviation of poverty, the defence of the nation, education or the health service—we have to have a strong economy.

That is why the Government were right. One of the reasons they got that majority may be because they said that their No. 1 mission was economic growth. Remember that? It does not come through in the speeches from Labour Members now. Their No. 1 mission was economic growth. We should be sweating in Select Committees, in all-party groups, on the Floor of this House and in Westminster Hall over how we deliver that economic growth, so that we are not going backwards but are actually growing the economy.

We also have to accept something that is going to be tough for Labour Members, most of whom have not had any private sector experience and who tend to believe that the rich are just there to take money off and wealth creators can be endlessly offered haircuts and will just put up with it and if they do not, it shows some moral flaw on their part. We have to accept that the art of government is to recognise the realities, to align the

incentives of actors—in this case in the economy—with the public goods we want to see. After a year, there are so many flashing red lights and warning signs that the Government are not getting that right, so they need to be prepared to think again.

I was involved after that omnishambles Budget of 2012, when I was part of helping the then Chancellor see his route to a better path forward, and my experience tells me that Labour Members must recognise that the country is potentially in a really serious, parlous position. We have no divine right to be a wealthy, powerful nation. The next four years are important. I hope and expect that there will be a Conservative Government after that, but whatever happens, the next four years are important and I hope that Labour Members will start to give rather more nuanced and thoughtful speeches in order to influence the Front Bench.

6.52 pm

Llinos Medi (Ynys Môn) (PC): Despite promises of economic competence and a brighter future at the election, the tax choices that this Government have made have undermined economic growth in Wales. Over 99% of all businesses in Wales are small and medium sized, and the increase in employer national insurance contributions has hit them incredibly hard. It has raised operating costs, meaning that businesses are less able to weather times of hardship, and it limits their ability to invest and expand. The impact has also been felt in our hospices. Yesterday, we received the devastating news of the temporary closure of the hospice on Ynys Môn due to financial pressures. This one decision is having a direct impact on our communities.

One policy that the Government could stop before it is implemented is the proposed changes to agricultural and business property relief, which are set to take effect in April 2026. Having listened to the voices of family farmers and local businesses, it is clear to me that this policy will cause huge damage. As the Farmers Union of Wales says, if the reforms to agricultural property relief remain unchanged, the consequences for farmers, rural communities and food production in Wales could be devastating and irreversible. Plaid Cymru has been clear that there should be a Wales-specific impact assessment before this policy is pursued further, given the importance of agricultural and small businesses to our economy and communities.

Instead of damaging policies such as raising national insurance and cutting agricultural and business property relief, we should be making the tax system fairer. We must follow the principle that those with the broadest shoulders should carry the largest burden. Instead of taxing small businesses and trying to plunder benefits, the Government should look at a wealth tax on assets over £10 million to raise the billions in revenue that are needed to support the public finances. Taxes are a political choice. Plaid Cymru would make choices that are on the side of communities in Wales.

6.54 pm

Gregory Stafford (Farnham and Bordon) (Con): This Labour Government have begun a full-scale assault on the British economy. In just one year they have presided over a shambles that has punished workers, hammered businesses and betrayed every promise they made on tax to my constituents in Farnham, Bordon, Haslemere, Liphook and the surrounding villages.

Let us look at the facts. National insurance is up, with a 1.2% rise that the IFS confirms will fall largely on working people. Agricultural property relief has been slashed, which the National Farmers Union warns threatens family farms and food security. In my constituency, farming is not just a way of life; it underpins our local economy and communities. When I visited Bob Milton of Kilnside farm, he told me that his business now faces laying off staff and selling land just to meet Labour's new tax burden. That is not policy; it is economic sabotage. On the changes to business property relief, a small business owner now faces a tax penalty simply for owning their own premises and hoping to pass their business on. These changes punish success and threaten continuity for family firms across the country.

And what is the result of all this? Inflation is stuck at 3.4%, well above the Bank of England's target of 2%; unemployment is up to 4.6%, the highest in four years; borrowing was at £17.7 billion in May; and public debt is forecast to hit 96.1% of GDP, with annual debt interests soaring to £130 billion, by 2029-30. The tax burden is heading to an historic high—the highest on record, in fact—yet Labour still refuses to rule out new taxes on homes, pensions or savings. Their Chancellor will not even say whether small business owners are working people, and the Prime Minister dodged the question altogether. In Farnham, shop vacancies have risen from 9% to 10.5% in just one quarter—that is, 16 more shuttered high street shops. In Haslemere and Bordon, employers tell me they are freezing and cutting hours. The Shooting Star children's hospice that serves my constituency will have to spend £90,000 in new NIC costs—enough to hire three nurses. That is now going straight to the Treasury.

John Slinger: Will the hon. Member give way?

Gregory Stafford: I will not give way.

That is not just wrong; it is unconscionable. Meanwhile, Labour's VAT raid on education has pushed more than 13,000 pupils out of the independent sector—10,000 more than the Government predicted. That means more pressure on already overstretched state schools, more crowded classrooms, more exhausted teachers and more children falling behind.

Labour promised competence. Instead, they have delivered confusion, contradictions and chaos. They have broken their promises on national insurance, council tax, farms and education, and now they are breaking Britain's economic future. This is not stewardship; it is self-harm. This is not change; it is collapse. This is not what the British people voted for, and they deserve better.

6.57 pm

Robbie Moore (Keighley and Ilkley) (Con): In my constituency there are dozens of hard-working family businesses, which are the backbone of our local economy and key to our local identity. These business owners get up early, go to bed late, work weekends, employ hundreds of local people and contribute hugely to our local high streets, local communities and local economy. But this Government seem desperate to squeeze every single penny out of those family businesses and into the hands of the Chancellor. The rise in employer national insurance puts a huge strain on the wage bill, especially when coupled with the rise in the minimum wage.

That is squeezing every single family business, as well as schools and hospices. Indeed, last weekend I took part in a local fundraising event—the Oxenhope straw race—which raises money for our local hospice, the Sue Ryder Manorlands hospice in the Worth Valley. Every year they do fundraising, but they tell me that instead of the money going to provide end-of-life care, it now goes straight to the Treasury through employer national insurance. The sad fact is that the large sums of money going to charities is not providing the support that is needed because it is going directly to the Treasury.

The business rate relief reduction is impacting many hard-working businesses across Keighley and Ilkley. The inheritance tax challenges are impacting many of our farming businesses and family farming businesses through slashing the 100% relief on agricultural property relief and business property relief to the £1 million threshold.

That is where the naivety kicks in. When we consider the size of the average farm in England—about 200 acres—and value the farmland, the house, the cottage, the growing crops, the machinery and the livestock, we reach well above the £1 million threshold, therefore exposing nearly every farming business to an inheritance tax liability. Those hard-working businesses make a return of less than 1%, if any at all, yet Labour Members say that they must have the weight of responsibility on their shoulders. That is a disgrace.

Phil Brickell *rose*—

Robbie Moore: I will take a quick intervention from the hon. Member, but I hope that he will justify why those hard-working family farms and businesses in Keighley and Ilkley, who get up day in, day out, have to shoulder the burden for the mistakes that this Labour Government are making. Will he answer that point?

Phil Brickell: I thank the hon. Member for giving way. He is the third consecutive Conservative Member to stand up and speak, but I have yet to hear what proposals his party wants to bring in to raise revenue or what services it wants to cut. In my contribution, I made a conscious effort to set out three constructive proposals for the Treasury to consider, and I challenged Conservative Members because there was a dearth of—

Mr Deputy Speaker (Sir Roger Gale): Order.

Robbie Moore: I am sure that the Government Whips were watching the hon. Gentleman and making a note that he will be in line for a job, and I saw the Minister quaking in his boots at the thought of those bizarre recommendations. The point is that the Labour Government do not realise that all these tax increases are hitting the many hard-working businesses across every constituency represented in this House. Shame on the Government for bringing them forward.

No matter how elaborate the rain dance or how impressive the Government press releases, growth will not come, precisely because of the decisions that the Chancellor has taken. We need a reset; we need a new direction; we need to limit spending so that we can cut tax, not consistently raise it. Until the Government realise that, I am afraid for all the family businesses up and down the country, which are being penalised time and again by this Labour Government.

7.2 pm

Sarah Bool (South Northamptonshire) (Con): Members across the House will be familiar with the winter of discontent. In 1979—the year our Chancellor was born—the Labour Government were at the behest of their union paymasters, and refuse piled up across the country. Fast-forward 46 years: we are a year into the Chancellor's term of office, and we have before us a summer of anxiety. We have a long and seemingly hot summer ahead of us, with the spectre of impending taxes looming. In a desperate and flawed attempt to paper over the financial chasm of Labour's own making, the Government are targeting the hard-working people they vowed to stand for.

What has happened in Labour's first year in office? Well, my farmers are reeling from the raid on their cash-poor industry through changes to APR and BPR, national insurance and the withdrawal of the SFI, to name but a few. The Government ask them to diversify and invest in growing their business, while simultaneously taxing them for the privilege.

The Carrdus school in South Northamptonshire is closing as a direct result of the VAT raids and the national insurance rises. Families who work hard and invest in their children's education have been punished. Students have been displaced, teachers have lost their jobs, and standards have been hit.

Hospitality owners have said they cannot risk expansion; they are just about surviving as it stands. This year alone, over 1,000 pubs across the UK have closed—220 since April. Beauty salons and hair industry businesses in my constituency have been calling me in because they cannot take on any more apprenticeships. If things continue as they are, there will, the British Hair Consortium says, be no apprentice starts in 2027. What a legacy for this Labour Government.

Pensioners in my constituency were hit first by the removal of the winter fuel allowance, and they now face the prospect of being taxed on their pension for the first time, which is also a terrible disgrace. We have learnt a crucial lesson after a year of this Government: they are the embodiment of the phrase, "Fail to prepare, prepare to fail." They have had years in opposition to come up with a plan, and they have failed miserably. They keep asking us what we might do. Is that because they are seeking advice from the more fiscally prudent and wise side of the House?

Tom Hayes: More!

Sarah Bool: I can certainly give you more.

The Minister and Government Members rarely want to listen, but I raise these points on behalf of my constituents, who have asked me to do this. I implore the Government: if they want growth, they must take this summer to think again about how to achieve it, or it will be an autumn of anguish.

7.4 pm

Alison Griffiths (Bognor Regis and Littlehampton) (Con): Hard-working families and business owners in Bognor Regis, Littlehampton and our villages are feeling the squeeze as never before. Labour stood on a manifesto promise not to raise taxes for hard-working people, yet at the very first opportunity, in the autumn Budget,

they raised employers' national insurance. This is a tax on job security and job creation. It is a tax on growth and a tax on ambition.

The jobs tax—one of the Chancellor's flagship failures—has wrecked business confidence. It has made it more expensive to hire workers, stagnated the jobs market and threatens countless job losses and business closures. It falls on top of the Employment Rights Bill, which signals the return of 1970s-style employment laws that will further stifle growth, as well as the family business tax, higher business rates and higher wage bills. In small coastal towns like Bognor Regis and Littlehampton, where over 90% of local businesses have fewer than 10 employees, every cost increase and every job loss is keenly felt. Across our constituency, families, small businesses, hospices such as St Wilfrid's and charities at the heart of our communities face an impossible position.

In their short time in government, Labour has become the party of taxation. The Chancellor has backed herself into a corner, and more tax hikes are undoubtedly on the horizon. That is why I thank the Leader of the Opposition for tabling this important motion. Working people in Bognor Regis and Littlehampton and the businesses, charities and hospices that employ them need to be defended from this Government's tax raids, and that is what I intend to do—to stand up for the people of Bognor Regis and Littlehampton today, tomorrow and throughout this Parliament.

Mr Deputy Speaker (Sir Roger Gale): I call the shadow Minister.

7.7 pm

Richard Fuller (North Bedfordshire) (Con): We have had an exciting and heartfelt debate. I commend for their speeches my right hon. Friends the Members for Sutton Coldfield (Sir Andrew Mitchell), for Wetherby and Easingwold (Sir Alec Shelbrooke), for Basildon and Billericay (Mr Holden), for Salisbury (John Glen) and for Beverley and Holderness (Graham Stuart), my hon. Friends the Members for Bromsgrove (Bradley Thomas), for Beaconsfield (Joy Morrissey), for Farnham and Bordon (Gregory Stafford), for Keighley and Ilkley (Robbie Moore), for South Northamptonshire (Sarah Bool) and for Bognor Regis and Littlehampton (Alison Griffiths), the hon. Members for Angus and Perthshire Glens (Dave Doogan) and for Ynys Môn (Llinos Medi), and the hon. and learned Member for North Antrim (Jim Allister).

We have heard some excellent speeches from Members speaking with passion on behalf of the small businesses, farmers, workers and pensioners who have been hit by Labour changing its mind on taxes and doing things differently from what it said it would do at the election. We have also heard two new phrases today. Thanks to my hon. Friend the Member for Bognor Regis and Littlehampton, we now realise we have to challenge the Chancellor based on her "flagship failures", not her flagship policies. With great passion, the hon. and learned Member for North Antrim told us how Labour's tax on family businesses means that small businesses are no longer planning for growth; they are planning for death.

The public feel they were misled by Labour at the general election. They think those on the Labour Front Bench are incompetent. They think the Prime Minister is woefully out of touch and the Chancellor is out of her depth—and why shouldn't they? A Prime Minister

who needs multiple attempts to define a woman, and multiple attempts to define a working person, does not exactly inspire confidence; a Chancellor who says that she will not raise taxes on working people, and then hikes national insurance, costing working people their jobs and earnings, does not inspire trust.

Our motion provides the Government with an opportunity to draw a line, recognise the overreach and errors in their taxation policies, and give some hope to the makers in our society and those who work hard in our warehouses, offices, factories, shops, restaurants, and public services. They could recognise the errors in the Treasury's assessment of the impact of the family farm tax on those who grow our food, and the trauma caused by the jobs tax for those who build our businesses. Those are the people who know how to grow our economy, not the numpties on the Front Bench, so why are the Government intent on holding them back?

Alas, the Chancellor thinks that she knows best, and despite taxes being at their highest rate on record, she is on the hunt for new taxes: wealth tax, capital gains tax, pensions tax, council tax, savings tax, tax, tax, tax, tax—it is always the same with a Labour Government. The Government's strategy is to tax their way to growth, but I have to tell the Chancellor that that strategy will not work. No economy can tax its businesses out of existence and create growth.

Tonight the Chancellor starts her new tax campaign with a visit to the City. For the first time it will not be so much a Mansion House speech as a mansion tax assessment. The Chancellor will claim that the Government's actions have brought about financial stability—well perhaps, but not in this country. The Government's Chagos deal has eliminated income tax in Mauritius but given British taxpayers a new £30 billion tax bill, and the Government's abolition of non-dom status is boosting the tax revenues of Portugal and Italy but will mean taxpayers here having to cough up billions a year more to plug the gap as people leave the UK, taking their tax payments with them.

The truth is that the Chancellor has done the complete opposite of her claims of stability. She is the eye of an instability storm of her own making, where nobody knows when her next tax raid will come, and who will get hit the hardest—a second summer of doubt and uncertainty caused by this Chancellor, and tolerated by this Prime Minister. Labour Back Benchers know it. They know all the times that the Chancellor has led them up the hill, only to lead them down again: the “once in a Parliament” tax hike, the removal of winter fuel payments, the blundered attempts at welfare cuts, and it has only been one year! Labour Members are limping towards recess—look at them, Mr Deputy Speaker. Napoleon's troops were in better humour on their march back from Moscow than some Labour MPs are as they make their way back to their constituencies, and back to the people to whom they promised so much just one year ago, only to deliver oh so little. No wonder people feel so let down.

But let us be fair: some Labour Back Benchers are going back with a warm feeling. A reshuffle is coming soon, to clear away all the dead wood on the Front Bench—oh, so much dead wood—and some Labour Back Benchers have already had the tap on the shoulder. They already know who they are, and they are going home with great expectations of high office—

[HON. MEMBERS: “Ah!”] No, no, spare a thought, please, for the many other Labour MPs who have missed out. They felt that they were given a promise that if they did the right thing they would be looked after. Now they know that the Government have reneged on their promise, and that the change they hoped for will not come. For them, I am truly sorry. But there is one consolation: at least now they know how the rest of the country feels.

7.14 pm

The Exchequer Secretary to the Treasury (James Murray):

I listened very carefully to the shadow Minister. He has clearly been taking theatrical lessons from his colleague the shadow Chancellor, the right hon. Member for Central Devon (Sir Mel Stride). Indeed, I have listened to all his colleagues during this debate, and frankly they have quite some cheek. They speak from the Opposition Benches, yet they failed to reflect honestly, even once, on why they are on that side of the House.

The reason why the Conservatives are in opposition is that they not only ran our public services into the ground, but had given up on fiscal responsibility, which is critical for stability, investment and growth. When we won the election last year, it was our task to restore that responsibility and fix the £22 billion black hole in the public finances, which was a legacy of the previous Government's waste and delay. *[Interruption.]* I know they hate to be reminded of it, but that is the truth. That is what we inherited. As my right hon. Friend the Chief Secretary to the Treasury said in opening the debate, we acted on that without delay on taking office. At last year's Budget, the Chancellor acted decisively to stabilise the public finances and lay the foundations for investment in growth after 14 years of Tory decline. Rather than shirking responsibility, we took the necessary decisions to raise taxes and made the necessary choices to ensure that our NHS, schools and other vital public services received the funding they needed to get back on their feet.

I thank all the hon. Members whom the shadow Minister mentioned in his summing-up speech, as well as my hon. Friends the Members for Glasgow East (John Grady), for Kensington and Bayswater (Joe Powell), for Bolton West (Phil Brickell), for Rugby (John Slinger), for Alloa and Grangemouth (Brian Leishman), and for Loughborough (Dr Sandher).

Many hon. Members spoke about the choices that we have had to make as a Government. Let me be clear that while many of the decisions on tax have been difficult—we recognise that they have had consequences—we took every opportunity to make them as fair as possible. That is why, at last year's Budget, we decided to end non-dom tax status and tax breaks for private school fees. It is also why we increased air passenger duty on private jets, raised stamp duty for those buying second homes, extended the oil and gas levy, and chose to raise capital gains and inheritance tax. It is why His Majesty's Revenue and Customs implemented the biggest package of measures to close the tax gap that this country has ever seen. Those measures will ensure that everyone, including the wealthiest, pay the tax that they owe.

Those choices have been the right ones to restore the public finances and get public services back on their feet, yet the Conservatives, the Lib Dems and Reform—who surprisingly are not here—all voted against our

[James Murray]

Finance Act 2025, which started to put our choices into action. They have refused time and again to support the decisions we have taken on tax, while refusing to say what funding for public services they would oppose as a result. The choices I have mentioned and other difficult choices we have made, such as the decision around employers' national insurance, have been necessary to meet our fiscal rules.

Let me be clear why those fiscal rules are so important, and why, under this Government, they will always be non-negotiable. The fiscal rules introduced by the Chancellor last year are this Government's assurance to the markets that we will live within our means and pay our Government debt. They are not only crucial to keeping debt payments under control, but enable us to invest in the future of our country. Thanks to the Chancellor's fiscal rules—the stability rule and the investment rule—we have been able to boost capital investment by £120 billion, compared with the previous Government's plans. That investment will improve transport infrastructure, deliver more social and affordable housing, bring down bills through energy security, unlock further private sector investment and, most importantly, improve the lives of working people across Britain by making people better off.

Without our plans to balance the books and get debt falling, our £120 billion of extra investment would not be possible, and taxpayers would see ever more of their money being spent on debt interest payments. We have taken the tough but fair and necessary choices to repair our public finances, so that we can rebuild our schools, our hospitals and our frontline services across the country.

As many right hon. and hon. Members have said today, if Conservative Members disagree with our approach, maybe they can tell us whether they would cut spending on schools, hospitals or defence, or perhaps they can tell us which taxes they would raise instead. Rather than do that, the Conservatives and Reform are competing with each other to inherit the mantle of Liz Truss. They both blindly make unfunded promises on tax—promises that we all know would force up interest payments for families across Britain and cause economic chaos, which would hit working people hardest. The British people want security, stability, public services that work again, and more money in their pocket, and only Labour Members and this Labour Government are prepared to take the decisions that are necessary to make that happen.

Question put.

The House divided: Ayes 165, Noes 342.

Division No. 269]

[7.20 pm

AYES

Allister, Jim	Blackman, Bob
Amos, Gideon	Bool, Sarah
Anderson, Stuart	Bowie, Andrew
Aquarone, Steff	Bradley, rh Dame Karen
Argar, rh Edward	Brandreth, Aphra
Atkins, rh Victoria	Braverman, rh Suella
Babarinde, Josh	Brewer, Alex
Badenoch, rh Mrs Kemi	Burghart, Alex
Barclay, rh Steve	Campbell, Mr Gregory
Bennett, Alison	Carmichael, rh Mr Alistair
	Cartlidge, James

Chadwick, David	Lockhart, Carla
Chamberlain, Wendy	Lopez, Julia
Chambers, Dr Danny	MacCleary, James
Chope, Sir Christopher	MacDonald, Mr Angus
Cleverly, rh Sir James	Maguire, Ben
Clifton-Brown, Sir Geoffrey	Maguire, Helen
Cocking, Lewis	Malthouse, rh Kit
Collins, Victoria	Martin, Mike
Cooper, Daisy	Mathew, Brian
Cooper, John	Maynard, Charlie
Costa, Alberto	McMurdoch, James
Coutinho, rh Claire (<i>Proxy</i>	McVey, rh Esther
<i>vote cast by Joy Morrissey)</i>	Miller, Calum
Cox, rh Sir Geoffrey	Milne, John
Cross, Harriet	Mohindra, Mr Gagan
Dance, Adam	Moore, Robbie
Darling, Steve	Moran, Layla (<i>Proxy vote cast</i>
Davey, rh Ed	<i>by Zöe Franklin)</i>
Davies, Gareth	Morello, Edward
Davies, Mims	Morgan, Helen
Dewhurst, Charlie	Morrissey, Joy
Dillon, Mr Lee	Morton, rh Wendy
Dinenage, Dame Caroline	Mullan, Dr Kieran
Duncan Smith, rh Sir Iain	Munt, Tessa
Dyke, Sarah	Murray, Susan
Evans, Dr Luke	Murrison, rh Dr Andrew
Farron, Tim	Norman, rh Jesse
Forster, Mr Will	Obese-Jecty, Ben
Fortune, Peter	O'Brien, Neil
Francois, rh Mr Mark	Olney, Sarah
Franklin, Zöe	Patel, rh Priti
Freeman, George	Paul, Rebecca
French, Mr Louie	Philp, rh Chris
Fuller, Richard	Pinkerton, Dr Al
George, Andrew	Pritchard, rh Mark
Gibson, Sarah (<i>Proxy vote</i>	Raja, Shivani (<i>Proxy vote cast</i>
<i>cast by Anna Sabine)</i>	<i>by Mr Mohindra)</i>
Gilmour, Rachel	Rankin, Jack
Glover, Olly	Reed, David
Goldman, Marie	Robertson, Joe
Gordon, Tom	Robinson, rh Gavin
Green, Sarah	Roome, Ian
Griffith, Andrew	Rosindell, Andrew
Griffiths, Alison	Sabine, Anna
Harding, Monica	Shannon, Jim
Harris, Rebecca	Shelbrooke, rh Sir Alec
Hayes, rh Sir John	Simmonds, David
Heylings, Pippa	Slade, Vikki
Hinds, rh Damian	Smart, Lisa
Hoare, Simon	Smith, Greg
Hobhouse, Wera	Smith, rh Sir Julian
Holden, rh Mr Richard	Smith, Rebecca
Hollinrake, Kevin	Snowden, Mr Andrew
Holmes, Paul	Sollom, Ian
Huddleston, Nigel	Spencer, Dr Ben
Hudson, Dr Neil	Spencer, Patrick (<i>Proxy vote</i>
Jardine, Christine	<i>cast by Joy Morrissey)</i>
Jarvis, Liz	Stafford, Gregory
Jenkin, Sir Bernard	Stephenson, Blake
Jenrick, rh Robert	Stone, Jamie
Jones, Clive	Stride, rh Sir Mel
Jopp, Lincoln	Stuart, rh Graham
Kearns, Alicia (<i>Proxy vote cast</i>	Swann, Robin
<i>by Joy Morrissey)</i>	Swayne, rh Sir Desmond
Kohler, Mr Paul	Taylor, Luke
Kruger, Danny	Thomas, Bradley
Lam, Katie	Thomas, Cameron
Lamont, John	Trott, rh Laura
Leigh, rh Sir Edward	Vickers, Martin
Lewis, rh Sir Julian	Vickers, Matt
	Voaden, Caroline
	Whately, Helen

Whittingdale, rh Sir John
 Wilkinson, Max
 Wilson, rh Sammy
 Wood, Mike
 Wright, rh Sir Jeremy

Wrigley, Martin
 Young, Claire
Tellers for the Ayes:
Nick Timothy and
Sir Ashley Fox

NOES

Abbott, rh Ms Diane (*Proxy vote cast by Bell Ribeiro-Addy*)
 Abbott, Jack
 Abrahams, Debbie
 Ahmed, Dr Zubir
 Akehurst, Luke
 Alaba, Mr Bayo
 Alexander, rh Heidi
 Al-Hassan, Sadik
 Ali, Rushanara
 Ali, Tahir
 Allin-Khan, Dr Rosena
 Anderson, Callum
 Anderson, Fleur
 Antoniazzi, Tonia
 Arthur, Dr Scott
 Asato, Jess
 Asser, James
 Athwal, Jas
 Atkinson, Catherine
 Atkinson, Lewis
 Bailey, Olivia
 Baines, David
 Baker, Alex
 Baker, Richard
 Ballinger, Alex
 Bance, Antonia
 Barron, Lee
 Barros-Curtis, Mr Alex
 Baxter, Johanna
 Beales, Danny
 Beavers, Lorraine
 Benn, rh Hilary
 Berry, Siân
 Betts, Mr Clive
 Billington, Ms Polly
 Bishop, Matt
 Blake, Olivia
 Blake, Rachel
 Bloore, Chris
 Blundell, Mrs Elsie
 Botterill, Jade
 Brackenridge, Mrs Sureena
 Brash, Mr Jonathan
 Brickell, Phil
 Buckley, Julia
 Burgon, Richard
 Burke, Maureen
 Burton-Sampson, David
 Butler, Dawn
 Byrne, rh Liam
 Cadbury, Ruth
 Campbell, rh Sir Alan
 Campbell, Irene
 Campbell-Savours, Markus
 Carling, Sam
 Champion, Sarah
 Charalambous, Bambos
 Charters, Mr Luke (*Proxy vote cast by Chris Elmore*)
 Clark, Feryal
 Coleman, Ben
 Collier, Jacob

Collinge, Lizzi
 Collins, Tom
 Conlon, Liam
 Coombes, Sarah
 Cooper, Andrew
 Cooper, Dr Beccy
 Costigan, Deirdre
 Cox, Pam
 Coyle, Neil
 Craft, Jen
 Creagh, Mary
 Crichton, Torcuil
 Curtis, Chris
 Dakin, Sir Nicholas
 Dalton, Ashley
 Darlington, Emily
 Davies, Jonathan
 Davies, Paul
 Davies, Shaun
 Dean, Josh
 Denyer, Carla
 Dhesi, Mr Tanmanjeet Singh
 Dickson, Jim
 Dixon, Anna
 Dixon, Samantha
 Dodds, rh Anneliese
 Dollimore, Helena
 Doughty, Stephen
 Dowd, Peter
 Downie, Graeme
 Duncan-Jordan, Neil
 Eagle, Dame Angela
 Eastwood, Colum
 Eccles, Cat
 Edwards, Lauren
 Edwards, Sarah
 Efford, Clive
 Egan, Damien
 Ellis, Maya
 Elmore, Chris
 Entwistle, Kirith
 Eshalomi, Florence
 Esterson, Bill
 Evans, Chris
 Farnsworth, Linsey
 Fenton-Glynn, Josh
 Ferguson, Mark
 Ferguson, Patricia
 Fleet, Natalie
 Foody, Emma
 Fookes, Catherine
 Foster, Mr Paul
 Foxcroft, Vicky
 Foy, Mary Kelly
 Francis, Daniel
 Frith, Mr James
 Furniss, Gill
 Gardiner, Barry
 Gardner, Dr Allison
 Gelderd, Anna
 German, Gill
 Gilbert, Tracy
 Gill, Preet Kaur
 Gilmour, Rachel

Gittins, Becky
 Glindon, Mary
 Goldsborough, Ben
 Gosling, Jodie
 Gould, Georgia
 Grady, John
 Greenwood, Lillian
 Griffith, Dame Nia
 Gwynne, Andrew (*Proxy vote cast by Chris Elmore*)
 Hack, Amanda
 Haigh, rh Louise
 Hall, Sarah
 Hamilton, Fabian
 Hamilton, Paulette
 Hardy, Emma
 Harris, Carolyn
 Hatton, Lloyd
 Hayes, Tom
 Hazelgrove, Claire
 Hendrick, Sir Mark
 Hinchliff, Chris
 Hinder, Jonathan
 Hodgson, Mrs Sharon
 Hopkins, Rachel
 Hughes, Claire
 Hume, Alison
 Hurley, Patrick
 Hussain, Imran
 Ingham, Leigh
 Irons, Natasha
 Jameson, Sally
 Jarvis, Dan
 Jermy, Terry
 Jogee, Adam
 Johnson, rh Dame Diana
 Johnson, Kim
 Jones, rh Darren
 Jones, Gerald
 Jones, Lillian
 Jones, Louise
 Jones, Ruth
 Josan, Gurinder Singh
 Joseph, Sojan
 Juss, Warinder
 Kane, Chris
 Kane, Mike
 Khan, Afzal
 Khan, Naushabah
 Kirkham, Jayne
 Kitchen, Gen
 Kumar, Sonia
 Kumaran, Uma
 Lamb, Peter
 Lavery, Ian
 Law, Noah
 Leadbeater, Kim
 Leishman, Brian
 Lewell, Emma
 Lewin, Andrew
 Lewis, Clive
 Lightwood, Simon
 Long Bailey, Rebecca
 MacAlister, Josh
 Macdonald, Alice
 MacNae, Andy
 Madders, Justin
 Mahmood, rh Shabana
 Malhotra, Seema
 Martin, Amanda
 Maskell, Rachael
 Mather, Keir

Mayer, Alex
 McAllister, Douglas
 McCarthy, Kerry
 McCluskey, Martin
 McDonagh, Dame Siobhain
 McDonald, Andy
 McEvoy, Lola
 McGovern, Alison
 McIntyre, Alex
 McKee, Gordon
 McKenna, Kevin
 McKinnell, Catherine
 McMahon, Jim
 McNally, Frank
 Midgley, Anneliese
 Miliband, rh Ed
 Minns, Ms Julie
 Mohamed, Abtisam
 Moon, Perran
 Morden, Jessica
 Morgan, Stephen
 Morris, Grahame
 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
 Norris, Alex
 Norris, Dan (*Proxy vote cast by Chris Elmore*)
 Onn, Melanie
 Onwurah, Dame Chi
 Oppong-Asare, Ms Abena
 Osamor, Kate
 Osborne, Kate
 Osborne, Tristan
 Owatemi, Taiwo
 Owen, Sarah
 Paffey, Darren
 Pakes, Andrew
 Patrick, Matthew
 Peacock, Stephanie
 Pearce, Jon
 Pennycook, Matthew
 Perkins, Mr Toby
 Pitcher, Lee
 Platt, Jo
 Powell, Joe
 Powell, rh Lucy
 Poynton, Gregor
 Prinsley, Peter
 Quigley, Mr Richard
 Race, Steve
 Rand, Mr Connor
 Ranger, Andrew
 Reader, Mike
 Reeves, rh Ellie
 Reid, Joani
 Reynolds, rh Jonathan

Rhodes, Martin
 Ribeiro-Addy, Bell
 Richards, Jake
 Riddell-Carpenter, Jenny
 Rigby, Lucy
 Rimmer, Ms Marie
 Robertson, Dave
 Roca, Tim
 Rodda, Matt
 Russell, Sarah
 Rutland, Tom
 Ryan, Oliver
 Sackman, Sarah
 Sandher, Dr Jeevun
 Scrogham, Michelle
 Sewards, Mark
 Shah, Naz
 Shanker, Baggy
 Shanks, Michael
 Siddiq, Tulip
 Simons, Josh
 Slinger, John
 Smith, Cat
 Smith, David
 Smith, Jeff
 Smith, Nick
 Smith, Sarah
 Smyth, Karin
 Sobel, Alex
 Stainbank, Euan
 Stevens, rh Jo
 Stevenson, Kenneth
 Stewart, Elaine
 Stone, Will
 Strathern, Alistair
 Strickland, Alan
 Sullivan, Kirsteen
 Sullivan, Dr Lauren
 Sultana, Zarah
 Swallow, Peter
 Tami, rh Sir Mark

Tapp, Mike
 Taylor, David
 Taylor, Rachel
 Thomas-Symonds, rh Nick
 Thompson, Adam
 Tidball, Dr Marie
 Timms, rh Sir Stephen
 Tomlinson, Dan
 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
 Williams, David
 Witherden, Steve
 Woodcock, Sean
 Wrighting, Rosie
 Yang, Yuan
 Yasin, Mohammad
 Yemm, Steve

Tellers for the Noes:
Kate Dearden and
Anna McMorris

Question accordingly negated.

