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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**
(HANSARD)

Monday 18 May 2026

The following abbreviations are used to show a Member's party affiliation:

Abbreviation	Affiliation
Alliance	Alliance Party of Northern Ireland
Con	Conservative Party
DUP	Democratic Unionist Party
Green	Green Party of England and Wales
Ind	Independent*
Lab	Labour Party
Lab/Co-op	Labour and Co-operative Party
LD	Liberal Democrat
PC	Plaid Cymru
Reform	Reform UK
SDLP	Social Democratic and Labour Party
SNP	Scottish National Party
TUV	Traditional Unionist Voice
UUP	Ulster Unionist Party

*The term “Independent” may denote—

Members who have been elected as Independent candidates without affiliation to a political party; or

Members who have been elected after standing for a political party but no longer have the party Whip in the House of Commons.

House of Commons

Monday 18 May 2026

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

PRELIMINARY BUSINESS

NEW WRITS

Kirsty Blackman (Aberdeen North) (SNP): Mr Speaker, two of my colleagues have been elected to Scotland's national Parliament, so this is a bittersweet task for me.

Ordered,

That the Speaker do issue his Warrant to the Clerk of the Crown to make out a new Writ for the electing of a Member to serve in this present Parliament for the Burgh Constituency of Aberdeen South, in the room of Stephen Flynn, who, since his election for the said Burgh Constituency, has been appointed to the Office of Steward and Bailiff of His Majesty's Manor of Northstead in the County of York.—(*Kirsty Blackman.*)

Mr Speaker: I never thought he would represent an area of Yorkshire, in England. [*Laughter.*]

Ordered,

That Mr Speaker do issue his Warrant to the Clerk of the Crown to make out a new Writ for the electing of a Member to serve in this present Parliament for the County Constituency of Arbroath and Broughty Ferry, in the room of Stephen Patrick Gethins, who, since his election for the said County Constituency, has been appointed to the Office of Steward and Bailiff of His Majesty's Three Chiltern Hundreds of Stoke, Desborough and Burnham in the county of Buckingham.—(*Kirsty Blackman.*)

Mr Speaker: That is even further south in England.

COMMITTEE OF SELECTION

Ordered,

That Nesil Caliskan be discharged from the Committee of Selection and Deirdre Costigan be added.—(*Gen Kitchen.*)

Youth Justice

2.37 pm

The Lord Chancellor and Secretary of State for Justice (Mr David Lammy): With permission, Mr Speaker, I would like to make a statement on the youth justice system in England and Wales. I am today publishing a White Paper, with a once-in-a-generation set of reforms to build a youth justice system that intervenes early, responds more effectively and does more to turn young lives around, so that we can better protect the public. I am very grateful to the Under-Secretary of State for Justice, my hon. Friend the Member for Rother Valley (Jake Richards), and, before him, my hon. Friend the Member for Scunthorpe (Sir Nicholas Dakin), for all their hard work in getting us to this point.

Over the past two decades, the number of children entering the youth justice system and being detained in custody has fallen dramatically. This progress is the result of real cross-party consensus, with a modern youth justice system that began under Tony Blair's Government and was continued, during his time as Prime Minister, by Lord Cameron—he famously said he would “hug a hoodie”—who, with Lord Gove, asked me to carry out the Lammy review.

But this success has brought a new challenge. Our youth justice system is now working with significantly fewer young people, but they are significantly more vulnerable and at significantly higher risk. Most begin their journey into crime long before they come to the attention of the police, their lives shaped by instability, by trauma and often by neglect—the kind of childhood that most of us in this House could barely imagine. Some grow up surrounded by violence, addiction and abuse, while others are moved endlessly around children's homes or foster care placements, never staying in one place long enough to have the stability needed to feel safe, let alone the love and care that would enable them to really thrive. All those factors make them more likely to end up in the justice system. When we fail to intervene early enough, the consequences can be devastating—for those children, of course, but also for victims and entire communities, because around 80% of prolific adult offenders first enter the justice system as children.

The risks that children face have also changed. Today's children are navigating online harms, criminal grooming through social media and exposure to extremist content. Too often the system has struggled to keep pace: opportunities to intervene are missed, warning signs go unnoticed and agencies do not consistently share information. This means that children can slip through the cracks between services, which risks escalation, and responsibility between agencies becomes blurred. The lessons emerging from the Southport inquiry, following the tragic murders of three young children by Axel Rudakubana, a violent 17-year-old who was known to authorities, are a terrible reminder of what can happen when systems are not sufficiently co-ordinated and not sufficiently decisive in the face of escalating concerns.

We must learn those lessons but also strike the right balance. The system must recognise that they are still developing and that most have huge capacity to change. We should not over-criminalise but, at the same time, avoiding criminalisation must never mean overlooking risk or failing to act. Benign neglect, however well intentioned, is still neglect. Where behaviour causes

[Mr David Lammy]

harm, timely, proportionate and effective intervention is essential to protect the public and to support children to change course.

That principle is reflected throughout this White Paper. First, we will intervene earlier, investing an additional £46 million over the next three years in our turnaround programme, which is already showing promising results in diverting children from crime, and by strengthening the join-up with other programmes that support children on the cusp of offending. We will also strengthen and expand the use of parenting orders, which can compel parents to address their child's behaviour, including attending counselling or guidance sessions. If they do not act, they will face penalties. We will deliver on our manifesto commitment to introduce an offence of child criminal exploitation, building on the work carried out by others, including Baroness May, and placing the focus where it belongs: on the adults who groom, the adults who coerce and the adults who profit from exploiting children. Through new youth diversion orders, we will tackle the increasing number of young people who commit terrorism offences, allowing agencies to intervene before that risk escalates.

Where offending does happen, we will ensure that children get the right response at the right time. Diversion must be firm, fair and effective. We will fundamentally reform the youth out-of-court resolution framework, to improve consistency and public confidence so that children receive interventions that genuinely address their behaviour and cut crime. We will also pilot problem-solving youth intervention courts, laser-focused on rehabilitation and prevention. They bring together judges, youth workers and specialist support to tackle the root causes of offending, whether mental ill health, school absence, addiction or exploitation, while still demanding accountability from young offenders.

Custody will always be necessary for the most dangerous offences, but for many children even a short spell inside can deepen their problems, exposing them to more violence and criminal influence. So we are setting an ambition to cut the number of children remanded in custody by 25% over this Parliament, alongside an intention to reduce the use of short custodial sentences, which so often are ineffective, with more than two thirds of children going on to reoffend. Instead, we will invest £5 million in intensive community placements and stronger bail support, protecting the public while giving children a genuine chance to change course.

We will also reform the childhood criminal records regime, because mistakes made at 13 should not become a life sentence of closed doors and lost chances, not least where this prevents young people from getting a job, which is a crucial factor in helping offenders turn their lives around. We will carefully consider the age of criminal responsibility in this country, which currently sits at just 10 years old, to ensure that it still reflects a modern understanding of childhood, vulnerability and development. We will also strengthen local youth justice services so that they are better equipped to meet the needs of today's children.

We will soon set out detailed proposals for a new approach to youth justice service oversight, and funding arrangements so that children receive consistently high-quality support wherever they live. That includes reforming

the Youth Justice Board, sharpening its focus on continuous improvement of local services and transferring some of its key functions to the Ministry of Justice, so that Ministers are fully accountable for how the system performs.

I have been clear that custody will, where appropriate, be necessary for public safety. However, we will take further action to improve safety and education across the youth estate, while setting a clear long-term direction of travel away from large, outdated institutions and towards smaller settings that can better rehabilitate children.

The White Paper is also about fairness. Not all children in our justice system are equal. Those in care are still far more likely to be drawn into the system. Black children remain vastly over-represented—22% of the youth custodial population, compared with 6% of 10 to 17-year-olds overall. Black children are also over-represented among victims, being around six times more likely to be victims of homicide. I warned about this disproportionality when David Cameron asked me to do the Lammy review, nearly a decade ago, and the fact it persists today should shame us all. These reforms will begin to address that, building a system that is fairer and more consistent.

It is not a choice between punishment and rehabilitation; it is about what works: protecting the public, cutting reoffending, and stopping vulnerable children—so often victims themselves—becoming tomorrow's dangerous adult offenders. This Government will do whatever it takes to give more children the chance of a better future, and to keep the British public safe. I commend this statement to the House.

Mr Speaker: I call the shadow Secretary of State.

2.46 pm

Nick Timothy (West Suffolk) (Con): It is obvious that we are now in the legacy-hunting stage of this Government. Less a range of exhausted volcanoes, more a row of trampled molehills, Ministers are desperate to be remembered for something. This morning a word cloud was published by the pollsters at More in Common. The public were asked for the Prime Minister's greatest achievement, and emblazoned across the page, in huge capital letters, was the sad word "Nothing."

Today's announcement, however, is a fitting tribute to the Justice Secretary and his predecessor, the right hon. Member for Birmingham Ladywood (Shabana Mahmood). So desperate are they to find the causes of crime that they sometimes forget that their job is to prevent and punish crime itself. The truth is that Labour just does not have it in its DNA to be tough on crime. The Government have let 60,000 criminals out of jail early, they are abolishing short-term sentences—so that almost all shoplifters and the majority of knife criminals will no longer be sent to prison—and they are pretending that they are doing these things because they have to, but they are doing them because they want to.

The Prisons Minister says that only a third of prisoners should be locked up. The Minister for Sentencing, the hon. Member for Rother Valley (Jake Richards), says that a pretty big chunk of the overall population should not be in prison, and today's announcement is more of

the same. So I have some specific questions for the Justice Secretary. He wants to increase the age of criminal responsibility to reflect a

“modern understanding of childhood, vulnerability and development”.

From smoking bans to voting rights, this Government have a confused view of childhood, so what should be the age of criminal responsibility?

With a wave of sexual and violent crime committed by illegal immigrants, many of whom pretend to be children, can the Justice Secretary guarantee that those people will not escape justice a second time by giving a fake age to the police? The Government say they will review the function and purpose of criminal courts for child defendants, but the purpose of a criminal court is obvious: to try criminals. Can the Justice Secretary rule out abolishing criminal trials for under-18s?

The Government also say that they want to end lifelong disclosure requirements for the under-18s. Can the Justice Secretary guarantee that those requirements will still apply to people guilty of violent crimes and to prolific offenders?

The Government say they will slash custodial remand for young offenders by a quarter, but remand should be used in response to need, not arbitrary targets. What is the Justice Secretary's alternative? Will he just send criminals home? Will he stick to that target regardless of the level of violent crime and repeat offending?

The Government want more parenting orders, but this morning the Justice Secretary said that they are not used much at the moment because all judges can do to enforce them is issue a fine. He was unclear on this question. So will Ministers—*[Interruption.]* The right hon. Gentleman was asked on the radio this morning whether parents who do not comply will face custodial sentences. He fudged that question, so I am asking him to answer it now.

The figures show that young repeat offenders often start with theft and move on to drug offences and violence, yet the Government's big idea is to stop punishing swathes of crimes committed by under-18s. The gangs who swarm shops to steal goods in places like Oxford Street, Ilford and Clapham do not need to be put on a course; instead, they need clear punishment, which can include prison.

The results of soft-touch liberalism are visible in towns and cities up and down the country, yet the changes that the Justice Secretary is announcing today risk amounting to more of the same. This is a big call. If youth crime goes up as a result, it will be on this Government.

Mr Lammy: The Tories have a mixed record when it comes to youth justice and keeping young people out of criminality. We should remember that their local authority spending cuts led to a huge fall in council services for young people—about 70% in real terms. While they were in power, £1 billion was lost, leading to the closure of many youth clubs, a reduction in the outreach work that is vital to keeping young people on the right track, and youth workers being completely undermined. All that early intervention work was stopped—an entire generation sacrificed at the altar of austerity.

As the hon. Member for West Suffolk (Nick Timothy) will know—he was at the driving wheel—the Tories also cut 20,000 police officers and 7,000 police community support officers, leading to a collapse in

visible neighbourhood policing. On their watch—*[Interruption.]* Conservative Members really should listen to this. On their watch, more than 1,000 Sure Start centres closed. Early intervention was demolished on their watch.

I said it was a mixed record because there was a fall in the number of first-time entrants into the youth justice system. Figures peaked at around 110,000 back in 2007, but fell to just 7,500 while the Tories were in office in 2023. When they entered government, there were around 2,000 children in youth custody; by the end of their tenure, that had fallen to just over 1,000. Those were great achievements. It is interesting that the hon. Gentleman does not want to celebrate those achievements, which began under David Cameron and Michael Gove.

The hon. Gentleman asks about the age of criminal responsibility. As he will know, the Bar Council is consulting on this issue, and I look forward to receiving the conclusions of its work. He also asks about foreign national offenders. We are absolutely clear in this consultation that we will look at the 16 and 17-year-olds who arrive in our country from somewhere else and commit a violent crime; if they do so, I am afraid that they will be deported. We are really clear about that. We have driven up deportation in our country.

The hon. Gentleman asks whether we are abolishing the youth court and the criminal standard. Of course we are not. However, we are consulting on youth intervention courts because, just as we have seen in our family drug and alcohol courts, problem-solving approaches—gripping the young person, their parents and those who work with them; looking at the addiction and mental health issues and giving them support; holding the multidisciplinary teams to account—can really make a difference. We stand by that.

The hon. Member asked about young people on remand. We want to recruit a new generation of specialist foster carers, because it is much better to have a responsible, loving adult—

The Parliamentary Under-Secretary of State for Education (Josh MacAlister): We used to have them.

Mr Lammy: Exactly—we used to have them, and the Tories abolished them. We want to bring them back and grow their numbers so that we can support these young people.

There are a range of things we can do through this White Paper, and I encourage the hon. Member for West Suffolk to read it in detail. A lot of his predecessors would agree with it. It is good work, and we need to get on with it.

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

Andy Slaughter (Hammersmith and Chiswick) (Lab): I welcome the White Paper, which shines a welcome light on an often-neglected part of the criminal justice system. The remarkable drop in the number of young people in custody, from a high of 3,400 a day, is sometimes box-ticked as “job done”, but when half those young people are on remand and a majority do not go on to receive a custodial sentence, there is clearly more to be done.

[*Andy Slaughter*]

The Justice Committee is conducting an inquiry into children and young adults in the secure estate. While the Government are right to look at early intervention and alternatives to custody, will the Lord Chancellor also look at the successes and failures of the current custodial system for young people and how it can better rehabilitate young people and reduce the risk of reoffending?

Mr Lammy: We will look at this and do the necessary inquiry, and I know that my hon. Friend's Committee is doing that work at the moment. He is concerned, quite rightly, about the huge rates of both prolific crime and recidivism. Clearly, the system is not working. We have this group of young people present in the system, and sometimes over two thirds of them go on to reoffend. We can do better, and we must do better. We have put rehabilitation at the heart of this youth justice White Paper.

Mr Speaker: I call the Liberal Democrat spokesperson.

Jess Brown-Fuller (Chichester) (LD): The Government's White Paper represents a truly critical opportunity to transform the youth justice system and, importantly, reduce lifetime offending. We know that most offenders in our prisons today are repeat offenders and that persistent offending often begins early in life, with eight in 10 prolific offenders in England and Wales committing their first crime as a child. We must stop this chain of escalation, and the earlier we intervene, the better.

Nowhere is that more applicable than for children in care, those from ethnic minorities and those with special educational needs, who are disproportionately represented in the justice system. Will the Secretary of State set out how this overhaul will ensure that these children, given their specific vulnerabilities, will receive the targeted support that they desperately need?

May I take this opportunity to highlight the great work of the organisation SHiFT and encourage the Justice Secretary to engage with it? I believe that SHiFT's model could be rolled out across the country, helping young people before they even commit their first crime?

Education for young offenders can be a crucial step in diverting them from a path to reoffending. We are pleased that the Children's Commissioner will undertake a review of education in young offender institutions, but can the Justice Secretary ensure that it will take into account the fact that 80% of young people who are sentenced have special educational needs and make sure that the support they are getting in those institutes is fit for purpose?

The Youth Justice Board provides vital independent oversight of the youth justice system, yet the Government have chosen not to act on the report they commissioned from Steve Crocker, instead bringing a number of the board's functions more directly within the remit of the Ministry of Justice. What is the purpose of those reforms? What benefit will the Government gain from bringing those functions in-house, and will the Justice Secretary address the concerns from across the sector that these reforms risk reducing specialist experience and weakening independent accountability?