Business without Debate

DELEGATED LEGISLATION

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

ELECTRICITY

That the draft Electricity Capacity (Amendment) (No. 2) Regulations 2025, which were laid before this House on 3 June, be approved.—(*Taiwo Owatemi.*)

Question agreed to.

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

CIVIL AVIATION

That the draft Transport Act 2000 (Air Traffic Services) (Prescribed Terms) Regulations 2025, which were laid before this House on 3 June, be approved.—(*Taiwo Owatemi.*)

Question agreed to.

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

LOCAL GOVERNMENT

That the draft Buckinghamshire Council, Surrey County Council and Warwickshire County Council (Housing and Regeneration Functions) Regulations 2025, which were laid before this House on 9 June, be approved.—(*Taiwo Owatemi.*)

Question agreed to.

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

ELECTRICITY

That the draft Warm Home Discount (Amendment) Regulations 2025, which were laid before this House on 19 June, be approved.—(*Taiwo Owatemi.*)

Question agreed to.

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

COMPETITION

That the draft Enterprise Act 2002 (Definition of Newspaper) Order 2025, which was laid before this House on 26 June, be approved.—(*Taiwo Owatemi.*)

The Deputy Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until tomorrow (Standing Order No. 41A).

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

COMPETITION

That the Enterprise Act 2002 (Amendment of Section 58 Considerations) Order 2025 (SI, 2025, No. 737), dated 26 June 2025, a copy of which was laid before this House on 26 June, be approved.—(*Taiwo Owatemi.*)

The Deputy Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until tomorrow (Standing Order No. 41A).

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

CRIMINAL LAW

That the draft Sentencing Act 2020 (Amendment of Schedule 21) Regulations 2025, which were laid before this House on 26 June, be approved.—(*Taiwo Owatemi.*)

Question agreed to.

FINANCIAL ASSISTANCE TO INDUSTRY

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

That this House authorises the Secretary of State to undertake, during the period beginning with the date of approval of this motion and ending on 31 July 2030, to pay, by way of financial assistance under section 8 of the Industrial Development Act 1982, grants to businesses as part of His Majesty's Government's project to support zero-emission vehicle manufacturing in the UK and the UK's automotive supply chain, including to support the creation of jobs, private investment into the UK, the development of the automotive industry and emission reductions, up to an overall limit of £1 billion, and to pay during or after that period the grants that are undertaken to be paid.—(*Taiwo Owatemi.*)

Question agreed to.

PETITIONS

Accessibility at High Brooms Station

7.34 pm

Mike Martin (Tunbridge Wells) (LD): I rise to present this petition regarding accessibility at High Brooms station. This is further to an online petition on the same matter, which has collected 610 signatures. Under the previous Government's Access for All scheme, plans were drawn up for High Brooms featuring three new lifts and a footbridge. Now that the current Government have committed extra capital funding for transport, these plans must be implemented.

The petition states:

"The petitioners therefore request that the House of Commons urges the Government to take into account the concerns of the petitioners and take immediate action to ensure that High Brooms Station receives the funding required to improve accessibility.

And the petitioners remain, etc."

Following is the full text of the petition:

[The petition of residents of the constituency of Tunbridge Wells in Kent,

Declares that an online petition on the matter of improving accessibility at High Brooms Station has generated a lot of interest; notes that under the previous Government's 'Access for All' scheme, plans were drawn up for High Brooms featuring three new lifts, a footbridge, and several other critical improvements; and further declares that now the current Government has committed extra capital funding for transport, these plans must be implemented.

The petitioners therefore request that the House of Commons urges the Government to take into account the concerns of the petitioners and take immediate action to ensure that High Brooms Station receives the funding required to improve accessibility.

And the petitioners remain, etc.]

[P003092]

Rural Post Offices

Sarah Dyke (Glastonbury and Somerton) (LD): I rise to present this petition about rural post offices in Glastonbury and Somerton, which have closed at an alarming rate over recent years. A separate similar petition from the owners of Somerton Stores, Mr and Mrs Thievendran, recently garnered 800 signatures within two weeks, highlighting the overwhelming support for a new post office in Somerton. However, prohibitive costs have prevented this so far.

The petition states:

"The petitioners therefore request that the House of Commons urge the Government to take into account the concerns of the petitioners and take immediate action to safeguard the future of post offices in rural areas.

And the petitioners remain, etc."

Following is the full text of the petition:

[The petition of residents of the constituency of Glastonbury and Somerton,

Declares that rural post offices are under threat; further declares that the loss of Somerton's dedicated post office in 2022, combined with the loss of a post office in Butleigh, Charlton Adam and Charlton Mackerell has been devastating for the local community; further notes the recent separate petition from the owners of Somerton stores, which garnered over 800 signatures within two weeks highlighting the overwhelming support for a new post office; further recognises the immense benefit that post offices and postmasters have on rural communities; further acknowledges the prohibitive costs many potential postmasters face when attempting to open a post office; further welcomes the forthcoming green paper but believes the Post Office must work with rural communities to ensure a sustainable future for all.

The petitioners therefore request that the House of Commons urge the Government to take into account the concerns of the petitioners and take immediate action to safeguard the future of post offices in rural areas.

And the petitioners remain, etc.]

[P003093]

Local Justice Area Reform

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

7.36 pm

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): From March to June this year, the Ministry of Justice held a public consultation on proposed reform of local justice areas. The consultation sought responses on a range of proposed structural changes set to affect magistrates across England and Wales. Among those proposed changes is the merging of three magistrates benches into a single north Wales bench to serve six local authorities covering an area totalling 2,383 square miles. As the Member of Parliament for a significant portion of the north-west Wales magistrates bench area, this plan is of particular concern to me, and I am grateful for the opportunity to debate it today.

The local justice system in the north of Wales currently comprises three magistrates benches—north-east Wales, which serves Wrexham and Sir y Fflint; north-central Wales, representing Conwy and Sir Ddinbych; and north-west Wales, covering Gwynedd and Ynys Môn. The north-west Wales bench is based at the Caernarfon justice centre in the largest town in my constituency. Magistrates are familiar with this court, and with making the journey to that location to undertake their duties. Under Ministry of Justice plans, however, magistrates will be expected to sit at other courts outside their so-called home court between 20% and 40% of their time.

In some areas and in more urban constituencies, that may not result in significantly increased journey times and distances, but that will indubitably not be the case for individuals in the north-west of Wales. For example, if a magistrate lives in Pen Llŷn, a journey to the Caernarfon magistrates court would incur a drive of about 40 minutes. If the same magistrate is called to the next nearest court in Llandudno as part of the 20% to 40% requirement, their journey time would nearly double to an hour and 15 minutes, and if they were called to the north-eastern courts in Mold or Wrexham, the journey times would be one hour and 40 minutes or two hours, respectively—and I must say that that is on a good day.

Jim Shannon (Strangford) (DUP): I commend the right hon. Member for Dwyfor Meirionnydd—I hope that is somewhere near the Welsh, but with an Ulster Scots accent—for bringing forward this debate and I congratulate her on it. I spoke to her beforehand just to ascertain the direction of travel. Does she agree that magistrates must know their communities and the characteristics of where they come from, so that they can best serve justice for the victims? In other words, the better they know where they come from, the better they know the people they serve, and then they can do their job.

Liz Saville Roberts: I am very grateful to the hon. Gentleman for his intervention. Of course, this is what we talk about: the nature of justice serving those communities. It needs to know the people within those communities and to reflect their characteristics to best serve the victims, defendants, advocates and witnesses in the process by which justice is seen to be done.

The longer journeys I mentioned will inevitably create difficulties. We must remember that magistrates in this instance are volunteers. Many have other responsibilities, such as childcare and the care of elderly relatives. Some will also be in work—in other employment. It is foreseen that the changes are very likely to result in resignations, so my first question is this: has an impact assessment been made of the potential loss of experienced magistrates, the need to recruit and train new magistrates, and whether certain groups of people will be worse affected by changes in travelling time?

Cost is another factor. If an individual magistrate currently sits only in Caernarfon court, but is now directed to spend a minimum requirement of 20% at Llandudno, the annual travel expenses claim are likely to double. If they were allocated, as is theoretically possible, 40% of their time in the Mold-Yr Wyddgrug court, their annual travel claim would be likely to increase by 600%. Will the Minister confirm whether an assessment has been carried out into those substantially increased costs and the effect on value for public money?

I want to turn now to the impact on Welsh language services. While the present three local justice areas are easily grouped under the title of north Wales, it must be recognised that the communities they serve are not uniform. Indeed, the differences are most apparent in their use of Welsh. The Act of Union 1536 decreed that only English could be used in courts in Wales. That was repealed by the Welsh Courts Act 1942, the first piece of legislation to recognise the right to use the language. Of course, legislation has moved on considerably since then.

The north-west Wales bench serves the two local authority areas with the highest estimated percentage of Welsh speakers, Gwynedd and Ynys Môn, where the Welsh language is in daily use as a community, family and administrative language. The magistrates court will routinely hear defendants, victims, witnesses and advocates drawn from those communities and from the town of Caernarfon itself, where 85% of the population speak Welsh. That is just not true for the other two areas in the proposed grouping. That is made clear in the percentage of Welsh-speaking magistrates across the current local justice areas at present: 55% speak Welsh in the north-west Wales area, 16% in the central north area and only 8% in the north-east. We must remember that the purpose of local justice is exactly that: for members of a particular community to administer justice in and on behalf of that community. That means, of course, reflecting that local community.

For the north-west Wales bench, this has resulted in the Caernarfon magistrates court routinely operating in Welsh. Indeed, the Caernarfon justice centre is the home of His Majesty's Courts and Tribunals Service's Welsh language unit. There is considerable concern that the hard-fought-for offer of a bilingual service in English and Welsh for all court users will be ill-served by the UK Government's proposals and that prospective Welsh-speaking magistrates will think twice before applying for roles, thus further reducing the number of Welsh-speaking magistrates serving communities across the whole of north Wales.

That issue was immediately raised by senior magistrates on the north-west Wales bench. They asked why a full assessment had not been made of the impact of the recommendations on the use of the language and the availability of Welsh language services. An addition was

then made, I understand, to the equalities statement, outlining a potential impact on magistrates' use of the Welsh language, phrased as "protected characteristics". But framing an assessment in that way fails to consider the potential impacts on the rights of victims, witnesses, defendants and service users, and fails to engage with the duties enshrined in the Welsh Language Act 1993.

I am grateful to understand from the Minister, in her response to my letter on this subject, that she is "mindful of commitments" under the MOJ's Welsh language scheme, noting that this includes responsibilities to "assess the linguistic consequences of policies affecting services provided to the people in Wales"

and

"to undertake a Welsh Language Impact Test during consultation".

While we wait to see how those responsibilities play out, it is clear that magistrates in the north-west of Wales do not agree that an adequate assessment of the cultural and linguistic impact of these changes has yet been undertaken. In fact, magistrates have gone so far as to tell me that they believe the MOJ has treated Wales and the people of Wales with contempt.

They are not alone in their concerns, as the Welsh Language Commissioner has made clear. After receiving initial correspondence from the MOJ, the Welsh Language Commissioner's office told magistrates that

"the information and response provided raises more questions about how the Welsh language was considered within the consultation, especially the alleged failure to consider the implications of moving Welsh Magistrates from Caernarfon to other courts across... Wales"—that is a translation. The commissioner's correspondence adds that they doubt whether the impact of the proposals on court users has been identified, particularly for those currently served by the north-west Wales bench. I am aware that the Welsh Language Commissioner has contacted the Minister in relation to their concerns, and I call on the Minister today to respond in full to the commissioner as soon as is practicable.

In her response to my letter, the Minister noted that the MOJ produced a

"full translation of the consultation document considering its relevance to Welsh magistrates, court staff and court users."

The translation of such documents by public bodies is, in all honesty, the bare minimum—it is actually a requirement under Welsh language standards—and, in all honesty, that is not the point here. It is concerning that so little attention has been given to the effects of UK Government reform on the Welsh language, especially given the Labour Welsh Government's goal of 1 million Welsh speakers by 2050.

Of course, this is not new. As a result of the closure of rural courts by the previous Conservative Government since 2010, the proportion of bilingual magistrates—who of course are able to work in Welsh and English; it is always worth spelling that out—serving Gwynedd and Môn has fallen from around 80% to just over 50%; as I mentioned earlier, it is at 55%. There are serious concerns that this reform in the north of Wales will further diminish the percentage and number of magistrates who will routinely be able to offer a service in both Welsh and English, restricting what is the right in law as regards language for court users.

It begs the question of how effective justice can be if a person is denied the right to justice in the language in which they express themselves best—the way they express

their emotions and feelings. Of course, it is not only that; this language is one of the two official languages of the country. In the case of Caernarfon, and very much in the case of the greater part of Gwynedd and Môn, this is the first language of the majority of people.

My third question to the Minister is: when will there be a proper assessment into the impact of the use of Welsh in court under the proposed changes? After all, let us remember that when Dic Penderyn was sentenced to death in 1831 for his part in the Merthyr rising, he was tried in English, but he said from the scaffold, "O Arglwydd, dyma gamwedd," or, "Oh Lord, this is injustice."

The proposals follow what has already been considerable reform in the field of local justice. Local justice areas were last reorganised as recently as 2016. As I have mentioned, numerous courts across Wales have been closed since 2010, including those in Pwllheli, Llangefni, Dolgellau and Holyhead, with the operations centralised in Caernarfon. Magistrates have endured more than a decade of continuous change. Let us remember who they are: volunteers who dedicate their time to help provide justice in their local communities—that is why they have come forward. North-west Wales magistrates tell me that they are regularly praised for their performance. They say they have not been provided with any evidence as to why the proposed changes to merge benches in the north of Wales are necessary.

I suspect the MOJ may be considering following the model of North Wales Police, which is a regional police force. However, I hasten to point out that the force area operates community policing across three sub-regions—western, central and eastern—which reflect exactly the three benches as things stand in north Wales. The Betsi Cadwaladr University Health Board also serves the north Wales region in its entirety, but the pressure placed on it in endeavouring to meet the needs of its widely varying communities is recognised as contributing in part to its being in and out of special measures in seven of the past 10 years.

I have a couple more questions. Will the Minister therefore commit to ensuring that the local justice reform proposals will recognise that justice is best served by magistrates rooted in their communities, and, uniquely to Wales, able to work in both national languages? Will she also commit to redoubling efforts to recruit bilingual magistrates across Wales, so that benches can be fully representative of the communities they serve?

To conclude, the Minister told me last week that one of the geniuses of the magistrates court is the local link, and the fact that it delivers local justice. I agree with her entirely, which is why I secured this debate. I close by urging the Minister and her Department to consider the points that I have raised on behalf of magistrates in north-west Wales, and ask her please to respond to the questions that I have posed during this speech. *Diolch yn fawr iawn.*

7.49 pm

The Minister of State, Ministry of Justice (Sarah Sackman): Let me begin by congratulating the right hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts)—that was my best attempt at Welsh pronunciation; I hope I did not vandalise it—on securing this important debate on the reform of local justice areas. I agree with

[Sarah Sackman]

her that the contribution of magistrates right across the country, but in particular in north Wales, deserves greater recognition. In particular, the north Welsh magistracy is performing well, and I pay tribute to all those who make that possible.

This debate is a timely opportunity to clarify the Government's intentions to reflect on our recent consultation and to address the concerns raised, particularly those from Wales. I shall begin by setting out some context surrounding the local justice areas and the case for reform. Local justice areas were first introduced by the previous Labour Government as part of the Courts Act 2003. They replaced petty sessional divisions and were designed to define the geographical boundaries for magistrates court administration.

However, the landscape of justice delivery has changed significantly over the past 20 years or so. The hard legal boundaries of local justice areas create inflexibilities in the magistrates court system, leading to delays and inefficiencies. By abolishing local justice areas and implementing a non-legislative replacement structure, we aim to improve flexibility in the system, reduce bureaucracy and allow for more freedom in the deployment of magistrates.

As the House will be aware, the Government and the judiciary launched a joint consultation earlier this year on what the replacement system for local justice areas should look like. I want to be absolutely clear that that consultation was informed by two key principles: first, a commitment to local justice, of which the right hon. Member speaks; and secondly, a commitment to enhance flexibility for a modern magistracy. I am pleased to announce that we have received more than 1,400 responses from magistrates and a range of stakeholders, including legal professionals, local authorities and members of the public. I was encouraged to see the strong level of engagement with the proposals, and the feedback that we have received will shape the final outcome of the consultation.

I want to stress that we are carefully considering all the responses before moving forward—we do not approach this with a closed mind. This is genuine consultation and the feedback that we have received through it will be vital in shaping the reforms.

Although local justice areas as they are now—a legal administrative boundary set out in legislation—will be abolished, this does not mean an end to local justice. Localism is at the heart of the magistracy. We want to ensure that magistrates continue to feel connected to their local communities, and that local citizens continue to feel that their local magistrates serve them.

At the core of our principles is a new system of so-called benches, a structure of court groups that will be used for the purposes of magistrates' recruitment, deployment, leadership and training, following the abolition of local justice areas. Unlike local justice areas, benches would not be defined in legislation and would have soft boundaries to allow magistrates greater flexibility to sit in other courts. Such courts might actually be closer to where they currently live, but not accessible due to the current hard, legal boundary, and they might offer magistrates a broader range of cases and work than they currently engage in.

Our consultation proposes to align benches broadly with the boundaries of criminal justice areas, which themselves are based on the boundaries of police force areas. As the core business of the criminal magistrates courts involves prosecutions initiated by police forces, we believe that, in most cases, this is a natural fit. Where a given criminal justice area will be too large to create a workable bench—

Liz Saville Roberts: I am very interested to hear the Minister mention police forces, because I suspected that that was partly the driver. On community policing, will she recognise that North Wales police have felt the need to separate the area into three—a highly populous area in the east, a middle area, and one in the west, which has a much more scattered population—because that better reflects what the community needs?

Sarah Sackman: That is precisely why we have a consultation—to reflect the variation in different parts of the country. In most cases, the criminal justice area and the area in which a police force operates will be a natural fit for a bench, but that will not necessarily work for everyone. We are taking soundings and engaging with local stakeholders to make sure that these soft boundaries, as it were, reflect local circumstances. As I said, this is such a vital debate, and we hope to reflect local contributions in the final set of proposals.

Where a given criminal justice area would be too large to create a workable bench, we have suggested a different model that retains current local justice area boundaries. For example, creating a bench based on the very large geographical area of the Dyfed-Powys criminal justice area in Wales would be impractical. Analysis suggested that it would result in excessively long journey times for certain magistrates—a point that the right hon. Member made. We therefore propose retaining the current local justice area boundaries in that case. On the other hand, where analysis suggested that a criminal justice area could reasonably be used to structure the boundaries of a bench, we have proposed—it is only a proposal, on which we are consulting—merging certain local justice areas. That is the provenance of the benches for north Wales and south Wales.

To reiterate, the point of the consultation is to seek feedback on the proposed model, and gather feedback from magistrates and other stakeholders, such as local leaders, about what will or will not work. The proposed bench configuration is intended as a starting point for this exercise. We are, if I can put it this way, very much in listening mode.

I am aware that magistrates in some benches, including those within the constituency of the right hon. Member, have raised concerns about the proposals, and as ever, she is articulate in setting out the concerns of her constituents and the local considerations. I very much appreciate that she wrote to me in advance of today's Adjournment debate outlining those concerns, so that we could take them on board in the Ministry of Justice.

I would like to reassure the right hon. Member that her concerns and the concerns of Welsh magistrates have been and will be heard. While I cannot at this juncture confirm the outcome of the consultation—and some of the matters it covers are for the judiciary to determine, not politicians—these concerns and others

expressed in the response to our consultation will inform our decisions on the structure for Welsh magistrates courts.

I turn to the question of Welsh language impacts, which are incredibly important in this context. As the right hon. Member has said, a key concern for Welsh-speaking magistrates is the impact of the proposals on the Welsh language. This concern has also been articulated by other members of the Welsh judiciary. At the heart of it is the potential risk that differences in the percentage of Welsh-speaking magistrates in the proposed bench could limit opportunities for Welsh-speaking magistrates or court users to speak Welsh. Let me take this opportunity to assure the House that this Government remain firmly committed to the principle of bilingual provision of court services in Wales, and to the equal treatment of Welsh and English in the delivery of justice in these courts.

Under the proposals, all magistrates would have the chance to discuss their sitting arrangements with their bench chair. Magistrate's sitting patterns would be decided on a case-by-case basis, taking account of personal circumstances as well as business need. A Welsh-speaking magistrate's preferences would naturally form part of these discussions. It is certainly not our intention to force Welsh-speaking magistrates to sit in other locations to the extent that it would limit their ability to use Welsh in court.

More broadly, the proposals are intended as a codification of current practice. Magistrates are expected to undertake most of their sittings at the court closest to their home or work location. The overall intention is to minimise as far as possible the extent of practical change to the day-to-day business of magistrates in their local area. Given the continuity in sitting patterns, and the continued provision of interpreters in Welsh magistrates courts, we do not expect the proposals to impact the availability of Welsh language services for court users in Wales. To answer the right hon. Member's question directly, and to reassure her, a full Welsh language impact assessment will accompany any final proposals.

We will carefully consider the responses we have received from Welsh magistrates and other stakeholders to see what the impact will be on Welsh being spoken in court, and will put in place any mitigations, should they be necessary. We have committed to publishing a full Welsh language impact test alongside the final set of policy decisions, and we expect to publish our response later this year.

I am aware of the issue of the effect that the proposed bench configuration for Wales will have on travel times for magistrates and court users, and concerns about increased journey times and added difficulties for those who, for example, rely on public transport. That concern has also been expressed in some responses to proposals in England; it cuts across the board. We are keen to draw on magistrates' first-hand knowledge of their local area before finalising any of these boundaries. The ongoing analysis of consultation responses will help us to identify those areas—such as in Wales—where a proposed bench would be excessively large or result in unreasonably long journey times. As the right hon. Member rightly acknowledged, magistrates volunteer and do a fantastic service. We do not want to put barriers in their way; this is about enabling them to carry out their service and be deployed flexibly. It is certainly not intended to impede the vital work that they do.

As for court users, the consultation does not propose any changes to case listing practices. The abolition of local justice areas will, however, make it easier to hear a case in a court closer to a user's home. We would not therefore expect the new bench or deployment models to result in longer journeys for users. We are nevertheless continually reviewing any potential impacts of the proposals on protected characteristics. Should the data gathered from the consultation responses uncover any previously unforeseen impacts, we will consider revising the proposals to mitigate those.

I thank the right hon. Member once again for raising this issue with her characteristic eloquence and attention to detail. I also thank those who took part in the consultation process and engaged with the proposals. We received 1,400 responses, which is testament to just how much people are engaged on these issues and how much they value the local justice that our magistrates provide. As with any consultation, the dialogue and feedback we have received will be crucial in driving positive outcomes, and I am grateful to all those who have contributed. We are in listening mode, as I said, and we are committed to creating a system that works better for magistrates, court staff and citizens right across England and Wales.

Question put and agreed to.

8.2 pm

House adjourned.

Westminster Hall

Tuesday 15 July 2025

[SIR EDWARD LEIGH *in the Chair*]

SEND Provision: South-east England

9.30 am

Sir Edward Leigh (in the Chair): Before Mike Martin moves the motion, I should say that 16 Members wish to speak, so I will probably have to impose a three-minute time limit after he has spoken. My aim is to try to get everybody in, so if we can cut down on interventions, that should give everybody a chance to speak.

Mike Martin (Tunbridge Wells) (LD): I beg to move,
That this House has considered SEND provision in the South East.

It is an honour and pleasure to serve under your chairmanship, Sir Edward. I will speak specifically about Kent and my Tunbridge Wells constituency; I am sure that right hon. and hon. Members will speak about examples in their constituencies. We are speaking about some of the most vulnerable people we represent and, as the Government are reviewing special educational needs and disabilities, it is important that the voices of children and families are heard, because they see the system from the inside and can see its shortcomings.

In Kent, more than 21,000 children have an education, health and care plan—that is 14% above the national average. As a result of rising demand and some mismanagement by the previous Conservative administration, there was a SEND overspend in a recent year of nearly £100 million, which is now being managed down by the Department for Education. At the same time, alongside all other local authorities, Kent has statutory duties to meet EHCP deadlines and provide provision. This creates a conflicting pressure. The story is the same for local authorities everywhere where there is rising demand and declining resources.

The balancing act required creates a false economy. When children do not get the support they need, they fail in their educational setting, but that means they are less likely to achieve in the world of work and are more likely to become a burden on the state in their later years. So getting this right now creates a long-term economic benefit for our society, and it is not just economically right: it is morally right that we do so to create life chances for the children under our care.

To go back to the situation in Kent, under the previous Conservative administration, only 13% of EHCPs were completed within the statutory 20-week deadline in the year to March 2024, and because of that Kent was put into special measures. I have called a number of times for that status to be continued because there was some improvement, in that the provision of EHCPs within the deadline went up to 65%. Kent was therefore taken out of special measures. But unfortunately, quantity does not equal quality. I do not have time to go into the litany of mistakes on some of the EHCPs, but they included incorrect names of schools, schools that do

not exist, schools that are not approved, schools that do not have funding, incorrect needs and spelling mistakes—really basic errors.

Often, when families complain about the errors, they are told by Kent county council to go to a tribunal. This is deeply cynical. Kent county council has been using tribunals not as a last resort, but as a tactic to delay, to deter and to exhaust families. In other words, the council is using tribunals to try to get families to give up seeking appropriate support for their children. And it works. Tribunals are utterly gruelling. Families and children spend months preparing for them. The emotional toll is enormous throughout the time they are preparing, and it costs, as they have to get legal advice to go to a tribunal. All the while, they do not know whether, at the end of this year-long process, the child will get the special provision that their EHCP says they require.

I have spoken to Matt, one of my constituents, whose daughter Ella has cerebral palsy and has just finished year 4. Her original EHCP was issued when she was at nursery and was recently reissued. This is an example of the problems with EHCPs in Kent: the only change the council made was to replace the word “nursery” with “school”. When the family complained, they were told to go to a tribunal. They declined, for all the reasons I outlined relating to the financial and emotional cost.

It later emerged that Ella’s teachers believed that a mainstream school would not meet her needs. Their application for a specialist placement was lodged but rejected by Kent council, which did not consult anyone, including Ella’s teachers or parents. It was purely a paperwork exercise. The family were again told that the only option was to go to a tribunal. At that stage, because it is so important for Ella to get specialist secondary provision for her cerebral palsy, they opted to go to tribunal. They have been given a date in May 2026.

Currently, Ella has an insufficient plan because her parents declined to fight the first tribunal. They will have to wait for more than a year to fight the second tribunal, all the while wondering whether they will get the specialist provision that all the experts agree is what Ella needs.

Jim Dickson (Dartford) (Lab): I congratulate the hon. Member on securing this incredibly important debate; the number of people who wish to speak is a testament to that. As one Kent MP to another, I agree that the problems he is outlining—the inability to access the system because EHCPs and other assessments take so long, and the poor-quality provision when they have been completed—indicate a broken system in Kent. Does the hon. Member agree that we need to see EHCPs done properly, with a substantial increase in pace? We also need an increase in resources, so that the quality of provision following assessment is up to the standard that parents and pupils expect. Getting those two elements of the system right will go a long way towards fixing what is currently broken.

Mike Martin: I thank my fellow Kent MP for his intervention; I will address many of those points as I make progress. He is right that there is a reason for the statutory deadline for EHCPs, and it would be nice if local authorities could meet it.

[Mike Martin]

To return to tribunals, between 2021 and 2024 Kent council spent more than £2 million on SEND tribunals, of which 98% were successful for the parents. If parents have the money and the emotional bandwidth, and can go to tribunal and fight, they will be successful. But we do not know the percentage of parents who decide that they are not able to put themselves through that process. That is one of the legacies, I am afraid to say, of Conservative mismanagement in Kent.

Since Reform took over two months ago, it has gone from bad to worse. A cabinet member resigned within 45 days, which is a day longer than Liz Truss managed, so one assumes his lettuce is still going strong. Another councillor has been suspended and is under investigation by the police. The matter is now before the courts, so I cannot say much more about that, but Members can have a google. The June meeting on children, young people and education was postponed indefinitely. That meeting was relevant to this debate, but it is only one among a plethora of committee meetings, cabinet meetings and sub-committees that the Reform administration in Kent has cancelled because it is unable to deliver government. Reform cannot even organise its own house, let alone grapple with a crisis of this magnitude and scale.

I am glad the Government are reviewing the system, because it needs to be reformed, but real change must be driven by the principles that the Lib Dems have articulated time and again. We must listen to the voices of children and families. They do not have all the answers, but they do have insight into how the system works, and we would do well to listen to them. Where appropriate, specialist capacity must be provided for the minority of children who have EHCPs and need specialist support.

For the vast majority of children who have special educational needs, we must drive inclusion in mainstream schooling, because that is appropriate. Mainstream schools prepare people for the mainstream world in a way that is more appropriate, provided that there is the extra provision, with teaching assistants and speech and language therapists, that can help the child to thrive in a mainstream setting. We are ready to work with the Government to improve the system.