Finally, will the Secretary of State set out how the use of parenting orders will affect the recruitment of foster parents, those being asked to take on special guardianship

orders or kinship arrangements, and those considering adoption? If parenting orders will not apply to those families, how will they be supported effectively to ensure that this measure does not lead to further family breakdowns and more children ending up in the care system?

Mr Lammy: I am grateful to the hon. Lady for the manner in which she made her remarks. She understands that we have seen this revolving door, where two thirds of children and young people released from custody go on to reoffend, and many of those young people are extremely vulnerable. We have to do something about it.

I thank her for mentioning the cohort of young people—way too many—who are within the care system. I am very grateful that the Minister responsible for children in care, my hon. Friend the Member for Whitehaven and Workington (Josh MacAlister), is on the Front Bench today alongside me. He takes a huge interest in the work that our Departments do together to deal with this area.

The hon. Lady mentioned young people who are adopted. She knows that I am a parent of an adopted child, and I take these issues extremely seriously. She is right, and we are looking in totality at the way in which parenting orders have worked. There must be something going wrong if the number of parenting orders issued has fallen over the last decade from more than 1,000 to just 33 last year. We have to look at it in the round and ensure that judges have the right tools to support parents and guardians over this next period.

The hon. Lady raises the reforms we are making to the Youth Justice Board. It is still the case, if we look across the country, that there is a postcode lottery. We have to eliminate that postcode lottery, which also exists because of online harms, because of grooming, because of mental health and because of neurodiversity. I was in Feltham recently and I saw the good work that it is doing with young people who are neurodiverse. It is important that the Department, working with our colleagues in the Department for Education and the Department of Health and Social Care, bring some of these powers back to the centre so that we can get coherence across the country and end that postcode lottery.

Pam Cox (Colchester) (Lab): I welcome this statement and the White Paper. What steps is the Secretary of State taking to ensure that programmes such as turnaround are felt in constituencies such as mine in Colchester and beyond?

Mr Lammy: I am grateful to my hon. Friend for mentoring turnaround, which is an important scheme that began under the last Government and has continued under us. It is making a big difference by diverting these young people. I will look closely at its use in her constituency, but we are absolutely clear that it is about not just diverting them but ensuring that we are diverting them to quality. We can see from the recidivism rate of 7% that turnaround is an exceptional programme.

Sir Jeremy Wright (Kenilworth and Southam) (Con): Can I ask the Secretary of State about two things? The first is education, which he has mentioned. It is, of course, important to look at education for young people

in a custodial setting, but does he agree that it is also important to consider the link between attendance at education and rehabilitation for those who have received non-custodial disposals, and will he ensure that his proposals make that link clear?

Secondly, in relation to advocacy on behalf of young people within the youth justice system, the Secretary of State will recognise that, with a smaller number of young people going through the system, it is more and more difficult to maintain a specialist advocacy profession and to ensure that advocates are properly rewarded for the very specific skills they need to develop. Will he look at the fee structure for advocates and ensure that we continue to encourage the right balance of skills, attention to conferences and that they get to know the client, which is particularly important for young people in the youth justice system?

Mr Lammy: I am grateful to the right hon. and learned Gentleman for his expertise in this area. He is right to mention the role that the education system plays, and not just for those in custody. There is more to do in respect of education for young people in custody. Too many of them spent time in their cells during the pandemic, and not outside their cells getting skills. We are looking at reforming referral orders and, whereas we previously had just volunteer panels keeping up to date with these young people in communities, we are looking a bit closer at the role of the judge and professionals in those referrals to ensure that education is taking place and that we have a more multidisciplinary approach in respect of the outcomes for those young people. I thank him for mentioning special advocacy and I assure him that the Under-Secretary of State for Justice, my hon. Friend the Member for Rother Valley, is looking closely at this and chairing a group to look at the issues.

Warinder Juss (Wolverhampton West) (Lab): I welcome the White Paper. My right hon. Friend has acknowledged that 80% of prolific offenders first offend as children and that two thirds of children reoffend within a year after being released from custody, so does he agree that early and fast intervention is crucial to cut crime? Can he please also outline what specific youth provision, including mental health help, is available to young people in my constituency of Wolverhampton West to deal with this issue?

Mr Lammy: I will look specifically at my hon. Friend's constituency. It should be the case that turnaround and diversion work can make a difference, and I hope it is making a difference in his patch. I met the previous Health Secretary to discuss these issues, and I look forward to taking them up with the new Health Secretary in the coming days.

Sir Ashley Fox (Bridgwater) (Con): I thank the Lord Chancellor for his statement. The Justice Committee heard that, as of February 2026, there were only 412 young people in custody, of whom about 44% were on remand, so when he says, with a great flourish, that he intends to reduce the number by 25%, he is talking about reducing a very small number—about 185—down to about 135. That is a very small number of individuals. Rather than making a huge effort, as he appears to be doing, to bring about this very small reduction, his efforts would be better spent on improving education and training in the youth custody system.

Mr Lammy: I say very gently to the hon. Gentleman that we can do both. We can improve education in our youth custody system—I entirely accept that there is more to do, particularly coming out of covid and particularly because of chronic under-investment by his party—but I encourage him to think a bit harder about the remand population. There is, of course, tremendous churn among the 400 young people who are currently in custody, and therefore we are not talking about a sliver of 25%, adding up to 135. That is not the case. It is significantly more than that, because over the course of a year, it gets into the thousands of young people. *[Interruption.]* He shakes his head, but that is basic maths.

Andrew Pakes (Peterborough) (Lab/Co-op): I welcome the White Paper and put on record my thanks both to my right hon. Friend and to the Minister for youth justice, my hon. Friend the Member for Rother Valley (Jake Richards), for their work on this issue. One of the most heartbreaking things I have to do as a Member of Parliament is meet families and young people who have been failed by the system after those young people have taken actions that have caused disturbance for their families and the wider community. Accountability matters, but one of the crushing realities I have learned as an MP is that state failure plays a large part in criminality and the lack of options for young people. Can my right hon. Friend reassure me that youth intervention courts and other measures will begin to address not just criminality and the lack of accountability, but the lack of opportunity in training, caring, support, education and—particularly in my patch—apprenticeships, so that we divert people from prison in the first place and those in custody have opportunities when they come out?

Mr Lammy: I am grateful to my hon. Friend, and of course I know his city of Peterborough very well. Peterborough has a vibrant third sector, and we have to get it involved in offering opportunities to young people in the community. There is no doubt that there are lots of skills and training opportunities in Peterborough and the whole of East Anglia, and we want young people to take them up.

Mr Lee Dillon (Newbury) (LD): The White Paper contains many announcements that we, as Liberal Democrats, can support, so I gently ask the Deputy Prime Minister what evidence the Government have that the potential threat of a prison sentence will be an effective mechanism for compliance with a parenting order. Have the Government done an impact assessment, and how can he guarantee that the use of stricter punishment will not adversely affect the outcomes for the child involved?

Mr Lammy: I recognise why the hon. Gentleman has raised the extremely rare circumstance in which we would expect a judge to remand a parent in custody, but I think he will agree that the judge's effectively having only a fine does need reform. That is why we have seen the number of parenting orders come down. It is important that we are there to support and encourage parents. I was hugely shocked when I sat recently in Highbury magistrates court, with a lot of young people facing quite serious offences, and there was no parent in sight.

Helen Hayes (Dulwich and West Norwood) (Lab): I thank the Secretary of State for his statement and welcome the publication of the White Paper. Education has a vital role to play in reducing youth offending. There is a strong link between the offences committed by young people and educational disengagement earlier in their lives. What is the Secretary of State doing to ensure that the Department for Education's work on persistent absence, exclusions, special educational needs and disabilities, and support for care-experienced young people is properly joined up to ensure that the Government have a focus on removing disengagement from education and reducing youth offending?

I welcome the work that the Secretary of State has asked the Children's Commissioner to do on the quality of education in young offender institutions, but we already know that the quality of that education is abysmally poor and that action is urgently needed. Will he set a timescale for that work, so that we know when we will see the positive change that is so urgently needed?

Mr Lammy: I am grateful to my hon. Friend for championing these issues. I hope that she sees an indication of what she seeks from the fact that two Ministers are working hand in hand and sitting on the interministerial group to direct this activity. There is more to do on education in the youth custody context and more to do on neurodiversity and its prevalence among this cohort of young people. We have to extend that work into communities and join up better with local child and adolescent mental health services as well.

Sir Julian Lewis (New Forest East) (Con): May I ask the Justice Secretary to explain a bit more about the intensive community placements to which he made brief reference? Can I put to him a particularly challenging scenario? Imagine that we have, say, a single parent—a single mum—who is very much afraid of her own adolescent child. She is aware that that child has been getting machetes and other violent accessories through internet-related delivery services. Let us imagine that she does what she is supposed to do, and what we would all think she ought to do, which is to report the child. Given that no offence has yet been committed by the child, what protection will be offered to her against potentially lethal violence from her own adolescent son?

Mr Lammy: The right hon. Member raises a very serious issue, and it lies at the heart of what we are discussing, because we are seeing young people, particularly this prolific cohort, becoming addicted—often addicted online and often groomed—and this is where the knives and, sadly, the terrorism come in. This is not a stand-alone policy; the work of Prevent, the police and social services matters. Here we have to do better to join up that work, and that is the signal we got following the Fulford inquiry into what happened in Southport. This is an attempt to move directly in that direction, recognising that we are seeing that addictive behaviour in a cohort of young people, and that they are often neurodiverse. We need to support parents to get this right, and an intensive supervision court can make a real difference and put a judge right at the centre of that ring.

Janet Daby (Lewisham East) (Lab): I truly welcome the statement and the White Paper. I am pleased to see in the statement a consultation to end lifelong disclosure to ensure that a child or young person's poor choices in their early life do not define their future prospects as an adult. My right hon. Friend will be aware of the work I have done with FairChecks and Penelope Gibbs. I suggest that he considers how tougher accountability for parents or carers could go on to further affect the stability of families, especially when they feel they have been failed by earlier interventions or intervention services. Will my right hon. Friend agree to meet me to discuss this matter further?

Mr Lammy: I am grateful to my hon. Friend not just for championing these issues from the Back Benches, but for the tremendous work she did while she was Children's Minister. She will be pleased to hear that I met Penelope Gibbs just last week to discuss these very issues, and I am happy to meet my hon. Friend to look at what more we can do. This is an important consultation. A third of people on jobseeker's allowance have an offence on their record. We have to do something to ensure that these things do not follow young people for the rest of their lives.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): Devolving youth justice powers is hardly a novel argument, and the White Paper itself acknowledges Wales's action on the prevention of youth offending. Will the Secretary of State clarify whether Labour will finally listen to the people of Wales, who have elected a Government clear in their stance on devolution, and allow Wales full powers over justice?

Mr Lammy: I look forward to meeting the new team in Wales soon to discuss what more we can do together.

Gill German (Clwyd North) (Lab): I am so pleased that early intervention and working with families is at the heart of this Government's approach. As a former cabinet member for children's services in Denbighshire, I know how important that is. Will my right hon. Friend set out how increased investment in programmes such as Turnaround will help children in Clwyd North before they enter the justice system?

Mr Lammy: I am grateful to my hon. Friend for her question, and she knows from her experience how vital this is. It goes back to the point that I was making about the postcode lottery that we see across the country. We must even up standards and ensure a universal element to this, so that it is not just a pick and mix from local authority to local authority. That is why I am bringing powers back to the centre from the Youth Justice Board, as well as empowering it to drive change and innovation in local communities. That is why we must continue with that £46 million funding for Turnaround over the next three years.

Mark Pritchard (The Wrekin) (Con): Let us be honest: tens of thousands of young people have been let down in this country by successive Governments. The right hon. Gentleman said that those in care are drawn "disproportionately" into the justice system, and all that talent—in my view, forgive me, God-given talent—is wasted. We talk about productivity in this country, but what about social productivity? What about social justice

for those young people in care homes? It is completely wasted talent. People go from children's homes, paid by the state, into prison, also paid by the state. Although I welcome some of what the Secretary of State has said, the fact is that the Government, and previous Governments, have lectured parents on how to parent, but the worst parents of all—look at the evidence; look at the data—are the Government themselves. Will the right hon. Gentleman work with the Secretary of State for Education to ensure that social workers in whatever part of this country keep an eye on what young people are doing at school, follow up when they are failing in their exams, and ensure that they leave school with qualifications, so that fewer of them end up in the criminal justice system?

Mr Lammy: The right hon. Gentleman and I have been friends for many years. I know that, like me, he has a deep Christian faith; one heard the power of redemption in his voice. I have long believed that the phrase “looked after” is one of the biggest oxymorons in the English language. Those kids are not sufficiently looked after, which is why I am so grateful that the Under-Secretary of State for Education is sitting beside me and doing such considerable work to turn this system around.

Adam Jogee (Newcastle-under-Lyme) (Lab): My constituents want and deserve a justice system that is fit for purpose, delivers justice for victims, and tackles crime properly and effectively. That said, poverty and deprivation play an important role, so will the Secretary of State assure me that there is a proper and effective cross-Government approach? He mentioned the Department for Education, but the heart of this strategy goes further than that. We need a carrot and stick approach, not just words.

Mr Lammy: My hon. Friend is right, and he knows from his long experience that the role local government plays, alongside mental health services and education, is vital, and we must do much better to join this up. Whenever something goes badly wrong, it is usually because services have not been sufficiently joined up. That is why the new intensive supervision course in this area can make a real difference for young people.

Sarah Pochin (Runcorn and Helsby) (Reform): In my 20 years' experience in the courts, I have watched young people's attitude change: there is no respect for the courts when they walk into the courtroom, and no fear of the police. Prison—or young offenders institution—sentences are no longer a deterrent, because they are simply not given out. We rarely see parents in court in support, for lots of different reasons: these children are neglected because their parents are battling alcohol or drugs, have financial issues or are out of work; or they are in a care system that is letting them down. I have visited care homes that I know let under-age youngsters go out at night and prostitute themselves, because nobody can keep an eye on them or control them. The care system fails those kids too. In places such as my constituency, I witness kids going out in gangs, subject to organised crime gangs. They need opportunities, they need apprenticeships—

Mr Speaker: Order. One of us is going to give way and it is not going to be me. *[Interruption.]* Please, sit down immediately. I need to get everyone's questions in. If you want to make a statement, you can apply for an

Adjournment debate. I am sure there are many other ways to do that, but you cannot just hog the whole of this debate.

Mr Lammy: This is one of the few occasions—the first ever, I think—when I have agreed with the hon. Lady, specifically about the context for these young people. She brings tremendous experience to the Chamber as a magistrate working in this area, and we can agree about children in care, the adult grooming that we are seeing and parents often not being present in the criminal justice system—we have to do more to support them. She will find a lot in the White Paper that perhaps Reform can adopt as its policy for the next election.

Kim Johnson (Liverpool Riverside) (Lab): I thank the Justice Secretary for recognising the disproportionality that still exists within the criminal justice system for our black communities. Education and diversionary activities are absolutely essential to early intervention. After the anti-Muslim hate marches and anti-Muslim rhetoric that we saw at the so-called “Unite the Kingdom” march last weekend, how will the Government ensure that this White Paper provides our schools and youth services with the tools they need to prevent young people being radicalised and exploited by hateful, violent ideologies?

Mr Lammy: I know that my hon. Friend has a tremendous track record in championing issues of disproportionality in this House and beyond this place, and we are grateful for all the work that she does in that area. She is absolutely right that in this White Paper we are getting up to date and gripping the online harms facing our most vulnerable young people, who, in a care context, are living without sufficient parenting and are often groomed into terrorism and vile hate. We must do something about that. There are adults who we can gather together to make a difference in the lives of those young people.

Ben Obese-Jecty (Huntingdon) (Con): I appreciate what the Justice Secretary wants to achieve on reducing the rate of recidivism. He said in his statement that “custody will always be necessary for the most dangerous offences”, but went on to say that there will be “an intention to reduce the use of short custodial sentences.”

Will he add some more detail around the length of sentence that he considers to be a “short” custodial sentence? In relation to knife crime, he will know that the minimum sentence for threatening with a knife can be as little as six months. Young people already do not have much fear about being searched for a knife or facing the criminal justice system. If they know that they will not receive a custodial sentence at the end of the process, what deterrent will there be to their carrying or using a knife?

Mr Lammy: Behind the hon. Gentleman's question is a serious issue. The evidence suggests that short custodial sentences have poor outcomes, with recidivism of almost two thirds, whereas good community support has far better outcomes, with recidivism down by about a third. This is not about just leaving these young people to their own devices in the community. With tagging, specialist foster care and secure accommodation in communities, one can make a real difference and ensure that young people are monitored, which sometimes does not happen in big institutions.

Jayne Kirkham (Truro and Falmouth) (Lab/Co-op): It seems clear that the lack of early-years intervention, the lack of SEND support and the cuts to youth services in the past 14 years have let down a generation of our children. How will the youth intervention courts bring together those agencies to tackle the entrenched root causes, including poor mental health and disengagement with schools?

Mr Lammy: I should call to mind not just the work of the Secretary of State for Housing, Communities and Local Government, but the youth guarantee introduced by the Secretary of State for Culture, Media and Sport and all her work to ensure that young people have opportunities wherever they live in the country. Turnaround is making a difference in bringing those services together. We are remodelling the Youth Justice Board, bringing more back to the centre so that we can ensure consistency across the country. At this time, expertise in these areas, particularly in online harm, does not always exist in communities, so we need to do better.

Tom Gordon (Harrogate and Knaresborough) (LD): On Friday, I was at Leeds Trinity University and met with a group of future teachers. They were talking about the exclusion-to-offending pipeline in our schools, and the challenges in meeting the needs of SEND children. Will the Secretary of State elaborate further on what tangible steps his Department will take with the DFE to get this right?

Mr Lammy: I am pleased that under the new Government, we have gripped the pupil referral unit scandal that was happening up and down the country. Too many young people were not even attending the pupil referral unit; they were effectively on the streets. When they did attend the pupil referral unit, they were not really being supported either therapeutically or educationally. That lottery is coming to an end under this Government. There is absolutely a pipeline into crime, and we have to be joined up for not just those young people in custody in the criminal justice system, but those young people who are often in a pipeline into custody if the pupil referral unit is not working as successfully as it should.

Kevin Bonavia (Stevenage) (Lab): I recently hosted a screening of a short film called “The Orphan”, a dramatisation of a boy being caught up in county lines activity. It was directed by Leo Powell and supported by Stevenage borough council and across our local schools. I welcome the White Paper, particularly the new offence of child criminal exploitation and other early intervention measures, including the Turnaround programme. Will the Secretary of State say more about how that programme can help to tackle the disgrace of county lines?

Mr Lammy: At this point, it is important to mention the county lines programme, which sits with the Home Office. We in the Ministry of Justice work very closely with it, and it is making a difference. It is an absolute scandal that young people—as young as 10 or 11—have been travelling up and down the country ferrying drugs. No one knew where they were or what school they went to, and they had no support, but we are bringing that to an end. For the first time in a long time, we are seeing knife crime falling, and the number of young people falling into county lines is coming down.

Lincoln Jopp (Spelthorne) (Con): I thank the Secretary of State for his statement. Is he concerned that by reducing the relative punishment for youth offending relative to adult offending, he may inadvertently be making the young people of Spelthorne and across the country more attractive to be recruited by county lines gangs? That would clearly be an unintended consequence of his actions, but will he think again if it turns out that that is the case?

Mr Lammy: I assure the hon. Gentleman that that will not be the case. The 412 young people in custody at the moment are there for public protection; they have to be there. Many of those young people are there because of very violent crimes, and some of them are serving very long sentences. Public protection must always come first, but this White Paper recognises the modern world—the world that we live in. It also recognises the vulnerability of the particular cohort we are talking about, which has changed vastly from 20 years ago. There is more that we can do with agencies to support these young people, particularly in communities, so that they are not criminalised, mixing and going on to the adult prison, and to reduce the overall numbers.

Chris Vince (Harlow) (Lab/Co-op): I am the Member for Harlow, if people were wondering.

May I thank the Deputy Prime Minister for his really important statement and the non-partisan way in which he gave it? I welcome the fact that he is sitting next to the Minister responsible for children, families and wellbeing, my hon. Friend the Member for Whitehaven and Workington (Josh MacAlister). I have listened to Members across the Chamber, and it strikes me that to really make a difference to young people in my constituency and across the UK, we have to ensure that Government Departments do not work in silos. What work is the Secretary of State doing with the DFE, the Department for Work and Pensions and the Department of Health and Social Care to ensure that we do not let any young people in my constituency and beyond be left behind?

Mr Lammy: I am very grateful to my hon. Friend for the work he does in Harlow. He knows that I know Harlow very well, because it happens to be the second home of Spurs supporters in the country. He will be pleased that just two weeks ago, I was sat discussing these issues with the Secretary of State for Education and my hon. Friend the Member for Whitehaven and Workington on the interministerial board that we have, which looks particularly at children in care and their outcomes, what more we can do, what more we can join up and how we can continue to make a difference for them. Over the five years that we have in this term in government, and it is five years—there has been some speculation in recent days that it might be less—I am determined that we are going to make a difference for looked-after children.

Ayoub Khan (Birmingham Perry Barr) (Ind): I welcome these fairly comprehensive proposals, which I hope will seek to help young people who are either in the criminal fraternity or on the cusp of entering it. We all know that prevention is better than a cure—the old adage, “idle hands become a devil’s workshop” comes to mind. In Birmingham, where a third of our population are under the age of 20, we have lost a significant number of youth centres. In 2011, there were 59; that number has reduced to 16.

What will the Deputy Prime Minister and Secretary of State do to address this, and will he join me in commending voluntary organisations such as Real Aston football club and the parents who are coming together to fill that vacuum and support our young children?

Mr Lammy: I hope the hon. Gentleman will recognise the work that Turnaround is doing in Birmingham to make a difference and create effective diversionary activity for these young people, so that they do not continue in a life of crime. He is absolutely right about the devastating cuts to youth centres that we saw across the country. It will take some time to rebuild them, but I know that the Ministry of Housing, Communities and Local Government, working with the Department for Culture, Media and Sport, has a strategy. It has set about that strategy, alongside the youth guarantee that also exists for the young people of Birmingham.

Jim Shannon (Strangford) (DUP): I very much welcome the Secretary of State's statement—it would be churlish of anyone in this Chamber not to welcome the White Paper's proposals, which have been put forward in a positive fashion. Can I perhaps help the Secretary of State in a gentle way? The Youth Justice Agency in Newtownards in my constituency is doing a phenomenal job of liaising with young offenders to help them understand the impact of crime on victims. The reoffending rates of those who have been attending the Youth Justice Agency in Newtownards are significantly reduced, so could the Secretary of State share what he intends to do with so much understanding and development, which is something that the whole United Kingdom of Great Britain and Northern Ireland can benefit from? Newtownards is doing it; let us do it here as well.

Mr Lammy: On the issue of restorative justice, we are working with Jacob Dunne in particular to make a difference—he was involved in that punch situation. I hope to get to Northern Ireland particularly over the coming months, because I know that very good work in this area goes on there.

Points of Order

3.32 pm

Gregory Stafford (Farnham and Bordon) (Con): On a point of order, Mr Speaker. I seek your guidance on a long-established convention of this House that Members notify other Members when they intend to visit another Member's constituency in an official or political capacity. Over the weekend, the leader of the Liberal Democrats, the right hon. Member for Kingston and Surbiton (Ed Davey), together with two of his parliamentary colleagues and a Member from the Labour party, undertook engagements in the Farnham and Tilford parts of my constituency. No notification of any of these visits was received by my office. Given that the leader of the Liberal Democrats is frequently vocal on questions of standards, rules and propriety in public life, could you advise me on whether it is consistent with the expectations of this House that such a convention appears not to have been observed on this occasion, and in light of the fact that this concern relates directly to Members across the House—

Mr Speaker: Order. Do not overstretch your point of order. You want a good answer, not a bad one.

I reiterate once again that I do not care whether you are the leader of a party, the Prime Minister, a Back Bencher, or even a possible future Prime Minister; whoever you are, you must observe the due courtesies and let the Member concerned know, unless you are on private business. The courtesies of the House must be upheld. I do not care who you are—do that. We wanted a new beginning; this is a bad start. I am sure that the leader of the Liberal Democrats is already sending a letter to the hon. Member for Farnham and Bordon (Gregory Stafford), or it might be stuck in the computer somewhere. I am not going to make that judgment call.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): On a point of order, Mr Speaker. Have you received any notice of a statement from the Government following the interception today by Israeli forces of more than 50 boats carrying aid for Gaza in international waters west of Cyprus? There are UK citizens on these vessels, including my constituent Chris Hill from Clwt-y-Bont near Caernarfon. Can you advise me on how UK citizens' right to provide humanitarian aid and their right to freedom of navigation in international waters can be guaranteed in this case—as well as, of course, their right to immediate and unimpeded access to British consular officials?

Mr Speaker: I thank the right hon. Lady for giving me notice of her point of order. As she might expect, I have received no notice of a statement on this matter, but Government Front Benchers will have heard her concern. She is an experienced Member and knows there are many opportunities for her to raise this matter on behalf of her constituents. If she requires further advice, she could consult the Clerks in the Table Office, but I certainly know this will not be the end of it. Who knows, an urgent question may be an option—with no guarantees.

Debate on the Address

[3RD DAY]

Debate resumed (Order, 14 May).

Question again proposed,

That an humble Address be presented to His Majesty, as follows:

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland, in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament.

Backing Business to Create Economic Growth

3.35 pm

The Secretary of State for Business and Trade (Peter Kyle):

Mr Speaker, I heard your call for decency and respect, and I hope those will be the watchwords for today's debate.

My right hon. Friend the Chancellor is with her G7 colleagues today, so I am grateful for the opportunity to open the King's Speech debate on backing British business to create economic growth. That is economic growth for a purpose: not simply to exceed the growth rate of other European members of the G7, which we achieved in the last year; not simply to have the highest growth rate in the G7, which we achieved in the last quarter; and not simply to deliver on the Government's primary mission; but for the purpose of achieving greater social justice for all.

Economic growth is the surest path to higher living standards, improved public services and better quality of life for people up and down our country. We know that economic growth is the catalyst for new opportunities, the pathway to greater prosperity, and the vehicle for greater equality and security for working people. That is why it matters so much.

The growth figures published last week show that, despite the many international headwinds, the UK economy grew by 0.6% in the last quarter—the fastest growth among G7 countries. There is silence from the Opposition Benches. I would have thought that the party that champions Britain and calls for economic growth would be celebrating economic growth when they see it, but no: silence, silence, silence.

The situation is much better than the one we inherited, continuing to exceed the forecast of the doom-and-gloom mongers on the Opposition Benches and in the right-wing media, and even beating market expectations. When the Conservatives were in government, they and their strangely related first cousins, Reform, let down Britain's economic future. Now, in opposition, they talk down Britain's economic present. You can bet your bottom dollar that they will do so again today, ignoring the facts.

The facts are that the UK experienced the highest GDP growth among European countries in the G7 last year. Just today, the International Monetary Fund has upgraded the UK growth forecast, with the UK projected to have the fastest cumulative growth among European G7 economies over 2026 and 2027. None of this happened by accident, just like the damage done to the economy by the Tories did not happen by accident.

Alicia Kearns (Rutland and Stamford) (Con): Does the Secretary of State not concede that GDP per capita is down? Can he tell me that a single one of his constituents, apart from those on welfare, feels better off under this Government?

Peter Kyle: The whole purpose of the debate is to emphasise that economic growth matters. In the last full year in which the Conservatives were in office, economic growth stood at 0.4%. In the first full year of this Government, it was 1.4%. The hon. Lady should be apologising for the state in which she left the economy, leaving us to pick up the pieces.

This growth has been driven by an activist, interventionist Government who back British business—a Government who are not afraid to roll up their sleeves and make the big calls when big times demand it. From Jaguar Land Rover in the west midlands to Ineos in Scotland, Agratas in the south-west, Tata Steel in Wales, and Harland & Wolff across the United Kingdom, we step in to invest, modernise and protect British industry when necessary. We step back by reducing unnecessary regulation when that is possible, and step up to modernise our critical national economic infrastructure where that is vital: supporting the third runway at Heathrow that the Conservative party curtailed; expanding the Oxford-Cambridge corridor where the Conservative party hesitated; backing Northern Powerhouse Rail which the Conservative party cancelled. This Government have confirmed £45 billion of funding for Northern Powerhouse Rail to upgrade lines east of the Pennines and to bring forward a brand-new route connecting Liverpool and Manchester.

Harriet Cross (Gordon and Buchan) (Con): That was a great list, but what was missing from it was the oil and gas sector, and specifically the £17 billion of investment that was lost as a result of the Government not scrapping the energy profits levy and the £50 billion of investment lost because of their ban on new licences, and other hostile policies. Will the Secretary of State reflect on those, and on the damage that the Government are doing to growth not only in the north-east of Scotland but in the United Kingdom as a whole?

Peter Kyle: This Government have invested in industry up and down the country, from Agratas in the south-west, where we are investing in gigafactories, to Ineos in Scotland. We are investing in the industries that are keeping our country going, and we have put growth into the economy.

Gavin Robinson (Belfast East) (DUP): The Secretary of State was kind enough to mention Harland & Wolff. Successive Governments have introduced a number of support measures, and have ensured that that company can thrive by itself. However, in taking at face value what the Secretary of State has said, does he recognise that if this Government continue to refuse to designate Programme Euston a defence project and open it to international tender, not only will they not support British business and yards like Harland & Wolff, but the project will be delayed by three years? If the Secretary of State wants to inject business growth and economic growth, he should designate it a UK defence project, and keep the work and the investment in the UK.

Peter Kyle: The right hon. Gentleman knows full well the commitment that I personally have to Northern Ireland and its economic success. All the issues related to national resilience are things that we have to consider at this moment in time, unlike any other moment in time in peacetime. They are issues that I look at very closely, and in the days and weeks ahead I shall be talking a great deal more about how we can support industry and business across Northern Ireland.

Jim Shannon (Strangford) (DUP): I commend the Secretary of State for what he is saying. I know he is a regular visitor to Northern Ireland because he loves the country, and we appreciate that.

According to the Federation of Small Businesses in Northern Ireland, more than half the enterprises trading between Great Britain and Northern Ireland face severe friction, with more than a third halting trade entirely. Can the Secretary of State explain explicitly how the proposed regulating for growth Bill will help? I know he is committed to it, so let us hear what he has to say.

Peter Kyle: I have been aware of those issues from opposition into government. Of course, rebuilding the relationship with the European Union is also partly about smoothing that barrier across the Irish sea, and we will continue to do so.

We are building the critical national economic infrastructure that the Conservative party consistently failed to deliver, on runways, reservoirs and railways. Just as we are modernising Britain's critical economic infrastructure, we are maximising Britain's industrial strength by delivering our modern industrial strategy. Written for business with business, our strategy creates the right conditions for business to succeed. Since its publication, we have been tackling the high costs of energy. Our supercharger saves firms hundreds of millions of pounds every year, and our British industrial competitiveness scheme will help more than 10,000 eligible manufacturing businesses, saving them up to £40 per megawatt hour from next April. I am very aware of challenges faced by the ceramics sector; I will meet representatives of the sector tomorrow to discuss how the Government might be able to support it, and I hope to be able to say more about that very soon.

To cut the red tape that is holding back British businesses we are ending mandatory strategic reports for medium-sized companies and ending directors' reports for businesses of all sizes, saving firms £230 million each and every year. We are stripping out unnecessary rules and regulations. Through the regulating for growth Bill, announced in the King's Speech, we will create regulatory sandboxes—economic growth laboratories where innovators can trial cutting-edge technologies safely and speedily.

Whereas the Conservatives, with their destructive ideology of deliberate de-industrialisation—from monetarist Thatcherism to Brexit isolationism—drove British manufacturing businesses to the wall and destroyed the jobs that depend on them, this Government are determined to maximise the UK's competitive advantage, not just through reindustrialisation, though that is necessary, but through new industrialisation in advanced manufacturing, clean energy, artificial intelligence and new technology. That is why we have rolled out new

AI growth zones and confirmed the site of the UK's first small modular reactor—a milestone in the journey to becoming a clean energy superpower.