Some of the media reports around the scrapping of EHCPs are concerning. It seems like a bit of a red herring. The Lib Dems introduced EHCPs in coalition—we are very proud of that—and before that we had statements. If we get rid of EHCPs, we will still need a statement of needs for passporting to services. If we scrap EHCPs, what will we replace them with? I am sure the Minister will speak to this in her response to the debate, but we must have an outcomes-based review of the system rather than a Treasury-driven, cost-cutting exercise. I hope the Government will learn from some of their recent travails in that regard.

Monica Harding (Esher and Walton) (LD): Does my hon. Friend agree that we do not fix a financial problem by giving away a right? For many parents and families battling the system, an EHCP is the only protection that a child gets to a right to education.

Mike Martin: My grandmother said that the mark of a civilised society is how it treats its most vulnerable—she was wise. She was very active in politics, but for a

different party. [Interruption.] She made a journey that many people have made in recent years. Unfortunately, she is dead now. She would be 110 now if she were alive.

To return to the theme, it is morally right that we get this right, because these children and families are the most vulnerable among our constituents. It is also economically right, because if the children have the right provision, the parents can continue to work. Without the right provision, one parent will probably not go to work, so that has an immediate economic detriment. Allowing a child to thrive, to be included and to work in society as they get older affects the medium and long-term economic health of our society and our country, so it is both morally right and economically sensible. On that point, I will conclude: every child has the right, irrespective of postcode, background or need, to thrive.

Several hon. Members rose—

Sir Edward Leigh (in the Chair): Order. There will be an immediate three-minute limit on speeches.

9.43 am

Ms Polly Billington (East Thanet) (Lab): It is an honour to serve under your chairship, Sir Edward.

We are lucky in East Thanet to have several brilliant council-maintained SEND schools: Forelands Field, Laleham Gap, Stone Bay and St Anthony's. They do brilliant and vital work, despite the incompetence of Kent county council. I know from my casework just how deep the crisis in special educational needs provision runs. In Kent it is particularly acute, because the previous Tory council administration let the crisis spiral out of control. I have constituents who are frustrated by delays to getting EHCPs, parents who are aggravated by poor communication from the council, and others saying they believe that Kent county council is making the appeals unnecessarily difficult.

Similarly, far too many tribunals in Kent involve parents appealing the inappropriate allocation of school places. Often, as a result, either the state-maintained schools end up oversubscribed and overcrowded, or the spiralling costs of private provision contribute to the dire financial state of Kent county council. The state-maintained schools are now being put through a wildly inappropriate redesignation of the education and support they will offer, putting suitable educational provision for some of our most vulnerable children even further at risk.

The previous Tory administration was forced to apologise after a damning Ofsted report found that the council had “not made sufficient progress” in tackling nine areas that were identified following an inspection by Ofsted and the Care Quality Commission. The report quoted one parent as saying:

“Communication is poor, co-production is non-existent...it feels as though my son's needs are not being prioritised, and they don't care. They are incompetent.”

I am afraid to say that I do not have any confidence that things will improve under the new Reform administration. In the few months that they have been in power, we have seen important meetings cancelled, cabinet members sacked, councillors suspended and chaos ensuing throughout the council—all while the new council leader went on holiday.

Although it is only right that we champion fantastic SEND schools, it is important to acknowledge that many children would be better served by mainstream schools that have adequate SEND support available, creating inclusive environments for children to flourish. While idealistic, this can be a reality. It will require a huge overhaul in the provision of SEND support in schools. We need to make it possible for children who can be in mainstream school to stay in mainstream school with the best support package available, designed around them and their needs.

I am glad that the Labour Government are looking into reforming the current system, and I was delighted to hear the Secretary of State for Education say that the Government will strengthen the support available for the children who need it. The crisis in SEND has gone on for far too long. I look forward to seeing the proposals to tackle it and empower the next generation of young people.

9.46 am

Jim Shannon (Strangford) (DUP): It is a pleasure to serve under your chairship, Sir Edward. I congratulate the hon. Member for Tunbridge Wells (Mike Martin) on setting the scene so well. My contribution to this debate is to support him in his request to his education authority and to outline some of the concerns we have where we are, which are replicated by him and will be replicated by others.

The situation back home is no better. The Minister has no responsibility for it—I wish her well in her answers. In Northern Ireland, we have incredible problems with the transformation programme. The budget was cut by 50%—an example of the financial restraints that we are all under, which the hon. Member for Tunbridge Wells and others referred to. There is a duty of care to children who, due to their educational needs, need that little extra support, and it comes down to money, as most things in the world do. The hon. Gentleman outlined a serious case in his constituency. I have spoken to some of the principals in my constituency of Strangford, who have stated that the current funding is not fit for purpose and that children will be the ones who suffer because of those cuts—a point made by other Members.

One teacher said that

“it is so difficult when you have a passion for supporting and wanting to do your best for SEN children, but it seems impossible to get the tools to do so. It feels like its always budget cuts and reduced staffing, there is never any good news where you feel inspired to do your best.”

That is every teacher who works in the SEND sector. They want to do their best for their children and make sure that the children will be inspired to do their best when they get the opportunity.

The other massive question, which was mentioned by the hon. Member for Tunbridge Wells and will be mentioned by others, is about support for the provision of classroom assistants. One-to-one and small group support is crucial but again, unfortunately, the funding is simply not there to sustain their employment. SEND pupils back home already fall behind their peers in other parts of the UK, so we have a big problem, although the Minister’s response will relate to her responsibilities here.

My last point is about the hundreds—indeed, thousands—of university students out there with a lifelong dream of working with special needs children in schools. How can we tell them that, once they complete their three to four years of education to do that, the funding is simply not there to sustain a job in that field? Can the Minister give us some idea of what we can do for those who are coming through with the potential to help and educate our young people?

We can and must do better. While it is understood that this is a devolved matter for us back home in Northern Ireland, and also for Scotland, our central funding comes from here. I thank the Minister for her contributions and social engagement with the relevant Minister back home. I am very keen to hear what she can do.

9.49 am

Laura Kyrke-Smith (Aylesbury) (Lab): It is a pleasure to serve under your chairship, Sir Edward. In the 12 months since I was elected as the Member for Aylesbury and the villages, I have been struck again and again by the urgent need to reform our SEND system, given the sheer number of people who get in touch having been let down by different parts of the system, whether that is families, teachers, heads, councils or, of course, the young people at the heart of it.

In this speech, I will focus on what better SEND provision could look like and make three points. First, provision must be local and mainstream wherever possible. When I talk to parents, they tell me that they want their children to go to their local school and to be part of their community, but too often they are told that their children’s needs are too complex, or that the school just cannot offer the provision that they need. I was heartbroken to hear from a mother whose child was excluded from school, not because of a poor behaviour but just because their complex needs were misunderstood and not supported in the right way. I know it is very difficult for schools too, but we urgently need to support mainstream schools to deliver more inclusive provision. That means funding for adaptations, training and confidence building for teachers, and it probably means drawing on the expertise of specialist providers to help mainstream schools build their capacity and confidence.

Secondly, although we should aspire to local mainstream provision wherever possible, there will always be a need for specialist provision for children with the most complex needs. In Aylesbury, we are fortunate to have some really inspiring leaders who are helping to build that capacity. Jane Cole is working night and day to establish a Red Balloon centre for teenagers with special educational needs on Walton Terrace, which will open in September. It is a lovely setting, and a safe and nurturing space. The team at the Chiltern Way academy trust is working to launch a new SEND sixth form to help SEND children to get over the line and into work at the end of their education. It is crucial that we keep building on that.

Thirdly, we have to address the crisis in home-to-school transport. So many young people in Aylesbury are going on two or three-hour taxi rides to Oxford or Milton Keynes and beyond. I have heard from families in Aylesbury whose children are left waiting for transport that arrives late or not at all, sometimes with drivers they do not know or in vehicles that are not appropriate.

[*Laura Kyrke-Smith*]

Just imagine telling an autistic child that you do not know whether anyone is coming to collect them or what that journey will be like. Their distress is really palpable. We have to ensure that standards for home-to-school transport are really clear, and that home-to-school transport providers are better held to account. I welcome the Government's funding commitments in that area already.

I really welcome the commitment to reforming the SEND system, and it is right that we will be taking a consultative approach to it. I will be ensuring that in my constituency, people are able to feed in and that, ultimately, we are delivering better results for those parents and young people who desperately need it.

9.52 am

Gregory Stafford (Farnham and Bordon) (Con): It is a pleasure to serve under your chairmanship, Sir Edward. I congratulate the hon. Member for Tunbridge Wells (Mike Martin) on securing the debate. I rise today not just as a constituency MP, but as vice-chairman of the all-party parliamentary group for special educational needs and disabilities and as someone alarmed by what I see every day: a system stretched to the point of failure, with vulnerable children paying the price.

In my first year as an MP I have taken up 98 SEND cases, but I accept that that is just the tip of the iceberg in my constituency. Those cases include a family whose son's autism assessment is so delayed that he will finish school before he gets the help he needs. Another family is spending over £10,000 on tribunal proceedings. This is not a system; it is a fight, and families are losing. Across both Surrey and Hampshire, 3% of pupils in state-funded schools have an EHCP and a further 13% receive SEND support, but behind the numbers are children waiting years for basic support, parents forced into legal battles just to access what their children are entitled to and councils collapsing under the sheer volume of demand, without the necessary support that this requires from national Government.

The crisis is compounded by serious concerns about legality and quality. I have heard credible reports of educational psychologist assessments being drafted by trainees and rubber-stamped without proper oversight—a process designed to evade scrutiny, not deliver support. Meanwhile, the cost of failure is spiralling. In Surrey alone, more than £13 million a year is spent on taxis to bring more than 500 children to school. Nationally, the average cost of special school placements is now over £61,000 per child per year, and councils are staring down a projected £5 billion SEND deficit by 2026.

All of that is worsened by the Government's ideological attack on independent schools. Schools like More House and Undershaw school offer bespoke, life-changing provision, often in partnership with local authorities, for children who cannot cope in mainstream education. However, tax changes and policy hostility are forcing closures, reducing places and driving up costs. The result is fewer options for children and more pressure on already overwhelmed state schools. I pay tribute to Councillor Jonathan Hulley, who has just taken over as the new cabinet member in Surrey and is trying his best to grapple with this problem.

As we have heard across the Chamber, this is not a Surrey or Hampshire problem; it is country-wide, and the Government need to step up. Will the Minister ringfence capital funding to expand specialist places in high-need areas? Will she publish guidance and support to reduce the cost and overuse of solo SEND transport, which is neither sustainable nor in the child's best interest? Will she protect alternative and independent providers that deliver high-quality specialty education?

Monica Harding: I thank my fellow Surrey MP for his thoughts. Last year, nearly half of Surrey's high needs block of £122 million was spent supporting SEND places at non-maintained independent schools. Placing those children in state-maintained school is often half the cost. Does the hon. Gentleman not agree that we need to put more money into state schools rather than independent schools, which are often run by private equity firms taking money out of local authorities and making profit on the backs of very vulnerable children?

Gregory Stafford: I respect the hon. Lady deeply, but I must say that I entirely disagree. Pitting the state sector against the independent sector, and vice versa, is entirely the wrong way to go about it—it would damage education. I am very happy to take her around More House or Undershaw in my constituency to show her the amazing work that those two schools do; she may change her tune once she has seen that.

The key thing is this: will the Government step up and make the national changes and reforms to make this system fair, equitable and sustainable across the country? SEND families are asking not for special treatment but for lawful, timely and compassionate support. No child should feel hopeless in the very system meant to help them, and no family should be forced to break themselves to secure basic rights. Let us fix this, and mean what we say when we talk about inclusion.

9.57 am

Chris Ward (Brighton Kemptown and Peacehaven) (Lab): I thank the hon. Member for Tunbridge Wells (Mike Martin) for securing the debate. I agree with much of what he and so many others have said. The fact that we all have similar stories from our constituencies underlines the scale of the challenge.

In my constituency, one in five children receives some form of SEND support, and one in 12 has an EHCP. That is far above both the Sussex and national averages. However, I suspect that is just the tip of the iceberg. At my surgery just last week, I met a couple whose son finally has an EHCP after years of fighting—but there is no place in the local authority to provide it. He will almost certainly remain out of school, joining countless others who, as we have heard, are being let down by a system that too often frustrates and limits, rather than supports and fulfils potential.

I do think in this Parliament—and this may be the optimism of a newcomer—we have a real chance, perhaps a final one, to sort this mess out. I welcome the fact that the Government are not ducking the issue, and the cross-party approach that has been taken; the longer we can sustain that, the better. I also recognise the scale of the challenge ahead of us and the need to listen to those most directly affected. That is why, a few months ago,

I held a SEND summit in Saltdean, in my constituency, bringing together local parents, councillors, advocates and experts to hear their experiences. In the time I have, I want to outline three of the main takeaways from that summit.

First is the need to dramatically improve SEND training in schools—in particular, to introduce mandatory and expert SEND training for all new teachers as part of initial teacher training, and then as part of continuous teaching development. Of course, that must go alongside wider reforms to schools and the curriculum to ensure that more children stay in and flourish. Mandatory SEND training would support early identification, allowing proper plans to be put in place sooner. It would boost professional standards and end the postcode lottery in how neighbouring schools approach SEND so differently. There is a Bill before the House, which I have co-sponsored with my hon. Friend the Member for Barking (Nesil Caliskan), that would achieve this. Will the Minister support it?

The second major recommendation was to enhance the parental voice. That is really important and too often ignored. SEND families include not only those receiving support, but those who know how the system works and how it fails. Our summit discussed the idea of regional champions—SEND advocates, perhaps across new devolved areas—who could bring this together on a larger scale. Can the Minister say more about how she will listen to parental voices as these reforms come forward and how she will work with the sector?

Thirdly, underpinning all the other points, is the need for a cultural change on how Government, Parliament and local authorities approach SEND. We need to focus less on proving exceptionalism and the limitations of SEND children, and more on how we fulfil the potential of every child; end the adversarial culture and lack of accountability that pervades in too many cases, and instead work with parents to navigate it; and, crucially, shift SEND services away from emergency, when there is already proof of trauma, to early intervention. There is a lot to unpack in those points, but they are the three main solutions that we have, and I hope the Minister will respond to them.

10 am

John Milne (Horsham) (LD): It is a pleasure to serve under your chairship, Sir Edward. Since my election last year, I have visited most of the schools in my constituency. That has been one of the nicest parts of my new job, but it has been less nice to hear about the tremendous pressure that schools face in coping with the ever-increasing demands of special educational needs.

The crisis has now extended well beyond the SEND sector into mainstream schooling. I heard how children who have been refused a place in specialist schools because their needs are considered too great have instead been placed in ordinary mainstream schools. If a specialist school cannot cope, how on earth do we expect a regular school to manage?

The stats from my local education authority, West Sussex county council, do not look good. For the last full calendar year available it completed just 3.4% of EHCPs within the statutory 20-week deadline, which is one of the worst rates in the country. Even if a child is lucky enough to get an EHCP, that does not mean they are guaranteed the support they are supposed to get.

West Sussex has been run by a Conservative administration for many years; I would argue that it has always prioritised lower council tax bills over running adequate services. Despite that caution—that ingrained cost-cutting inclination—it has still run into severe financial difficulties. It has a deficit of £59 million from 2023-34 for the high needs block, and that is forecast to rise to an unsustainable overspend of £224 million by next year. Every week I see the human cost of that; problems with SEND access are the single biggest issue in my postbag.

Last Friday at my surgery in north Horsham, I met with yet another distressing case. Graci is 14 years old. She has a diagnosis of autism, ADHD, dyslexia and suspected postural tachycardia syndrome, and she experiences significant pain, fatigue and sensory overload. But she is a bright girl with great potential, and she has already managed to take two GCSEs, despite the fact that she is now fully home educated. The local authority has twice refused to even assess her, which leaves her entirely without funded support as she approaches year 10. Her mother says that Graci needs an immediate, meaningful intervention if her future is to be preserved. At the age of just 14, Graci feels that she has been written off and left to put together her own DIY education, funded by her lone parent—her mother—who has to work full time.

In terms of Government action, we must not see a repeat of what just happened with the welfare Bill, where they tried to solve demand for personal independence payments by simply cutting access. We need to rediscover the value of investing in people, not just things. Children such as Graci are not problems; they are fantastic assets to society, if only we can give them the break that they need. We need to sort this issue out.

10.3 am

Tristan Osborne (Chatham and Aylesford) (Lab): It is a pleasure to serve under your chairmanship, Sir Edward. I thank the hon. Member for Tunbridge Wells (Mike Martin) for securing this debate. He is a fellow Kent MP who regularly speaks about these issues—it is one of his passions. I will echo many of the views that have already been expressed. With 21,000 students on EHCPs, Kent stands among the worst in the country, with 13% completed within the statutory deadline—in Medway it is even worse, at 12%.

Across the county we see those stark figures, but they represent the real human lives that we see in our casework every single week, from the child who does not get to school within the statutory deadline of 90 minutes, or the child who is not given access in the classroom through the specialist teaching assistant provision that they need, to the parents who have to give up their jobs in some cases and go on to benefits to look after their children and get them into those schools. Every single Member of Parliament has received testimony in their inbox about the problem.

I know that the Government inherited an appalling legacy from the previous Government—it was basically admitted that SEND provision was an absolute mess. Although I blame the Tories on Kent county council for the problem, it is not unique to any one council or to the control of any council; it is a systemic and structural problem as a result of demand not having been met over

[*Tristan Osborne*]

many years. In my area, it is manifestly worse because the chaotic Reform council has cancelled meetings about education and SEND, ambushed its own transport cabinet member and fired him on the spot, and suspended councillors already. It is turning into a nightmare because councillors cannot even manage their own house, let alone focus on the priorities of SEN students and deal with the plurality of residents.

Sojan Joseph (Ashford) (Lab): Many constituents have raised concerns about the new Reform administration's plans in my constituency. It is even thinking about cutting transport for vulnerable young people who cannot get to school. Does my hon. Friend agree that it is very concerning that the council, without a proper plan, has brought in an external agency to look at how to save money, and that it is unacceptable to cut the transport budget for those vulnerable children?

Tristan Osborne: The day after the change of control of the council, party political auditors came in. There has been a communications exercise highlighting the SEND transport budget for cuts, but we do not know what those cuts will be, and there has been no communication with residents, causing fear to spread about whether their children will be affected. This is not just about my hon. Friend's constituents in Ashford, but about residents in Margate, Maidstone and Tonbridge—the problem is manifest across the entire county.

A number of solutions have been proposed, so I would like to ask the Minister a series of questions about them. As the Government have now created three-year budget cycles, can something similar be done to secure long-term funding for councils, so that we do not have to rely on the safety valve going forward?

Although I agree that students need to be in an appropriate landscape, private provision for SEND is sometimes 10 times more expensive for each child, which is not sustainable when the budget is going up by so much. What could we do to transfer those children and bolster mainstream schools? I know some excellent examples of that, such as at Bradfields academy in my constituency, which is receiving Building Schools for the Future funding under this Government. How can we expand that principle into other mainstream schools, so that we can provide specialist autism and ADHD units?

How do we align services regionally? In my area, child and adolescent mental health services are fundamentally failing and we have had to transfer them back in-house to the Kent mental health trust. How can we ensure that CAMHS is really working?

Finally, the appeals system is failing across some counties, so how can we ensure it is fit for purpose and does not cost councils millions of pounds to sustain? These are my questions and I hope the Minister can answer them.

10.8 am

Alison Bennett (Mid Sussex) (LD): It is a pleasure to serve under your chairmanship, Sir Edward. I thank my hon. Friend the Member for Tunbridge Wells (Mike Martin) for securing this important debate.

In my constituency of Mid Sussex, families with children who have special educational needs and disabilities are being let down by a broken system that is exhausting parents, bankrupting councils and demoralising teachers. We have heard rumours of changes coming to the SEND system, but let us be clear: if we have learned one thing from how the welfare Bill was handled, it is that what politicians call rolling the pitch causes fear, confusion and anxiety for those who may be impacted.

Anneliese Dodds (Oxford East) (Lab/Co-op): I sure that, like me, the hon. Member has taken up many cases with her local education authority on behalf of parents and children. I have not heard a single parent or child say to me that the current system is working; I keep hearing them say that the system is broken. The Government have been clear that a legal right to additional support for SEND children will be maintained, but that we have to reform the system. Surely she agrees with that?

Alison Bennett: I thank the right hon. Member, but there are questions and uncertainty because the future of EHCPs and what may replace them has not been made clear. That is causing genuine concern for campaigners and people who have children with special needs.

In West Sussex, approximately a third of children with an EHCP require transport to and from school. SEND transport is budgeted to cost the county council £31.3 million this year, which is up from £13.5 million five years ago—every year, it spends more than its budget in this area. Managing that provision is hugely complex for councils and requires judgment on the individual needs of a child, including their need for an escort and/or private transport, as well as the individual home-to-school route that they travel. Does the Minister agree that that is one of the less considered pressures on council budgets in relation to SEND provision, particularly in larger, rural county council authorities? Does she also agree that the Government need to consider how to mitigate those costs in any review of SEND provision in order for the reforms to be successful?

The system is not delivering for children, families or local authorities. Any changes must be rooted in children's rights and common sense, and not in arbitrary cost-cutting exercises. One example that instils hope and sets an example is Woodlands Mead in Burgess Hill, which provides an education for those with special needs. After a decade of delay because of a string of broken promises from the Conservatives on West Sussex county council, years of tireless campaigning by governors, teachers, parents and local Liberal Democrat councillors led to Woodlands Mead finally being completed with the opening last year of the new college building.

I visited the new college site a few months ago, and saw at first hand what a brilliant and inspiring environment it provides. It means that pupils can seamlessly transfer from the school to the college, avoiding the loss of friendships and long journeys to other providers. Prior to that, the school had to make very difficult decisions each year about whether it could continue to meet the needs of the children moving from the school to the college. In some cases, children had to be sent to a school away from their friends and community. That would, for example, affect a child with Duchenne muscular dystrophy who could thrive at the school intellectually

but would have to be moved to a site with the hygiene, therapeutic and accessible facilities that they would have needed for their physical disabilities.

The building of a local facility at Burgess Hill saves money in the long term, and provides a better experience for students and families. We need more examples like that, and more fantastic places like Woodlands Meed. Families have waited too long for a system that works, and change is overdue—it is time we delivered that change.

10.12 am

Peter Swallow (Bracknell) (Lab): It is an honour to serve under your chairship, Sir Edward. SEND comes up in every surgery I hold, every time I knock on doors and at every coffee morning, as it will for hon. Members on both sides of the House. I hear heartbreaking stories of parents fighting to get the support their children need. Families in Bracknell Forest have been struggling for a decade or more to access those services. When a local area SEND inspection recently highlighted gaps in provision, it did not say anything that parents and carers did not know from bitter personal experience.

During the election, I committed that this Labour Government would fix the broken SEND system that is failing families in Bracknell Forest and across the country, and I am proud that we are doing just that. I understand why parents are anxious, however, because they have been failed by the system for so long that it is understandable that trust in it is so low.

It is important that we start from the principle that we need to see more support for more children more quickly, moving from a system where a crisis point has to be reached before any support is given to one where early intervention is the priority. It is also essential that we protect parents' legal rights to support for their children. I thank the Secretary of State and the Minister for listening to families, children and the sector, because it is vital that we get this right and take families with us as we make the changes we need to make.

This Labour Government have already delivered so much. They have delivered £1 billion more into the high needs budget, including £2.2 million more for extra SEND provision in Bracknell Forest. They have funded family hubs in Bracknell Forest where the previous Government did not and empowered them to offer more early years support, particularly for SEND. They have rolled out the highly successful PINS—partnerships for inclusion of neurodiversity in schools—programme to more schools and secured £760 million in transformation funding, because reforming the SEND system will require spending more money. It is not and cannot be a cost-saving exercise.

I thank the Minister for meeting me last week to hear about the concerns of local families. She will not be surprised to hear that I will continue to raise with her and the Secretary of State the concerns of parents and carers in Bracknell Forest, so that their voices can be heard as plans are developed. She will also not be surprised to hear me raise one final issue: support for a new SEND school for students with high needs autism at Buckler's Park, which was promised by the previous Government without a penny to pay for it. Although more children could and should be supported in mainstream education, and I was proud to open a new specialist resource provision at Sandhurst school just the other

month, there will always be those who need additional support that can be provided only at a special school. I know that the Minister will consider that as part of the reforms.

10.15 am

Steve Darling (Torbay) (LD): It is a pleasure to serve under your chairmanship, Sir Edward, and I congratulate my hon. Friend the Member for Tunbridge Wells (Mike Martin) on securing this debate. Although Torbay is not in the south-east, I am sure that a lot of our SEND issues are reflected there.

A recent Ofsted report on our SEND provision identified widespread failings for children with SEND and disabilities. Although a lot of colleagues have highlighted challenges with local authorities, we must also reflect that the health service needs to play its part in driving the positive change that we need for our young people. Only yesterday, health bosses failed to turn up and play their part at a continuous improvement meeting for youngsters in Torbay, even though that Ofsted report was under discussion. I would like to know how the Minister is holding the health system to account on this issue, not just local authorities and education departments.

As an example, I am aware of one failing in Torbay where a decision should have been made by the end of March for a youngster on where their next year's placement would start in September. They were only told the day before they started their GCSEs that their placement was going to be changed, which, un-shockingly, sent them into a meltdown, and they underperformed massively.

I would particularly like to hear the Minister's reflections on a couple of areas. One is the safety valve system. That is very much financially driven, but what investigations has the Minister made into how that system may have driven any improvement of the outcomes of SEND pupils, or not? What are the Minister's reflections on the future of the safety valve system, because it has some real challenges?

I would also welcome the Minister's reflections on the ladder system that is applied in Torbay, in which the level of intervention with a child is increased quietly, bit by bit, from mainstream education to a high level of intervention, and so on, until the right level is found. But to achieve that level, the youngster has to have failed repeatedly in school. That reinforces trauma both for the youngster and the family involved, through failure after failure. Surely that ladder system cannot be appropriate for the youngsters or their families. It seems a very wicked way, rather than sending those youngsters directly into the appropriate places.

I will give a couple of examples from my constituency. Rachel has to home tutor her youngster because provision was withdrawn. Shaan had to give up work because there was inadequate provision for her youngster. A non-verbal autistic youngster had two really good offers for education, but neither was accepted by the local authority. I look forward to the Minister's reflections because, as my hon. Friend the Member for Tunbridge Wells identified, these are some of the most vulnerable youngsters in our communities, and they deserve better.

10.18 am

Dr Beccy Cooper (Worthing West) (Lab): I thank the hon. Member for Tunbridge Wells (Mike Martin) for securing this debate. The crisis in SEND provision is

[*Dr Beccy Cooper*]

inextricable from the crisis in health and social care, and it is a shameful legacy of the neglect of the austerity years, but funding is not the only issue. What we see with SEND in West Sussex happens because education, health and care are not integrated. SEND provision suffers because there has been little to no working relationship between the local education authority and the integrated care system. As a doctor, it pains me to ask this, but where is the health in education, health and care plans? There is little parity of responsibility for outcomes, and no joined-up work towards shared goals. The profound neglect of specialist services, such as speech and language services, that support early health needs to be addressed, and health also needs to be far better integrated into the EHCP system.

For our schools and families in Worthing West, Sussex devolution is an opportunity to create a system that actually works, where education, health and social care colleagues work together on the issues and outcomes that families and schools so desperately need solving. Yes, we need to address the demand for SEND provision through proper investment in services, preventive healthcare and investment in schools, and yes, we need early intervention and proper access to specialist services, but we also need a functioning system where education and early years have a strategic voice outside siloed local education authorities.

In West Sussex, we have seen years of county council delays and mismanagement, and a complete breakdown in support for SEND children, their families and schools. Like all the other hon. Members here, I have had the privilege of visiting schools and colleges across my constituency. Without exception, they have outstanding teachers and leaders crying out for more SEND support, whether it be the need for specialist staff and training, or for physical space and facilities. Many of them have been waiting for years for decisions from West Sussex county council to build these facilities, let alone actually seeing any funding to directly address the issues that out-of-county settings have with transport costs, which continue to spiral beyond control.

Worthing High, for example, has been unable to move forward with planned expansions of its specialist support centre due to local authority delays and budget reductions. The school finds itself battling the local authority and unable to meet the demand for special social communication support without additional space, which it has actually identified. Northbrook college has had to find funding for increased levels of physical and medical need, with EHCP provisions that it is not equipped to provide, despite its best efforts. Oak Grove college is an excellent example of a local special needs provider, but it, too, is waiting on a decision to expand—again, into land that it has identified—and on funding that has been promised. In the meantime, it has taken the excellent, innovative step of providing support outreach to mainstream schools from within its capacity.

The SEND system is not working, and neither is the two-tier system of local authorities. It is time for a new model of regional school boards, with increased accountability, shared goals and, most importantly, multi-year funding settlements to address issues of demand and supply of SEND services—

Sir Edward Leigh (in the Chair): Order. I am sorry, but there is a three-minute limit.

Dr Beccy Cooper: Oh, I am sorry, Sir Edward.

Sir Edward Leigh (in the Chair): It's all right—it is a very good speech, but we have to keep to time.

10.22 am

James MacCleary (Lewes) (LD): Thank you, Sir Edward. I congratulate my hon. Friend the Member for Tunbridge Wells (Mike Martin) on securing this important and timely debate. We all know that the SEND system is broken in this country—a point even acknowledged by the Prime Minister at a recent Prime Minister's questions. Families in my constituency and across the south-east are in desperate need. Children are being let down, and councils such as East Sussex county council are under unbearable financial strain.

Across my constituency, in Seaford, Lewes, Newhaven and Colgate, and across our villages, the reality is stark, and children are forced to travel unacceptable distances. One little boy in my constituency travels 56 miles daily to school in Hastings because school provision simply does not exist locally. We should bear in mind that East Sussex has a higher than average number of specialist provision schools, yet this is still taking place in the area.

Multiple children still have no places for September. Imagine the anxiety and distress being faced by families right now. Colleagues have mentioned individuals coming to their surgeries to talk about this issue. Almost weekly at my advice surgeries, distressed parents speak to me about SEND provision in our area and a lack of spaces. Indeed, schools, including primary schools, in particular, have been in touch, concerned with the level of intake of children with special educational needs and disabilities—some are quite acute—and worried about how they are going to cope in the coming academic year.

A local teacher I spoke to put it very well in relation to one of the structural challenges facing our SEND system:

“Parents feel they have no choice but to fight for a full specialist place, because the so-called ‘facility’ secondaries can't meet their needs.”

He said that the primary to secondary

“transition planning is broken and it leaves children vulnerable.”

The situation facing one of my local families epitomises the crisis. Their child is severely disabled and cognitively delayed, and needs specialist schooling, yet despite unanimous agreement from the parents, nursery and mainstream primary school, the local authority insists that he attend a mainstream secondary school. It is July, and after months of battling bureaucracy, he still has no suitable place for September.

Across East Sussex, nearly 5,000 pupils have EHCPs. Labour's plan to strip away the legally enforceable rights that families rely on could leave more than 1,400 EHCP pupils in mainstream East Sussex schools vulnerable. We must be clear that children's rights cannot be rolled back. We urgently call for a new national SEND body to oversee and fund the most complex cases, removing the postcode lottery once and for all. We need immediate investment in specialist and mainstream education, teacher training and support for local authorities.

The system must put children and families first, because every child deserves better than what the previous Government offered them.