Gregory Stafford (Farnham and Bordon) (Con): The Secretary of State talks about deregulation, but does he not accept that adding 330 pages-worth of regulation in the Employment Rights Act 2025, at a cost of a billion pounds to the economy, is having the opposite effect? Youth unemployment in my constituency has gone up by 28% in just one year.

Peter Kyle: I am grateful to the hon. Gentleman for giving me the opportunity to point out that, in my Department, the overall net regulatory burden is reducing, not expanding. I will not stand in front of the Tories and apologise for giving new rights to workers that are fit for the age we are living in. Over their entire 14 years in office the Tories failed to make sure that people have protections and rights at work that are fit for the age we are living in. We can move forward with growth in the economy that takes forward businesses and the people who work in them. That is to be celebrated, not condemned like the Tories are doing.

John Glen (Salisbury) (Con): The right hon. Gentleman is, quite reasonably, setting out his assertions about where he wants the Government to go, but does he not see the irony? After all the events of last week, the cost of borrowing in the UK is higher than that of many of our competitors, and all business leaders say they feel the instability. The right hon. Gentleman's words will not ring very true for people who seriously wonder about the Government's future direction, with putative leadership contenders talking about fundamental changes in direction and different fiscal rules.

Peter Kyle: The right hon. Member mentions irony; this is from the party that gave us the Liz Truss mini-Budget, which wreaked havoc on our economy. Mortgage rates went up for every mortgage holder across the country, with inflation peaking at 12%, yet the Conservatives talk about instability. The country still lives with the instability that they wreaked on it.

Our major expansion of DRIVE35 is channelling investment into batteries, electric motors and power electronics—part of the biggest Government investment in the British car industry since the second world war. “Invest”, “modernise” and “protect” are the watchwords for the new industrialisation of Britain through our biggest industries, our biggest sectors and our boldest companies.

Iqbal Mohamed (Dewsbury and Batley) (Ind): The Secretary of State talks about deregulation, but we have seen what that has led to in the finance sector, the banking sector and the water industry: consumers end up paying the price. The Secretary of State also talks about AI; speaking way back in 2014, Stephen Hawking cautioned:

“The development of full artificial intelligence could spell the end of the human race.”

Why do the Government believe that deregulating AI is going to assist their growth mission? It will put consumers' lives and the human race at risk.

Peter Kyle: The Government are investing in AI infrastructure, but also making sure that the regulatory and legislative landscape is up to date for the time we are living in. The hon. Gentleman wants to turn the clock back. The world is awash with AI technology. We cannot stop it coming to our country, but we can shape how it interacts with our economy and its people. That is why we are investing in the training of 7.5 million people throughout the economy, including a million students, to make sure we can seize the opportunities that AI presents but also protect people from the potential damage it could cause.

Not only are we creating the conditions for new industrialisation, but we are ambitious for the success of Britain's small businesses. Our "Backing your Business" plan is one of the most generous packages of support rolled out by any Government, with new hospitality zones and reduced red tape for bars and cafés. We have brought in an £11 billion lending package to help small firms to grow internationally and take advantage of the trade agreements we have negotiated with India, South Korea and the United States. This may trigger the Opposition, but we are also going to deepen Britain's trading relationship with the European Union, Britain's most significant international marketplace. That is what our European partnership Bill is all about.

Vikki Slade (Mid Dorset and North Poole) (LD): I welcome the deepening of the relationship with the EU and the measures on late payments, but the elephant in the room is that while the jobs tax exists, and the Government do not make the most of business rate changes in retail, hospitality and leisure, the benefit to small businesses is more than outweighed by the extra difficulties they face. Does the Secretary of State accept that there need to be changes on that front, even if we have to wait until the Budget for them?

Peter Kyle: Once again, the Lib Dems condemn every fundraising measure we have brought in to invest in our public services and get our country back on its feet, but they never say how they will pay for the alternative. They never say how they will raise the money themselves. I am not going to apologise for any of the measures. I will come in a moment to the investment we have made in small businesses and in hospitality, and I will give way to the hon. Lady again if she wants me to at the time, but will she please say what the alternative is from her perspective? The Lib Dems want to spend all the money in the world but they do not want to tell people how it is.

The lending commitment we have secured with the UK's five leading banks will support Britain's small businesses to succeed and prosper. Our business rates support package, worth £4.3 billion, will protect ratepayers from large overnight increases in bills. We have introduced permanently lower multipliers for retail, hospitality and leisure properties. That is worth nearly £1 billion a year and will benefit over three quarters of a million properties.

I know that many businesses, particularly in the hospitality and retail sectors, would like us to go further. I get that. They are impacted by changes in the shopping and social habits of their customers, as well as the financial and geopolitical pressures in the wider economy. We are absolutely aware of and attuned to that. However, the crocodile tears of the Conservatives about these

industries are laughable and lamentable. Theirs is the party that urged us to join the costly military action in the Gulf, which will heap further pressure on hospitality and other sectors throughout the economy. It is not our war, but the Conservative party would make British businesses and consumers pay the price.

Ben Obese-Jecty (Huntingdon) (Con): The Secretary of State mentions crocodile tears; what would he say to the hospitality businesses in my constituency that have been impacted by the rise in national insurance contributions, the minimum wage rise and the business rates that he just talked so effusively about? What message would he give to them as they struggle to deal with the outcome of the Budget?

Peter Kyle: Unfortunately, none of the Conservative Members was listening to what I just said in outlining the measures we are taking, and the admission that we get it and we are listening. Fundamentally and foundationally, what those businesses need is what every business in this country needs, which is a growing economy. In the last year the Conservatives were in office, growth was 0.4%, but in the first year in office of this Government, it was 1.4%. That is what every business needs across the country, and when it comes to specific sectors at specific moments in time, we are watching and attuned, and I am acting where necessary. When the right hon. Member for Central Devon (Sir Mel Stride) addresses the House, I am certain that on that and so much more he will display all the symptoms of the economic illiteracy and ideological incompetence that for too long have engulfed the Conservative party. By contrast, we are taking practical action to end these conditions.

We are bringing in new measures to tackle late payments. The small business protections (late payments) Bill will give the UK the strongest legal framework in the entire G7. Late payments cost the UK economy £11 billion a year, forcing the closure of 38 businesses every single day. For 14 years it was the same under the Conservatives, and they did nothing. The Bill tackles the scourge of late payments, brings in stronger powers for the Small Business Commissioner, sets out strict maximum payment terms of 60 days, and bans the deduction of retentions in construction contracts. The Federation of Small Businesses has said that tackling late payment is one of the biggest things the Government can do to help small businesses to grow. That is the difference that an activist, interventionist Labour Government can make.

Finally, let me turn to another example of the difference. The ghost of free market Thatcherism still haunts many of the industrial areas of this country. It can be seen in the scars of de-industrialisation still marking too many communities around our country. It is high time to exorcise the ghost of de-industrialisation. When I published the steel strategy last month, I told the House I would never hesitate to fight for British industry in defence of the national interest. The legislation we are bringing forward is proof positive of that commitment.

Tom Tugendhat (Tonbridge) (Con): I am grateful to my right hon. Friend—forgive me, I should not call him that; he will be embarrassed. I am grateful to the right hon. Member for his point about the steel industry. Understandably, he has chosen to support one particular aspect of the industry, the steelmaker, but at the expense

of and to the cost of every other part of the industry—the steel consumers. How will he balance that and what provision will he make for those who will see steel prices rises because of his intervention?

Peter Kyle: I have committed to invest in, modernise and protect the steel industry where I need to. Those are watchwords that I apply throughout the economy in highly volatile times. We are investing up to £2.5 billion to modernise and transform the steel sector, from blast furnaces to electric arc furnaces—those are the kinds of transformations we need to make. If I had invested that money but not also protected our sector, that would be pouring vast amounts of public money straight down the drain. In certain circumstances I have had to step in and use measures to protect the domestic British industry. I am not introducing measures for any products that are not manufactured in the UK. I am doing so wisely; I am doing so to protect and ensure that we can build and retain a steel industry that is fit for the future and sustainable.

We will move forward and ensure that, in an era of global instability, we have the key aspects of our supply chain that we need for our resilience as a nation—yes, in defence; yes, in industry; and yes, in all the money we are investing in infrastructure. We must reserve those capabilities. I am listening and engaging with all parts of the steel sector, and the manufacturers and businesses that depend on it. I am listening closely to them. If there are any impacts, I will of course engage with them to understand and see how it will be possible, where necessary, to provide support.

Ayoub Khan (Birmingham Perry Barr) (Ind): Will the Secretary of State give way?

Peter Kyle: No, I am going to carry on. I appreciate Members' kind offers to intervene again and again; I look forward to all their speeches.

The Steel Industry (Nationalisation) Bill will give us the authority to bring British Steel into public ownership, not as an ideological exercise but as a practical means of safeguarding the national interest. It will allow us to retain the Scunthorpe plant as a critical piece of our national infrastructure that is essential to British economic resilience. Britain has long been a proud steelmaking nation. Whatever I have to do to make it so, Britain will retain its capacity and capability to manufacture steel. That is my commitment to Members in this House and to the remaining steel communities of our country. The strength of that commitment can be measured in our determination to boost domestic steel production to ensure that 50% of the steel used here is made here.

Britain cannot make its way in the world as a services-only economy. We have to make our way—earn our way—to greater prosperity, equality, security and opportunity. We cannot do that by economic isolationism, neoliberalism, greater protectionism or a command economy. We cannot regulate our way to prosperity. We can achieve it only through practical and pragmatic policies that support British businesses to be profitable, to scale up, to create jobs and to grow. We have to end the outdated free-market ideologies, failed economic theories and siren voices that all but destroyed Britain's manufacturing base and drove the British public towards Brexit. Britain's future prosperity can be built only by business success. There is

no other way, no shortcut, no easy option and no magic bullet—no matter how attractive and simplistic slogans and superficial soundbites may appear to some.

George Freeman (Mid Norfolk) (Con): The Secretary of State is making a wonderful speech about the 1980s. While I agree with many of his points, the truth is that the country today has come a long way in all sorts of sectors, and I am proud to have done my bit to help that. On regulation, the Secretary of State agrees that leadership on regulating new industries, and having sandboxes and testbeds, is a great UK strength. He also wants us to get closer to the European market; is he worried that if we do, we may end up losing our competitive advantage in a number of areas where we could genuinely attract investment into new industries, such as agri-tech and gene editing?

Peter Kyle: To clarify, I am talking about how we recover from the scars of the 1980s, how we learn the lessons, and how we ensure that we never repeat mistakes that cause scars that endure for generations. To answer the hon. Gentleman directly, we will align with the European market only where that is in the national interest.

We cannot turn back the clock to build future success. The partnerships that this Government have built with businesses, local government and trade unions are delivering resilient growth and helping to build a stronger economy. They are building a fairer country, in which wages are up and public borrowing is down. There have been six interest rates cuts and 500,000 children are being lifted out of poverty. The FTSE 100 has reached historic highs, and the UK is raising more venture capital funding this year than France, Germany and the Netherlands combined.

This Government faced enormous challenges on taking office, and the conflict in the Gulf presents us with even greater challenges. Despite that, we are making progress. It will take time for the benefits of progress to be sufficiently seen and properly felt. The recent election results show that. The only sure route to proving the benefits of change is growing the economy, and the only certain way to grow the economy is through British business success. Our task is to create the right conditions for Britain's businesses to invest, succeed, and win in an increasingly competitive global marketplace. We have made a start, and we will see this through to the finish.

Mr Speaker: I call the shadow Chancellor of the Exchequer.

4.2 pm

Sir Mel Stride (Central Devon) (Con): This King's Speech is an empty vessel, which is a surprise, because only last week the Prime Minister was telling anybody who cared to listen that the Government would be leaning into economic growth in a more radical way, and would eschew managerial incrementalism, yet we have heard nothing other than managerial incrementalism, at best, from the right hon. Lady just now. *[Interruption.]* Of course, I meant the right hon. Gentleman. If only the Chancellor were here, Mr Speaker, I would be right about everything.

The Prime Minister also said that Labour would tread more lightly on our lives. Well, we have seen what that has meant in the last few weeks. The Chancellor said

[*Sir Mel Stride*]

that it would all be growth, growth, growth. The Secretary of State trots out and trumpets the latest uplift—a very modest one—in the International Monetary Fund's forecast, but he neglects to mention that although it is forecasting 1% growth today, it forecast 1.3% back in January.

The Secretary of State also neglects to mention that the increase in growth in the first quarter of this year is on the back of risible growth performance in Q4 of last year. The situation in Q4 was exacerbated, according to the Office for Budget Responsibility and the Bank of England, by the Chancellor's making every possible tax rise; that had a material impact—it depressed the economy. Some of the growth is simply a bounce back from the mistakes made at the end of last year.

The Secretary of State refused to answer the question from my hon. Friend the Member for Rutland and Stamford (Alicia Kearns) about what happened to GDP per capita, so let me tell him that it has been utterly anaemic throughout this Government's period in office. He also failed to mention that the notes to the IMF's comments on upgrading the growth forecast for this year point to domestic uncertainty possibly weighing down on consumer spending and investment decisions. I wonder what "domestic uncertainty" could possibly be referring to. As to our record, I remind the Secretary of State that on the day of the general election, the previous Conservative Government had inflation bang on target at 2%. It is now 50% more than that. We also had the fastest growth in the G7, employment at near record levels, and near record low levels of unemployment, and we had 13 consecutive months of real wage growth.

Max Wilkinson (Cheltenham) (LD): On the subject of mistakes made and growth, does the shadow Chancellor accept that the Brexit that he and his party left us has knocked between 4% and 8% off our GDP?

Sir Mel Stride: As I will come on to argue, our problems actually rest a little closer to home, rather than having anything to do with our relationship with the European Union.

The Labour party promised stability. It also—Members should try not to laugh too loudly—said that it would create the most pro-business Government in the history of our country. None of that has come to pass. It is not just the Prime Minister who is the problem; if this Prime Minister is replaced, whoever goes on to lead the Labour party will not do any better, because Labour had no plan at all for improving our economy. It had a plan for winning an election—keep as low a profile as possible, hold the Ming vase and tiptoe across the shiny floor towards that loveless landslide—but no plan for the people of our country. The Labour Government are in hock to their Back Benchers. Every time they try to do something that requires some backbone, they are stopped by their Back Benchers.

The record of this Government is appalling, and not just on growth. I notice that the Secretary of State did not mention unemployment once, and he certainly did not mention youth unemployment. Under this Government, we are seeing the highest unemployment in five years, and youth unemployment is nudging up towards 20%. Under the previous Labour Government,

youth unemployment increased by more than 40%; under the previous Conservative Government, it reduced by more than 40%.

Sir Ashley Fox (Bridgwater) (Con): Is it not shameful that the Government are having to subsidise employers who take on young people, when it is the Government's actions—their imposing higher national insurance charges, a higher minimum wage, and a higher burden through the Employment Rights Act 2025—that caused the problem in the first place?

Sir Mel Stride: My hon. Friend is entirely right. It is like trying to apply the accelerator while having the brake on fully. That is what this Government are doing. That is the total illogicality of their approach.

Inflation is up on where it was under the Conservatives. It is about the highest in the G7; it certainly was last year. As we lean into the challenges of oil and gas price spikes, that is a weak position to be in. Most economists will make that point. The Labour Government will have borrowed a full quarter of a trillion pounds more across this Parliament than would have been borrowed under the plans that they inherited. It is no wonder that our borrowing costs are the highest in the G7—higher than those of Greece, and higher, even, than those of Morocco. Why? We know why: it is just what socialists do. Socialists believe that you can tax your way to prosperity, but I tell the Secretary of State: you cannot.

The £25 billion of additional tax on businesses—national insurance increases—has crucified business in this country. The burden has fallen predominantly on young people, because there was not just an increase in the rate, but a reduction to the threshold at which the tax cuts in, meaning that young people have borne the brunt of that tax increase. The sectors that rely predominantly on first-time jobbers and on young, part-time and female workers have been crucified, including the retail, hospitality and leisure sectors, in which more than 100,000 jobs have been destroyed by this Government.

Alison Griffiths (Bognor Regis and Littlehampton) (Con): On Friday, I opened the new Premier Inn in my constituency—a project that was passed under the last Conservative Government—but many businesses in my constituency are failing because of increased costs and regulation. Does my right hon. Friend agree that this is an absolute travesty for our country?