10.25 am

Lauren Edwards (Rochester and Strood) (Lab): It is a pleasure to serve under your chairship, Sir Edward, and I thank the hon. Member for Tunbridge Wells (Mike Martin) for securing this really important debate. We all know that too many children are being failed by a system that is under-resourced and facing unprecedented demand. Policy failures over many years have meant that parents and carers often see little option but to fight for an EHCP, as that is considered the only way to secure the wraparound support that their child needs. Who would not fight for their child? But we are in the worst of all worlds, where few are content with the current state of the SEND system in Kent and Medway, and across the wider south-east.

Before I highlight some examples of how the system is not working in Medway, I pay tribute to all the professionals working in the sector, whose passion is to support children and young people to get the help they need. The system is really letting them down, too. Years of chronic underfunding of local government under the previous Government, combined with a surge in demand, have created a perfect storm, which is contributing to pushing many of our councils in the south-east to the brink financially.

In Rochester and Strood, SEND is the second main reason, after housing issues, why constituents contact me. Parents and carers are waiting years for a SEND diagnosis. Children are languishing on waiting lists while their future life opportunities are being impacted, because they are not getting the support they need to fulfil their potential.

One issue that I will highlight in particular, as the co-chair of the all-party parliamentary group for skills, careers and employment, is the difficulty that lots of councils have in recruiting enough educational psychologists, because of funding cuts in previous years for educational psychology degrees. The same applies across many sectors of our economy; we are simply not investing enough in the staff we need to perform the critical functions in our society, such as the professionals employed in our SEND system. That and other factors lead to excessive delays in EHCPs being finalised, often well beyond the legal deadline. I have recently been contacted by parents in my constituency who have experienced a 62-week delay, which is beyond the 20-week legal deadline for issuing an EHCP for their child. I am sure that that is by no means a unique example.

We know that this situation is taking a toll on children in terms of their emotional wellbeing and high anxiety levels. It also has an impact on parents and their ability to work. Recent polling from Sense found that two in five parents with a disabled child are educating their child at home due to a lack of appropriate provision. The system is failing and it is incumbent on all of us to challenge it. I welcome the Government's commitment to reform. I understand that this has created some anxieties, so I welcome the comments from Ministers in recent weeks, and I look forward to hearing further comments from the Minister today to allay any concerns.

In conclusion, I emphasise that we must improve the quality of SEND provision and make sure that no child is left behind. We particularly need to focus on early intervention, as others have said, on better-equipped teachers and teaching assistants in mainstream schools, and on the needs of individual children, rather than diagnosis. I particularly look forward to the recommendations from the Education Committee, which is conducting a very comprehensive review into this topic.

10.28 am

Dr Danny Chambers (Winchester) (LD): It is an honour to serve under your chairship, Sir Edward, and I commend my hon. Friend the Member for Tunbridge Wells (Mike Martin) for securing this hugely important debate. Like many other Members here, SEND is probably the subject that I get the most emails about, and it is very closely related to children's mental health, which I will start by discussing.

The process of struggling to access an educational support plan starts right from trying to get a diagnosis. It is difficult to get a diagnosis through CAMHS for attention deficit hyperactivity disorder or for being on the autism spectrum. Delays of more than two years are not only awful for individuals, but make up a huge chunk of their time in school. If a child is eight or nine years old and has to wait two years for diagnosis, it is very difficult for them to make up for that lost time.

Although we should be clear that ADHD and being on the autism spectrum are not themselves mental health issues, if such conditions are unrecognised and undiagnosed, and are not supported in school, that can lead to mental health issues, including children feeling inadequate and struggling to achieve what they should. That causes a lot of stress and anxiety.

Monica Harding: In Surrey, for example, 1,800 children with special educational needs are missing education because there is no provision. They are sliding into poor mental health as a result, and that needs to stop. Does my hon. Friend agree?

Dr Chambers: I completely agree. The issue that everyone has brought up today is that the system is adversarial right from the point that parents try to get a diagnosis in the first place to show that their child needs support. When they finally do, they then have to fight tooth and nail—including in time-wasting tribunals, which take a large emotional and financial toll—to get the support that their child is entitled to.

Even once the child gets the support package required, that is not guaranteed all the way through schooling. Let me give a bit of an extreme example: I was recently contacted by a parent whose child, who has just one week to go in primary school, still does not know where he will go to secondary school. The parent and the headteacher of the primary school have asked continually, but there is no clear response. In this instance, Hampshire county council has failed to plan on time and ignored parental choice. It is insisting at the last minute on a wholly unsuitable mainstream school, which has no record that the child is coming and says that it cannot meet his needs—and we are talking here about a parent who managed to get the package required for their child in primary school.

[*Dr Chambers*]

I could talk about this for half an hour, given the amount of casework I have. There is a huge issue about how we pay for SEND, but we must also consider what happens if we do not pay for it, as some other Members have touched on. The issue is a little like free school meals: if a child goes to school either hungry, or with undiagnosed learning needs that are not being met, they are clearly not going to fulfil their full educational potential. They will not get a job that pays as well as one they could otherwise have got and they will be more likely to end up on welfare throughout the rest of their life.

We have a prison in Winchester, and some 25% of the prison population are diagnosed with ADHD, compared with 3% to 4% of the general population, while 9% have autism spectrum disorder, compared with 1% to 2% of the general population. It costs £50,000 a year to keep someone in prison, yet apparently we cannot afford to give people the support they need in school to help them to make better life choices. If we did that, it would be better for those individuals and more cost effective for the taxpayer in the long run.

10.32 am

Dr Al Pinkerton (Surrey Heath) (LD): It is a pleasure to serve under your chairmanship, Sir Edward. I thank my hon. Friend the Member for Tunbridge Wells (Mike Martin) for securing this crucial debate. The number of people in the Chamber and the power of the testimony that we have heard are testament to how important the issue is to our constituents across the country.

Since I was elected as MP for Surrey Heath, special educational needs has been the single biggest issue to dominate my email inbox. That is a refrain that we have heard from many other Members. It is bigger than housing and the cost of living crisis—it is even bigger than potholes. That is because, certainly in Surrey, there is a deep and ongoing SEND crisis. Right now, I have more than 140 active cases involving children with special educational needs, many because Surrey county council has issued EHCPs in the wrong names, describing the wrong conditions or offering wrong and inappropriate packages of support. Those EHCPs often come only after weeks and months of parents fighting and advocating for their children and asking SEND co-ordinators at the schools to do the same.

Over the past three years, Surrey has had the highest number of tribunal appeals anywhere in the country—a fact that, very unfortunately, it chose to hide from its own scrutiny committee for more than 14 months and that the leader of Surrey county council denied in writing to Surrey's Lib Dem MPs. Children, broken and neglected by the system, have attempted suicide. Parents, shattered by endless roadblocks and barriers, become permanent carers for their children, who cannot be placed in schools—and at what economic cost? SENCOs and teachers, already stretched to breaking point, spend their days chasing paperwork instead of supporting pupils.

An ITV investigation recently revealed that when parents lodged official complaints, Surrey county council—with a sleight of hand and a swift move of the pen—simply reclassified those complaints as inquiries in order to

massage those problematic figures downwards. Zooming out across England, councils are carrying a hidden SEND deficit of almost £5 billion, as the hon. Member for Farnham and Bordon (Gregory Stafford) said, parked off their books by a temporary accounting override that ends in March 2026. When that expires, more than 60 local authorities face the risk of insolvency overnight.

Ministers promised a White Paper this spring to recalibrate the system; now we are told that the Department for Education cannot commit to publishing plans for at least six months. Many parents consider that uncertainty an insult. Their lives revolve around EHCP reviews, tribunal appeals and statutory deadlines. Rumours abound that the Government may attempt to scale back or even scrap the EHCP and replace it with a narrower, potentially cheaper framework. Let me be absolutely clear: they cannot, and should not, remove statutory protections before they have built the capacity to replace them. Removing EHCP rights in a vacuum would strand families in legal and emotional limbo and potentially drive councils even closer to collapse.

The Liberal Democrats believe that reform of the SEND system is long overdue—I think that is a position shared across the House—and to guide that reform we have set out a five-point plan. I want to highlight just three of those key points. First, in any changes, we must put children and families at the forefront of reform. Reform cannot be done to families; it must be done with them. They are essential partners in redesigning a system that shapes their children's futures.

Secondly, we must recognise that inclusion and specialist support are not opposing ideas. We need both inclusion in mainstream and specialist capacity where each is appropriate. They need to be boosted in parallel. Right now, 67 specialist free schools approved by the Government are currently stuck in limbo waiting to open. That is 67 communities left in the lurch. At the same time, councils should be empowered to open specialist hubs within mainstream schools and allowed to get on with it without tripping over Government red tape. Inclusion only works when it is resourced. Without resource, it becomes exclusion by another name.

Finally, we must support local government to do its job. That means reforming a system where private SEND providers, too often backed by hedge funds, extract eye-watering profits. I have heard in my own area of fees being charged in excess of £130,000 a year for access to independent private provision—more than double the average cost of educating a child with special educational needs. That is not an attack on the independent sector, but it is an attack on profiteering on the backs of the most vulnerable.

Monica Harding: Does my hon. Friend agree that it is very difficult to measure accountability in these schools? Where does accountability sit, and how do parents know that their children are achieving in those schools?

Dr Pinkerton: Accountability is very often opacity. I have certainly seen examples of schools charging those fees I have just mentioned, in excess of £130,000 a year, with extremely opaque governance structures, so I am grateful for my hon. Friend's intervention.

We also need a fair funding guarantee and ringfenced central support for every child whose assessed needs exceed a defined cost threshold. Councils should never

be forced to choose between their budgets and a child's future. I say to the Minister, in the spirit of cross-party support and in the desire to ensure a better system for the future, "We share your concern about the broken system—but any reform must start with strengthening rights, not dismantling them." That is why the Lib Dems are calling for a new national SEND body, an independent commission to oversee the most complex cases, guarantees of fair funding and performance tracking across England.

I hope that we can come together across this House to publish a White Paper within three months, with clear timelines, resourcing and genuine co-production with parents and families. We need to extend the high-needs deficit override until councils are properly supported. Let us open every delayed special school in this Parliament, so that no child is left without a place. We must seize this opportunity, this moment, to get SEND reform right, before any more children are failed in Surrey or across these isles.

10.39 am

Rebecca Paul (Reigate) (Con): It is an honour to serve under your chairmanship, Sir Edward. I thank the hon. Member for Tunbridge Wells (Mike Martin) for obtaining this important and very timely debate on SEND provision in the south-east. First, I draw Members' attention to my entry in the Register of Members' Financial Interests, as I am a serving Surrey county councillor. I was also a member of the Public Accounts Committee during its inquiry on support for children and young people with special educational needs.

SEND support in the south-east is in crisis. Children are not getting the support that they are legally entitled to at the right time, which is driving poorer outcomes and putting untold stress on families. My inbox, like those of many Members here, is full of examples: parents battling to secure much-needed support for their child to thrive, yet facing incompetence and fundamental misunderstandings of the law by the council; carers forced to give up work to stay at home with their child while they languish without school provision; and families driven to the brink of despair by the adversarial system. Those issues must be addressed, and fast, for the sake of our children and their loved ones.

Despite significant increases in recent years in SEND funding, to £10.7 billion, there has been no consistent improvement in outcomes for children and young people since 2019. Only half of EHCPs are issued within the 20-week statutory deadline, resulting in children having to wait too long for support. Shockingly, in about 98% of cases that go to a tribunal, the tribunal finds in favour of the family, indicating that something is going very wrong in the original decision-making process. It is clear that the overall system is not fit for purpose and is inadequately funded, making local authorities' already difficult job in this area even harder.

Worryingly, a statutory override system has been put in place, which essentially allows the ever-growing SEND deficit on local authority books to be ignored. According to the recent Public Accounts Committee report, nearly half of all English local authorities are at risk of "effectively going bankrupt" when the statutory override ends.

Peter Swallow: Will the hon. Member give way?

Rebecca Paul: I will not, because of the time—we all have lots of questions for the Minister that we want to get through.

The statutory override was due to end in 2026, but the Government have decided to extend that accounting trick for another two years. I cannot emphasise enough to the Minister that we are on the brink of a financial disaster in local government. Accounting fudges only delay the inevitable and make the problem even worse—and it will not just be SEND services impacted when local authorities are issuing section 114 notices; it will be all local authority services.

Before I put some questions to the Minister on her proposed changes to the SEND system, I want to address some of the issues raised about Surrey county council specifically. Members have already laid out clearly some of the challenges experienced by Surrey parents trying to secure SEND support for their child. I too share their concerns and agree that that is unacceptable. Like them, I have spent much time grappling with the council to ensure that it delivers the right support to children in Reigate, Redhill, Banstead and our villages, so I have seen at first hand deadlines being missed, information being withheld, decisions being delayed and essential support not being provided. Although I recognise the challenges and pressures on the council from an insufficiently funded and less than optimal system, the fact is that the law is clear on support for children with SEND.

I thank parents and groups that have fought hard in recent years to shine a light on the issues both in Surrey and beyond. I want to make special mention of the Let Us Learn Too campaign, whose founder, Hayley Harding, is one of my constituents. That important campaign started in 2021 and has sought to raise as an issue the difficulties that disabled people and young people have been experiencing in accessing education. It is important to say that they were extremely disappointed at the lack of detail coming out of the hearing of the Education Committee on 1 July about the forthcoming changes.

To return to the situation in Surrey specifically, I welcome the recent appointment of Councillor Jonathan Hulley with a specific focus on addressing the issues and delivering a better, more effective SEND service. One of his first actions has been to propose boosting the future annual SEND budget by 42% in order to substantially increase staff. As part of the plans, the number of caseworkers will be increased from 81 to 111, resulting in caseloads being reduced from over 200 per staff member currently to 150. Also, 30 new assessment officers will be put in place to support families during the 20-week process, and a mediation and dispute resolution officer team will be established to support early resolution of cases where mediation or a tribunal has been requested. The proposals will increase SEND staff by 103 permanent positions—an 80% overall increase in SEND staff. That is all very positive, and I welcome Surrey's actions to address the issues raised, but we are still in the dark about national reforms and how they might impact plans such as those at local authority level.

Without firm information, we see speculation starting. Last week, the future of SEND support was splashed across the front pages of three national newspapers. Despite the off-the-record briefings from the Department, Government Front Benchers have failed to give parents

[Rebecca Paul]

any reassurance on their plans. Parents are rightly anxious about what any change could mean for their child and the support they are entitled to.

I have a series of questions for the Minister. When will we finally see the White Paper? Does she anticipate a change to the Children and Families Act 2014 as a result of the Government's proposed reforms? Can she confirm that no parent or child will have their right to support reduced, replaced or removed as a result of her planned changes? Will EHCPs be part of the plan going forward?

Will there be any new capital funding for new special schools, or does the Department plan to build capacity in mainstream schools? Is the Department engaging with parents, schools, colleges and local government leaders ahead of the publication of the White Paper to ensure their support? Will the White Paper include reforms to school transportation? Is work under way in the Department to look at early identification, and what role will support staff and access to specialist interventions, such as speech and language therapists and educational psychologists, play? Given that any changes will be a worry to many constituents up and down the country, can the Minister confirm today that MPs will be given a chance to vote on any proposed changes? I will now allow time for the Minister to go through that list of questions.

10.46 am

The Minister for School Standards (Catherine McKinnell): I congratulate the hon. Member for Tunbridge Wells (Mike Martin) on securing this debate about an incredibly important subject. He, like many others here today, has a real interest in supporting families in his constituency to navigate the complex and challenging special educational needs and disabilities system. I know that he has met with the regional director for the south-east, Dame Kate Dethridge, to raise directly with her the concerns on a local level.

I want to be clear from the outset that improving the SEND system is a priority for this Government. I have to say that I was a bit surprised by the speech made by the hon. Member for Reigate (Rebecca Paul) and what appeared to be some amnesia about the record that has been inherited. I appreciate that people do not want to talk about the past; they want to talk about the future and how we are going to fix it, and that is what we are focused on. However, we have to be careful to put this issue into the context of the huge challenge that we are currently facing and the absolutely abysmal legacy. It was put on the "too difficult" pile for far too long—it was somebody else's children who were facing these challenges.

We grasped the issue immediately on coming into Government and are determined to deliver on it because we want all children to receive the right support to succeed in their education and lead happy, healthy and productive adult lives. That message came across clearly in the contributions today. The first thing we did when we came into Government was move the responsibility for special educational needs into the schools group within the Department and into the role of the Minister for Schools because we recognise that

that is where the challenges lie. However, it is also where many of the chances to turn around opportunities for children lie.

In recent weeks and months—indeed, since I took this role—we have engaged with and listened to children, young people and parents. We have sought to understand what they want to see change and how we can together co-produce an education system that will lead to better experiences for them and their children and fundamentally drive improved outcomes for children. For too long, the attainment gap between children with special educational needs and their peers has been too large. It is pervasive and has not shifted in the right direction at all.

For example, last month we joined 80 parents at a meeting of the National Network of Parent Carer Forums steering group, alongside key representatives from the Disabled Children's Partnership, to listen to the current challenges and what they want to see change. We plan to do more of that in the lead-up to publishing the schools White Paper in the autumn, and we will continue to listen beyond that. It is important that we co-produce any reform of the system so that we rebuild the trust of children, parents and families—a trust that has been so badly broken over the past 14 years.

Dr Lauren Sullivan (Gravesham) (Lab): What I have heard from parents in Gravesham, and what I know from my time on Kent county council, is that we have sleepwalked into this crisis. For decades, we have not been listening to the needs of young people. Parents simply want a lawful system—one applied lawfully, with support given at the right time. Will the Minister give some assurance that that is coming soon?

Catherine McKinnell: Yes, we absolutely recognise that the current system is really difficult for parents, carers and young people to navigate, and it is not delivering the outcomes we want to see. While we will set out the longer-term approach to reform in the schools White Paper in the autumn, we are clear that the changes we make must improve support for families, stop parents from having to fight for that support and education, and protect the effective provision already in place. We have given that reassurance. We know that sustainable reform will take some time, but we have already begun the work to ensure that children and young people are getting the support they need.

We have introduced the regional improvements for standards and excellence advisers to work with mainstream schools, where we know outcomes need to be better. We want to ensure that all pupils in those schools can achieve and thrive, whatever their background, so we are targeting the support where that challenge is currently greatest. I recently had the opportunity to see that in action in Kent, when I visited Astor secondary school in Dover with Sir Kevan Collins. We met school and trust leaders, as well as the RISE adviser and the supporting organisation, Mulberry Schools Trust. We listened intently to the school's experience of the programme so far. It is early days, but looking incredibly positive and it was good to see that support being put in place for schools that have been struggling for far too long.

We are also building a robust evidence base on what works to drive inclusive education, including through the creation of the expert advisory group for inclusion, led by Tom Rees. We are extending the partnerships for inclusion of neurodiversity in schools—the PINS

programme—to a further cohort of around 1,200 additional mainstream primary schools, to build that teacher and staff capacity to identify and better meet the needs of neurodivergent children in mainstream primary schools. The programme is supported by the Department for Education and the Department for Health, because we absolutely recognise the challenges outlined by a number of hon. Members, including my hon. Friends the Members for Worthing West (Dr Cooper) and for Rochester and Strood (Lauren Edwards), about making sure that we work together with the Department for Health where that is needed.

Steve Darling: Will the Minister give way?

Catherine McKinnell: I will, but I am conscious of time and want to respond to all the issues raised.

Steve Darling: Can the Minister provide reassurance on how she is holding health services to account? They can be part of the solution, if they play their part.

Catherine McKinnell: The hon. Gentleman is absolutely right. What we want is a system in which local partners work in partnership. Currently, that is inspected by Ofsted and the Care Quality Commission. I will come to the particular examples in Kent and the south-east that hon. Members have raised.

We want to support and challenge local authorities and health authorities to ensure that partnership is real, working and—most of all—delivering outcomes for children. Everything we do is focused on improving those outcomes, which is why we are prioritising early intervention and inclusive provision. We know that early intervention prevents unmet need from escalating. It supports children to achieve their goals alongside their peers, and we have a clear target for more children to meet their early development goals. We are absolutely laser-focused on improving those outcomes for children.

On accountability and inspection, Ofsted and the Care Quality Commission jointly inspected the local SEND provision. I read with great concern the inspection reports for Oxfordshire and Bracknell Forest, both of which have been inspected under the new Ofsted-CQC framework. They identified significant concerns about the experiences and outcomes for children with SEND in the local areas. The issues that have been raised are incredibly serious, and DfE officials and NHS England advisers are meeting regularly with leaders and representatives from schools, colleges and parent-carer forums to continue to review and challenge the progress against the improvement plans.

The Department has also appointed SEND advisers to provide advice and challenge to local leaders. That is happening in Bracknell Forest, Kent, Surrey, Slough, Oxfordshire, West Sussex, Medway, Milton Keynes, and the Isle of Wight. There are also additional packages of support to provide training and advice in those local areas. It is vital that rapid action is taken to improve SEND services where weaknesses are identified, and that leaders accept collective responsibility and accountability for delivering on these improvements. There is a relentless focus on driving improvement, supporting where we can and where necessary, but also ensuring that good practice, where it emerges, is spread. That is what we want to focus on with our reforms.

The number of education, health and care plans has increased each year since they were introduced in 2014. As of January 2025, there were over 630,000 children and young people with an EHCP—an increase of 10% in the last year alone. As a result of flaws and lack of capacity in the system to meet lower-level need, additional strain has been placed on specialist services, which has had a detrimental impact on families' experiences of accessing support and contributed to creating an unsustainable system.

Many parents feel that the only way they can get any support for their child is by going through the EHCP process. However, independently published insights show that extensive improvements to the system, using early intervention along with better resourcing of mainstream schools, could create much better outcomes for children. I know that is what many constituents want to see, including those of my hon. Friends the Members for Aylesbury (Laura Kyrke-Smith) and for East Thanet (Ms Billington).

The insights show that more children and young people could have their needs met in a mainstream setting, rather than a specialist placement. That would ensure that they could go to school locally and help to tackle some of the incredible transport challenges and costs, as well as the time that young people spend travelling around. They should be able to go to their local school. We also know that it takes a vast workforce, from teachers to teaching assistants, early years educators and health professionals, to help children thrive. We are investing of each one of these to improve outcomes and experiences across the country.

As my hon. Friend the Member for Brighton Kemptown and Peacehaven (Chris Ward) said, high-quality teaching is central to ensuring that pupils with SEND are given the best possible opportunities to achieve. That is why we are implementing a coherent offer of high-quality teacher development for all teachers. It begins with their initial teaching training and goes into their early career teaching support, so that all teachers have the right skills and support to enable them to support students with special educational needs. It will enable teachers to identify those needs and to signpost if needed, as well as to adapt their teaching according to different learning abilities.

Sir Edward Leigh (in the Chair): Order. The Minister needs to give the Member in charge some time to respond.

Catherine McKinnell: Okay, Sir Edward.

I take the points about the specialist teaching workforce, and how we need to invest in that.

Finally, on increasing the capacity in the system, we have already allocated £740 million to capital funding for high-needs capital allocations. Kent county council has been given £24 million as part of that funding. The funding is to create additional capacity in the system to ensure that mainstream inclusion can be a reality for schools—the capital allocation is there to make that happen.

I thank the hon. Member for Tunbridge Wells again for bringing forward this debate. My final word, as always, goes to those working across the education, health and care systems in the interests of our children and young people, both in Kent and the south-east and

[Catherine McKinnell]

right across the country. They want to deliver the best for our children, and we as a Government want to support them to do so. I thank the hon. Member for bringing this matter to the House.

10.59 am

Mike Martin: I thank the Minister for her remarks, as well as the shadow Minister, the hon. Member for Reigate (Rebecca Paul), and the Lib Dem spokesperson, my hon. Friend the Member for Surrey Heath (Dr Pinkerton).

I thank the hon. Members for East Thanet (Ms Billington), for Strangford (Jim Shannon), for Aylesbury (Laura Kyrke-Smith), for Farnham and Bordon (Gregory Stafford), for Brighton Kemptown and Peacehaven (Chris Ward), for Chatham and Aylesford (Tristan Osborne), for Bracknell (Peter Swallow), for Worthing West (Dr Cooper) and for Rochester and Strood (Lauren Edwards) for their comments. I also thank my hon. Friends the Members for Horsham (John Milne), for Mid Sussex (Alison Bennett), for Torbay (Steve Darling), for Lewes (James MacCleary) and for Winchester (Dr Chambers).

There is a lot of commonality here; this is not a particularly party political issue. I say to the Minister that we all wish her well in these reforms. We want them to work, and we hope that this debate has been constructive in giving her a greater understanding of the issues that our constituents face.

Question put and agreed to.

Resolved,

That this House has considered SEND provision in the South East.

Women and Girls with Autism: Mental Health Support

11 am

Sir Edward Leigh (in the Chair): I will call Jessica Toale to move the motion and then call the Minister to respond. I remind other Members that they may make a speech only with prior permission from the Member in charge of the debate and the Minister. As is the convention for 30-minute debates, there will not be an opportunity for the Member in charge to wind up.

Jessica Toale (Bournemouth West) (Lab): I beg to move,

That this House has considered mental health support for women and girls with autism.

It is a pleasure to serve under your chairmanship, Sir Edward. I am grateful to have secured this debate today to discuss a matter of deep importance for one of my Bournemouth West constituents, Lindsey Bridges, as well as the thousands of families across the country affected by the failings in our mental health and autism care system. I rise today not only as a Member of Parliament, but as a voice for Lindsey and her daughter Lauren, known as Lolly to her friends and family, who is no longer here to speak for herself.

Lauren was just 16 when she died. She was a bright, compassionate young woman, and a straight A student who dreamed of being a doctor or a paediatric nurse. She was also autistic, and like many girls and young women with autism, she faced serious challenges getting the support she needed. In 2021, Lauren was detained under the Mental Health Act 1983. She was placed in an in-patient unit in Manchester six hours from her home in Bournemouth. As a result, her mental health deteriorated severely. In February 2022, Lauren went into cardiac arrest and died in that unit. Her mother Lindsey had begged for her to be moved closer to home, but her pleas went unheeded. This is not an isolated incident. Like too many others, she was let down by a system that promised care but failed in that promise.

Andrew Cooper (Mid Cheshire) (Lab): My heart absolutely breaks hearing the story about Lauren—it is awful. Many autistic women and girls are undiagnosed, misdiagnosed or diagnosed late in life due to the outdated belief that autism mainly affects males. As a result, many women receive mental health treatments for conditions they do not have, including treatments that could be ineffective or even harmful. These diagnostic failures can seriously affect mental wellbeing and may explain high rates of depression in that group. Does my hon. Friend agree that the healthcare system must adapt to better identify and support autistic women and girls early on, prevent misdiagnosis and improve mental health outcomes?

Jessica Toale: Absolutely. There are now more than 2,000 people with learning disabilities and/or autism detained across the UK in in-patient units similar to the one that Lauren was held in. They are often far from home, cut off from their families and placed in highly restrictive environments that frequently do more harm than good. Lauren's case is heartbreaking, but it must

also be a turning point, which is why Lindsey is campaigning for Lolly's law and why I am bringing this campaign to the House today.

Lolly's law proposes four urgent reforms that could prevent future tragedies. The first is mandatory retraining for psychiatric professionals and support staff so that they have a proper understanding of how autism presents in girls and women. Too often those young women are misdiagnosed with personality disorders or wrongly pathologised.

Jim Shannon (Strangford) (DUP): I commend the hon. Lady for securing this debate. She is absolutely right to highlight the issue. It is very hard to listen to because the particular circumstances are so personal. Numerous studies have shown that girls and women are more likely to internalise the stress and anxieties that come with autism, whereas boys are likely to be more openly tempered or passive-aggressive. That is a statement rather than an observation. Does the hon. Lady agree that we could work more closely with teachers in schools and other individuals to ensure that young girls struggling with autism have support in the educational system to externalise some of their stress?

Jessica Toale: It is obvious that women tend to mask symptoms of autism more and that they present very differently from men. Our medical system is not set up to properly diagnose it in women.

The second proposal of Lolly's law is a reassessment of personality disorder diagnoses where autism might be missed. There needs to be a national reassessment programme to identify cases of misdiagnosis and provide appropriate support for those affected. The evidence already shows that where female in-patients are diagnosed with emotionally unstable personality disorder and/or eating disorders and are reassessed for autism, 100% of them receive a diagnosis for autism.

Thirdly, specialist suicide prevention and self-harm teams must be available in all mental health units for vulnerable young people. These should be multidisciplinary teams trained specifically in females with autism. Finally, anti-ligature doors and safety infrastructure must be mandated across all in-patient mental health facilities. These are basic safeguards that can and do save lives.

Lindsey has set up a petition for Lolly's law, which has already gathered 225,000 signatures—clear proof of the public demand for action. She has also developed a training course for child and adolescent mental health services professionals, solicitors and others involved in mental health decision making, which has been positively received by those who have seen it.

Afzal Khan (Manchester Rusholme) (Lab): We understand that girls with autism are more likely to be underdiagnosed or misdiagnosed. Without appropriate and tailored support, those girls can face unnecessary distress, particularly in the school setting. Does my hon. Friend agree that we should ensure teachers and other professionals are given the correct training to better understand autism?

Jessica Toale: Clearly, we need better training across many of our institutional settings. This is in part where Lindsey has put together the training course, which I hope she will be able to discuss with the Minister at

some point. Lindsey is also backed by the Children and Young People's Mental Health Coalition, Emotional Dysregulation Autism, the Abbey clinic and many other respected voices in this space.

Let me be frank. The current system is failing young people with autism. The number of people in long-term institutional care remains stubbornly high. It fails to distinguish between autism and other mental health illnesses. It overuses restraint and seclusion and separates children from their families, often for extended periods. It is a system that punishes difference rather than supports it. It is indefensible. Families are exhausted. Parents like Lindsey are forced into campaigning roles they never asked for, because they have been let down so completely by the very institutions meant to protect their children.

Rachel Taylor (North Warwickshire and Bedworth) (Lab): One of the toughest challenges that autistic women and girls face is misdiagnosis and late diagnosis, so girls' problems go unnoticed. Parents in my constituency frequently tell me how frustrating and exhausting it is for them and their families to try to get the support and diagnosis that their daughters need. Does my hon. Friend agree that too often young women get a late diagnosis and are left wondering how life could have been so much different if they had got that support earlier?

Jessica Toale: I absolutely agree with my hon. Friend. There are far too many families across the country left fighting for their children and, like Lindsey, having to take up campaigning roles, which are clearly exhausting.

Will the Minister and the Government back Lolly's law and commit to a formal review of autism diagnosis pathways for girls and women, with particular attention paid to those currently diagnosed with personality disorders? Will the Department of Health and Social Care mandate anti-ligature safety standards across all NHS and private health in-patient units, and develop specialist suicide and self-harm prevention teams in children's in-patient care? If not, will the Minister consider piloting some of those schemes? Will she agree to meet Lindsey Bridges, hear her proposals directly and consider supporting the formal introduction of Lolly's law as part of a broader strategy to transform in-patient care? Finally, will the Government review the current use of out-of-area placements and set targets for their reduction?

Lolly's law is not radical; it is responsible. It is about safeguarding and justice for those families. It is about listening, learning and delivering reform, so that nobody is failed again like this and no more lives are lost. It is within our power to build a system where care means connection, not containment, and one that understands autism rather than punishes or isolates those living with it. It would be a system where families are partners in care, not visitors trying to navigate a maze of red tape, and where features such as anti-ligature doors are not considered nice to have but essential.

Lindsey's courage in the face of unimaginable loss is truly moving. I am here to stand beside her in calls for change. Lauren should still be here and we owe it to her and every young person like her to build a system that sees, supports and safeguards every child, not just in words but in actions.

11.10 am

The Minister for Secondary Care (Karin Smyth): It is a pleasure to serve under your chairmanship, Sir Edward. I am grateful to my hon. Friend the Member for Bournemouth West (Jessica Toale) for securing this debate and raising this extremely important topic. We know that, sadly, autistic people are at the wrong end of statistics on a range of mental health conditions: 70% to 80% of autistic people will experience mental health problems during their lives, and tragically many are more likely to die by suicide.

We have heard the devastating impact that can have on individuals and families. I pass my heartfelt condolences to my hon. Friend's constituent, Ms Bridges, on the loss of her daughter. My hon. Friend spoke of the campaign for Lolly's law, and I commend her for her tireless work to ensure that autistic people get the mental health support and treatment they deserve. As my hon. Friend said, that is exhausting, and too many parents are forced into campaigning roles. As she rightly said, Lauren should still be here.

It is clear that the number of autistic people and those with a learning disability who are in mental health hospitals is unacceptable. There are still too many people being detained who could be supported to live well in their communities. We want to ensure that people get the support they need in the community, improving care and keeping people out of hospital. The Mental Health Bill, currently before Parliament, would limit the scope to detain autistic people and those with a learning disability, so that they can be detained under part 2 section 3 only if they have a co-occurring mental disorder that requires hospital treatment.

The Bill would also introduce a package of measures to improve community support for autistic people and those with a learning disability. It is also critical, however, that when autistic people do need to be admitted to mental health in-patient settings, due to a co-occurring mental health condition, they receive the right care and support.

Alison Bennett (Mid Sussex) (LD): My constituent, Annabel, who is a teenager, has parallel experiences to Lolly, as set out by the hon. Member for Bournemouth West (Jessica Toale). She also had a terrible experience being detained in a secure unit, which her parents did not think was safe. Does the Minister agree that when teenagers—children—are detained in secure units, more needs to be done to ensure that they are safe and fit for purpose to protect those children's welfare?

Karin Smyth: The hon. Lady raises another terrible case concerning a teenager on behalf of her constituent. We must of course be mindful of that provision for children and young people. My hon. Friend the Member for Bournemouth West spoke of her constituent's campaign to retrain mental health staff, to improve understanding and acceptance of autistic women and girls. As we have heard, we know there can be differences in how autism presents in males and females, which can make autism harder to identify in girls.

Rachael Maskell (York Central) (Lab/Co-op): I am grateful to my hon. Friend the Member for Bournemouth West (Jessica Toale) for securing the debate. Will the Minister ensure that mental health trusts and integrated care boards do not put people waiting for an autism

assessment through a process of filling in a pro forma, only to be left languishing on a list, perhaps never having an assessment? We know the predominance of young women on those lists, yet the right support in the right way never comes. Will the Minister ensure that that process is brought to a conclusion?

Karin Smyth: I will come on to talk about what we expect local providers to do, but obviously no one should languish on a list as she describes.

Dr Lauren Sullivan (Gravesend) (Lab): In the new training regimen, can we please ensure that parents are believed? Young women and young girls often mask very well in schools where all the professionals are, but then at home they can explode and have meltdowns. Some parents are not believed at that stage. Will that also be included in the new training guidelines?

Karin Smyth: My hon. Friend makes an excellent point about carers. We should address that. She made an excellent point about support for parents wanting to support their own children. With regards to training, we are taking action to increase awareness and understanding of autism in health and adult social care services. Under the Health and Care Act 2022, providers registered with the Care Quality Commission are required to ensure that their staff receive specific training on learning disability and autism appropriate to their role.

To support that, we have been rolling out the Oliver McGowan mandatory training on learning disability and autism to the health and adult social care workforce. The first part of the training has now been completed by more than 3 million people. NHS England has also rolled out additional training across mental health services, and 5,000 trainers have been trained as part of the national autism trainer programme. That training covers autism representation in women and girls, as well as exploring misdiagnoses, including of personality disorders, for example. These trainers will cascade their training to teams across mental health services. NHS England also commissioned the Royal College of Psychiatrists to deliver the national autism training programme for psychiatrists, with over 300 psychiatrists having been trained in the past three years.

My hon. Friend the Member for Bournemouth West spoke about her constituent's campaign on suicide prevention. We have committed as a Government to tackling suicide through the suicide prevention strategy for England. It identifies autistic people as one of a number of groups for tailored or targeted action at a national level. To support that, the Department, through the National Institute for Health and Care Research, has commissioned a review to understand what is known about the effectiveness, cost-effectiveness and experience of interventions to reduce suicide among autistic people.

More broadly, we also know that autistic people can face challenges in accessing mental health services. While it is the responsibility of local NHS bodies to ensure services meet the needs of their local populations, we are taking actions to support them to address the challenges that autistic people face. In addition to the training I have outlined, NHS England has published guidance on how to improve the quality, accessibility and acceptability of care and support for autistic adults to meet their mental health needs, as well as taking guidance on adaptation of NHS talking therapies for autistic people.

NHS England has also developed a reasonable adjustment digital flag, which enables the recording of key information about a patient and their reasonable adjustment needs to ensure that health support can be tailored appropriately. We are taking action to support early intervention and improve access to mental health services more broadly. Through the 10-year health plan, we will continue to roll out mental health support teams in schools and colleges to reach full national coverage by '29-30. We will also ensure that support for the mental health of children and young people is embedded in the new young futures hubs, alongside a wellbeing offer to ensure that there is no wrong front door for young people seeking help.

Afzal Khan: Clearly, there are issues on the school side. Without tailored support, accessible information and properly funded SEND pathways, too many girls are being left behind, often resulting in mental health difficulties and poor educational outcomes. Does the Minister agree that urgent investment in SEND support in schools is needed, alongside reforms that recognise the different ways that autism presents in girls?

Karin Smyth: I understand that the previous debate was on SEND; I am sure my hon. Friend will pick up that point with the relevant Minister. As I have said, we are rolling out more support into schools, so that should join up to support those young people.

We are also transforming mental health services through the 24/7 neighbourhood mental health centres, to support our ambition to shift care from hospitals to communities. People will also get better direct access to mental health support and advice 24 hours a day, seven days a week through the NHS app, without needing a GP appointment. Our ambition is that, through improving access to mental health support in the community, we will prevent the escalation of mental health needs for all people, including autistic people.

My hon. Friend the Member for Bournemouth West asked a number of questions that I hope I have largely addressed. Regarding anti-ligature doors and specialist

suicide prevention for in-patient units, I know that she has received a letter from the Department. I will make sure that officials provide a more thorough answer on the issues outlined in that request. She also raised the issue of the transformation programme, and support for and work with families. We have committed to developing a new national autism strategy to help support the direction of local systems to include families. I will ask officials to consider the specific issues that my hon. Friend raised, and make sure that she gets an answer.

I also assure my hon. Friend that, on out-of-area placements, ICBs have published plans to localise in-patient care under the national in-patient commissioning framework. To support that, we have allocated £75 million in this financial year to help stop mental health patients being sent far away for treatment. I know from my own constituency work that that is an issue of great concern. We will make sure that we are focused on it.

I am happy to request that the Minister responsible for this policy area, my hon. Friend the Member for Aberafan Maesteg (Stephen Kinnock), meet my hon. Friend the Member for Bournemouth West and her constituent. I know that he wanted to attend this debate, but could not do so for family reasons. We will get that meeting in train.

I again thank my hon. Friend for raising such an important issue, and recognise the tireless efforts of her and her constituent to raise awareness of mental health needs, and the need for support for autistic women and girls. I also thank all hon. Members in this debate who raised issues on behalf of their constituents. This is a really important issue for many of us, and I hope that my comments have gone some way to assure people that we take it very seriously, and are committed to working with them to make life better for people.

Question put and agreed to.

11.21 am

Sitting suspended.

West Coast Main Line

[DR ANDREW MURRISON *in the Chair*]

2.30 pm

Connor Naismith (Crewe and Nantwich) (Lab): I beg to move,

That this House has considered the future of the West Coast Mainline.

It is a pleasure to serve under your chairship, Dr Murrison. I am grateful for the opportunity to lead this important debate. As I look around the room, I see a large number of MPs from different parts of the country, reflecting the significance and length of this stretch of railway. However, it is clear that the line faces critical problems both now and in the future, as I hope to outline in the debate.

For me and, I imagine, many of the other MPs here, “critical problems” on the west coast main line are experienced by each of us, and indeed many of our constituents, every day. As fate would have it, in the very week when I have secured this debate, the west coast main line was affected by a day of disruption yesterday that impacted my journey to Westminster from Crewe, with issues between Stoke-on-Trent and Rugby affecting the line all day. Indeed, a meeting I was due to have earlier this afternoon was disrupted because the person I was due to meet could not get here on time.

In case Members were not already aware, the west coast main line is the beating heart of our national rail network. It runs 400 miles from Edinburgh and Glasgow, through Crewe and all the way to London Euston. It links the south-east to the north-west, Wales and Scotland. Not only does it serve more than 75 million passengers a year, but more than 40% of the UK’s rail freight moves along the route. That is nothing short of seismic—a point expanded on brilliantly in the Aslef trade union “Rail Freight Future” campaign, which I am proud to support. Outside of London, it is probably the UK’s most important rail line, and it is the busiest mixed-use railway in Europe, but unfortunately it has been left with no strategic vision or plan for future capacity shortages.

Rachel Taylor (North Warwickshire and Bedworth) (Lab): I thank my hon. Friend for securing this important debate; we sometimes share journeys to and from Westminster. The whole point of High Speed 2 was to relieve capacity on the west coast main line from London to Birmingham, Manchester and Leeds, yet my constituents have suffered through years of endless delays and disruption because of HS2’s shocking mismanagement by successive Conservative Governments. Expanding villages in my constituency cannot be served by the line because of continual failure, and passengers are still stuck on overcrowded trains. Does my hon. Friend agree that this is simply not good enough and that the future of the west coast main line must ensure our constituents can travel without constant disruption and overcrowding?

Connor Naismith: My hon. Friend is absolutely right to say that the primary purpose of HS2, on which I will expand later, was to deliver much-needed capacity on the line. Unfortunately, the Government inherited from the previous Conservative Government a worst-of-all-worlds situation in which we are not delivering on the capacity

benefits that HS2 was due to provide while also leaving residents on safeguarded land with a lack of certainty and, in many respects, failing services. That is simply intolerable, so my hon. Friend is right to highlight it.

Jo Platt (Leigh and Atherton) (Lab/Co-op): I thank my hon. Friend for securing this important debate; I too travel on the west coast main line. Does he agree that there is a common public misconception that HS2 was just about faster train journeys to London, when in reality it was about capacity issues? Does he also agree that the project should have started in the north, where the need is the greatest, so scrapping phases 2a and 2b to Manchester has robbed our region of the chance to improve local services, to support freight and to deliver the levelling up we were promised?

Connor Naismith: My hon. Friend is correct. It is fair to say that “High Capacity 2” would not have had the same ring to it as High Speed 2, which is potentially why we have ended up with the situation we are in, but she is absolutely right that capacity was the main benefit. The cancellation of the project north of Birmingham exacerbates the sense that we can deliver major infrastructure projects in London and the south-east, but it is always the north that loses out when it comes to decisions about cost savings.

Outside of London, the west coast main line is probably the most important rail line in the UK. Covid provided a brief respite for capacity challenges, but passenger numbers are already back at 98% of pre-covid levels and are growing at 13% annually.

Aphra Brandreth (Chester South and Eddisbury) (Con): I thank the hon. Gentleman, my constituency neighbour, for securing the debate. Many people in Chester South and Eddisbury rely on the west coast main line, but unless they have a car it is a real challenge for them to reach a station easily and join the line, because there is a lack of public transport options. Does the hon. Gentleman agree that we need not only to promote the west coast main line and improve capacity, but to recognise that plenty needs to be done locally to support transport and connectivity within Cheshire, so that our constituents can benefit from the national links that the west coast main line offers?

Connor Naismith: I thank the hon. Member for that intervention; it is an understated point, but connectivity is the lifeblood of our economy. If someone cannot get from A to B, they cannot access the opportunities on offer. As well as improving key arterial rail routes like the west coast main line, we need to see local services to smaller stations improve.

Dr Allison Gardner (Stoke-on-Trent South) (Lab): As my hon. Friend will know, Stoke-on-Trent sits on a side branch of the west coast main line that feeds a conurbation of over 400,000 people, many of whom work in and travel regularly to Manchester, London or Birmingham. Does he agree that any future development of the line must not impact negatively on direct services from Stoke-on-Trent to London and from Stoke-on-Trent to Manchester, which previous plans for HS2 threatened?

Connor Naismith: I agree with my hon. Friend that we should be in the business of improving services for our constituents, so we must, wherever possible, ensure that we protect direct services in whatever plans we bring forward in the future.

The challenge is clear, because the west coast main line is statistically the least reliable railway in Britain, with fewer than 50% of the trains running on time—a situation that will only get worse.

Tim Farron (Westmorland and Lonsdale) (LD) *rose*—

Wendy Morton (Aldridge-Brownhills) (Con) *rose*—

Connor Naismith: I am spoilt for choice, but I will take an intervention from the hon. Gentleman first.

Tim Farron: The hon. Gentleman is making an important speech and I thank him for his leadership on this issue. On reliability, I understand that there are 2,639 railway stations in the United Kingdom. The fifth least reliable of them is Oxenholme and the third least reliable is Penrith. Obviously, they have one thing in common, apart from serving my constituency, which is that they are both north of Preston. The hon. Gentleman might know that Avanti has a habit whereby if there is anything wrong with the line north of Preston, everything stops at Preston, even if the issue is in Scotland. Does he agree that that is wrong? Does he also agree that although Avanti should rightly be held to account for making such decisions, it is not all Avanti's fault, because it is often down to the fact that the rail track itself is not properly maintained and there has not been enough investment in it? Does the hon. Gentleman agree that that should also be a priority for the Government?

Connor Naismith: I absolutely agree with the hon. Member. I do not often have to travel north to his constituency on the railway, but I have heard from several colleagues about the particular issues on that part of the line. He is absolutely right that although we should hold the operators to account, Network Rail needs to address key infrastructure issues.

Wendy Morton: I acknowledge the hon. Gentleman having allowed the hon. Member for Westmorland and Lonsdale (Tim Farron) to intervene first, given that the latter is fortunate enough to have a train station on his patch!

You may wonder, Dr Murrison, why I am here for this debate when normally I am campaigning for Aldridge station, but connectivity is the point. We are talking about infrastructure and how we can make our railways much more reliable. We recently had the re-announcement of the funding for the midlands rail hub, which is welcome. Does the hon. Gentleman agree that it would be helpful now to fully understand the timeline for that, and whether the whole project will be fully funded? That will have a big impact on my constituency, as and when the Mayor allows us to have our train station in Aldridge—when he gives us the money—and we will see a much broader improvement in infrastructure, capacity and speed.

Connor Naismith: I am pleased to hear that we have cross-party support for the crucial improvements for the midlands rail hub that were announced at the spending review. I hope that the Minister will be able to clarify some of the detail that the right hon. Member asked for.

Graham Stringer (Blackley and Middleton South) (Lab): First, the Minister of State in the House of Lords made it clear yesterday that since the cancellation of HS2, there is no plan for capacity. Does my hon. Friend agree that there must soon be a plan to increase capacity, preferably based on something like HS2?

Secondly, the point made by the hon. Member for Westmorland and Lonsdale (Tim Farron) about trains being cancelled north of Preston is true, but although I am sure he did not mean to do so, he seemed to be letting Avanti off the hook. We should remember that not only is Avanti taking many millions of pounds out of the public purse, but it has been caught on tape laughing at the public purse and saying how easy it is to rip off the Exchequer. The sooner Avanti is taken out of the system, even before there are capacity increases, I am sure it will benefit all of us who travel on the route.

Connor Naismith: I wholeheartedly welcome the Government's plan to bring our railway into public ownership, and hope to see the west coast main line brought into public ownership soon.

Wendy Morton: On nationalisation, will the hon. Gentleman give way?

Connor Naismith: I am going to make some progress.

The recent report "Research on Long-Term Passenger Demand Growth", commissioned by the Railway Industry Association, illustrates that rail passenger volumes could grow by between at least 37% and by up to 97% by 2050. Under any scenario, rail demand in the UK will grow beyond today's network, but capacity is not merely a future issue; it sits in our in-tray as a problem that needs solving today. As recently as 3 July, the Office of Rail and Road rejected three open access applications for the west coast main line, citing concerns about capacity.

I think the issues are generally well understood, but perhaps the elephant in the room in terms of the capacity challenges on the west coast main line—it has been touched on already—is the 2023 decision to cancel HS2 phase 2. As has been said, the primary benefit of HS2, despite its unfortunate name, was never speed; it was always about relieving capacity on the west coast main line. That single decision by the right hon. Member for Richmond and Northallerton (Rishi Sunak), then Prime Minister, in a hotel room in Manchester, blew a hole in the UK's approach to addressing future passenger demand on this key UK rail network artery. I urge the Government to make addressing that problem a priority.

The Government have been clear that they are reviewing options in this policy area. HS2 Ltd has a new chief executive, Mark Wild, who is charged with getting phase 1 of the project back on track. He is expected to report on those plans by the end of the year. If Mr Wild can demonstrate that he has addressed the company's previous failings and that he has a credible plan to deliver phase 1 on time and on budget, the Government should reconsider extending the line north of Birmingham under that new leadership.

Alternatively, I again press the Government to look carefully at the proposals developed by the Mayor of Greater Manchester, Andy Burnham; the Mayor of the West Midlands, Richard Parker; and Arup and other stakeholders, namely the midlands-north west rail link. Their report estimates that the plan could deliver 85% of the benefits of HS2 phase 2 at approximately 60% to

[Connor Naismith]

75% of the cost, and that private finance could be leveraged to deliver the project. Crucially, the plan could save the taxpayer approximately £2 billion in costs from the HS2 phase 2 cancellation, through the reuse of much of the land, powers and design work that have already been secured through public investment.

A further option would be to look at remodelling existing stations and investing in infrastructure to relieve capacity problems. Crewe station, for example, causes one of the biggest bottlenecks on the west coast main line. It is recognised that the existing station infrastructure will not keep up with the forecast growth in passenger demand. Among its challenges is the fact that Crewe has a series of unevenly allocated platforms, many undersized for modern, 400-metre-long trains, because the station—which I remind colleagues is a key strategic hub on our rail network—has seen little investment since the 1980s. Yet plans for a new station were shelved with the loss of HS2 and the investment that was to come alongside it. They could be picked back up if the Government wished to do so. Indeed, Cheshire East council still owns the land that it purchased around the station to facilitate that development. A new station could also support wider employment, regeneration and housing needs. Overhauling Crewe station would provide more reliable services between the north-west and the south-west, while also providing more options into Wales.

It would be welcome if the Government committed to improving capacity on the west coast main line. The benefits of improving the route will be felt not only on our railways but on our motorways, in our carbon footprint and in our national growth. Something not always considered when talking about the need for better rail services is the knock-on for freight, car and air travel. Upgrading the main line would enable the Government to hit their target of 75% growth for rail freight. As a result of more freight on the main line, there will be less congestion on our motorways, making them greener and allowing for quicker journey times, while freeing up domestic air travel.

Failure to do anything is simply not an option, so I politely ask the Minister, what will the Government do to flesh out the options that they are considering? When will they produce a plan to tackle this problem? Something has to be done urgently. There is wide-ranging consensus, at least from the conversations that I have had with industry figures, rail operators, trade unions and experts, that doing nothing cannot be an option on the table. I urge the Minister once again to give the west coast main line the attention that it so clearly needs. Let us improve the main line, let us rebuild Crewe station, and let us show people across the north-west that this Government care about their future.

2.48 pm

Navendu Mishra (Stockport) (Lab): It is a pleasure to serve with you in the Chair, Dr Morrison. I congratulate my hon. Friend the Member for Crewe and Nantwich (Connor Naismith) on securing this debate. Unfortunately, I think my contribution will add to the long list of grievances I have against Avanti, but of course the west coast main line is used by other operators as well. I refer the House to my entry in the Register of Members' Financial Interests—in particular, donations from trade unions to my constituency Labour party.

My hon. Friend made the point about the state of Crewe station. The state of Stockport station is not much better. For the last reporting period, 3.8 million entries and exits were made at Stockport station, which makes it a major category B station. The infrastructure at the station is simply not good enough. Often the lift is broken, so people who are disabled or have mobility issues or health conditions are not able to use the services. The main door, which is frequently broken, has been replaced, but the general state of the station is not good enough. I am grateful to the staff members who work there. The facilities they have for their rest breaks or when they change shifts are simply not good enough. With such a high volume of passengers at Stockport station, we need to do better. I urge Network Rail, which owns the station, and Avanti, which manages it, to do far better.

The point has already been made about the private aspect of Avanti. Profits made by Avanti West Coast are turned into dividends for its parent companies, and ultimately their shareholders. In the latest declared accounts for the year to March 2024, Avanti declared that it paid a dividend of £8.1 million to the parent company, FirstGroup, in 2024, and a dividend of £11 million in 2023. That means that a total of £19.1 million has been paid in shareholder dividends in just the last two years, so the point about value for money is quite serious.

I did a little bit of research before coming to this debate. It is just under two hours from Stockport station to Euston if the train runs on time—which is quite rare, to be fair. If travelling from Stockport to Euston during peak hours, an anytime return ticket would cost £386 for an adult, which is ridiculous. The off-peak return is slightly less at £113. The current minimum wage for someone who is 21 or over is £12.21 per hour; for 18 to 20-year-olds it is £10 an hour; and for 16 to 17-year-olds it is £7.55 an hour. Unless someone is a business traveller or has a generous expense account, I am not sure how many people can pay £386 for a standard class ticket for a peak return from Stockport to Euston.

Wendy Morton: Even if someone can afford those prices, current statistics show that in 2024 only 40.6% of Avanti trains were on time, yet under the current Government plans, Avanti will be one of the last to be nationalised. Does the hon. Member agree that somewhere along the line—forgive the pun—we have to see improvement in Avanti's service, for all our constituents?

Navendu Mishra: The data I have says 41.6%—the right hon. Lady is depriving Avanti of a crucial 1%. The service is simply not good enough. A lot of us were told that privatisation would mean more competitive pricing for tickets and greater choice, but what choice do I have if I want to go on a fast train from Stockport to Euston? The only choice I have is Avanti. This is a good opportunity to welcome the plan for Great British Rail that was in the Labour party manifesto last year. But we need to make sure that we learn from the mistakes of privatisation and do not repeat the errors that were made.

Wendy Morton *rose*—

Navendu Mishra: I will come back to the right hon. Lady in a minute. I will just make the point that reliability is far too poor. If we compare the annual

performance for Avanti between April 2024 and March 2025, just 39.9% of Avanti trains were on time, which is a drop of 3.6% compared with the previous year. That is ridiculous. The more we look into the data for Avanti, the worse it gets.

We talk a lot about climate change and global warming. If we want people to use public transport, we need to make sure it is reliable and affordable, and that people can access facilities in cases of health or mobility issues. On the specific aspect of Stockport station, perhaps I should join my hon. Friend the Member for Crewe and Nantwich in his campaign to get his local station rebuilt. I would definitely want the Government to prioritise, with almost 4 million passengers, the Stockport station infrastructure.

I want to make a point about freight. Of course passenger services are important but, as my hon. Friend the Member for Crewe and Nantwich pointed out, around 40% of all UK rail freight uses the west coast main line corridor. We need to think about freight services as well, because we need to take heavy goods lorries off our roads. We must ensure that the freight option is attractive and reliable.

The service known affectionately as the Thunderbird rescue service involves locomotives that sit at strategic locations on the west coast main line in case a train breaks down and they have to come out to shift it. On Friday, when we left the House of Commons after private Members' Bills, I was on the train to Stockport while my colleague was on a different train to Cheshire that broke down because it overheated. That added two extra hours to her journey home. These are serious issues.

The hon. Member for Westmorland and Lonsdale (Tim Farron) made the point that when it comes to maintenance and reliability, Network Rail has let us down. Of course, 14 years of austerity have had an impact on its budget, but there needs to be some accountability for Network Rail. We all want a big stick when it comes to Avanti, but Network Rail bears some responsibility as well.

I could say so much more, but I know that many colleagues want to speak, so I will limit my frustrations to what I have said. I thank my hon. Friend the Member for Crewe and Nantwich.

2.55 pm

Sarah Hall (Warrington South) (Lab/Co-op): It is a pleasure to serve under your chairship, Dr Murrison. I put on the record my thanks to my hon. Friend the Member for Crewe and Nantwich (Connor Naismith) for securing this important debate on a topic that very much affects my constituency.

My constituents in Warrington South are not asking for the moon. They are asking for trains that turn up on time, seats they can find, journeys that do not involve standing room only, and carriages with working air conditioning that does not buckle under the summer heat. Even the basics, like getting food or drink on a six-hour journey from London to Glasgow, are not guaranteed.

Warrington sits at the heart of the west coast main line, and we know the pressures on the network at first hand. The Office of Rail and Road has been crystal clear: the southern portion of the west coast main line has no room for new services. Virgin; Wrexham, Shropshire

& Midlands Railway; and Lumo all had their applications rejected because performance on the line is already stretched to its limits. The Department for Transport estimates that the west coast main line will reach full capacity by the mid-2030s—just 10 years from now—and right now there is no plan.

Let us be honest: the current system is not built for the demand it is trying to serve, and without new, adequate infrastructure it will only get worse. HS2 was supposed to change things. It was meant to unlock capacity not just for shiny high-speed trains but for more local services, more freight and better reliability. Cancelling the northern stretch has not just cancelled a rail line; it has cancelled opportunity for towns like Warrington. It has pushed the bottleneck further north and left our communities behind once again. The Public Accounts Committee, on which I serve, has called this out.

The DFT still does not have a credible plan to manage capacity on the line post HS2, there is no clear strategy for the land now left dormant, and there is no timeline for improving resilience. This is not what good infrastructure delivery looks like and it is not what northern towns were promised. If the Government are serious about bringing growth to all parts of the country, this is where it starts. It means investing in the west coast main line and our rail network, not just patching it up; giving northern communities more than warm words and waiting rooms; and treating places like Warrington, Crewe, Liverpool and Manchester as the backbone of the country's economy.

If the west coast main line fails, the north falls further behind. That is not just bad transport policy but bad economic policy. At the start of this month, I asked the Chancellor what steps her Department was taking to improve the oversight and delivery of major infrastructure projects. The response noted reforms, the streamlining of approvals, the strengthening of assurance and publishing business cases, all of which are welcome. But let us be clear: better paperwork does not build railways. Communities like Warrington need not just more transparency, but more capacity, and we need delivery—

Wendy Morton: The hon. Lady is helping me when it comes to making my arguments about Aldridge train station. On improving capacity, she mentioned some open access lines; does she share my disappointment about the open access bid for a direct route from Wales into Euston? That would have been a game changer for many communities, and also helped with the issue of capacity.

Sarah Hall: We should exploit any opportunities to improve access wherever possible.

As I was saying, communities like Warrington do not just need more transparency. We need more capacity and we need delivery that lives up to the promises we have been given.

2.59 pm

Chris Webb (Blackpool South) (Lab): It is a pleasure to serve under your chairmanship, Dr Murrison. I thank my hon. Friend the Member for Crewe and Nantwich (Connor Naismith) for securing this debate—although I feel it is slowly turning into that famous Monty Python “Four Yorkshiremen” sketch, with all of us declaring our woes with the west coast main line.

[Chris Webb]

My constituency was built by the railway. When trains first arrived in 1846, they transformed a small coastal community into a mecca of British tourism. By 1911, Blackpool Central station was the busiest in the world. By 1936, 650 trains a day moved in and out of our town. It was the golden age for Blackpool, and the golden age for rail travel.

Since then, our train services have drastically changed, but our need for connectivity has not. Whether for access to tourism, education or jobs, Blackpool relies on a railway system that works. Our town welcomes more than 21 million visitors every year, from families to conference delegates and people looking for fun and escapism, as they always have in Blackpool. These people should be able to get to Blackpool without relying on expensive parking or wondering whether their train will arrive on time—or whether it will turn up at all.

A reliable, affordable and frequent rail service would help us to cut emissions and grow the local economy, and it would give our visitors the experience they deserve. A reliable service is also essential for my constituents, especially Blackpool's young people. Far too often, promising young talent is forced to move away just to access better work or education, in a significant brain drain that reinforces Blackpool's many challenges.

A functioning west coast main line would make a daily commute to Manchester, Liverpool or Preston a real option for them, instead of a logistical gamble. It would mean that our talent could stay in Blackpool and still have the world at their fingertips. That is not the reality today. Delays, cancellations and overcrowded trains have become a headache we just cannot shift.

As someone who regularly travels to Parliament on trains from Blackpool, I am sadly all too familiar with the stresses of commuting from our town, which is literally and often figuratively at the end of the line. I hear from constituents every week who have been forced to accept and even expect delays, cancellations and overcrowding. They want action, and without delay.

In 2024, some of the operators serving the west coast main line were missing their timetable targets by more than 20%. That is not a bad day in the office; that is a broken system. Yet under the last Government, contracts were renewed and dividends were paid, as we heard from my hon. Friend the Member for Stockport (Navendu Mishra). Passengers were told to settle for less.

I am proud to say that this Labour Government are not willing to settle. Bringing our railways back into public ownership is a vital first step to fixing the mess—sending the clear message that this Government are on the side of passengers and staff, not private shareholders. Great British Railways will give us a single accountable body to run the system in the public interest—a railway run on a long-term plan, with fewer delays, better timetables and services that connect communities instead of cutting them off. That is what my constituents deserve and what this Government will deliver.

I also welcome the immediate steps to fix the system we have inherited: restoring performance, updating infrastructure and driving electrification. These are the foundations of a better system that Great British Rail

can build up. I hope it will deliver the passing loop on our south line; I know previous MPs for Blackpool South have been calling for that for nearly 20 years.

Reform cannot be something that happens only in big cities or major commuter routes. As we upgrade transport in the north, we must ensure that towns such as Blackpool are not forgotten simply because they are at the end of the line. I ask the Minister to reassure my constituents that, while we work towards long-term rail reform, she will hold operators to account to ensure performance is improved in the short term. Will she ensure that Blackpool will not be left behind as decisions are made about infrastructure, investment and national strategy?

Blackpool is a town with rich history, but also a town that, with the right investment, has a promising future. We have strong ambition and huge potential. Let us build a transport system that matches the aspirations of the people it serves, and let us make sure Blackpool is no longer seen as just at the end of the line, but at the beginning of something better.

3.3 pm

Andrew Cooper (Mid Cheshire) (Lab): It is a pleasure to serve under your chairmanship, Dr Murrison. I thank my hon. Friend the Member for Crewe and Nantwich (Connor Naismith) for securing this timely debate. I do not intend to speak for very long—although, unlike the west coast main line, we have plenty of capacity in this debate—because he has set the scene in detail and there is no need to relitigate it too much.