Sir Mel Stride: My hon. Friend is absolutely right. I have had the great pleasure of visiting her constituency to speak to businesses, and that is exactly what they complain of. The Government made no effort, in the King's Speech, to get on top of the benefits bill. There was a reference to the Timms review of the personal independence payment, but we know that in the review's terms of reference, there is an explicit statement that it is not about controlling the welfare bill. There will be no savings as a consequence of the Timms review. That is not good enough. We have got to be about getting people off benefits and back into work.

Tom Tugendhat: Does my right hon. Friend not agree that we are seeing not only young people let down, but the deeply immoral act of people being kept on welfare? In five or 10 years' time, people will have been on

welfare for so long that they will not have any options. They will effectively have been left slaves of a state that has no concern for them. Nobody in this Chamber will have any power over how the welfare state will behave then, and those people will have no options. It will be the fault of this House and this Government for having kept those people there, and having imprisoned them.

Sir Mel Stride: That is entirely right. The Conservatives know that work matters, and getting people off benefits matters. People's mental health is improved by going to work, and by having the social interaction, routine and sense of pride and self-worth that comes with work. That is why the level of unemployment and the failure of this Government to tackle benefits is so appalling.

Dawn Butler (Brent East) (Lab): I used to work in the employment service, and Thatcher encouraged us not to sign people on, and to instead put them on the sick. The Conservatives created a whole generation of people on the sick, just to manipulate the numbers. How do you like those apples?

Sir Mel Stride: All these flashbacks to the 1980s are a slightly desperate attempt to get away from the 2020s, I think.

The other thing that socialists love to do is borrow, borrow, borrow, and spend, spend, spend until they have run out of other people's money. That is precisely what this Government have done. The Secretary of State mentioned the fiscal rules, but of course he failed to mention that in the run-up to the election, the Chancellor said that she would abide by our fiscal rules, and then promptly changed them, so that she could borrow more, flipping the definition of "debt" from public sector net debt to public sector financial liabilities. That allowed her to take her foot off the brake and borrow and spend even more.

Charlie Maynard (Witney) (LD): Flashing back to the 1980s, would the right hon. Member like to remind us when the Conservatives last balanced a budget?

Sir Mel Stride: The current account went into a slight surplus just around 2015-16. [*Interruption.*] It did, actually. That was on the back of our inheriting a £160 billion deficit in 2010, which was over 10% of GDP—another example of the disasters of a Labour Government.

The Secretary of State rightly spoke of artificial intelligence and the opportunities that it presents, but what we know of artificial intelligence is that it will have a profound and very uncertain effect on the labour market. We need a flexible skills offer to deal with that, and flexible labour markets, but through the Employment Rights Act, the Government are making the labour market more rigid, and that will hurt younger people in particular, who do not have a track record in employment, so do not be surprised if youth unemployment continues to hover around 16% or 17% as a consequence of the actions of this Government.

When it comes to leaning into these challenges, we know that there is no plan. This Government are not going to do anything. They are just involved in internecine introspection—a civil war, now—within the Labour party. They said that they would tread lightly on our lives;

in fact, they are now stampeding all over them. The rivals to the Prime Minister will be looking to double-down on the ruinous policies that I have just set out.

We have seen the real effects of this in recent days. On Friday, after the former Member for Makerfield said that he would step down in order to ease the passage of Andy Burnham to this place, what happened to gilt yields? They spiked up 18 basis points. I have done a little bit of research, and I can tell the House that, if sustained through the forecast period, that would mean over £5 billion of additional debt servicing costs. That is about £300 for every working family in this country. That is the effect of Andy Burnham, and he has not even arrived here yet.

We are on the edge of a precipice economically, leaning into a very turbulent time. These are the policies of the madhouse, yet we are told not to worry. The hon. Member for Liverpool Wavertree (Paula Barker), who I believe is an outrider for Andy Burnham, said of the bond markets that they would just have to "fall into line". Andy Burnham himself said in the *New Statesman*:

"We've got to go beyond this thing"—

Paula Barker (Liverpool Wavertree) (Lab): Will the right hon. Gentleman give way?

Sir Mel Stride: I will in a moment.

Paula Barker: On a point of order, Mr Speaker. My understanding is that if an hon. Member wishes to mention another hon. Member in the Chamber, they are supposed to give advance notice of that. I have received no such notice.

Mr Speaker: That is not the case. A Member should be informed if they are not here, but the hon. Lady is sitting here, quite rightly, and I am sure that the shadow Chancellor is ready to give way immediately.

Sir Mel Stride: I am always ready to give way, Mr Speaker, and to take your direction.

Paula Barker: Thank you, Mr Speaker, and I thank the shadow Minister for giving way. I agree that what I said might not have been the most eloquent of answers. However, I would say that people in this country are fed up of the bond markets dabbling in the democracy of our country.

Sir Mel Stride: That is a rather unfortunate example of doubling down or continuing to dig, if I may say so. Also, the hon. Lady's comments pale in comparison with Andy Burnham's comments in the *New Statesman*, where he said:

"We've got to go beyond this thing of being in hock to the bond markets".

He also suggested that defence spending should lie outside the fiscal rules, as if spending and borrowing to defend our country were a different form of borrowing from any other borrowing that this Government might entertain. He is not so much the king of the north; he is more like King Canute, sitting in his chair on the sand, dressed in his football kit, trying to push back the tide of the bond markets and saying things like, "You've got to fall in line" as the waters lap at his ankles and we all ultimately get swept away. It is ludicrous.

[*Sir Mel Stride*]

The King's Speech included a holiday tax that will increase the cost of the most budget holidays in this country, clobbering people who have saved up hard and just want to make some memories with their children. We also have the nationalisation of steel, which seems to be just some kind of political sop to the left on the Labour Benches.

The Government are also going to put a stop to new oil and gas exploration. This is lunacy, when we are importing gas from Norway that is extracted from the same basin. We are also importing liquefied natural gas, formerly from Qatar and now predominantly from the United States, which has four times the carbon footprint compared with if we had extracted it ourselves using our own resources. All that energy security blown, all those jobs destroyed and all that tax revenue forgone, simply because of the ideological madness of the Labour party.

Harriet Cross: The shadow Chancellor is completely right to reflect on the plight of the oil and gas sector under this Labour Government: 1,000 jobs are being lost in the sector every single month, which is affecting all our constituents, not just those in the north-east of Scotland. Does he share my dismay that a Labour Government do not take that more seriously?

Sir Mel Stride: I do indeed. I have been up to Aberdeen, met my hon. Friend and heard at first hand about the economic effect this is having. It is utter madness. If we have an opportunity in government, we will put that right.

I have already mentioned benefits. There was nothing of any substance about welfare in this King's Speech. There was nothing about the defence investment plan. Where is it? It was promised back in September.

Then we have the regulating for growth Bill—an oxymoron if ever there was one. "Regulating for growth" says all we need to know about this Labour Government. They know nothing about the economy, nothing about job creation and nothing about businesses.

Jim Shannon: Will the shadow Minister give way?

Sir Mel Stride: Briefly.

Jim Shannon: I thank the shadow Minister for what he is saying. Does he share my concern, and the concerns of probably many in this House, that small and medium-sized businesses will suffer more than most? The figures for Northern Ireland indicate that between 85% and 89% of the job creators there are small businesses. Northern Ireland needs something special from this Government. Does he see something special coming, or are we just wondering what is going to happen?

Sir Mel Stride: I am afraid that what I see coming is what is already baked in: business rates going through the roof. In some cases, small businesses on our high streets are facing 140% increases in the amount they have to pay in business rates.

Conservative Members believe in enterprise, opportunity, aspiration and markets. We believe in risk takers, in people who work hard, and in people who get up early in the morning and do the right thing—go out and create wealth, create jobs and grow our economy. Because

of that, at our last conference we set out £47 billion-worth of savings, predominantly—£23 billion—on the welfare budget. With that we could do two wonderful things: first, we could start to bear down on the deficit and get on top of the debt, which is out of control under this Government; and secondly, we could get taxes down, particularly on the productive parts of the economy. We therefore announced the abolition of stamp duty and a tax cut for young people.

There is more in our alternative King's Speech: a Bill to back our high streets and cut business rates for a quarter of a million of our high street businesses; a get Britain working Bill to reverse the damage done by the Employment Rights Act; a reducing bureaucracy Bill to remove the mountain of environmental, social and governance regulations; a save British industry Bill to get rid of the Climate Change Act 2008 and abolish the zero emission vehicle mandate; a cheap energy Bill to get rid of renewables subsidies and bring down bills for households and businesses; a getting Britain drilling Bill to reinvigorate our North sea oil and gas industry, creating jobs and boosting our exports; and a welfare reform Bill to get the benefits bill under control and restore the two-child cap. That is the serious plan that our economy needs. That is the plan to back our businesses and deliver growth. That is a Conservative plan for a better Britain.

4.23 pm

Ruth Cadbury (Brentford and Isleworth) (Lab): As Chair of the Transport Committee, my remarks on the Gracious Speech will focus mainly on transport; if there is time, I plan to touch on some of the other areas where the Government's proposed legislation will benefit many of my constituents directly.

This debate is entitled "Backing business to create economic growth", and our transport system is key to growth. Economic growth is central to the ambition of the £45 billion investment to deliver Northern Powerhouse Rail. That will start to address the 10% productivity gap between northern England and the UK average. Residents and businesses in the north endure longer and often unreliable journeys compared with international comparators. For instance, only 38% of residents can access the city centre of Leeds within 30 minutes by public transport, compared with 87% in Marseille, a city of a similar size. With the new rail infrastructure proposed from Liverpool to Hull, the whole of the economy across the north of England will benefit from Northern Powerhouse Rail.

The highways financing Bill will introduce a new funding model for road infrastructure by introducing a regulated asset base, or RAB, funding model to unlock private capital investment in road infrastructure, with the lower Thames crossing to be the first road scheme to use the model. The Government point out that the RAB model has been successfully used in sectors such as energy and aviation, but I am also aware from the example of Heathrow that those paying the bills—in that case, the airlines—say that capital costs can be excessive and poor value for money.

It seems natural that as the lower Thames crossing will be a whole new road, it could be funded by tolls, as the Severn bridge was and as is the norm for motorways in many similar economies, but what are the plans for

the future? Are the Government considering implementing tolls on projects to improve and repair current highway infrastructure? Surely the Government are not seriously considering building new roads, or significant new capacity? Otherwise, we could be going back to the '70s with "predict and provide" creating more road capacity, which in a system of infinite demand just continues to deliver congestion while eating up more and more of our land. I would like the Minister today or subsequently to explain more about the role of the Office of Rail and Road in the context of the regulatory role mentioned in the Government briefing.

The civil aviation Bill will deliver consumer enforcement powers to the Civil Aviation Authority and allow for timely regulatory intervention to improve aviation safety, modernise UK airspace and provide for a revised slot allocation system to deal with unplanned disruptions. I welcome the proposed additional consumer enforcement powers, including compensation rules when airlines damage mobility aids. That will be welcome for disabled passengers whose mobility is dependent on, for instance, high-powered wheelchairs. The current compensation is wholly inadequate. However, His Majesty the King announced that the Bill "will be introduced to unlock the benefits of airport expansion". I am not sure that I quite see the direct link between that statement and the subsequent deal and detail that I have just covered.

The overnight visitor levy brings UK tourist destinations into line with many places that I and others in this House will have visited in other countries. It will enable local areas to invest in their transport infrastructure and other facilities, which will benefit visitors and residents alike, whether that is shuttle buses to reduce traffic jams on country lanes or improving facilities at busy stations.

The draft taxi and private hire vehicle Bill is also welcome. It addresses almost all the issues that witnesses raised in our recent inquiry into taxis and private hire licensing.

Ayoub Khan: We have some 300,000 private hire drivers up and down the country. Uber has been incrementally increasing its fees while the drivers have been getting a fairly stagnant increase in their pay. We have just learned that Uber will be introducing driverless vehicles, which would impact 300,000 workers. Does the hon. Member agree that there needs to be some sort of action to prevent that?

Ruth Cadbury: The hon. Member is absolutely right. I am well aware of the concerns of drivers up and down the country, which are not about the improved licensing that the Government are talking about, which they welcome, but about some of those other threats, such as the processes that Uber is using at the moment and the impact of autonomous vehicles.

Chris Vince (Harlow) (Lab/Co-op): My hon. Friend will know of my passion for taxis and taxi licensing. Does she agree that it is important that we deal with this licensing loophole to ensure that we do not have taxis that are licensed in other local authorities acting in our authority? That does not just affect the drivers; it is also a safety concern for passengers.

Ruth Cadbury: I very much welcome the work that the Minister for Roads has done on the proposed changes. I welcome the commitment to replace a patchwork of

outdated rules with a single consistent framework, which will go a long way to addressing the out-of-area operations and problems that the hon. Member for Birmingham Perry Barr (Ayoub Khan) outlined, and it will fix a system that too often has failed passengers and drivers.

Baroness Casey's "National audit on group-based child sexual exploitation and abuse" found that inconsistent taxi and private hire vehicle licensing creates vulnerabilities that can be, and were, exploited by grooming gangs. The announcement of that legislation follows the welcome commitment in the English Devolution and Community Empowerment Act 2026 to introduce minimum standards for drivers, operators and licensing authorities. However, many fear that minimum standards could perpetuate inconsistencies that affect vulnerable passengers, and they are seeking not minimum but absolute standards in taxi licensing.

Let me touch on something not directly connected to transport, which is the draft ticket tout Bill. While I welcome a Bill to stop ticket touts selling on concert and event tickets for vastly inflated prices, I wonder if it could be extended to car driving test slots sold by the Driver and Vehicle Standards Agency. Or will we have to wait until the agency updates its IT systems, or possibly—perhaps successfully—manages to recruit and retain sufficient driving instructors, so that there is no longer more demand for tests than there are slots available, as that is fuelling the ticket touts? If the Eavis family have managed to stop ticket touts making a killing from Glastonbury tickets, surely a Government agency should have been able to do so before now.

The railways and passenger benefits Bill will establish Great British Railways as a new publicly owned company, setting up a new passenger watchdog that will set consumer standards for railways and investigate poor service, as well as simplifying fares and ticketing. A passenger-focused GBR could—not necessarily will, but could—improve reliability, simplicity and accountability across the network for passengers and freight.

Other Bills in the King's Speech and the Government's subsequent briefing are welcomed by many of my constituents. The social housing renewal Bill will benefit many of my constituents who will never be in a position to buy a home in west London. They just need a safe, secure, affordable and stable place they can call home, without being overcrowded or forced to continually up sticks, lose their jobs and support networks, and disrupt their children's education, only to find themselves in another overpriced, overcrowded, damp, tiny space with shared facilities.

I welcome the fact that young people aged 16 and 17 will be able to vote, as those in Scotland have been for a decade. As someone who voted here nine years ago to remain in the single market and customs union, I welcome the proposals to bring the UK closer to Europe, our exit from which has been one of the most devastating shocks to the UK economy. Many parents and teachers in my constituency welcome the consultation to reform SEND, although they are keeping a watching brief on whether the resources will be adequate to their children's needs.

Finally, on the commonhold and leasehold reform Bill, although it would be virtually impossible to scrap leasehold entirely overnight, the ban on new leaseholds for flats, the cap on ground rent, and the new process for converting to commonhold are all welcome measures, as is making it cheaper and easier for leaseholders to

[*Ruth Cadbury*]

extend their lease or buy their freehold. I also welcome the remediation Bill for those living in homes with unsafe cladding. Too many residents in Hounslow, Isleworth and Brentford are still living in fear of the consequences of a fire breaking out in their block.

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

4.33 pm

Daisy Cooper (St Albans) (LD): For too many people, the promise that hard work would help them get on in life is broken. The promise that each generation would do better than the last is broken. The expectation that big corporations would be made to play by the rules and pay fair taxes like the rest of us is broken. It is hardly surprising that so many people feel that the whole system is broken and that nothing works, and that they are now demanding action to fix it. The King's Speech was another chance for this Government to be bold, for them to tell us what they stand for and why, but sadly they failed.

On Europe, Ministers once again talk about pursuing a closer partnership through gradual regulatory alignment, but if the Government are serious about repairing the damage caused by Brexit, they must go further and faster. Brexit has left us poorer and more isolated, in what is now a more dangerous and volatile world. At home we must build real sovereignty in energy and food independence, but our economic and national security will only come from a much deeper relationship with our closest neighbours in Europe. The tax revenue lost every year due to Brexit is estimated to have reached £90 billion—that is equivalent to three mini-Budgets in a year.