I want to make just two points. The first is about HS2. When it is eventually completed, we will have spent tens of billions of pounds only to achieve the trick of reducing capacity on the west coast main line—and we know why that is. It is because HS2 trains are shorter, but the pinch points, the bottlenecks around Stafford and Crewe stations, will still exist. We will have to have fewer Pendolinos on the line. They will be replaced by shorter HS2 trains with less capacity. It is a ridiculous situation that the Government have inherited, but the fact that HS2 has been mismanaged over many years does not change the reality of the infrastructure. Those pinch points are still preventable, so I hope that Ministers will bring forward proposals—realistic, deliverable solutions—for the capacity problems.

My second point is about Northern Powerhouse Rail—also known as the Liverpool-Manchester railway or HS3, depending on people's pedigree on the issue—which I understand we will hear more about from the Minister or her colleagues in coming weeks. It is an important project that will deal with the serious capacity issues on the Castlefield corridor in Manchester and at Piccadilly, but it is likely to force more rail traffic on to the west coast main line through Mid Cheshire, particularly the heavily congested section between Winsford and Weaver Junction where the number of tracks goes down from four to two.

Had HS2 phase 2b gone ahead, it would have dealt with that. Now, I have no love for that ridiculous route: in a three-mile stretch, it goes over the top of the Winsford salt mine, a set of subsidence flashes from the 19th century, the underground gas storage plant at Stublach and 60 infrastructure crossing points where pipelines take key chemicals to Runcorn to secure the

UK water supply. It is not a route that should ever have gone through sifting; it should never have been in the hybrid Bill. It is symptomatic of the way the project has been mismanaged that we are where we are. Indisputably, however, had it been possible to build it—who knows?—it would have provided the extra capacity to restore two trains per hour from Winsford to Liverpool Lime Street.

Whatever the solution, if NPR is to be delivered, we need to address the capacity issues on the west coast main line between Crewe and Warrington. I frankly do not envy the Minister, or the Minister for Rail in the other place, because they have been left with a complete mess by the previous Administration. I hope that the Minister will address Members' points about a capacity plan and provide some certainty about the HS2 phase 2b hybrid Bill and whether the Government plan to bring it forward.

I hope that Members will be able work with the Minister on a solution that delivers the capacity we need and creates frequent, reliable services. That will get cars and lorries off the road and support jobs and prosperity in Mid Cheshire and beyond.

3.7 pm

Olly Glover (Didcot and Wantage) (LD): It is a pleasure to serve under your chairship, Dr Murrison. I commend the hon. Member for Crewe and Nantwich (Connor Naismith) for securing the debate and for his wide-ranging introductory speech.

The hon. Member told us that 70 million passengers a year and 40% of freight use the west coast main line, highlighting its criticality to our railway and transport system. He also highlighted the critical role that HS2 was planned to play in relieving the west coast main line, and he was correct to point out that the main purpose of HS2 was—and to some extent, still is—to relieve pressure on the west coast main line to enable us to make better use of it for local, regional and freight traffic. I will come back to that shortly. He was also right to highlight the need for remodelling at Crewe, because having flat junctions to the north and south of the station is a major bottleneck on the west coast main line.

The hon. Member for Stockport (Navendu Mishra) used the debate, as many hon. Members have and as I will continue to do, as a cheaper alternative to therapy, having suffered at the hands of Avanti West Coast. He was right to highlight issues with Stockport station and with staff welfare. He was also correct to make the point that many of the challenges faced by Avanti in delivering a good service are not purely down to Avanti; it is a partnership with Network Rail. That is why the Government's hopes and plans for bringing infrastructure and train operation closer together with Great British Railways are the right ones. When that eventually happens for inter-city operators, we hope it will lead to some improvement.

The hon. Member for Warrington South (Sarah Hall) gave a very reasonable list of what she would like to see on her Avanti West Coast journeys: specifically, a seat, functioning air conditioning and catering on an inter-city train. She was right to highlight the need for reliability and capacity if we are to attract more people on to inter-city and other kinds of trains.

The hon. Member for Blackpool South (Chris Webb) was right to highlight Blackpool's history as a railway centre. He probably knows far better than I do that what used to be the main line into Blackpool was converted into a high-capacity road route into the centre of town. That is perhaps a symbol of some of the choices we have made as a country over the last few decades to favour road over rail—choices that, I think it is fair to say, we sometimes find ourselves regretting.

The hon. Member for Mid Cheshire (Andrew Cooper) was quite right to highlight many issues with HS2, including the phase 2 route, and the criticality of that proposed route for enabling capacity improvements in the north-west. For those with an interest in the topic, the Transport Committee recently quizzed the new boss of HS2, Mark Wild, and the Rail Minister from the other place in great detail about the HS2 phase 2 route and some of the issues we have been exploring today. One critical point that the Rail Minister revealed at that session was that, when the previous Conservative Government decided to scrap HS2 phase 2 up to Manchester, leaders of the existing rail industry were informed only the previous day. They were not given any time to even come up with an outline of an alternative plan for how west coast main line capacity would be improved in the future, or how the west coast main line would be able to accommodate all the trains coming off near Stafford, rather than continuing on HS2. There is much to learn from that Select Committee session.

The west coast main line is a railway that is close to my heart. I worked in rail, in many different roles, before coming to this place. In fact, my first job working in Network Rail was putting in place the December 2008 timetable, which, following an expensive and disruptive upgrade programme, led to significant journey time improvements and more frequent trains. However, we learned from that process that upgrading an existing railway only gets us so many benefits; it is not too long before that that capacity gets absorbed. That is why, even after that £13 billion programme, the case for HS2 had to be made.

There is a long history of upgrades to the west coast main line. In recent times, it was electrified as far as Liverpool and Manchester in the 1960s and up to Glasgow in the 1970s and, more recently, tilting trains were introduced. We have seen progress, but we need a radical step change now. It is critical to many communities, as hon. Members have said. Because of inter-city traffic, so many commuter trains rely on it in the west midlands, the London and home counties area, and in the north-west, and it is critical for freight. A critical thing—including for some of my hon. Friends in this House—is the Caledonian Sleeper between London and Scotland, which is a popular and useful alternative to flying, and very time-efficient, as people can travel overnight on it.

I also worked on the west coast main line in other capacities, managing signal boxes between Crewe and Runcorn, many of which are now gone as part of modernisation. On far too many night shifts on call, I ended up at the Warrington signalling centre, dealing with one disaster or another, and I have managed train drivers on the west coast main line. That railway is close to my heart; we must respect the history of it and invest in it for the future.

[Olly Glover]

Hon. Members have articulately explained the current challenges on the route in terms of performance, capacity—including limited capacity for freight growth—and poor journey times to non-London destinations. In terms of solutions, it is clear that a high-speed line is still needed in one form or another. HS2 in its current limited form just moves the problem to the north of Birmingham; it will worsen it along constrained sections near Stafford and north of Crewe—which are two-track sections—and exacerbate the existing key problem of the west coast main line, which is a combination of traffic running at speeds of 75 mph, 100 mph, 110 mph and 125 mph. Particularly on two-track sections, that is difficult to deal with.

The Government have reiterated their commitment to signalling upgrades and other forms of upgrades north of Crewe over the next 15 years. That is welcome, but those upgrades are needed based on today's traffic, and will potentially be made worse because of the HS2 situation.

A real missed opportunity for increasing capacity on the west coast main line is the fact that few of our freight trains are hauled by electric locomotives. Data modelling of acceleration proves conclusively that electrically hauled freight trains accelerate far faster than diesel trains, and can be accommodated far more easily amidst faster inter-city traffic. I hope the Government will consider what can be done to encourage freight operators to use electric traction in the future.

As hon. Members have noted, open access applications have been rejected. The Government—certainly in their communications with the Office of Rail and Road—have been rather ambivalent and ambiguous about their views on open access, but the lack of it means that we urgently need a solution to Avanti's high fares, even advance purchase ones. There is a lack of choice on key sections of the route. Certainly between London and Birmingham and even London and Liverpool, there is the option of using slower but much cheaper London Northwestern Railway or West Midlands Railway services, but between London and Manchester and London and Warrington, Wigan and Preston, there is no realistic alternative. As I know from friends in the north-west, that sometimes leads them to drive, even to and from London.

As I said, the west coast main line has been upgraded many times. Upgrading a heavily used railway has been likened to performing open-heart surgery on a patient without anaesthetic: it is always disruptive and expensive, and the benefits are not long-lasting. That was particularly the case during the 10-year west coast route modernisation between 1999 and 2008. Nobody said this during this debate, which is pleasing, but there are those who say we do not need high-speed rail because we can just upgrade our existing lines. Sadly, it is not as simple as that, because it is very difficult to upgrade those lines; it causes chaos and provides limited benefits.

More widely, Liberal Democrats believe that everyone should have convenient, affordable options to get around. A safe, reliable transport system is vital for our economic prosperity in all parts of the country. Improving transport is essential to combat climate change and air pollution, and to provide access for jobs. It is the critical cultural

change we need in this country. Public transport is not a nuisance; it is a critical enabler of social inclusion and economic progress.

Some hon. Members highlighted the Conservatives' poor record on public transport, which is true, but the UK's attitude is a long-standing problem. High-speed rail got under way in France in the late 1970s, and in Germany in the late 1980s. Today even Morocco has more high-speed rail than the UK. Those are choices we have made; we have been making the wrong choices for a long time. Yes, we do need to sort out the mess of HS2 but it is still needed and we must get back to it.

More widely, we need to freeze rail fares and simplify ticketing to ensure that regular users are paying fair and affordable prices and to entice more people to rail. We have big hopes that Great British Railways will do that. We need more electrification and a public body that joins up the industry from track to train, putting regular passengers first and bringing in wholesale reform of a broken fare system. Doing all those things would provide the opportunity to increase the number of passenger journeys and bolster freight, so that our railways can play an even more critical role in delivering an effective economy and tackling climate change.

3.17 pm

David Simmonds (Ruislip, Northwood and Pinner) (Con): It is a pleasure to serve under your chairmanship, Dr Murrison, for the first time. I, too, congratulate the hon. Member for Crewe and Nantwich (Connor Naismith) on securing the debate. Hon. Members will know that I am not the usual face to respond to a debate that sits with the transport team, but colleagues are busy discussing sustainable aviation fuel this afternoon, so I stepped into the breach. It has been an informative debate and I highlight the contributions from my right hon. Friend the Member for Aldridge-Brownhills (Wendy Morton) and my hon. Friend the Member for Chester South and Eddisbury (Aphra Brandreth).

The line that we are debating passes through my constituency. Hatch End station, although not served by high-speed trains, provides an opportunity for my constituents to see them go past and wish that they had access. I am familiar with the line, having travelled on it a great deal in my working life before Parliament.

Hon. Members, sharing the pain that we have all experienced when stuck on a long-distance railway journey, set out a number of important and detailed points. I am sure that Ministers will consider those as they look for improvements while addressing the points made powerfully by hon. Members on both sides of the House, including how to ensure a high degree of integration between the line and the important population centres, economic development centres and other transport nodes that lie along the route.

If the hon. Member for Strangford (Jim Shannon) were here, I am sure he would highlight that the west coast main line is also an opportunity for those wishing to travel in the direction of Northern Ireland, and Strangford in particular, because of connections to lines across north Wales and over to Anglesey. Indeed, as an MP whose constituency not only includes that line but the HS2 line, I empathise with the points about why we did not start HS2 in the north and build it down in the direction of the south. That is a sentiment that my

constituents would wholeheartedly agree with, because they are very much of the view that rail connectivity is about benefiting the whole country. Improving and investing in connectivity, including in the north and the midlands, is therefore vital, not only for improving standards of living and quality of life in those places but for taking some of the development pressure off London and the south.

I will address a couple of points that were highlighted. It is striking to me, as a spokesman for the Opposition, that there is a high degree of consensus about the issues that exist around the west coast main line and about their possible solutions.

My right hon. Friend the Member for Aldridge-Brownhills made specific references to stations in her constituency, and my hon. Friend the Member for Chester South and Eddisbury talked about her constituents' need to access the west coast main line and all the routes it leads to via effective and affordable local public transport. Under the previous Government and now under the new Government, the concept of Great British Railways has been a key part of the strategy to begin to create a sense of coherence and integration and to make sure that the connectivity highlighted by a number of hon. Members is delivered in practice.

Many hon. Members have spoken about the growth in rail demand. We know that our country's population is increasing. The levelling-up agenda started under the previous Government, but it has been committed to—perhaps more in spirit than in word—by the new Government. There is also demand for increased rail freight capacity, which has been spoken about in the context of the work being done on the west coast main line. Having travelled on the line just last week to go to the Local Government Association's conference in Liverpool, I know that, in striking comparison with some other rail lines, it is very visible infrastructure and it makes a considerable contribution to removing freight traffic, in particular heavy lorries, from the already busy motorway network. As I say, there seems to be a high degree of consensus about the investment required for stations, the public benefits that would be delivered through that investment, and the role that such investment would play in the economic development and opportunities that people across and adjacent to the west coast main line route can expect to benefit from.

As an outer-London Member of Parliament, I am very conscious of how good-quality and reliable commuter routes are valued and the economic contribution they make, and therefore the extent to which the absence of such routes in parts of our suburbs acts as a drag on opportunity. That is not purely confined to the north of England or the midlands; it is an issue that affects all of us. We need to make sure that is properly considered as the Government look at the rail system and transport in the round.

I am sure that right hon. and hon. Members—particularly those who served as Transport Ministers in previous Governments—would want me to draw attention to the fact that the sense of priority around the railways is reflected in the numbers. For example, maintenance spending on our railway network has gone up on average 3% every year since 2010. Previous Governments—both the coalition Government and Conservative Governments—therefore recognised that rail maintenance was a high priority.

At the end of the last Labour Government, there was £7.4 billion of rail spending. In the last full year for which we have accounts, which was when the last Conservative Government left office, that figure had risen to £26.8 billion. Although there will always be some disagreement about whether the delivery was what it should have been, and about whether the optimal priorities were selected, there is no doubt that all political parties represented in this House have a strong sense that improving and upgrading our rail network is critical, alongside improvements to motorways and local transport, and that we need to see it being delivered.

I will close by making two final points. The first is the value of learning—a number of hon. Members referred to the importance of open access—from the improvements that have been delivered in recent years. Not everything has been a success. In particular, we know that the impact of people working from home during the covid years on our rail network, including on the revenue gained from ticket sales and ridership, was absolutely catastrophic. The consequences for the system that we had in place at the time were very significant and we know that the Government acted by nationalising some railway lines to ensure that the travelling public could access what they needed to access.

There have also been strengths, however, such as the model on the east coast with Grand Central, which is often referred to positively, including by colleagues who use it to come to Parliament. We need to make sure that we do not simply assume that everything was a disaster and that we recognise those real strengths—not just the priorities for investment, but the things that have improved the quality of the service and that we can learn from and apply in the new model of Great British Railways.

The second point is the need to enhance integration. It is clear that the UK is a very politically centralised country, so transport projects tend to be delivered and funded by central Government rather than in a decentralised manner. The devolution White Paper has landed with Parliament, so we will be considering the roles that the Government envisage within that for elected mayors and regional authorities in developing and improving the transport network, but it is striking how many hon. Members in this debate talked about the need for additional scope so that their constituents could benefit from the speed and capacity that exists on the west coast main line, or the need to invest in other forms of local transport, including affordable public transport, to make that process more straightforward.

Coming back to HS2, it is striking that a huge quantity of the available investment has been sunk into very large national projects that are slow in materialising their potential benefits and that are creating huge cost overruns. All of the evidence appears to suggest that it is investment in locally-led transport—in the systems that make it possible for those who need to access trunk routes such as the west coast main line to do so—that produce the biggest economic benefit. That is something that many hon. Members have articulated, and I hope the Government will consider that as they look at their overall strategy for the United Kingdom, so that everybody can benefit from the additional investment that has been spoken of today.

3.26 pm

The Parliamentary Under-Secretary of State for Transport (Lilian Greenwood): It is a pleasure to serve under your chairship this afternoon, Dr Murrison, after seeing each other yesterday to talk about roads.

It is a pleasure to be in Westminster Hall today with so many hon. Members to speak about the future of the west coast main line—a route that has long served as the backbone of connectivity between London, the midlands, the north-west, north Wales and Scotland. I congratulate my hon. Friend the Member for Crewe and Nantwich (Connor Naismith) on securing the debate. He is a powerful advocate for his constituents and for our railways, which is fitting for someone who represents a constituency that has had a long and proud position at the heart of our rail network since 1837.

As my hon. Friend anticipated, we have heard from hon. Members up and down the west coast main line and beyond, calling at the constituencies of my hon. Friends the Members for North Warwickshire and Bedworth (Rachel Taylor) and for Leigh and Atherton (Jo Platt), the hon. Member for Chester South and Eddisbury (Aphra Brandreth), my hon. Friend the Member for Stoke-on-Trent South (Dr Gardner), the hon. Member for Westmorland and Lonsdale (Tim Farron), the right hon. Member for Aldridge-Brownhills (Wendy Morton)—slightly off the line, there—and those of my hon. Friends the Members for Blackley and Middleton South (Graham Stringer), for Stockport (Navendu Mishra), for Warrington South (Sarah Hall), for Blackpool South (Chris Webb) and for Mid Cheshire (Andrew Cooper), and diverting via the constituency of the hon. Member for Didcot and Wantage (Olly Glover) and perhaps not stopping at the constituency of the hon. Member for Ruislip, Northwood and Pinner (David Simmonds).

Rightly, my hon. Friend the Member for Crewe and Nantwich raised concerns about future capacity on the west coast main line. I should just say that it is also a pleasure to see my hon. Friend the Member for Birmingham Northfield (Laurence Turner); I know that he has lost his voice and so has not spoken, but that he will bring his great knowledge and expertise to bear on this subject on another occasion.

As so many in this House will know, and as my hon. Friend the Member for Crewe and Nantwich said, the west coast main line is one of the busiest mixed use railways in Europe. It provides vital inter-city connections between the country's largest urban areas, which we have heard much about this afternoon. It delivers local services to our towns and cities. Very importantly, it enables the transport of goods that help to keep our economy running. While the covid pandemic demonstrated that demand modelling is a complex area, our current estimates indicate that the west coast main line may reach capacity from the mid-2030s.

Let me turn straight away to what this Government are doing to address the situation. I will start with HS2. As hon. Members will know, this Government inherited a difficult position on the programme. That is the line my civil servants have drafted. The truth is, the last Government could hardly have made a worse mess of this project if they had tried. My hon. Friend the Member for North Warwickshire and Bedworth described it as “shocking mismanagement” and frankly, she is not wrong.

A few weeks ago, my right hon. Friend the Secretary of State for Transport made a statement to this House setting out the scale of the challenge and this Government's determination to get the project back under control. We are clear that our priority is to deliver HS2 between London and the west midlands safely and at the lowest reasonable cost.

It is worth remembering the benefits that the new railway will eventually bring. HS2 will almost double long-distance rail capacity between London and the west midlands. It will significantly improve the southern section of the west coast main line, which, as we have heard repeatedly, is heavily congested. In turn, that could release capacity for local services. HS2 will deliver significant journey time savings too, not only from London to Birmingham, where travel times could be reduced to 49 minutes, but also to Manchester and Liverpool, where journeys could become 25 minutes faster.

However, as my hon. Friend the Member for Crewe and Nantwich and other hon. Friends have rightly noted, HS2 was always about capacity, and phase 1 will not improve capacity north of Birmingham. Addressing the problem of insufficient capacity on the west coast main line was, as many people have said, one of the key strategic aims of HS2. I am sure I have said in the House many times that it was misnamed—“HC2” could have tripped off the tongue quite easily.

Following the previous Government's decision to cancel phase 2, we know that there are real and very understandable concerns about capacity between Birmingham and Manchester. I also understand the frustration—and, frankly, the anger—that this decision created for leaders and communities across the midlands and the north. We have heard that again today, and it is just as true for my own constituents in the east midlands as it is for those of so many colleagues.

Back in January, I set out to this House—and to my hon. Friend the Member for Crewe and Nantwich—that we would not reverse the cancellation of HS2 phase 2. However, I also noted that we were, and are, continuing to review options for enhancing rail connectivity in the midlands and the north. That work continues and is now supported by the clarity that the spending review has provided. I do not like to disappoint my hon. Friend or other hon. Members, but I am not able to provide more detail at this stage. However, I can assure him and other hon. Members that the Government hope to say more in the coming months, including on the future of Northern Powerhouse Rail.

I very much agree that increasing rail capacity will allow for better services and enable more freight to travel by rail. That is desirable and can help us tackle multiple challenges not just on the rail network but on the road network, as well as issues around air quality and many other things. There is a great deal to play for.

In the meantime, Network Rail is undertaking a programme of renewals on the west coast main line between Crewe and the Scottish border to improve the performance and reliability of the railway. This section of the route was last upgraded in the 1970s and suffers from performance issues today. Renewing the railway also provides an opportunity to improve its capacity and capability in a more efficient and less disruptive manner.

The Department is working closely with Network Rail and the rail industry to consider various options, and decisions on those options will need to be taken in the context of the spending review outcomes. The settlement received by the Department shows the Government's commitment to invest in rail and in schemes that support economic growth in every corner of the country. The settlement represents an increase in funding compared with what has been spent on rail enhancements in recent years. We are already investing to increase the capacity and capability of the power system at both ends of the west coast main line to improve performance on the route and enable the introduction of new electric services.

A number of Members took the opportunity to raise concerns about the performance of Avanti West Coast. It is obviously not acceptable that people are experiencing high levels of delays and cancellations, and we are tackling that issue. Avanti West Coast is beginning to see a steady and consistent improvement in performance on the network, but there is much more to do, with punctuality behind the industry average. Poor Network Rail infrastructure reliability continues to be the leading cause of passenger disruption.

While improvements to performance generally have been made, the Department for Transport will continue to hold Avanti West Coast to account to ensure that improvements are maintained in the future. Our officials regularly meet both Avanti West Coast and Network Rail as part of our relentless focus on improving rail performance, bringing together track and train, holding both sides accountable and getting them to work together. That is the great advantage of the integrated approach that has been mentioned in the debate. The Rail Minister met the Avanti West Coast managing director and the Network Rail west coast south route director in January and May to challenge poor performance and demand immediate action to deliver urgent improvements.

As many people have acknowledged, a new arm's length body, Great British Railways, will deliver a unified system that focuses on reliable, affordable, high quality and efficient services, alongside ensuring safety and accessibility. Officials have been immediately convened to begin work on our plans to deliver Great British Railways and wider rail reforms, which I know will please hon. Members, including my hon. Friends the Members for Blackley and Middleton South and for Stockport. However, constituents should not have to wait until all those services come into public ownership to see improvements in their rail journeys, and we are absolutely determined that they will not have to.

My hon. Friend the Member for Warrington South set out her constituents' very reasonable needs when it comes to travelling on the railway. The Government are determined to address those needs, and I assure her that we are serious about investing in our transport infrastructure to support economic growth across the country, including in Warrington. Indeed, last week we announced investment in 50 road and rail projects, but we are doing this in the context of the terrible legacy left to us by the previous Government. We are clearing up their mess and it will take time, but we will do it.

My hon. Friends the Members for Stockport and for Blackpool South spoke with passion on behalf of their constituents, both those who rely on the railway and those work on it. I assure them that we will be working to ensure that Avanti West Coast and Network Rail

deliver the improvements that we all expect. My hon. Friend the Member for Stockport will, I am sure, know that Transport for Greater Manchester and Stockport metropolitan borough council are working on business case development for a station refurbishment scheme. I assure my hon. Friend the member for Blackpool South that, as my right hon. Friend the Transport Secretary told him at recent transport oral questions, the Rail Minister will be happy to meet with him to discuss the south Fylde line proposal.

I come to the need for interventions at Crewe station to address ageing assets. As I said, Crewe is at the heart of our rail network. It is a crucial transport hub providing 360° connectivity where four regional lines converge with the west coast main line. Network Rail has developed a £270 million programme of interventions to deliver essential renewals in the Crewe area over the next few years. The Department is supporting this programme, and is keen to work with local partners to consider any opportunities for investment over and beyond essential renewals.

Today's discussion is an opportunity to reflect on the current challenges and advocate for the improvements to the west coast main line that the public rightly expects. It has provided much food for thought, and the Rail Minister will continue to work extremely hard to address all of the issues. Our Department is currently developing an integrated national transport strategy, which is coming down the track later this year. This is just part of the bigger picture of providing the transport infrastructure we need to support economic growth, housing development and the shift of freight from the roads on to our railways, and to ensure that every part of the country is able to thrive.

Again, I thank my hon. Friend the Member for Crewe and Nantwich for securing this debate, and I thank all hon. Members for their contributions.

3.40 pm

Connor Naismith: I thank all Members who spoke in the debate. There are too many to mention individually, so I am grateful that the Minister did it for me. It is fair to say that we represent a wide variety of areas, but most particularly those areas suffering most acutely from the capacity issues that have been well outlined in today's debate.

We heard about structural issues with stations and rail lines, such as those affecting Crewe station, and about the need to hold operators to account for delivering the better routes, fares and services that our constituents desperately want to see. I do not want to be over-prescriptive, but a number of hon. Members and I have suggested some solutions that I urge the Minister and the Rail Minister to factor into their thinking.

I thank the Minister for engaging constructively with the substance of the debate, and I look forward to seeing more detail of the Government's plans to address the challenges facing this key route, which have been outlined today. I am sure that she heard loud and clear the case that has been made by several hon. Members, and I will continue to press the importance of this issue.

Question put and agreed to.

Resolved,

That this House has considered the future of the West Coast Mainline.

3.41 pm

Sitting suspended.

British Nationality (Irish Citizens) Act 2024

4 pm

Dr Andrew Murrison (in the Chair): Mr Gregory Campbell will move the motion and the Minister will respond. I remind other Members that they may make a speech only with prior permission from the Member in charge of the debate and from the Minister.

Mr Gregory Campbell (East Londonderry) (DUP): I beg to move,

That this House has considered the implementation of the British Nationality (Irish Citizens) Act 2024.

It is a pleasure to serve under your chairmanship, Dr Murrison. At the centre of the issue that we are debating today is how successive Governments—Labour, Conservative, Conservative and Lib Dem, and now Labour again—have determined how the issue of nationality in Northern Ireland is dealt with. A consensus has come about, with all the successive Administrations following a series of what have been called internationally binding agreements, including the Anglo-Irish agreement, the Belfast agreement and the St Andrews agreement. They all left successive Governments with the consensus view that people in Northern Ireland who wished to describe themselves as British, Irish or a combination of both could do so. Each successive Government said that they would ensure that they dealt with people impartially and proactively, according to the nationality of their choice—in the constitutional framework of Northern Ireland within the UK, of course.

The consensus emerged, and many people in Northern Ireland expected that to mean—they certainly did not receive any information to the contrary—that whenever a nationality issue arose, there would not be any differentiation or favouritism shown between a person wanting to express an Irish identity and a person wishing to express a British identity, within the context of the United Kingdom. That all came about as a result, as I said, of those successive agreements, but the seeds of the issue in relation to UK passports were sown in 1949, when what is now the Republic of Ireland left the Commonwealth.

At that stage, legislation was passed to allow people who previously had lived in what is now the Republic, and had moved to Northern Ireland, to be regarded as British citizens and to acquire a British passport. That worked fine for a number of years, because most of the people who had moved had moved prior to that date. But obviously, as the decades wore on and we got into the 1960s and the troubles in Northern Ireland emerged, more people who had been born after 1949 were moving from the Republic into Northern Ireland.

For example, if we take the beginning of the troubles, the period from 1969 to 1972, people who had moved to Northern Ireland because of disturbances and violence in the Republic were at that stage in their early or mid-20s. They were born in the period from 1950 right up to the mid-1950s. All of them—including their children—were born after 1949 and none of them was able to avail themselves of a British passport, unless they went through the expensive and time-consuming naturalisation process. Therein lay the problem, because as time wore on, more and more people were falling foul of the 1949 process.

I have in my hands a British passport and an Irish passport. We expected Governments to treat people who were owners of these passports equitably and not to deal with them in a partisan way that would result in someone saying, “Well, is this because I own an Irish passport?” or “Is this because I own a British passport?” I entered this House in 2001, and in June 2005 I tabled my first written parliamentary question, which was to ask the Secretary of State whether he would

“ensure that people who have resided in Northern Ireland for a certain length of time, but were born in the Irish Republic, can obtain a British passport at the same cost as those who were born in Northern Ireland.”—[*Official Report*, 13 June 2005; Vol. 435, c. 167W.]

The answer was a standard answer about the fee that was payable, and did not distinguish between whether someone was born in the Republic or in Northern Ireland.

Jim Shannon (Strangford) (DUP): I was minded, when my hon. Friend had a passport in either hand there, to think, “Which one is best?” Well, we know which one is best: the British one. Does he agree that one of the benefits is that people who designate as Irish can and do have the facility to apply for the greatest passport in the world—the United Kingdom one? There are people who want to have the protection of their local British embassy, yet they are being precluded from that due to a delay that is difficult to understand, so does my hon. Friend further agree that those in Ireland who designate as British must be enabled to have that British protection that we take for granted with no further delay?

Mr Campbell: I thank my hon. Friend for that. Indeed, of the passports that I held, the British one was mine. The other one was not—I can reassure him of that. I acquired it temporarily for the purpose of this debate; I will hand it back to its rightful owner. My hon. Friend is right: we have at long last seen an end to the delay, and I will come to that shortly.

In July 2005, immediately after the non-reply that I got in June 2005, I attempted to drill down and ask about the distinction between those who had been born in the Republic and those born in Northern Ireland. The answer came from the then Under-Secretary of State at the Home Office—now Mayor of Greater Manchester, no less—Mr Andy Burnham. He again indicated that the full fee had to be paid in order for someone who had been born in the Republic but moved to live in Northern Ireland in the past 60-odd years to acquire a British passport. That answer was given 20 years ago this month.

I should add at this stage that I live very close to the border—I was born there. I can walk to the Irish Republic. It is within five miles, so on a good, nice day, I can walk there in an hour or an hour and a half, depending on how quickly I walk. There are 280 crossing points along this uncloseable border, which we have debated in other contexts. The relationship between people who live in the Republic, but close to the border, and those who live in Northern Ireland is intense, because there is much that we share. Those who moved from the Republic to Northern Ireland cherish the fact that their Britishness is enshrined deeply within their family, their generations of service in the military and their loyalty to the Crown—to Her Majesty previously and His Majesty now—so they took great offence at having to go through this expensive process to get what they thought would be their right.

After July 2005, when I seemed to be getting nowhere, I succeeded in November 2005 in getting a private Member's Bill, which ran into the ground, as most of them do. I then embarked upon a whole series of questions. I will not bore Members with them, but I asked a written parliamentary question in November 2006 and I raised the matter in the Northern Ireland Affairs Committee in 2008—from memory, Dr Murrison, you served with me on the Committee when we looked at this issue—in the Chamber in May 2008, in the Northern Ireland Assembly in June 2011, again in the House of Commons in June 2013, July 2013, March 2014, January 2015, March 2018, November 2018 and February 2019, and again in the Northern Ireland Affairs Committee in October 2019. We were struggling to get through the undergrowth of problems and bureaucracy in sections of the Home Office, to try to convince it that these people were entitled to a British passport.

Then we came to the 2020s. I raised the matter in September 2020, October 2022 and June 2023, and then my right hon. Friend the Member for Belfast East (Gavin Robinson) managed to secure a private Member's Bill in April 2024, which brought us to where we are today. Thankfully, that got Government support and became law.