We Liberal Democrats have a road map to rebuild our relationship with the EU and to reach full membership again, starting now with a customs union to cut red tape, support exporters, strengthen supply chains and grow our economy. Going for growth with Europe would end the cost of living crisis. At a time when businesses are crying out for certainty, when our economy desperately needs a shot in the arm and when families and businesses are paralysed with a never-ending cost of living crisis, the Government's approach is timid when what is needed is bold action.

Small businesses are the backbone of our local economies in my St Albans constituency and across the country, but they were offered little more than a Bill aimed at tackling late payments. The Bill is welcome but it barely scratches the surface of the challenges facing businesses every single day. Businesses are asking: where is the action on soaring energy costs, where is the relief from the Government's damaging jobs tax and where is the meaningful reform of business rates?

New Liberal Democrat analysis reveals that 40,000 businesses are still waiting on decisions after appealing their business rates revaluations from 2023, with average waits now hitting nearly a year. When those cases are finally heard, more than half are overturned. Business owners just want to get on with running their businesses, but instead they are stuck in a slow, broken, expensive, impenetrable business rates system. The Conservatives

promised reform in 2015 and Labour promised it at the last election, but after a decade of inaction, businesses are still paying the price.

In my constituency of St Albans, 11 pubs now have rateable values of more than £100,000 because of the revaluation, even though they cannot all be considered to be large business premises. One of those, the Beech House, on our main high street, St Peters Street, saw its rateable value soar from £97,000 to £125,000, and just last week took the decision to shut up shop for the final time. Hotels have been particularly hard hit as well. Staff at the Samuel Ryder hotel in St Albans told me in January that its bill will increase by 157% this year.

Play centres have been penalised too. DJ's Play Jungle, a soft play centre, has been frozen out of the 15% U-turn discount offered to pubs and music venues. The rates bills of many play centres will quadruple over the next few years, and what will be the result? Children will be priced out of indoor play.

The Government are introducing a competition reform Bill, a regulating for growth Bill and an enhancing financial services Bill. Taken together, those Bills aim to improve regulation. As Liberals, we recognise that regulation has an important role to play. We believe that good regulation can be a win-win-win: protecting consumers, promoting innovation and competition, and delivering economic growth. However, regulation works only when it is effective, proportionate and responsive. Too often compliance costs are high, regulation is focused on process not outcome, and our regulators are far too slow, lagging far behind the industries they are supposed to oversee.

That is especially true in financial services and fintech, where companies can spend months waiting for approvals and authorisations while investment dries up and opportunities disappear. For start-ups operating on tight funding runways, those delays can be devastating. If the Government are serious about growth, they must ensure that our regulatory system is agile, modern and capable of keeping pace with innovation, and that it delivers competition and growth without abandoning consumers. At a time when financial co-operation with Europe is more important than ever, it is deeply disappointing that stronger UK-EU financial services co-operation appears to have been overlooked in the Government's so-called reset agenda.

We Liberal Democrats welcome the principle behind the electricity generator levy Bill. It is right that the excess profits of electricity generators are fairly taxed, and it is right to break the outdated link between electricity prices and wholesale gas prices. We Liberal Democrats were the only party at the last election to commit to that decoupling, but the Government must go further. The revenues raised should tackle the cost of living crisis head-on, with an emergency home insulation programme for low-income households, an energy security bank, action on heating oil and fuel costs, and stronger protections for small businesses struggling with energy bills.

Finally, let me turn to the overnight visitor levy Bill. In principle, Liberal Democrats support devolving more economic powers to local areas. Different communities face different challenges, and local leaders are often best placed to decide whether a visitor levy is appropriate for their area, but there is real concern that the Government will use this levy not as an additional source of local investment to boost tourism, but as a mechanism to

quietly offset future cuts to local government funding. We have seen that approach before: the Government have already relied on council tax rises to compensate for reductions in central support to local authorities.

Will Ministers make it absolutely clear today and put it on the record that any revenue raised through a visitor levy will genuinely be additional funding for local communities, tourism infrastructure and public services, not a way for central Government sneakily to offset future cuts to local government funding? If the Government hand new powers to mayors in this area, they must go hand in glove with extra, proper support for the tourism and hospitality sector by exempting hospitality from the jobs tax, considering lower rates for part-time staff, introducing a temporary cut to VAT for the sector and launching a serious strategy to promote Britain's tourism industry overseas.

The Labour leadership hopefuls say that they want a battle of ideas, not personalities—well, we Liberal Democrats are fizzing with ideas. We have the ideas to fix our broken social care system, which has been ignored by this Government for 18 months. We have the road map to fix our broken relationship with Europe. We have the plan to fix our broken voting system—something that Labour hopefuls said that they would fix and now say that they will not. We have the ideas to save our high streets, fix the broken business rates system and the broken energy market, tackle the cost of living, and unleash everything that this great country has to offer. I genuinely hope that the Labour leadership contenders are listening, because for our country's sake, I flippin' well hope they can match our level of ambition.

4.42 pm

Justin Madders (Ellesmere Port and Bromborough) (Lab): In the face of the local election results last week, it is undeniable that what we have done so far is not enough. The long tail of austerity means that we have so much more to do. People see a world moving at a rate of knots and are frustrated at this Government's slow pace of change. We live in a world where we can order almost anything we want in the morning and have it delivered later that same day. For consumers, satisfaction is now almost instantaneous. That is in complete contrast to Government, where improvements are seen as slow. The expectations and the challenge that we face are there for all to see.

What does the King's Speech do to address what I consider to be the holy trinity of what good Labour Governments do: jobs, homes and health? First, there are two pieces of legislation on homes. The social housing renewal Bill will alter the right to buy by increasing the eligibility requirement by 10 years, amending percentage discounts to better align with new maximum discounts and exempting newly built social housing from the right to buy for 35 years.

This area is like so many other Thatcher legacies. The sugar rush felt in the short term by those able to buy their home at a substantial discount has long been replaced by a broken social housing market in which people living in identical properties next to each other can pay massively differently rents. It is a market in which the taxpayer often subsidises inflated rents through housing benefit and millions of young people who might once have seen a council home as their natural route into adulthood have the option forever denied to them.

We can see where the logic of right to buy takes us. Between April 2012 and March 2025, 133,000 social homes were sold, but only 51,000 were replaced. With 1.3 million people on council house waiting lists, the problem is obvious for all to see.

Secondly on housing, the long-awaited draft commonhold and leasehold reform Bill will bring us closer to ending the feudal leasehold system. It will finally ban the use of leasehold for new build flats, it will place a cap on ground rents, and it will create a new legal framework for commonhold. There is huge demand for this to be done as soon as possible, and I know the Minister is going as fast as he safely can, but he also needs to tackle rip-off estate management fees—he has to stop that model in its tracks. If we are determined to tackle the cost of living crisis, that is one obvious and indefensible practice that we can end.

Alongside addressing the problems that people face now, the Government must take steps to address the problems that are coming down the track. I believe that the unwritten social contract that if a person works hard and plays by the rules, they can expect a good standard of living in return, is disintegrating and under real threat. Across this country, economic growth no longer translates to better outcomes in life, something that is only set to continue with the increase in AI in the workplace and developments in automation. Graduate roles have already been hit—graduate vacancies have fallen by more than one third this year—and that trend will only continue and diffuse across other areas of the labour market. Young people are therefore growing up and entering a world of work that is detached from previous norms, and we are nowhere near ready for the resulting changes that we will see in the next decade. The state needs to be ready to respond to those shifts, to ensure that not only those entering the workforce, but those who are already in it and those who are displaced, are properly skilled for the needs of the future labour market.

That future labour market has to include significantly more manufacturing roles, as the Secretary of State acknowledged in his speech. The more we can make ourselves, the more insulated we will be from the inevitable disruption that AI is going to cause to jobs, particularly in the service sector, but it will also better protect us from the global supply chain shocks that we are far too exposed to at the moment. The moves to protect UK steel are the right first step in recognising that we need to do much more to protect our manufacturing base. I am not proposing that we nationalise everything—I will leave that for other people to do—but my visit to the local Vauxhall car plant last week was a clear lesson in how we need to sharpen up across the whole of Government to protect manufacturing, and the UK automotive sector in particular. The decision on employee car ownership schemes in the last Budget was welcome, as is support for energy costs next year, but of course, the industry would like that support to be much sooner and much stronger than what is proposed.

There are a number of factors challenging the automotive sector, but the biggest one and the one over which the Government have the most control is the ZEV mandate. There has been huge investment in the Ellesmere Port plant so that it can manufacture electric vehicles, and I believe that most of the UK automotive sector is supportive of an electric future. However, the reality is that the

[Justin Madders]

current level of sales is nowhere near where it needs to be in order to hit the ZEV mandate, and that gap is only going to get bigger each year. We need to be clear that this is not just a case of “Oh, well, we aren’t going to hit the target.” Every sale short of that target has direct financial consequences for UK manufacturers.

Looking around the world, we see that most countries that have put in place sales targets for electric vehicles have had to row back from them in light of the evidence that uptake just is not where it was predicted to be. We need to bring the review forward and make the decision now that the escalation of targets under the ZEV mandate needs to be turned off. This is not something to be looked at in the abstract, on a graph in the corridors of Whitehall; it needs to be looked at in the context of the cold reality of consumer choice and the importance of protecting UK manufacturing. Let us not lose good manufacturing jobs in pursuit of the unattainable—all that will do is supercharge the Chinese automotive sector. That is not going to help the planet as much as we would like, and it certainly is not going to help this country. We have a great tradition of building vehicles in this country, and we want to be at the vanguard of taking the industry into the future, but let us do it in a sustainable way that protects and builds on what we have.

We need to do more to support UK manufacturing through procurement. I was delighted recently to take a Royal Mail delivery van made in Ellesmere Port for a spin, with permission from the owner. That electric van, made down the road, is delivering mail to my constituents. We need to see much more of that, and we need to encourage UK companies to buy from the UK. Every part of the public sector should be required to buy British. Every council, every hospital and every school should seek to maximise that, because every taxpayer pound spent on UK goods goes back into our economy. We can do a lot without legislation, but we need to pursue it with great zeal.

This is all about levelling the playing field, because more needs to be done. When people see barber shops and vape shops proliferate on their high streets, they know that something is not right, as there simply is not the market to sustain them all. When they see some shut down, perhaps for selling illicit goods or for illegal working, it confirms their suspicions that they are not competing with legitimate businesses. When we see them reopen a few months later, perhaps under a different name, people see a system struggling to cope with the scale of organised crime infecting our high streets.

The time for which a shop can be closed for breaching the law will be doubled, but let us also go after the landlords for, at best, failing to do due diligence, and at worst for being complicit in illegal activity. We can do more to support our small businesses on the high street and get the level playing field that we desperately need.

We also need a level playing field in how we treat people at work. We have to accept that bogus self-employment is a business model based on denying workers basic protections at work, and it is absolutely the wrong direction for this country. We promised in our manifesto that we would tackle this, so we should get on with it.

On a related note, the proposed strengthening of the growth duty, which will apparently reduce unnecessary risk aversion, is misguided. Good businesses want their

staff to work in safe environments, and they want them to be treated well. This so-called unnecessary risk aversion, referred to in documents that the Government have produced, is an illusion—a straw man—and it has been used to put up with other shortcomings.

We face many challenges. I think we are on the right track, but we need to go much further and much faster. The public are telling us that they need to see results. We are now two years into this Government, and as much as the news cycle is hyper-focused on personality, the King’s Speech is all about policy. It is about how we shape a better future and show voters that they were right to put their trust in the Labour party to deliver for them.

Everyone here knows the perils that lie ahead if we are not bold enough, if we are not determined enough and if we do not use the time that we have to deliver real change. We are nearing the halfway point of this Parliament and, while progress has been made, it is abundantly clear that we need to go much further if we are to show that we have the power to transform the lives of ordinary people in this country.

The clock is ticking. Incrementalism will not cut it. We now need a response that rises to the urgent challenges that our country faces, so let us go out there and do it.

Madam Deputy Speaker (Ms Nusrat Ghani): I call Sir Desmond Swayne.

4.52 pm

Sir Desmond Swayne (New Forest West) (Con): Thank you, Madam Deputy Speaker, for calling me so early on the third day of five that we are investing in scrutinising the Government’s programme, at a time when the party of government is abandoning its unique selling point of bringing political stability to our economy after a time of so much churn, with so many Prime Ministers in such a short space of years.

Daisy Cooper: And who was responsible for that?

Sir Desmond Swayne: Irrespective of who was responsible, the question is: what is happening now? The reality is that we are facing a danger, notwithstanding the investment of time we are putting into scrutinising the Government’s programme, that it will not remain the Government’s programme for very much longer, such are the very different priorities of those who are lining up to take the Prime Minister’s job.

When the Prime Minister warned his party last week that unleashing a leadership election would bring about chaos, he was quite right, but that chaos also comes with a cost. Such is their horror at the prospect of those lining up to take the Prime Minister’s job, the markets that fund our gargantuan and growing appetite for borrowing are charging a risk premium higher than was charged for the Truss regime, and higher than is charged for Greece when it seeks to borrow. I am not a particular fan of the current Prime Minister, but I urge Labour Members—and, indeed, the voters of Makerfield, who will apparently have a rather more significant input in the settling of this matter—to take account of Hilaire Belloc’s cautionary verses, and, in particular, the tale of poor Jim, who ran away from nurse and was eaten by a lion:

“And always keep a-hold of Nurse
For fear of finding something worse.”

His Majesty told us that the legislative programme would include a Bill to strengthen our relationship with the European Union, but it is far from clear what that actually means. Do the Prime Minister's red lines—no return to a customs union, or to free movement, or to the single market—still hold firm, and do they hold firm in the view of those who have expressed a much more enthusiastic agenda for returning to closeness with the European Union, among those candidates who are lining up behind him, seeking his job? Labour said in its manifesto that it was going to make Brexit work, but it has made it the excuse for the lacklustre performance of the British economy.

There is a measure of cakeism going on whereby Ministers, including the Secretary of State, tell us how wonderfully they have been doing. They have delivered the fastest economic growth in the G7, much faster than the countries that the Secretary of State identified in the European Union. They have delivered a reduction in inflation. They have delivered—

The Chief Secretary to the Treasury (Lucy Rigby): Interest rate reductions.

Sir Desmond Swayne: Quite right: interest rate reductions. They have done all these wonderful things, but at the same time they languish because we are not a member of the European Union. We have heard that criticism several times already today: we would be doing so much better if we were a member of the European Union. The reality is, however, that the European Union is not doing as well as Ministers are trumpeting that we are doing.

Daisy Cooper: On that point, will the right hon. Gentleman give way?

Sir Desmond Swayne: No. The hon. Lady has had her turn.

Ben Coleman (Chelsea and Fulham) (Lab): Will the right hon. Gentleman give way?

Sir Desmond Swayne: No, I will not.

The reality is that Ministers are trying to have their cake and eat it by saying that the British economy would be performing so much better if it were a member of the European Union while at the same time trumpeting its performance.

Ben Coleman: Now will he give way?

Sir Desmond Swayne: I am with the hon. Gentleman—I believe the reality is that the British economy is performing in a lacklustre way.

But I put it to you, Madam Deputy Speaker, that the cause of that lacklustre performance is the huge imposition of regulation in the previous King's Speech, and the delivery of new employment taxes on every enterprise in the land as part of that deal. The best King's Speech that we could have had would have been a very, very short one, containing only a statute of repeal of all the impositions of the previous King's Speech.

4.58 pm

Andy Slaughter (Hammersmith and Chiswick) (Lab): What an abrupt end that was. What a cliff-hanger!

I want to speak briefly about the justice measures in the King's Speech. Important Bills are being introduced or carried over, and it is disappointing that the Opposition did not nominate justice and home affairs for a full day's debate, even more so because today those in the other place are debating those very same subjects, which are indeed important.

Max Wilkinson (Cheltenham) (LD): Will the hon. Gentleman give way?

Andy Slaughter: It is a bit early, but all right.

Max Wilkinson: I thank the hon. Gentleman for giving way on the subject of home affairs. As the Liberal Democrats' home affairs spokesperson, I too am disappointed that there is not a day for me to have my say on this matter, and I will try to do so in this brief intervention. When I am opposite the Home Secretary, who makes a great play of shouting things at me as if I am a terrible liberal making unreasonable statements, she tends to imply strongly that by moving to the authoritarian right, the Labour party is seeing off the challenge of the Reform party. I wonder whether Labour Members are reflecting on that in the wake of the recent election results.

Andy Slaughter: That was a bit off-subject, so I will confine my comments to saying that, as usual, we are all disappointed by the official Opposition. We will leave it at that.

Fortunately, the Justice Committee has been involved in scrutinising some of the legislation being carried over—namely, the Courts and Tribunals Bill, which I believe has now been reborn as the courts modernisation Bill, and the Public Office (Accountability) Bill, by which I mean the Hillsborough Bill; I hope the House is keeping up with these nomenclatures. I will deal with those Bills before outlining what else the Committee is doing.

First, on the courts modernisation Bill, the Justice Committee has been engaging closely with the Government's proposals for reform of the Crown court, holding evidence sessions and collecting written evidence to gather views. We have heard from Sir Brian Leveson, whose independent review of the criminal courts formed the basis for the proposed changes, and from a wide range of practitioners, including barristers, solicitors, magistrates, retired judges and victims' representatives. The Government declined to allow the Committee to undertake pre-legislative scrutiny, so we have conducted our own on behalf of the House, and next week we will publish a major report of our findings. The passage of the Bill through the Commons has been rapid, and there has been little opportunity for scrutiny of its contents by Members and indeed the wider public, despite the profound constitutional implications.

Ruth Cadbury: As a fellow Committee Chair, does my hon. Friend agree that the Government could reconsider their relationship with Select Committees and provide more opportunities for pre-legislative scrutiny by Committees, which play such an important role in addressing legislation prior to it coming to its formal stages in this House?

Andy Slaughter: I thank my hon. Friend and constituency neighbour for her intervention, and the answer is that there is a balance. We all want the Government to press on with all the wonderful things that they intend to do, which are in the King's Speech, but that must be mitigated by the guiding hand of experienced practitioners, such as my hon. Friend, in their Select Committee roles.

I hope that our report on the courts modernisation Bill will make a significant contribution to Members' understanding and analysis of its provisions, and aid their scrutiny and deliberations. I also hope that Ministers will take on board the issues that we will raise.

Secondly, I welcome back the Hillsborough Bill, which is the result of years of committed campaigning led by the families, victims and survivors of the Hillsborough disaster and other public tragedies. I spoke on Second Reading to highlight the areas of the Bill where I thought further clarity was required, including the application of the duty of candour to subcontractors, not just those with a direct contractual relationship; the scope of the exemption from the offence of "misleading the public" for acts done for the "purposes of journalism"; and how the expansion of legal aid will be funded. I am pleased to see that the Government have now published their proposals for the last of those.

When the Bill's remaining stages take place, I intend to table amendments to require the Government to consider the merits of a national oversight mechanism—an independent body tasked with collating, analysing and following up the conclusions and recommendations made in the course of inquests and inquiries. I will also add my support to amendments relating to the role of the Independent Public Advocate and its information-gathering powers, and to the extension of the duty of candour to subcontractors, who are used by the vast majority of service providers, including Fujitsu during the Horizon scandal. I look forward to the Bill returning so that these issues can be considered in more detail. The national oversight mechanism, championed by the charity Inquest, is getting considerable traction. The Public Administration and Constitutional Affairs Committee and the Liaison Committee are discussing what may be the best method of ensuring that the recommendations of inquiries are implemented, and the Justice Committee also has an interest in this matter. We are also exploring the wider issue of how information from inquests can be collated and presented to prevent future deaths, whether or not there is a formal prevention of future deaths report. To that end, I am tabling amendments to the Bill that would establish a national coronial database.

Thirdly, I turn to the immigration and asylum Bill. The Justice Committee has been engaging with the Government's proposal, since it was made last August, for a new independent appeals body to speed up decision making on asylum appeal cases, which is to be implemented via the Bill. In February, we visited the Taylor House tribunal hearing centre in London and spoke to senior judges to try to understand the causes of the current high appeal backlog. From speaking to them, it was clear that the failures in the current system, which have led to high appeal backlogs, are operational. They include: a shortage of administrative officers to check validity and collect papers; a shortage of court lawyers to issue directions and prepare cases for hearing; inadequate legal aid provision, causing essential legal and evidential

groundwork to be performed far too late or not at all; poor or absent Home Office representation at hearings; and failure to comply with tribunal directions on both sides. Replacing judges with adjudicators will not solve those problems. Operational investment in the tribunal infrastructure is clearly required.

The Committee will endeavour to shine a light on that as the Bill goes through the House, but our initial thoughts are that replacing or supplementing judicial decision making by the first-tier tribunal with Home Office administrators will complicate rather than speed up the process, and simply move contentious cases to the upper tribunal or administrative court. In addition to scrutinising that significant legislation over the coming months, the Justice Committee will be concluding and reporting on its inquiries on the rehabilitation and resettlement of offenders and access to justice, and progressing its inquiry on children and young adults in the secure estate.

It was good news earlier to see the Government launch the White Paper on youth justice. The Committee will be holding individual sessions with senior office holders, including the Attorney General, the Director of Public Prosecutions and the Lord Chancellor. We will expand our work on tribunals by launching an inquiry on delays in employment tribunals, which currently have a backlog of over half a million active claims. We will also want to scrutinise the impact of the reforms contained in the Sentencing Act 2026 both on the prison population and the Probation Service, and on offender rehabilitation and public safety.

There are omissions from the Gracious Speech that are a matter for regret. Despite broad consensus, there is no measure to reverse the Supreme Court's ruling in *PACCAR*. The Committee heard in its access to justice inquiry how that is adversely affecting litigation funding. There is also no proposal for anti-SLAPP—strategic lawsuits against public participation—legislation, despite substantial evidence of the use of litigation to stifle free speech, nor is there anything to help the victims of press harassment.

It is disappointing that calls to introduce a legal right to consular assistance for British nationals arbitrarily detained or abused by foreign Governments have been ignored, and that proposals mooted to reform the position of cohabiting couples are absent. None the less, this is a substantial King's Speech with a full programme that includes full, wholesale reform of leasehold and commonhold, social housing renewal, closer ties with the EU, and nationalisation of the steel industry. It is to be commended and supported in all those aspects, which are firmly based on sound Labour principles. Who can argue with that?

5.8 pm

John Glen (Salisbury) (Con): I congratulate the Chief Secretary to the Treasury, the hon. and learned Member for Northampton North (Lucy Rigby), on her elevation to her new position. The subject that I want to focus on—the enhancing financial services Bill—makes me reflect on the fact that I was in office as Economic Secretary for 1,640 days and, since then, we have had seven Economic Secretaries. I fully concede that several were from my party, but it is regrettable that there is not a degree of continuity in that role, because one of the most fundamental challenges facing the financial services

sector, which is so important to securing enduring growth, is having Ministers who are able to maintain a relationship with the regulators and work through what, contrary to the way our politics is conducted these days, are quite complicated and delicate changes to regulation, capital requirements, and the way in which the consumer interacts with banks and financial services. I think it is deeply regrettable that that has come to pass.

However, I welcome some of the legislative measures put before us in the King's Speech, such as the changes to the senior managers regime, removing the degree of certification necessary; the streamlining, essentially, of the functions of the Payment Systems Regulator into the Financial Conduct Authority; the re-anchoring of the Financial Ombudsman Service into the FCA, removing a degree of arbitrage existing in the marketplace; and adjustments to the ringfencing regime. Those are good things, and I am sure that we on the Treasury Committee and across this House will examine the detail of them.

I want to make three other points, if I may, about some of the challenges we face in the economy and financial services. First, we have to own the trade-offs that exist between financial stability and lending capacity. Post 2008, we made a number of decisions as a country to secure stability on an enduring basis, and we have now become too reluctant to recognise that the world is a completely different place. The question this House needs to answer in 2026 is whether the same calibration remains appropriate, and whether the proposals in the enhancing financial services Bill—for example, on ringfencing—go far enough. Are we used to holding on to a framework that protects and apparently gives stability, but which is in fact stopping significant tranches of capital being available to grow businesses and grow the economy?

The second area with which I am very preoccupied is the consumer duty. In the other place, the Lords Financial Services Regulation Committee published a report last year, called "Growing pains", which explicitly identified the consumer duty's lack of clarity as a source of

"regulatory penalty on investment in UK businesses".

We must ask whether the time has come when responsibility for where to invest and how to invest should lie more with the individual consumer. We are advancing this notion that somehow we in this place can define all the checks and balances, which we delegate to the regulator, and the moment something goes wrong, we expect that regulator to step in and to offer compensation. The emphasis should now be on reforming the Consumer Credit Act 1974—I think the Government are announcing that today—but that has been taking too long. It was first mooted when I was a Minister several years ago, and we have to be real about the reset that needs to happen as we redefine the level of responsibility that individuals take when investing.

Thirdly, I welcome the regulating for growth Bill's sandbox measures. They are welcome as a concept in bringing in innovative businesses, in which this country continues to be very strong in financial services. However, we must be real about the fact that the area is dominated by large firms, and the new Economic Secretary will need to work with the regulators to see how we can bring firms in at an earlier stage, so that smaller firms, which may have achieved only a few million in seed round investment, can access the acceleration through that considerable regulatory burden.

Let me finish by making a few other observations about the state of the economy. All Governments intend to do the right thing. The narrative of this Government in their first year was, "We need to reset and bring stability, and from that growth can come." But when I speak to businesses in my constituency and beyond, I hear that the burdens of the increases in national insurance and the national living wage, the uncertainty around fiscal events, and what happened with regulation have had a material impact. It is not enough to suggest that somehow small retail and hospitality businesses are not where future growth in the economy as a whole is going to come from. That says something about the level of confidence the man on the high street feels about where the Government and the economy are going.

I fear, from widespread reports—notwithstanding today's welcome news from the IMF, if it proves to be true—that the overall consensus is that the burden of taxation on business and wealth creators has reached a level where people will not invest in this country. Unless the Government grasp that fundamental truth, we will be in a spiral. Every few months there might be a little bit of hope with the adjustment of a prediction, but the fundamental trajectory of confidence in the British economy is just not there. That is reflected in the cost of borrowing which, whether we like it or not, is the markets' fundamental measure of confidence in the economy's future, at a time of high borrowing.

I always try to take a constructive view, as I have today. I pointed to the significant positive things in the enhancing financial services Bill, and I welcome other elements in the regulatory growth legislation. But let us have some fundamental honesty about where we are now, notwithstanding all the mistakes that the Governments I was part of may have made. We are where we are now, and we have to be real about the challenges we face to secure enduring confidence and growth in this country.

5.17 pm

Kirsteen Sullivan (Bathgate and Linlithgow) (Lab/Co-op): I have chosen to speak in this debate on backing British business because when it comes to resilience and innovation, my constituency punches above its weight. Like many in the post-industrial heartlands, my constituency has changed over the years, with the loss of industry. The coal pits, Motorola, Plessey and British Leyland are all long gone, leaving deep scars of inequality in our communities. Yet in Bathgate and Linlithgow we have a skilled workforce strategically located at the heart of Scotland, and the area continues to embrace innovation and new industries.

After years of under-investment in national infrastructure and capabilities, we are now entering a new era of industrialisation fuelled by the Government's ambition. Indeed, the House will vote on nationalising British Steel after the Labour Government stepped in, saving our steel industry and the future of nearly 2,000 workers. Vocational work and apprenticeships are at the heart of the Government's mission for young people, closing the skills gap and securing the future of our infrastructure, research and innovation.

Our appetite for risk and advancement must also hold space for learning, and recognise that success is not built overnight. In my constituency, Linlithgow hosts Origin Peptides, an innovator that produces peptides without the nasty forever chemicals, supported by a

[Kirsteen Sullivan]

£7.7 million Innovate UK sustainable medicines manufacturing grant to scale the safer, cheaper production of peptides.

We are in an era when global conflicts have inflated energy, fuel and food costs. The energy independence Bill is vital for our future, and I look forward to scrutinising it. In Bathgate, Invinity produces the UK's only grid-ready non-lithium batteries. These long-duration, transportable batteries are ready to store renewable power for thousands of homes across Britain. Last week, the batteries were installed at Europe's largest site of its kind, capable of powering 3,000 homes. They will harness the power of the sun through solar technology and help to deliver the UK's energy security. How was this achieved? Through the National Wealth Fund, the Department for Energy Security and Net Zero, and private industry working in lockstep, scaling manufacturing and exporting to the world. That matters to business, workers and households in Bathgate and Linlithgow, as well as to new manufacturing across the central belt of Scotland—and, indeed, for our critical energy independence.

Backing British business is a choice to invest in our people, close the skills gap, and use £400 billion of public procurement to champion British firms. The measures set out in the King's Speech are about not just telling a different story but delivering the future that we want to see in our cities, towns, villages and high streets. Many local high street businesses have struggled to recapture the audience that was forced online during the pandemic.

One stubborn issue we have heard about time and again is late payments. Late payments, weak excuses and silent clients create cash-flow problems for sole traders and small businesses alike. The late payments Bill, long sought by the Federation of Small Businesses, is a game changer, and just one step taken to back our high streets, plumbers, builders, gardeners and retailers.

We must recognise the success of our Prime Minister and Chancellor, who have steadied business confidence—reflected in the IMF's upgraded forecast today—and who are standing side by side with our allies during global uncertainty, rallying partners around the world. It would also be remiss not to give credit to His Majesty the King, a true statesman who returned home from America having demonstrated British values at their best: care for the world around us and dedication to democratic allies. Most deservedly, His Majesty can enjoy a tariff-free dram.

Backing British business means the UK being a proud and ambitious hub for global trade. The Labour Government have delivered trade deals with India and America, creating new markets for our industries, but we must also speak about Europe with the same sense of ambition, and I very much welcome the steps that have been taken thus far, especially our return to Erasmus+. Our future economic and defence security relies on our collective strength with our European neighbours, so I look forward to considering the European partnership Bill.

From advanced manufacturing in Bathgate to life sciences in Linlithgow, we can see what is possible when the Government and industry move forward together with purpose. The King's Speech spells out the ambition to rebuild our industrial strength, secure our energy future,

and ensure that opportunity and investment are felt in every community across these isles—words with action and deeds with purpose to deliver the security, prosperity and equity that our constituents deserve.

5.23 pm

Helen Morgan (North Shropshire) (LD): I wish to speak about rural regeneration and the need to back business and create economic growth in rural areas. Around a fifth of the British population live in rural areas, which have great untapped potential, but we do not see the infrastructure in those areas to allow them to reach that potential and provide the economic growth we need.

To illustrate the point, I have picked five areas, the first of which is digital connectivity. The previous Government's Project Gigabit seemed like a really good idea: to roll out fibre broadband across rural areas, in places where it would otherwise not have been commercial, and connect businesses and homes so that people could do the things that they need to online—whether that is work from home, start a new business or connect their existing business.

In Shropshire, the contract was awarded to a company called Freedom Fibre, which was going to roll out fibre broadband to 12,000 properties but stalled at 3,500 after it could not get the funding it needed to connect the rest. The remaining properties will now be connected by Openreach, but not until 2030. That matters in rural places where, for instance, someone with a farm might allow other businesses to run from redundant buildings that are past their sell-by date and no good for keeping animals. However, those places do not have fibre broadband, which means they are not suitable places for start-up businesses to operate from. The absence of broadband is really beginning to hold us back.

It is the same story with mobile coverage. Ofcom reports that 1.45% of postcodes do not have “good” voice capability. Everyone who lives in North Shropshire knows that is complete rubbish, because it is impossible to make a phone call from lots and lots of places, including while driving down the A5. Prees Green is a particular blackspot where I tend to get cut off when speaking to my husband on my way home on a Wednesday night. There are all sorts of places where it really is impossible to make a phone call, and that is holding businesses back.

In fact, the River Severn Partnership found that 15.33% of postcodes are without good coverage, and the Rural Services Network says that 65% of rural residents across the country experience unreliable mobile signal. That really matters to people trying to run a business, particularly if they are on the road with that business or trying to work from home. It is holding us back. We need the Government to put in place a regulatory environment for the businesses that connect us digitally to ensure that rural places get the service they need. At the moment, they are being held back by the lack of availability.