Carla Lockhart (Upper Bann) (DUP): The timeline that my hon. Friend has outlined certainly highlights the number of years that he has been in this place. However, the Act must strengthen and not complicate the process. Does he agree that, currently, the practical outworking of the Act is complicating the process, particularly on the financial side?

Mr Campbell: Yes. I thank my hon. Friend for making that point, which I am just coming to. Even after my right hon. Friend the Member for Belfast East secured parliamentary support for his Bill, there appeared to be a delay. I raised matter again last September, and in January and May of this year. That brings us to today.

As I understand it, from next week, thankfully, we will have reached the point where people who qualify can apply to obtain a British passport, but the problem is the inequitable nature of the application.

4.10 pm

Sitting suspended for a Division in the House.

4.24 pm

On resuming—

Mr Campbell: As I was saying before I was so rudely interrupted by the Division, the issue now is twofold. I thank the Minister for her assistance in getting a reduction on the standard naturalisation fee, from £1,735 down to a total of £853. The problem is that many people in Northern Ireland who can apply under the new system may well live next door or across the street from someone who wants to apply for an Irish passport, and that person will pay less than £100, while a person who qualifies under the British Nationality (Irish Citizens) Act 2024 has to pay £853. I hope that in the very near future, after the Act has been implemented, the fee can be reviewed, because it is exceptionally exorbitant. I accept that it is a reduction on the full naturalisation fee, but we are talking about people who fully feel themselves to be

British citizens. They have been British residents, British taxpayers and British voters for decades, and now they are being asked to pay a fee that is eight times greater than the fee that others have to pay.

The other outstanding issue is the ceremony fee. I can understand that some people will see attending a ceremony as a nice thing to do—I wish them well and hope that they will enjoy the event that they go to. They may regard it as an event to cherish and look back on. But there are others who would take deep offence at having to go through a ceremony to get a passport that they believe they are fully entitled to. No citizen in Northern Ireland who wants to apply for an Irish passport has to rock up to the Dáil and go through a ceremony to get it. They simply apply and pay the fee, and the passport arrives after payment has been received. Hopefully, the ceremony can be made optional or voluntary. I would not want to deprive anyone who wants to attend a ceremony of the opportunity to do so, but, equally, I hope that the views of those who find it deeply objectionable to have to do that can be taken into account and there will be no requirement for one, even if the fee for a ceremony is incorporated in the amount that is payable.

I thank the Minister for her attention thus far. I am glad that she is here today. I thank her for deliberating on the matter and getting us to the point we are at, but these two issues remain unresolved. We have come on a long, protracted journey—every time I switch on the television, whatever the topic, people always seem to be on a journey, and we have been on this journey for 20 years. We are now 95% of the way there. Next week, we will get over the line, but there are two issues outstanding. I hope that the Minister can respond explicitly today and tell us that they will be addressed in short order, but I suspect that she will have to go back to the Home Office. Either way, I hope that the issues can be reviewed and that we can get 100% satisfaction so that people are treated equitably in Northern Ireland whether they regard themselves as Irish citizens or British citizens. Many thousands of people were inadvertently born 2, 3 or 4 miles away from where us UK citizens were born in the UK and long to be regarded in the same way as I and everyone in my immediate vicinity is regarded—as a UK citizen—and to be the proud holder of a cherished UK passport.

4.29 pm

The Parliamentary Under-Secretary of State for the Home Department (Seema Malhotra): It is a pleasure to serve under your chairship, Dr Murrison.

I thank the hon. Member for East Londonderry (Mr Campbell) for securing this debate about the British Nationality (Irish Citizens) Act 2024. I am grateful to him and to others who have campaigned on this issue, notably Lord Hay of Ballyore and the right hon. Member for Belfast East (Gavin Robinson). I also commend the hon. Member for East Londonderry on his long history of engagement; I found it very interesting and helpful to hear how he has progressed his arguments throughout his time in the House.

I note all the contributions so far and thank all Members who have contributed to the debate today. I put on the record my thanks to the right hon. Member for Belfast East, who is not here today, for his steps in bringing the Act before the House in December 2023.

[Seema Malhotra]

His constructive engagement with all parties has been extremely important in bringing the passage of the Act to its conclusion. I was also grateful to meet him earlier this year, when I said that I would do my best to try to ensure that we commence the Act before summer recess. I am extremely pleased that we have been able to do so and I am also very happy to continue our engagement on it.

Last week I was in Northern Ireland, where I was pleased to announce the commencement of the Act, which introduces a new section into the British Nationality Act 1981 to make it easier and cheaper for Irish citizens living in the UK to become British citizens, and it applies across the whole of the UK. The 2024 Act strengthens the relationship between our nations and recognises our shared history, geography and cultural links. While I was in Northern Ireland, I had the opportunity to speak to Cool FM and to *The Irish Post* to highlight the commencement of this historic piece of legislation.

I have spoken to many people who said they wanted to see us commence this Act because of how it recognises those shared cultural, historic and geographical connections. However, it is also important that Irish citizens who want to become British citizens should have a simpler pathway, which recognises that Irish nationals are treated differently from other nationalities for immigration purposes, as codified in section 3ZA of the Immigration Act 1971. Again, that must be viewed in the context of our historic relationship.

The new route represents that unique relationship between our two countries and builds on the common travel area arrangements that have benefited citizens of both nations for decades. It will enable eligible Irish nationals who have made their home in the UK to participate fully in British society while maintaining their Irish citizenship.

The Act that was introduced into the House of Commons by the right hon. Member for Belfast East initially sought to allow for people born in Ireland after 31 December 1948 to register as a British citizen if they had acquired five years' residence in Northern Ireland. However, the previous Government and Home Office officials worked alongside the right hon. Member to expand the scope of the initial act to cover Irish citizens of any age.

The Government were pleased to continue the work of the previous Government in commencing the Act following the general election in July last year. Like the previous Government, we wholeheartedly support the underlying principles of the Act and have given due consideration to its different components.

Mr Campbell: Does the Minister agree that one of the incongruous parts of the legislative process is that when the Bill, which is now an Act, was being negotiated in the other place, Lord Hay, who she referred to, was part of the process of it becoming an Act despite the fact that, although he could vote on it, he could not acquire the passport? Indeed, he was trying to get the legislation passed to allow him to obtain one.

Seema Malhotra: I thank the hon. Member for that contribution. Indeed, he shared that when we met earlier this year. That was a helpful discussion, filling

in the legislative and debate history as well as the personal history that contributed to where we have reached.

Hon. Members may be aware that the total cost for an adult to naturalise as a British citizen is £1,735, and the cost to register a child as a British citizen is £1,214. We agreed that those were not acceptable fee levels for applications made under the new route. Under the provisions of the new route, and in the context of a challenging fiscal climate, the application fee is 50% below that for other nationalities. It is £723 plus the citizenship ceremony fee for adults, which brings it to £853, and £607 for children. The fees for children can be waived if they are in the care of the local authority, or if it can be demonstrated that their families cannot afford them.

The new fees represent a substantial saving for Irish citizens resident in the UK who wish to become British citizens, and contrast with other fees associated with citizenship. The previous Government's opinion from the Act's passage through Parliament was that fees should be applied, subject to the usual process for establishing fees and charges for border and migration services. We believe that continuing the work in that spirit is the correct pathway for making the new route operational.

The Act extends across the whole of the UK. The decision on a fee, although recommended by the Home Office, is not solely a Home Office decision. The decision must be financially viable across the entirety of Government. It recognises that, although the route is easier, simpler and cheaper for Irish citizens, the checks and operations that are still required contribute to the costs of the migration and border system, as reflected in the fee.

I would like to make a couple of points about questions put by the hon. Member for East Londonderry. The citizenship ceremony is an important part of the British citizenship process. British nationality law requires all successful adults for naturalisation or registration as a British citizen to take an oath and pledge at a citizenship ceremony. They will also get the certificate needed for a passport application at that ceremony.

The hon. Member asked where citizenship ceremonies take place in Northern Ireland. They happen in Hillsborough castle or at Lagan Valley Island and are presided over by one of Northern Ireland's eight Lord Lieutenants. I hope that is helpful to him in understanding some of the ways in which the operational side happens in Northern Ireland.

I thank all right hon. and hon. Members for their contributions, not just in Westminster Hall today but their work leading up to now. I am extremely pleased to announce that the new provisions set out in the Act will commence on 22 July. I reiterate our support for the underlying principles of the Act and our continued acknowledgment of the shared history and geography of the United Kingdom of Great Britain and Northern Ireland with our friends across the Irish sea. We meanwhile look forward to welcoming applications from eligible Irish citizens via the new route in the near future. I look forward to continuing discussions with the hon. Member for East Londonderry and others as we move forward.

Question put and agreed to.

4.40 pm

Sitting suspended.

Beer Duty

4.45 pm

Mr Will Forster (Woking) (LD): I beg to move,

That this House has considered beer duty.

It is a pleasure to serve under your chairmanship, Dr Murrison. We are here this afternoon to discuss beer. I love beer, and so does Great Britain. I secured this debate to acknowledge calls from constituents, brewers and the pub sector to call on the Government to reduce beer duty by 50p. That call makes economic sense and is backed up by the industry.

My Woking constituency is home to a great little brewery called Thurstons in Horsell and Asahi's UK headquarters—a huge brand that covers Fuller's, Peroni and Cornish Orchards, to name just a few. The beer and pub sector in Woking supports over 1,800 jobs and contributes £100 million to our local economy, yet customers and the industry across the whole country are struggling. Pubs are much more than just businesses; they are hubs in our high streets and the centres of community life.

Why 50p? The answer lies with the new extended producer responsibility scheme. In May, MPs were talking at great length in this Chamber about how brewers currently make around 5% on the average bottle of beer. Under EPR, brewers will lose around 3p a bottle, unless they raise prices or the Government step in. The economics simply do not add up. Without action, brewers will barely make a profit on bottled beer. By reducing beer duty by 50p, the Government would offset the cost of EPR for not just producers, but the entire supply chain, and, ultimately, consumers. All the people—from farmers in their fields to brewers in their brew houses, to the people drinking in pubs—are our constituents. It is our duty to reduce beer duty.

Sarah Dyke (Glastonbury and Somerton) (LD): Glastonbury and Somerton is home to some lovely small breweries. Obviously, we are the natural home of cider and produce some of the world's best. Fine Tuned Brewery in Somerton is one of our brilliant little breweries. Although I recognise the Government's intention to make the packaging more sustainable, that cannot come at the expense of our producers. Many are concerned that the EPR will be a killer nail for their businesses, making them responsible for the end-of-life management of packaging that they do not even produce; they have to buy it. Does my hon. Friend agree that the current approach to EPR will create escalating costs for producers, threatening the viability of small rural businesses in particular, such as Fine Tuned Brewery in Somerton?

Mr Forster: I completely agree with my hon. Friend. We were in this Chamber talking about EPR several months back; she is a fine advocate for her whole constituency, and particularly the Somerset cider industry.

I talked about our need to reduce beer duty. The Chancellor announced a 1.7% reduction in alcohol duty on draught beer and cider in the previous Budget—I will give the Government that. However, the standard rate of duty on non-draught products is set to rise by 3.6%. When combined with the cost of EPR, that will seriously threaten the brewing and bottle industry in terms of growth and investment.

The Government are finding catchy headlines to say at the Dispatch Box, but the economic picture painted is this: the Labour Government are giving with one hand and taking with the other. This debate, at its heart, is a political response to that bad economics. The Department for Environment, Food and Rural Affairs seems determined to push ahead with EPR, despite legitimate concerns raised in the Department. Meanwhile, the campaign to reduce beer duty, which has long been led by the Campaign for Real Ale and others, enjoys wide support across the industry.

Ian Roome (North Devon) (LD): Does my hon. Friend agree that a reduction in beer duty would help hard-working publicans like Simon and Alison from a micropub in Barnstaple called Beer Matters, who have just won the CAMRA award for North Devon, to continue in business? Not only is it a fantastic micropub, but it serves as a good social hub in the community.

Mr Forster: My hon. Friend is right to promote his amazing community hub and pub in Barnstaple. I pass on my best wishes to Beer Matters for its award.

A lot of us have concerns about the EPR rules. Under the current EPR rules, glass packaging used in pubs is wrongly classified as household waste, even though it is collected and recycled via private commercial contractors. EPR is meant to fund the cost of removing packaging from household waste streams—not from businesses that already pay for their recycling. This means that brewers and pubs face duplicate charges for the same glass, despite it never entering the household.

DEFRA has acknowledged that the policy is wrong and that it was never intended to be implemented in this way. It has committed to the industry to find a solution, but no fix has yet been delivered, and it has pressed on with the scheme regardless. Reducing beer duty would mean less tax per pint in principle, but, in practice, it would bring a great benefit.

Wera Hobhouse (Bath) (LD): Pubs such as The Grapes free house in Bath provide so much more than just being somewhere to drink or meet. They host cultural events and all sorts of things that otherwise could not take place, and that would be a loss to our community and cultural life. Does my hon. Friend agree that the small loss in beer duty would be far exceeded by the benefits we get from having these places open and running?

Mr Forster: I agree. There is an economic argument for a small reduction in beer duty per pint, but, as she highlights, there are wider public community benefits as well. I have talked about trying to grow the economy and the fact that less tax per pint has better economic benefits. One of Labour's key economic election promises was to grow the economy, so why are the Government ignoring calls from the industry to help deliver one of their key missions?

Edward Morello (West Dorset) (LD): My hon. Friend will know—I have said this several times in this Chamber—that the overwhelming majority of businesses in West Dorset are microbusinesses, many of them in hospitality. Does he agree that EPR represents yet another attack on the hospitality sector, alongside increases in business rates and national insurance contributions?

Mr Forster: My hon. Friend is completely right. If the Government reviewed and cut beer duty, as I am requesting, the hospitality sector would see increased growth. Consumers would enjoy cheaper beer, and the industry would have more capital to invest, growing our economy when we need that most. Most critically, there would likely be an uptick in sales due to lower prices. All of that could lead to overall higher tax receipts, counteracting the flawed economics of the EPR policy.

Beyond the industry numbers, this is about people, communities and our British way of life. As my hon. Friends have highlighted, pubs are vital cultural and social centres. They bring people together, help combat loneliness and support the mental health of the nation. Many of us have personal stories that connect us to our local pubs. They are woven into the fabric of our lives, yet pubs continue to face immense pressures. The British Beer and Pub Association estimates that 378 pubs will close in 2025 alone, risking over 5,600 jobs. That is more than one pub a day.

Mr Jonathan Brash (Hartlepool) (Lab): The hon. Gentleman is making a persuasive speech about reducing beer duty. One of the other great pressures facing microbreweries—such as the Crafty Monkey Brewing Co. in Hartlepool—is the inability to get their product into tied pubs. That is bad for pubs and microbrewers. Would he support a change to the pub code to allow them to get their produce into more pubs?

Mr Forster: It will be interesting to see what the Government make of my persuasive speech, but I thank the hon. Member for his kind words. I am sure he will not be told off for saying that from his side of the Chamber. I am happy to look into what he said about changing the pub code. One of the things I am highlighting is that we want a thriving independent sector that supports small businesses, and reviewing the code could help.

I am really concerned that, effectively, one pub has closed every day in this country this year. Nationally, hospitality employs 3.5 million people. That is 10% of all UK jobs, and the concentration is even higher in coastal areas, such as those represented by some colleagues who have spoken today. The beer and pub sector contributes £34.3 billion to the UK economy and generates £18 billion in tax. It supports around 1 million jobs from grain to glass.

The UK has the second-highest beer duty in the whole of Europe. The highest is Finland, where alcohol can be bought only in state-owned shops or licensed bars and restaurants. It is one of the two European countries that effectively has an alcohol monopoly. On a European level, Finland's alcohol prices are considered extreme compared with other countries, but even now, the Finnish Government are aiming to reform their policies to bring them more into line with others in Europe.

Bizarrely, we are more like Finland in regard to our alcohol laws, when we should be more in line with countries such as France and Germany, which have similar drinking traditions to us. So I ask the Minister: when will the UK take the same approach? Higher beer duty has wider consequences, such as increasing prices for consumers, reducing investment, fewer choices on the shelf and making the UK less attractive for international brewers.

Even with some recent reforms, the burden remains far too high and continues to threaten the viability of local pubs and breweries. Reducing beer duty is an economic argument, yet it is also about protecting British culture, supporting local jobs, encouraging investment in communities and helping people with the cost of living. I hope that the Minister will recognise that, as some of his colleagues have, and agree to review beer duty to ensure that the level that is set grows our economy and protects jobs. Let us act before the damage to the British way of life becomes irreversible.

4.57 pm

Mike Wood (Kingswinford and South Staffordshire) (Con): I draw hon. Members' attention to my entry in the Register of Members' Financial Interests. I have also received hospitality from CAMRA, the BBPA, UKHospitality and probably the Society of Independent Brewers and Associates. I rise to speak not only as the Member of Parliament for Kingswinford and South Staffordshire, but as someone who had the honour of chairing the all-party parliamentary beer group for more than five years. During that time, I worked with colleagues across the House to ensure that our brewers, pubs and beer lovers had a Government that understood their value to communities, our economy and local culture.

Under the previous Government, real progress was made on duty. We delivered reforms that simplified beer duty, recognising the unique role that pubs and small brewers play in British life. We implemented draught relief, giving pubs a competitive edge and encouraging the sale of lower-strength beer on tap. Crucially, there was a series of freezes and cuts to beer duty year after year, scrapping Gordon Brown's damaging beer duty escalator and meaning that, by the time of the last election, the duty paid on a pint of real ale in a pub was lower than it had been 12 years earlier.

We embraced the freedoms afforded to us post Brexit to create a more proportionate, strength-based alcohol duty system, designed to support responsible consumption and encourage the production of lower-strength drinks, while putting pubs and licensed premises on a fairer footing compared with supermarkets and off-licences.

Wera Hobhouse: Does the hon. Gentleman agree that, although beer duty seems to target large brewers, it quickly trickles down and hits the much smaller venues and brewers disproportionately hard?

Mike Wood: The hon. Lady is completely right because of the margins that such brewers operate on. The concern now is that, if reports are correct and the Government are considering beer duty as a revenue raiser to fill the gap in the Chancellor's budget, so much of the progress will be put at risk.

Since the Government took office last July, almost every decision that the Chancellor has taken seems to have gone in the wrong direction when it comes to supporting pubs, hospitality and brewing. Just months into office, the Chancellor confirmed that beer duty would rise in line with the retail prices index from February this year—a sharp and sudden shift, which wiped out so many of the gains. That really needs to be a one-off because the return of automatic uprating every year would be a real betrayal of both the brewing industry and consumers. It would mean higher prices at

the local, more pressure on struggling pubs and reduced confidence for independent brewers. That would be not just bad policy but economically incoherent. While costs are high across the supply chain and the Government are piling further costs on to pubs and brewers through wage costs, the Government have decided to add further instability and more tax, rather than consolidating reforms that were already delivering value.

Under the last Government the draft relief was introduced to give pubs a much needed lifeline, cutting duty on beer from draft containers over 20 litres and reinforcing the social and economic value of the on trade. I campaigned hard for that. I was delighted when my right hon. Friend the Member for Richmond and Northallerton (Rishi Sunak), as Chancellor, agreed to a differential duty for draft beer. Then the Leader of the Opposition, as Exchequer Secretary, introduced it as part of the alcohol duty review.

I know that the Minister harbours some ambitions; I hope that the subsequent elevation of predecessors who moved to support pubs through duty reform will offer him some inspiration. Reports of a potential review that could scale back the benefits of that draft beer duty rate are deeply concerning. Small producer relief, launched under the last Government and building on the success of Gordon Brown's small breweries relief, was a significant step forward. I pay tribute to Gordon Brown for that measure, if nothing else: small breweries relief played an important part in encouraging the emergence of a thriving small brewing community, from hobbyists through to established local brewers, in every part of the country. We are seeing the long-term benefits, both economic and cultural.

Mr Brash: The hon. Gentleman has argued eloquently in favour of the record of the last Government, but ahead of the last general election the British Beer and Pub Association reported that more than 10 pubs a week were closing under the last Government. That does not seem a record to be particularly proud of.

Mike Wood: The hon. Gentleman is right to say that 10 pubs a week were closing; a number of those, I think, had been artificially sustained through covid by support, but there has been a long-term trend, going back to the turn of the century, of far too many pubs closing. The difference was that the last Government were taking action to try to address that trend. We are waiting to see whether this Government will match that action.

British beer is not just an industry but a cultural institution. The evidence of a link between price and alcohol consumption is tenuous at best, but we do know that as prices rise, habits change. When they rise sharply, consumers switch how and what they drink: they go from drinking low-strength beers and ciders to higher-strength wines and spirits. They go from drinking in well-regulated pubs and bars to drinking more at home, without that monitoring and oversight. Publicans tell us that the support that they once felt is now gone. Brewers, especially in rural and coastal areas, are seeing margins tighten and options shrink, and it is drinkers who are paying more for less.

We are looking to the Government to reverse the automatic RPI uprating and freeze duty for the remainder of this Parliament; to expand draught relief, to ensure that packaged beer sold in pubs pays a significantly

lower duty rate than that sold mainly in supermarkets; to raise the small producer threshold, allowing businesses, including family brewers, to grow without fear of penalty; and to commit to a long-term transparent policy that supports investment and sustainability in the brewing industry.

Neither our brewers nor our community pubs can afford to take the hit now by being seen as cash cows for the Chancellor's need to raise revenue. Real ale deserves real support. Labour's national insurance rises and slashing of business rate relief has hammered pubs, while its cap on business property relief is a real threat to family brewers. The least that the Government can do is offer some comfort by reducing the pressures caused by high beer duty rates. Consumers, publicans and brewers alike will be watching carefully to see whether the Minister is truly on their side.

5.6 pm

Bobby Dean (Carshalton and Wallington) (LD): It is a pleasure to serve under your chairmanship, Dr Murrison. I thank my hon. Friend the Member for Woking (Mr Forster) for securing the debate. Given all the Liberal Democrat interventions, it seems that we are firmly the party of beer and pubs.

James Wild (North West Norfolk) (Con): Where did they all go?

Bobby Dean: My hon. Friends all made their contributions and they are all on the record; there is no disputing that we have won today—one-nil to us.

Pubs are central to communities, as we have heard from others, and Carshalton and Wallington is no different. One of my favourite things about living in the Carshalton area is that we have some great pubs. I tried to list them all on the Floor of the House one time, but I was two short; I will not repeat that mistake here today. People make artwork about our pubs and there is a defined pub crawl that people come to our area to do. People come from all over the region because for six out of the past 12 years one pub, The Hope, has been CAMRA's Greater London pub of the year. Pubs are super-important to where I live.

In a world with declining physical spaces, pubs are some of the last refuges for interaction with others. We have less footfall on the high street, fewer people going into offices and, let us be honest, it is getting quite pricey to go out for a meal. The pub is one of the last places we have to get together with our mates, or maybe even turn up on our own to be around other people, so it is important that we protect the industry.

The industry is under threat, and hon. Members have spoken about the number of pub closures in recent years. It is getting tough for the hospitality industry in general. People talk to me about a staffing crisis and say that they are struggling to make ends meet. A number of smaller pubs, which used to be at the heart of communities, have been bought up by bigger pub chains, losing their sense of community. That is also an issue. Whenever policy looks as if it is going to have an impact, we should not look at pubs as we do other businesses, but as an important part of the community to protect.

[Bobby Dean]

The EPR has had an impact on the cost of selling beer. It has been acknowledged that that was an unintended consequence that needs to be fixed, and campaigners are putting forward suggestions about how we can fix that. They posit that this would be a Treasury winner, although we might hear differently from the Minister. Will the Minister model the figures, so that we can see what the numbers look like and what the net outcome of such a change would be, taking into account the expected increase in sales? If those figures do not show a net income for the Treasury and instead show only a marginal loss, will the Minister consider the wider benefits to the community, as well as the possible multiplier effect? That could boost the industry more generally.

My point is that a policy was introduced with good intentions but is perhaps having unintended consequences, and the centrality of pubs to our communities means that we ought to be addressing all asks by campaigners and making sure that we get this right.

5.9 pm

Jim Shannon (Strangford) (DUP): It is a pleasure to serve under your chairship, Dr Murrison, and it was a pleasure to hear the hon. Member for Woking (Mr Forster) set the scene so well. I was intrigued by the hon. Member for Carshalton and Wallington (Bobby Dean) referring to the fact that Lib Dems were here. It made me wonder what that means about the Lib Dems—I say that in jest, of course.

I am thankful that beer has become more than the mainstays of Harp, Carling and Guinness, which are all wonderful beers and stouts but increasingly being challenged by small independent brewers. There is only one small independent brewer in my constituency, but they are good guys; they have a good company, and I wish to mention them. Grant in my office tells me that Bullhouse East craft beer, which began in Newtownards, is top class and, for any of the big brands, hard to beat. I have tried it myself and I also think it features up there, but that is just my opinion.

Hon. Members may not be aware that, in Northern Ireland, small independent breweries are severely restricted from offering the choice and variety of local products that consumers demand, because of the liquor licensing laws. That limits Northern Ireland's economic, hospitality and tourism opportunities and means that 99% of beers sold in Northern Ireland are imported. This year, Northern Ireland lost 20% of its breweries because of the limits. The current review of the licensing system, including the surrender principle, is the opportunity to introduce much-needed reforms. I will ask a question of the Minister at the end of my speech and I will be happy for him to get back to me in written form if that makes it easier, because of the particular question that I intend to ask.

Granting Northern Ireland's independent breweries the ability to properly open taprooms, as happens in England, Scotland and Wales, would enable small businesses to reach their potential, meet consumer choice and increase tourism. I believe that is what we should be considering for Northern Ireland, so that is my wish and my request to the Minister. The Licensing (Northern

Ireland) Order 1996 limits the number of alcohol licences available. Under the surrender principle, an existing licence must be surrendered before the granting of a new one. It is a quirk in the law, but it means that someone has to hand one in so that someone else can buy one, and the premium is exorbitant.

Obtaining a new licence costs well over £100,000, which is unaffordable for most small businesses. In some areas of Northern Ireland, it is impossible to get a new licence. The Licensing and Registration of Clubs (Amendment) Act (Northern Ireland) 2021 introduced a new but extremely limited local producer's licence, but its cost of £10,000 or more outweighed its limited benefits. It was very limited, restricting a brewery to opening twice a week for 12 hours and selling only its own products.

Northern Ireland's 23 small breweries struggle to sell their products in local pubs, as the vast majority are locked into sole-supply contracts with globally owned breweries. That is another negative for those people who want to be more independent, to have more choice and to give their customers more choice. Many of those globally owned breweries do not allow local draught beer to be sold. Currently, the only realistic option for Northern Ireland's small independent breweries is to export their beer to the rest of the UK or to the Republic of Ireland. In England, Wales and Scotland, small independent breweries are permitted to apply for a licence to properly open taprooms, which helps to create jobs, regenerate the community and grow tourism.

The one thing that we have in Northern Ireland and have tried to encourage—this applies in particular to my council, Ards and North Down borough council—is tourism. We are very keen to ensure that tourism can produce economic advantages, jobs, money and opportunities for small businesses to grow as well. Northern Ireland's independent breweries need the same opportunities to grow and thrive. Any discussion on Northern Ireland's top-class beer industry must come with us urging Government to support our local breweries and, obviously, to liaise with the Northern Ireland Assembly to press for reform. That is what I look to the Minister for today. As I said, I will be very happy if the Minister wishes to come back to me on this issue in a letter to indicate what can or cannot be done.

The one thing I do know is that we in Northern Ireland want to play our part. We do not have a large number of breweries; we have 23 across Northern Ireland, with one of them being in my constituency, but I am very keen to see the opportunities presented by the proposal from the hon. Member for Woking, who as I said set the scene very well, and for us to be able to be part of that. I am ever mindful—others have referred to the news in the paper in the last two weeks about the number of pubs that will close in the United Kingdom over the next period of time; I think one per week was the figure referred to—that there is pressure on the hospitality sector and, in particular, on pubs. They are part of the community. Whether people are going for a drink, to socialise, to have fun, to meet people or for a meal, pubs are integral. Let us do our best to ensure that we keep all the ones that are there, so that in the future they can still be parts of the communities that we live in.

5.15 pm

Clive Jones (Wokingham) (LD): It is a pleasure to serve under your chairship, Dr Murrison. I thank my hon. Friend the Member for Woking (Mr Forster) for securing this debate. I agree with him; I, too, love beer, and I have for some time—we will not go into how many years—been drinking it and thoroughly enjoying it.

As my hon. Friend will know, back in February our party supported the beer duty cut to support our pubs. The Liberal Democrats have always supported the local pub, perhaps because of our heritage as a party grounded in community politics. Across our country, pubs and other hospitality businesses are the lifeblood of our communities. That is true of my constituency of Wokingham, where we are blessed with many excellent pubs, and I know that it is true of my hon. Friend's constituency as well.

Wokingham is not just a place where beer is consumed, although I know my constituency team do their best in that department whenever they get the chance, but a place where beer is produced. I have spoken in the House before about some of the breweries that operate in Wokingham. Siren Craft Brew has grown from a small local producer to a significant competitor in the market, with beers such as Lumina being found in pubs across the country. Just across the road, Elusive Brewing produces Oregon Trail, which won best IPA at this year's champion beer of Britain awards. There are also countless smaller producers across Wokingham and the Reading area, as there have been for many centuries.

Like most MPs, I am happy to stand in this House and make the case for businesses local to me, but I am not just here to plug the record of Outhouse Brewery in Wokingham town centre, whose taproom is open five days a week, including Sundays, selling the feline-themed Apocalypse Meow pale ale.

Brewers and publicans regularly tell me of the challenges that the industry is facing. We need to address those challenges head-on. When the previous Government tried to make hay out of a draught discount in 2023, they managed to apply it only to containers of over 40 litres. That excluded many producers of real cider or craft beer, like those produced by the companies in Wokingham that I have mentioned, who often ship product in smaller containers. As so often with the Conservatives, it was a break for big business, not for local businesses that really needed the support.

Mike Wood: Will the hon. Gentleman give way on that point?

Clive Jones: I will carry on, if the hon. Gentleman does not mind.

To add insult to injury, the Prime Minister at the time managed to launch the policy with a photo opportunity in which he lifted up a beer keg for all to see. The keg was a 30-litre container, which did not qualify for the discount he was launching. If I were him, I might have drowned my sorrows in a couple of pints of Apocalypse Meow after that one. The industry knows which parties in this place have its back. After pressure from the Liberal Democrats, the Government applied the draught discount to containers of 20 litres or more. I do not believe that the former Prime Minister returned to lift more kegs to mark his U-turn.

A key challenge that comes up time and again, especially when I talk to local independent pubs, is the crushing impact of the broken business rates system. The Liberal Democrats have been calling for years for it to be reformed and replaced with a commercial landowner levy based on the value of landlords' land, which would remove the responsibility for this tax from local businesses. This fair reform has one core goal: supporting our local economies to thrive and grow. I am led to believe that the Government place a very high value on growth. They are right to do so, but they will not get it while small local businesses choke under the weight of the outdated business system and increases in employer national insurance contributions.

My hon. Friend the Member for Woking spoke eloquently about the impact of extended producer responsibility on the industry. He is not wrong. It is a cause for huge concern among those I talk to across the drinks and hospitality sector. Our party welcomes the Government's intention to make packaging more sustainable, but it cannot be at the expense of uncertainty and financial turmoil for local businesses, with all the economic consequences that that brings.

The assumption that local authorities will recycle the packaging from drinks bought in the pub is flawed, and the proposal means that pubs may pay for waste disposal twice: once for private recycling, and then again through EPR-related charges from producers. I urge the Minister to consider our call to exempt pubs from EPR, and to review the scope and timeline of that policy to avoid further harm to our hospitality sector. Will he today commit to a review of how successful the extended draught duty cut has been in supporting hospitality? If he finds that it has been successful, with all the economic benefits that that will bring, will he consider reducing it further to help our struggling pubs across the country?

5.21 pm

James Wild (North West Norfolk) (Con): I congratulate the hon. Member for Woking (Mr Forster) on bringing this important debate to Westminster Hall and uniting us behind support for beer—although his colleague the hon. Member for Wokingham (Clive Jones) slightly broke that consensus with my hon. Friend the Member for Kingswinford and South Staffordshire (Mike Wood) on a couple of points.

Beer and pub businesses support 1 million jobs across the UK and contribute £34.4 billion to the economy. In my own North West Norfolk constituency, there are more than 70 pubs and four breweries, which support 2,300 jobs and generate £53 million for the local economy. Those brewers are Brancaster, Fox, Lynn and Duration in West Acre—I strongly recommend Duration's Turtles All the Way Down IPA. This has been a good debate with a long list of excellent-sounding pubs and breweries.

The previous Conservative Government introduced a new duty system in 2023, which has been referred to. That was the biggest reform of duties for more than 140 years and was based on the common-sense principle of applying duty based on the strength of alcohol to modernise existing duties, support businesses and meet public health objectives. New reliefs were also introduced: draught relief, which we have heard about, to cut the burden on draught products; and small producer relief. The British Beer and Pub Association, as quoted by the

[James Wild]

hon. Member for Hartlepool (Mr Brash), said that those reforms were very welcome for the beer industry, and I am sure everyone would agree with that. Conservative support for the sector went further; at autumn statement 2023, we froze alcohol duty, and the freeze was extended at the spring Budget a year ago.

By contrast, at the tax-raising autumn Budget, the Chancellor increased the headline rate of alcohol duty by inflation, although she did continue our policy with a reduction in the rates for qualifying draught products and under small producer relief. While I recognise and welcome those steps, the changes to draught relief will mean that beer duty on an average 4.5% strength pint of beer reduces from 54p to 53p—a paltry one penny saving. With the average pint now breaking the £5 barrier to mitigate new costs, many are left wondering if the Government really get the challenges facing the pub and brewing sector. One in every £3 spent in the pub goes straight to the Treasury, and beer duty rates are now up to 12 times higher than in other European nations. The Government's fiscal approach risks squeezing the life out of those vital sectors.

A lot has been said about the role of pubs, and I also want to reflect on the role of breweries. The brewing subsector sustains 85,000 jobs and contributes £5 billion to tax revenues. Breweries are clearly fundamental to the success of pubs and the hospitality sector. More than 80% of beer sold in the UK is produced domestically in 1,800 breweries, which have strong domestic supply chains and a strong economic multiplier effect. The economic value that they generate largely stays in the UK, and the Government should support that in the policy approach that they take.

Beyond the increase in alcohol duty, which is the primary focus of this debate, we have also heard a lot about EPR and the extra costs that producers are facing. The BBPA has calculated that EPR fees and Budget costs will add more than £800 million of extra burden on to the sector. The Government's impact assessment failed to make any distinction between sectors, so will the Minister commit to properly assessing the impact of fees on pub closures and the brewing sector? In the current climate, how can he think that those sectors can afford these huge additional costs?

All Members know from talking to pubs and breweries in their constituencies just how worried they are about increased costs. On Friday, I was at the Rose and Crown in Harpley in my constituency, which was one of my favourite pubs under its previous management and has just reopened. From talking to the new team, who have pubs across Norfolk, it is clear that the national insurance increase—in particular, almost halving the threshold at which it is paid—has been challenging and is leading to job losses across the sector.

Pubs make an important contribution to our economy and our communities. When in government, we introduced measures to protect the nation's beer producers and hospitality venues. I pay tribute to my hon. Friend the Member for Kingswinford and South Staffordshire, who was a doughty campaigner throughout the last Parliament to achieve that. Time and again, however, I hear that choices made by this Government are placing unsustainable pressures on businesses. UKHospitality has just published figures showing that since the autumn Budget,

69,000 jobs have been lost in the hospitality sector, compared with the previous period where 18,000 jobs were added. It is little wonder that UKHospitality said that the decisions made by this Chancellor and this Government deliver a hammer blow to the sector.

Businesses are extremely concerned about what will come in the autumn Budget, given the black hole that has emerged in the Chancellor's spending plans. Treasury Ministers keep saying that business confidence is at a record high, and they sometimes manage that without a smile on their face. But if the Minister makes his way to the Dog and Duck, he will get a reality check, and he will hear loud and clear how tough things are for pubs and brewers; how the Government's increases in national insurance, wage costs and business rates mean a third of venues are running at a loss; and the need for the Government to change course. Otherwise, spiralling costs risk undermining the Great British institution of the pub, which is at the heart of our constituencies and communities. Rather than loading on more costs, the Government should be supporting pubs and brewers. If the Minister does that, we will all buy him a pint.

5.28 pm

The Parliamentary Secretary to the Treasury (Torsten Bell): I always look forward to seeing you in the Chair, Dr Murrison—nearly as much as I am looking forward to that pint. I am grateful to the hon. Member for Woking (Mr Forster) for securing and opening the debate. I thank all the colleagues who have spoken—perhaps unsurprisingly, given the subject—with great enthusiasm. I am shocked that there is in fact cross-party support for beer; that is the kind of bold politics that has got everybody in this room where they are today.

Nobody in this place needs persuading of the cultural, social and economic value of the Great British pint, nor of the pubs that serve pints and the breweries that produce them. Pubs are places of consumption but, more importantly, they are places of friendship, community and employment. I have learned a lot in a year as a new MP, but not as much as I learned about life when I started my first job in a pub at 16. I learned a lot about the price of beer, even if not about the ins and outs of alcohol duty, or indeed, drinking alcohol—obviously.

Last autumn, the Chancellor cut alcohol duty on qualifying draught products, affecting 60% of the alcoholic drinks sold in pubs. The cut reduced bills by over £85 million a year. People now pay 13.9% less in tax for draught beer and cider than their packaged equivalents—a discount up by more than 50% since the previous Government's introduction of the policy, as mentioned in the debate. The cut recognised the roles of pubs and other hospitality venues in supporting responsible drinking in social settings.

The Chancellor also recognised the UK's 1,600 or so small breweries by making more generous small producer relief, which, as the hon. Member for Kingswinford and South Staffordshire (Mike Wood) was kind enough to mention, was introduced by Gordon Brown under the last Labour Government, and continued by the previous Conservative Government.

To respond directly to the question put by the hon. Member for Strangford (Jim Shannon), small producer relief is available in Northern Ireland, even though licensing is a devolved policy matter. I am happy to exchange letters with him on the wider points he made.

The Budget also committed to a review of small brewers' access to UK pubs, including through the provision of guest beers, as mentioned by my hon. Friend the Member for Hartlepool (Mr Brash). I know that Members with breweries in their constituencies will contact the Under-Secretary of State for Business and Trade, my hon. Friend the Member for Ellesmere Port and Bromborough (Justin Madders), given his responsibility for that review.

Of course, alcohol duty does not exist in a vacuum. It relates to the real challenges that we face as a country on public health and the public finances. I understand the wish to call for lower duties, as the hon. Member for Woking did, but the implications for the Exchequer are real. I will dwell on a few related points, given that that call was the basis of the hon. Gentleman's speech. I am not sure that the 50p call has been entirely thought through: the duty on a typical draught pint of 4.5% beer is currently 48p, so the hon. Gentleman has called for the whole duty to be abolished. He might want to reflect on that.

Questions were asked about the relationship of what is technically called the elasticity of beer consumption to the changes in duties. The Office for Budget Responsibility publishes its own view on the elasticity, which hon. Members can go and find. Suffice it to say that the implications of any large change in alcohol duty for the Exchequer are real. Obviously, the context is that alcohol duty on beer is down by 10% in real terms since 2019.

Questions were also asked about the international comparisons. The proportion of the price of beer that is made up of tax here is similar to that in Ireland. As Finland was raised, I should point out that the proportion there is less than that in Sweden, where members of my family are consuming beer today at higher prices.

At the autumn Budget, the Chancellor increased the main duty rate in line with the retail price index, but she kept the tax burden on packaged products flat overall in real terms, as has been the long-established policy under all three main parties. Along with the increase to draft relief, that balanced the need to fund public services, reduce harmful alcohol consumption, and support moderate responsible drinkers with the cost of living. We have to weigh all those factors together.

Alcohol harm costs this country an estimated £27.4 billion a year. Regrettably, deaths from alcohol are at record highs—admittedly, that is mainly among a concentrated part of the population, but that is still something we all need to wrestle with. That is why the Government will introduce new standards for alcohol labelling.

But we want to address the health challenges while supporting valued producers and communal settings. That is the grounds for the balanced approach we have taken on duty, valuing the pubs that are at the centre of all our communities, as we have heard this afternoon. There is also good reason to be optimistic about the future of the brewing industry, although I recognise the wider challenges that brewers face. I thank hon. Members for their clear representations on those challenges.

Some Members, including the hon. Member for Woking in particular, raised the issue of the extended producer responsibility for packaging and the forthcoming deposit return scheme. I gently point out that the Liberal Democrats

regularly call for a fast move to a circular economy, but when anything actually turns up, they oppose it in practice. I gently note that that is not a politics that will get any of us very far in the long term.

The reforms are designed to increase recycling and reduce litter and landfill. Critically, local authorities will receive every penny of the EPR fees, thereby bringing much-needed investment into our recycling infrastructure. The EPR scheme administrator has already published the 2025 base fees, with those for most materials, including glass, down on earlier illustrations. In the case of glass, the base fee is down by 20%.

DEFRA continues to work with the industry on the dual-use packaging that several hon. Members mentioned. The Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Coventry East (Mary Creagh) recently held a roundtable on the issue, and I think she intends to hold more.

I acknowledge, as many Members have, that alcohol duty is but one small part of the business equation for pubs and hospitality venues, which is why the Government have made concrete interventions to support the sector, including a £1.5 million hospitality support scheme. I also recognise the points raised, not least by the hon. Member for Wokingham (Clive Jones), about business rates. We have frozen the small business multiplier for the current tax year and are providing 40% relief to retail, hospitality and leisure properties. As I say, I recognise the points made, but the package is worth more than £1.6 billion this year, and the previous Government left us with the relief due to end entirely in April 2025.

We are introducing high street rental auctions to bring vacant properties back into productive use, thereby offering smaller brewers and taprooms more affordable sites. Although there is bad news about pubs shutting across the country, and we are all sad when we see it in our constituencies, we also see some opening up on some high streets, and that is to be welcomed.

On 4 April 2025, we announced the licensing policy taskforce, co-chaired by Nick Mackenzie, the chief executive of Greene King. It is working intensively with the industry to ensure that the licensing conditions for businesses such as pubs, restaurants and music venues are proportional.

I began by acknowledging the unique place that beer and pubs hold in our national life. They deserve and have the steadfast attention of this Government and, it is clear, every hon. Member in this room. My local pubs in Swansea, from the Brunswick to the Deer's Leap, certainly have my attention, and—I promise—my consumption. Through draught relief, small producer relief and tailored interventions for high streets, we are helping the sector to thrive.

I close with two brief invitations. First, I urge Members to please continue to bring to the Treasury their stories, spreadsheets, and suggestions from pubs and brewers, as they have done this afternoon. Secondly, I invite the industry to continue talking to us and demonstrating, year in and year out, that the British brewing scene is second to none.

5.36 pm

Mr Forster: I thank all hon. Members for contributing to the debate. I welcome the cross-party support for the change to and a review of beer duty.

[Mr Forster]

I thank my hon. Friends the Members for Bath (Wera Hobhouse) and for Carshalton and Wallington (Bobby Dean), the hon. Member for Kingswinford and South Staffordshire (Mike Wood), my hon. Friend the Member for Glastonbury and Somerton (Sarah Dyke), the hon. Member for Hartlepool (Mr Brash), my hon. Friend the Member for North Devon (Ian Roome), the hon. Members for North West Norfolk (James Wild) and for Strangford (Jim Shannon), and my hon. Friends the Members for West Dorset (Edward Morello) and for Wokingham (Clive Jones) for their contributions.

Overall, the debate was relatively good-spirited and cross-party, with the occasional breakout of political disagreement. From hearing colleagues' contributions, it is clear that communities across the country would benefit from a review of, and hopefully a cut in, beer duty. There is appetite—quite frankly, thirst—for the Government to look at this.

Growth in the economy is vital, and we are offering a solution to try to grow the economy and support local communities. I hope the Minister asks his officials in

the Treasury to redouble their efforts to work with the industry, improve EPR, and ensure that we have a thriving hospitality sector.

I do have some sympathy for the Minister, who was wheeled out to outline the winter fuel allowance U-turn and now again to try to defend taxing pubs more than we should. He talks about the financial impact, but when he goes back to a pub in Swansea, I hope he considers the benefits of a review. I know he has not committed to a review today, but were the Government to review beer duty in advance of the next Budget, it could have both financial and community benefits that I hope he will ponder over his next pint.

Question put and agreed to.

Resolved,

That this House has considered beer duty.

5.38 pm

Sitting adjourned.

Written Statements

Tuesday 15 July 2025

BUSINESS AND TRADE

UK Internal Market Act 2020 Review: Government Response

The Minister for Trade Policy and Economic Security (Mr Douglas Alexander): The UK Government are today publishing their response to the review of the United Kingdom Internal Market Act 2020 and public consultation.

The review was launched in January 2025, with its scope expanded beyond what the law requires, to help determine how the operation of the Act can be improved. The review is now complete, well ahead of the statutory deadline of December 2025.

During the review, the UK Government conducted a 10-week public consultation, closing on 3 April. We engaged a wide variety of stakeholders, and more than half of the 85 responses received were from the business community. We are grateful to everyone who took the time to send a written response and to join the stakeholder roundtable discussions that we held during March 2025.

The consultation confirmed that businesses, wherever they are based, need certainty that they can trade freely within the UK, unencumbered by unnecessary disruption resulting from poorly managed regulatory difference between the nations. Businesses also require clarity and certainty to take informed planning decisions and make confident investment decisions for the future. This is highlighted by the latest figures from the Office for National Statistics showing that trade between the four nations of the UK is valued at £129 billion, equivalent to around 6% of UK GDP in 2019, and that it is particularly important to the economies of Scotland, Wales, and Northern Ireland.

The UK Government have been explicit about the need for businesses to have certainty, which is why the review has not considered repeal of the Act. Instead, we pledged to explore improvements in the way the Act's provisions operate through common frameworks. There was also strong support in our consultation for the four Governments within the UK to work together through the common frameworks. That is why the UK Government's response describes how to manage the UK internal market in a more transparent, proportionate and pragmatic way, fostering open policy discussions between the UK Government and devolved Governments, with greater clarity and engagement with businesses and other stakeholders.

In common frameworks, discussions between the four Governments can maximise opportunities for alignment where in the nations' mutual interest, and manage divergence in ways that might promote long-term growth across the UK.

Therefore, the UK Government will:

- implement UK Internal Market Act exclusions that have been agreed by all Governments within a common framework;

- alongside economic impacts, now consider in particular environmental protection and public health in UK Internal Market Act exclusions, thereby ensuring a balance of factors is considered;

- establish a minimum economic impact process for considering smaller exclusions, and implement them where all Governments agree the exclusion has an economic impact of less than £10 million a year;

- implement a "reserve" exclusions process where it has not been possible for all four Governments to reach agreement on an exclusion;

- work with the devolved Governments to agree processes for how all four Governments engage with businesses and other stakeholders on matters being discussed in common frameworks; and

- work with the devolved Governments to agree a process for all four Governments to jointly refer UK internal market matters for advice to the Office for the Internal Market.

The UK Government are confident these measures meet the key requests of many stakeholders, allowing Governments to move forward together in managing the internal market in a way that delivers growth, jobs and opportunities across our country.

[HCWS819]

CULTURE, MEDIA AND SPORT

Victory over Japan: 80th Anniversary

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Stephanie Peacock): On 15 August 2025, the United Kingdom will mark the 80th anniversary of victory over Japan, the date that brought the final end to the second world war.

While VE Day 1945 marked the end of the war in Europe, thousands of British and Commonwealth troops continued to battle against Japanese forces in Asia and the Pacific. Three months later, victory over Japan was declared on 15 August, following imperial Japan's surrender to allied forces. The dropping of two atomic bombs on Japanese cities—one in Hiroshima on 6 August and the other three days later on Nagasaki—resulted in enormous devastation, bringing the six-year global conflict to a rapid end and introduced the ever-present threat of nuclear war.

The human cost of the second world war was overwhelming, leading to death and destruction for millions of people on both sides. British and Commonwealth forces suffered heavy casualties, disease and extreme conditions. The campaign in the far east saw thousands of allied troops taken prisoner of war and forced into hard labour. The end of the war brought mixed emotions, widespread sadness, relief and renewed hope that families and soldiers long separated would soon be reunited. It would take months and much effort to bring British service personnel back home, some of whom had spent five years overseas.

Today, our world once again appears increasingly fragmented and uncertain. As we mark what may be the final anniversary with living veterans, we must take this moment to thank them and pay tribute to their service. As their living history fades, it becomes ever more important to share their stories and preserve the lessons they leave behind, so that future generations can understand the true cost of total war and the enduring value of peace.

This anniversary offers the nation an opportunity to come together and reflect on the extraordinary sacrifices made by those who served in the far east, and to pay tribute to all who contributed to the allied victory. We saw how the UK came together for VE Day, echoing the

celebrations 80 years ago, with community celebrations and street parties in a nationwide act of celebration and friendship. On 15 August, we will once again come together to commemorate the second world war generation, and listen to stories directly from those who lived through the conflict and hear first hand about their experiences.

The national commemorations will commence with a Government reception to celebrate VJ Day with veterans. Government buildings and high commissions across the globe will also be lit up on 15 August to commemorate VJ Day.

On Friday 15 August, the VJ Day 80 service of remembrance will take place in partnership with the Royal British Legion and include a national two-minute silence at midday. The event will be attended by second world war veterans of the far east campaign, VJ association members, senior politicians, and military personnel. It will pay tribute to the British, Commonwealth and allied veterans who served in the far east theatres of war, the Pacific and Indian Ocean territories. The national commemoration will feature a Royal Navy, British Army and Royal Air Force guard of honour and music provided by military bands. The event will host a spectacular tribute to veterans involving 400 members of the armed forces, the Red Arrows and historic aircraft from the battle of Britain memorial flight, featuring the historic Dakota, Hurricane and Spitfire aircrafts.

Veterans will be at the heart of the service and include Burma Star recipients, British Indian Army veterans and those involved in the battles of Kohima and Imphal, as well as prisoners of war held across the region and veterans stationed in the UK or Commonwealth countries, who contributed to the war effort. Members of the public are encouraged to participate in a national two-minute silence at midday on Friday 15 August.

The Government are working with partners across the UK, including the devolved Governments of Scotland, Wales and Northern Ireland, to ensure commemorations are UK-wide. The Government national engagement programme runs throughout the year, forming a golden thread of remembrance that connects VE to VJ Day. In partnership with imperial war museums, a range of activities will support this effort, including the ongoing letters to loved ones project, which invites the public to explore their family history and share letters and testimonies from those who served in the far east. IWM will also deliver a paper crane-making initiative at IWM London, a screening of Es Devlin's "I saw the world end" in Piccadilly Circus, and large-scale public screenings of a new contemporary VJ Day film, with an immersive augmented reality experience at IWM North, offering deeper reflection through personal stories, sound, and archive film.

Internationally, the Commonwealth War Graves Commission's "for evermore" tour will expand to new sites including Nairobi war cemetery in Kenya, Sai Wan in Hong Kong, Kranji in Singapore, and Kanchanaburi in Thailand, honouring the global contribution and sacrifice of those who served.

We owe this to the second world war generation who, 80 years ago, fought for our freedom and paid the ultimate sacrifice. It is a chance to reaffirm our national commitment to peace and to ensure that the lessons and legacies of the second world war are never forgotten.

The Department for Culture, Media and Sport's interactive website, <https://ve-vjday80.gov.uk>, offers key information and resources, including ways to get involved in the commemorations.

[HCWS821]

FOREIGN, COMMONWEALTH AND DEVELOPMENT OFFICE

World Bank Lending to Egypt: Loan Guarantee

The Parliamentary Under-Secretary of State for Foreign, Commonwealth and Development Affairs (Mr Hamish Falconer): My noble Friend the Minister of State for International Development, Latin America and Caribbean, the right hon. Baroness Chapman of Darlington has today made the following statement:

Today, I have laid a departmental minute, which outlines details of a new liability undertaken by the Foreign, Commonwealth and Development Office. The liability is a guarantee for a \$200 million World Bank loan to ease Egypt's economic pressures and support its continued economic reform. This loan was agreed to—in principle—under the previous Government and was paused following the calling of the general election.

It is normal practice, when a Government Department proposes to undertake a contingent liability in excess of £300,000 for which there is no specific statutory authority, for the Minister concerned to present a departmental minute to Parliament giving particulars of the liability created and explaining the circumstances; and to refrain from incurring the liability until 14 parliamentary sitting days after the issue of the statement, except in cases of special urgency.

A copy of the departmental minute to Parliament has been placed in the House Library.

Egypt has been severely affected in recent years by the Russia-Ukraine, Sudan and Israel-Gaza conflicts. Egypt is an important partner to the UK, in particular as we work together to resolve the conflicts in Gaza and Sudan. This loan guarantee was agreed in principle by the previous UK Government. Egypt's macroeconomic situation remains delicate, and the country is susceptible to external shocks due to systemic economic and structural challenges. Economic instability would have severe consequences for poverty in the country and for regional stability, and could trigger irregular economic migration to Europe.

A three-year International Monetary Fund programme is conditional on economic and governance reforms. We have already seen these begin to take effect, with a devaluation of Egypt's currency in March 2024, and the introduction of a floating exchange rate and a cap on public spending.

The UK guarantee will support the second of three planned World Bank development policy financing operations, which will help Egypt address short-term economic challenges while advancing the next generation of complementary structural reforms. The overall effect will be to boost Egypt's macroeconomic and fiscal resilience. Our indicative interest has already allowed us to influence the World Bank in aligning its loans with the IMF programme, and to push for more rigorous programmatic reforms.

The liability is expected to last for up to 35 years. The FCDO will only pay official development assistance if a default occurs, as agreed with the World Bank. The departmental minute sets this out in detail.

[HCWS823]

HEALTH AND SOCIAL CARE

Fuller Inquiry Phase 2 Report

The Secretary of State for Health and Social Care (Wes Streeting): Today, the independent inquiry into the issues raised by the actions of David Fuller has published its phase 2 and final report. It focuses on whether procedures and practices in hospital and non-hospital settings sufficiently safeguard the security and dignity of the deceased and would prevent a recurrence of the issues identified by the inquiry, as well as considering the role of regulation.

I wish to pass my thanks on to any individual or organisation who has provided evidence to this important independent inquiry. I extend my heartfelt condolences to the families of the victims and assure them that we are committed to learning from these events.

In 2023, the independent inquiry, chaired by Sir Jonathan Michael, published its phase 1 report, which set out how Fuller was able to commit such shocking crimes, undetected for so long at Maidstone and Tunbridge Wells NHS trust. The trust set out its progress implementing all the inquiry's recommendations via an assurance statement in February 2024.

A phase 2 interim report was published in October 2024. The inquiry's chair expedited the inquiry's work on the funeral sector in light of reports of cases of neglect. The interim report presented preliminary findings and recommendations on the funeral sector in England. The Government committed to responding to these recommendations as part of the final phase two Government response.

The overall conclusion of today's final report is that current arrangements for the care of people after death are partial, ineffective and in some areas completely lacking. The overarching recommendation for Government is that there should be statutory regulation to protect the security and dignity of people after death, regardless of the setting or institution.

Today's report makes 75 detailed recommendations in total, including 19 for trusts and 25 for local authorities focusing on access, dignity, security, and wider processes and procedures to protect deceased individuals. A smaller number of recommendations—31—focus on independent hospitals, medical education, hospices, ambulance services, care homes, the funeral sector and faith organisations, making specific recommendations to improve the care of the deceased. This includes recommendations for the UK Government to establish an independent statutory regulatory regime for the funeral sector.

Every deceased individual deserves to receive the highest standard of care and dignity. The Government will work to ensure this is the case, across all settings, be that in the NHS or other settings including local authority mortuaries, hospices, ambulance services, care homes, funeral homes, and faith organisations.

The Government recognise the urgency of the concerns raised by the inquiry's recommendations and will respond at pace. This will include an interim update on progress this year and a final response by summer 2026.

[HCWS824]

HOME DEPARTMENT

Operation of the Terrorism Acts in 2023: Independent Reviewer's Report

The Secretary of State for the Home Department (Yvette Cooper): Jonathan Hall KC, the independent reviewer of terrorism legislation, has prepared a report on the operation of the Terrorism Acts in 2023. In accordance with section 36(5) of the Terrorism Act 2006, I am today laying this report before the House, and copies will be available in the Vote Office. It will also be published on gov.uk.

I am grateful to Mr Hall KC for his report. I will carefully consider its contents and the recommendations he makes and will respond formally in due course.

[HCWS820]

TRANSPORT

Zero Emission Vehicles

The Secretary of State for Transport (Heidi Alexander): The Government are making it easier and cheaper to own an electric vehicle. Today the Government have launched an electric car grant to support the transition to zero emission vehicles and incentivise sustainable automotive manufacturing. This intervention gives clarity about the Government commitment to the zero emission vehicle transition, at a time of unprecedented uncertainty for the automotive sector.

Grant funding of £650 million will be available to purchase new zero emission cars priced at or under £37,000. Grants of £1,500 or £3,750 will make these cars more affordable and enable even more people to access the savings associated with driving electric. The grant will help unlock potential further savings of up to £1,500 a year in running costs for drivers. It will back UK and other manufacturers, with eligibility dependent on the highest manufacturing sustainability standards, driving growth in our automotive and charging sectors.

Grants are available from tomorrow, subject to confirmation of vehicle eligibility by the Department for Transport. A list of eligible vehicles will be updated on the Department website as vehicles are approved. The scheme has funding available until financial year 2028-29. The closure date will remain under review and the scheme will be subject to amendment, or early closure, with no notice, should funds become exhausted.

The electric car grant has two bands. £3,750 for the most sustainably produced cars and £1,500 for cars that meet some environmental criteria. This is in recognition of the need to address embedded carbon emission across a vehicle's lifetime, as well as tailpipe emissions. Vehicles that do not meet minimum sustainability standards will not be eligible for a grant.

The minimum environmental criterion is for manufacturers to hold a verified science based target. Science based targets are commitments corporate entities make to reduce their environmental impact, in line with the UK's international climate commitments, which are verified by the independent Science Based Targets Initiative. The amount of grant available per vehicle will depend

on the level of emissions associated with production of the vehicle. Emissions from vehicle production are assessed against the carbon intensity of the electricity grid in the country where vehicle assembly and battery production are located.

The Government have also announced a wider package of measures to support the continued deployment of charging infrastructure. These include £25 million of funding to deliver cross-pavement charging channels;

£30 million grant funding to install charge points at depots for vans, coaches and HGVs, supporting the transition of the road freight and coach sectors; £8 million of funding to install chargers at NHS sites; and changes to allow EV hubs to be signed from major roads. All of these measures will support the more than £6 billion of private funding already in the pipeline to further boost the UK's charge point roll-out by 2030.

[HCWS822]

Petition

Tuesday 15 July 2025

OBSERVATIONS

HEALTH AND SOCIAL CARE

GP services in Cheltenham

The petition of residents of the United Kingdom

Declares that a new GP surgery is needed in Cheltenham, as local surgeries have warned that GPs are under strain, working long hours with no breaks, and some residents struggle to secure timely appointments, and to accommodate the growth of the town.

The petitioners therefore request that the House of Commons urge the Government to consider the needs of a new GP surgery in Cheltenham when allocating resources for health services.

And the petitioners remain, etc.—[*Presented by Max Wilkinson, Official Report, 21 May 2025; Vol. 767, c. 1138.*]

[P003074]

Observations by the Minister for Care (Stephen Kinnock):

The Government believe integrated care boards are best placed to understand the needs of their local population, and to make decisions on new general

practice surgeries based on those needs. ICBs' annual commissioning plans must consider requirements for new practices, including those driven by population growth, contract expiries, or unplanned closures.

The Government are aware of multiple primary care facilities schemes under development across Cheltenham, as published in the NHS Gloucestershire ICB website, which is available at <https://www.nhsglos.nhs.uk/about-us/who-we-are-and-what-we-do/publications/> and <https://www.nhsglos.nhs.uk/wp-content/uploads/2024/09/Glos-ICB-GP-Premises-Development-Plan-2024-to-2031.pdf>

These include:

Development of a new primary care facility in Central Cheltenham to co-locate the Overton Park and Yorkleigh GP practices into a new facility. This is subject to a specific business case that represents value for money being presented, there being a suitable site, and planning permission being obtained for any proposal.

NHS Gloucestershire ICB is seeking to develop a specific primary and community health facility for around 5,000 patients on a part of the site for the new housing developments in west Cheltenham. This is subject to suitable section 106 contributions.

NHS Gloucestershire ICB is seeking to develop to develop a specific primary, dental and community health facility for around 9,000 patients on the Elms Park West housing development in the north-west of Cheltenham. This is subject to suitable section 106 contributions.

Written Corrections

Tuesday 15 July 2025

Ministerial Corrections

DEFENCE

LGBT Financial Recognition Scheme

The following extracts are from the Westminster Hall debate on the LGBT financial recognition scheme on 9 July 2025.

Al Carns: The scheme will be open for one year, but I want to be absolutely clear, as I have been with the previous and current heads of Fighting With Pride, and assure all LGBT veterans that, if they are eligible and apply, they will receive their payment.

[*Official Report*, 9 July 2025; Vol. 770, c. 386WH.]

Written correction submitted by the Minister for Veterans and People, the hon. Member for Birmingham Selly Oak (Al Carns):

Al Carns: The scheme will be open for **two years**, but I want to be absolutely clear, as I have been with the previous and current heads of Fighting With Pride, and assure all LGBT veterans that, if they are eligible and apply, they will receive their payment.

Al Carns: There were payments to 84 applicants for the dismissed or discharged payment, with each applicant receiving over £50,000. Additionally, we have made £82,000 in impact payments to 11 applicants, ranging from £1,000 to £2,000.

[*Official Report*, 9 July 2025; Vol. 770, c. 388WH.]

Written correction submitted by the Minister for Veterans and People:

Al Carns: There were payments to 84 applicants for the dismissed or discharged payment, with each applicant receiving over £50,000. Additionally, we have made £82,000 in impact payments to 11 applicants, ranging from £1,000 to **£20,000**.

ORAL ANSWERS

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No proofs can be supplied. Corrections that Members suggest for the Bound Volume should be clearly marked on a copy of the daily Hansard - not telephoned - and *must be received in the Editor's Room, House of Commons*,

**not later than
Tuesday 22 July 2025**

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