I will give the House an example. I spoke to a business owner last week—they were actually talking to me about cash and getting to the bank, which I will come to later—who cannot accept payment cards at their premises because they are without a decent signal and any network. They have to give their bank details to

their customers, who then go home and make a bank transfer—hopefully. That business is taking on all that risk because it cannot operate a simple swipe-and-pay system. The lack of digital connectivity has that kind of impact on businesses in my area.

It also really affects how farmers—there are over 1,000 farms in North Shropshire—do their business. Theirs are often the worst-connected properties, but farmers need to be online to deal with the regulatory environment within which they operate, and they might need to use GPS to work their farm machinery. All that is a problem if the digital connectivity is poor.

Gregory Stafford: The stories the hon. Lady is telling about the poor connectivity in her constituency echo what I experience in mine, where we have some of the worst full-fibre broadband certainly in the south-east, and potentially in the country, despite being only an hour away from London. I recently surveyed my constituents about mobile coverage and, contrary to popular opinion, more than two thirds were willing to have more masts in their area because of the change with people working from home and in how people do business. Does the hon. Lady agree that we need to look forward and ensure that we have connectivity in our areas, rather than looking back to a time when people were operating very differently?

Helen Morgan: I agree entirely. I question the perception that people's objection to masts is holding us back. In Shropshire, passive infrastructure masts have planning permission and are ready to go; what cannot be achieved is a mobile phone operator willing to put its equipment on those masts. We need to work with mobile network operators to get the connectivity we need.

I will move on to public transport. Shropshire has lost 63% of its bus miles since 2015, compared with 19% on average across England. Places like Woore, a village of around 1,000 people in my constituency, have no bus service at all; others, like Trefonen, have one bus a day. Weston Rhyn residents do have a bus service, but at the moment it just does not turn up because of a road diversion. This is really holding people back.

Rachel Gilmour (Tiverton and Minehead) (LD): Like me, my hon. Friend represents a very rural constituency, albeit not quite as beautiful as Tiverton and Minehead. I completely concur with her points about rural transport: it is an absolute blocker for economic development, education and so many other things. Does she agree that growth is not conjured by debate but built by political will? My constituents and businesses need a functioning road from Watchet to Blue Anchor, a rebuilt school in Tiverton and a Government who foster the conditions for enterprise to flourish. To date, the political will has been lacking.

Helen Morgan: I thank my hon. Friend for her intervention; it speaks to the point that rural areas have been looked past by the current Government and the previous Government. They have been neglected for many, many years, and if we are to unleash the potential of those rural areas, we need the political will to invest in them.

Shropshire has lost more bus service miles than pretty much anywhere else in the country, but in the funding round in early 2025, Shropshire had the 53rd lowest of 73 allocations, despite being one of the worst-served

counties in the country. Local businesses and the local jobcentre tell me that not being able to get staff to their businesses is the biggest problem they face. They struggle to recruit skilled labour and to get people to them because there is very poor public transport. If a person in Shropshire cannot afford to run a car, they are pretty much stranded where they are. If that person is a young person looking for their first job or looking to learn the skills needed to work, they will probably struggle to get work because of the lack of public transport.

Trains are a real problem too. Accessibility at Whitchurch station has been overlooked, as has the connection between Oswestry and Gobowen. Those trains could be transformational for our area.

I welcome the Government's review of in-person banking services that was announced last week. There is only one town with a bank in my constituency. We need to ensure that everybody can access the services they need. A business owner should not be required to drive many miles simply to change a signatory. I have had a lot of feedback from businesses in my constituency saying that banking services are critical.

Council funding is really important, and councils are critical for economic development. Shropshire does not have Pride in Place funding. It has lost the local growth funding, and it has not been given shared prosperity funding now that it has been phased out. That really impacts our ability to attract people into tourism and to regenerate the area. I would also say that education funding is part of that picture, because skills are essential. In areas where there are low outcomes for children, having very low input into their schools is problematic.

Finally, I want to talk about farming. The family farm tax has held back over 1,068 farms in Shropshire. Milk prices are a real problem. Many of our dairy farmers are producing at lower than cost, and fertiliser and diesel prices are soaring because of the war in Iran, causing a huge crisis of confidence in the farming industry. I look forward to hearing how the Government are going to generate confidence in our farming industry so that our rural economies can thrive.

5.32 pm

Dame Siobhain McDonagh (Mitcham and Morden) (Lab): The King's Speech set out this Government's commitment to remove the barriers holding back Britain and to break through the failed status quo. Nowhere is that more urgently needed than in life sciences and medical innovation. Britain cannot become a world leader in life sciences while patients and researchers are trapped inside systems that move too slowly. This matters because behind every delayed trial and every missed opportunity are families running out of time.

This country is uniquely placed to become a world leader in medical innovation. We have extraordinary scientists, extraordinary universities, and extraordinary clinicians. Our life sciences sector is one of the greatest strengths of the British economy. From pioneering NHS research to fast-growing British techbio companies such as Relation Therapeutics, the potential for this country to lead the world in medical innovation is enormous. The challenge we face is not whether we have the talent or the capability to lead but whether our institutions are capable of matching the urgency of patient need. Too often brilliance collides with a system that moves cautiously when it should move decisively.

[*Dame Siobhain McDonagh*]

In few areas are the consequences of that slowness felt more acutely than in rare and aggressive cancers. Since losing my wonderful sister Margaret to glioblastoma—the biggest cancer killer of children and adults under 40—I have worked closely with clinicians and researchers searching for a cure. That work has included establishing a new glioblastoma drugs trial in her memory, which is now under way at University College London hospitals NHS foundation trust and showing encouraging signs. In doing so, I have seen at first hand how difficult our systems can make it for innovation. What struck me throughout that process was that, even with funding secured and research ready, and with patients searching for further options, progress still becomes bogged down in systems that move painfully slowly.

Glioblastoma is one of the most aggressive and deadly forms of cancer. At diagnosis, patients are told they have months left, not years. For those patients, delay is fatal. Lord O'Shaughnessy's review into commercial trials found that countries such as Spain and Australia were consistently setting up trials more than two months faster than the UK. Too often, our clinical trials environment is still characterised by complexity, duplication and inertia, when it should be characterised by urgency.

This is not a criticism of the brilliant people working within the NHS or our research institutions—far from it. Time and again, I have met exceptional clinicians and researchers working tirelessly to push boundaries and give patients more options, but I have also met clinicians who feel constrained by systems that are too slow to turn research into treatment for patients. Britain too often treats innovation as something to cautiously manage, rather than something to be urgently delivered. Lord O'Shaughnessy's review warns that Britain risks losing its world-leading position unless we become faster, more agile and more ambitious, and the warning signs are already there, with the UK falling from fourth to 10th globally for commercial trials between 2017 and 2021. The countries that lead the world in medical innovation will increasingly lead the world economically too. The global race for investment, talent and scientific leadership is intensifying, and Britain should not simply aim to participate in that race; we should aim to lead it.

This is why the NHS modernisation Bill announced in the King's Speech matters. NHS modernisation cannot simply mean changing structures; it must mean building a system capable of getting innovation to patients faster. If we are truly to modernise the NHS and remove the barriers holding Britain back, innovation and clinical research must sit at the heart of that mission. Britain has the talent, the institutions and the scientific capability. Now we need a system capable of matching that ambition, so that it is our country that stands at the forefront of innovation when the next generation of medical breakthroughs are discovered and delivered. For the families facing terminal illness today, that progress cannot come quickly enough.

5.37 pm

Robert Jenrick (Newark) (Reform): Well, what a complete shambles! Less than two years ago, this Government were elected with the largest majority of any Government, bar one, in 100 years. People across our country, including most in my home county of Nottinghamshire, put their

trust in the Labour party. Why? Because it promised change. It said it would do things differently, it would be better and it would end the chaos. It would put country before party. And where are we, less than two years later?

Max Wilkinson: You're in a different party.

Robert Jenrick: We are here—[*Laughter.*] The hon. Member asks why I changed party. I will tell him why I changed party. It is because millions of people across the country look upon the performance of the last Government, and this one, and say that these are wasted years and that our country needs real change, yet we see nothing for it.

This Government, let us be honest with ourselves, lie in ashes. They have failed. An air of unreality hangs over this debate. Members queue up to speak as if this were a normal King's Speech. The Prime Minister summoned the King, the Crown, the golden carriages and the fanfares of the trumpets. For what? To paper over the cracks of his failing Government. This, as we all know, is a lame-duck Government presided over by a lame-duck Prime Minister. Where is the Prime Minister? He is in his bunker. Where are most of the Cabinet? They are plotting. I am surprised that so many Members are here—perhaps they are filling in time before the change of Government.

These have been wasted years. That is what Winston Churchill said of the 1930s when he described them as “years that the locust hath eaten”—

totally wasted time. At a moment when, in our hearts, each and every one of us knows that this country faces the most profound challenges at least since the 1970s, and perhaps more so, we have stagnating economic growth and the rapid deindustrialisation of our country. We have demographics that pose immense challenges, public finances that are on the rocks and getting worse with every passing day, and out of control illegal migration. We have social cohesion challenges of a type that we have never known as a country. Our streets feel increasingly lawless and our town centres are hollowed out.

Those problems cannot all be placed at the door of this Labour Government. They are a result of 25 years of failed politics in this country by the two main political parties and all those who have gone along with them. Yes, I hold myself partly responsible for that, and that is why I chose to walk away from the party and do something new. But today things are getting worse on every one of those measures: 70,000 people have crossed on small boats.

Dr Scott Arthur (Edinburgh South West) (Lab): Will the right hon. Gentleman give way on that point?

Robert Jenrick: I will give way in a moment.

Mass migration remains rampant. The public finances are getting worse. Look at what the markets are saying: the cost of borrowing is going up and the pound is falling. Unemployment is rising. Great, proud industries, such as one in my constituency, NSK, a business that makes steel ball bearings, are going bust because of uncompetitive energy prices and unfair competition from China—hundreds of people thrown on the scrapheap and now looking for new jobs in north Nottinghamshire. Youth unemployment is the worst that we have known it. We have record high taxes and borrowing. Our country is in a mess. Britain is broken. Yet so little is being done.

Even where the Government have acted, they have made things worse. Look at our farmers: the attempt by the Chancellor to impose the family farm tax, only partially U-turned on, has caused immense pain and suffering to thousands of farmers across our country, including many in my rural Nottinghamshire constituency. I went last year to meet a farmer in West Yorkshire whose father had taken his own life, by hanging himself in a barn, the night before the Budget, because he had read the briefing that the Chancellor had put out; the briefing was correct, but he wrongly feared that the measure would come in the next day. He killed himself. He is not alone.

Think of the pain and suffering that some of the members of our armed forces have felt as a result of the thus far failed attempt to deal with issues in Northern Ireland. The bravest of the brave—the men who served in Northern Ireland during the period of the troubles—now face a knock on the door or a letter through the letterbox. The previous Government, for all their failings, attempted to give a degree of immunity to those men, so that they would never have to live out the last days of their lives facing prosecution in the courts or wasting their life savings on legal fees.

Think of what is happening to businesses the length and breadth of our country. The cost of employing people is going through the roof as a result of the Chancellor's national insurance increases, making it more difficult to employ people at a moment when unemployment is rising and AI is transforming our economy. We are a 90% to 95% service-based economy, and one of the most exposed economies in the western world to AI—just the moment to increase the cost of employing people. Look at small businesses like pubs, being battered by increases in business rates and every single cost. On every measure where the Government have tried to do something, they have made things worse.

Dr Arthur: I thank the right hon. Member for giving way; he has clearly rehearsed his speech well in front of the mirror. He has been speaking now for seven minutes, and I fear that he has learned well from his master—and I do not mean the one in Thailand—because he gives long descriptions of all the problems in the country, but no solutions; seven minutes without a positive policy offer for people in this Chamber or for his constituents.

Robert Jenrick: Let me give the hon. Gentleman some, then.

We all know that this King's Speech is not worth the paper it is written on—there is nothing in it. Speaking as a former Minister, it is made up of the very policies that officials pull out of the third drawer of a desk and hand to weak, inept Ministers who have no ideas of their own: "Here you go, Minister. Here's a substitute for your own thoughts."

I will tell the House some things that we would do—that Reform would do, were there a Reform Government. No. 1, we would get a grip on the ballooning benefits bill. Let us get the millions of people in this country who are out of work back into the workplace to get the benefits bill down, as a moral imperative. Why write off millions of our fellow citizens, especially the young? How can people be off work with mild anxiety? How can we have people claiming PIP who have not even had a face-to-face appointment with a genuine clinician?

This is madness. It has to change. Of course as a country we want a proper safety net, but that is not what we have today, and we all know it. At the moment, we have a farce where people are choosing not to work. That can change. It will not change under this Labour Government, but it can change, and we can save billions of pounds from it.

I will give the hon. Gentleman a second thing we would do: scrap net zero, so that we end the deindustrialisation of our country. Steel, chemicals, fertilisers, glass, ceramics, car making: 2 million jobs depend on high-energy intensive industries. All will be gone within the next 10 years. I wager that many Labour Members represent the good, decent, patriotic Brits who work in those businesses. They are selling them down the river. We need to end net zero and adopt a pragmatic and intelligent way to decarbonise our economy that does not immiserate working people and ruin what remains of our heavy industry. Those are two things that we could do.

I will give the hon. Gentleman a last thing we would do: end illegal migration. The way we do that is not merely to stop the boats, but to end the farce of people coming here on indefinite leave to remain, knowing that they will ultimately become citizens of this country on a short path, costing the Exchequer hundreds of billions of pounds. The Labour party has a policy, we are told, that takes us some way to that; but then we have the right hon. Member for Ashton-under-Lyne (Angela Rayner) saying that the Home Secretary should be sacked for having the audacity to propose some pretty weak, but none the less sensible, changes to our legal and illegal migration systems. That gives us a clue about what is to come.

Today is a pantomime. We know this King's Speech does not exist. We know this King's Speech will be chucked into the dustbin in a few months' time. Maybe there will be another King's Speech. What we know is that what follows will almost certainly be worse. The fate of our country, the United Kingdom of Great Britain and Northern Ireland, does not rest on what is happening in this Chamber; it rests on the Labour party members who will choose the next Prime Minister, because this Prime Minister is finished. We all know that. What comes then will be more failed policies, no answers to the challenges that face our country and no response to the yearning in the country for real change. The only way to achieve that—and we all know it—is a general election.

Madam Deputy Speaker (Ms Nusrat Ghani): The right hon. Member will know, when mentioning other colleagues in the Chamber, to ensure that those colleagues are given fair warning in advance. If that has not already been done, I assume that it will be done swiftly.

5.49 pm

Ms Stella Creasy (Walthamstow) (Lab/Co-op): As much as I enjoy lectures from the Widow Twankey of Reform, I see this King's Speech as an opportunity for us all to reflect on the anger that I suspect we all heard on the doorsteps in every constituency across this country during the local elections. To do that, we must be honest with ourselves about the anger that we may feel. How can any of us who say that we believe this country is stronger together—that love is stronger than hate—not accept that we are also angry? I must be honest: this

[Ms Stella Creasy]

weekend I bumped into the “Unite the Kingdom” protesters, many of them swaggering, beer in hand, through my local station. I honestly felt a guttural sense of anger, which is not right. I do not know those people and I do not know their motivations, but in our current political environment, that was how I felt.

I was angry because I felt that their sense of uniting this kingdom would not include my beloved Walthamstow, a community where we pride ourselves on the diversity of thought, background, and cultures that we all share—although I can promise Members that they are of one mind when it comes to the importance of bin collections, stopping fly-tipping and Thames Water not ripping up the roads. It is now a community in which my Muslim neighbours are scared and my Jewish neighbours fearful because of the violence, intimidation and fury in this place and in our culture wars, where they are used as cannon fodder.

If I am honest, though, my anger was also at myself. I bumped into those people because I had been in central London, at one of those conferences that I think all political parties have on Saturdays, where we all make the same kind of speech, using the same buzz words that we have all been using for the last 20 years. They are a comfort zone of political life, where everyone nods along but no answers are provided. This country is crying out for answers—we are all agreed on that—but the honest truth is that people are not sure that answers are coming from this place, and that is the test that the King’s Speech must deal with.

People want change in every corner, in every community and for every citizen, because right now nobody thinks that anything is working the way it should. As ever, the problem is not Muslims or Jews or bankers; it is politicians—it is us. Whether here, in Palestine, Gaza, the White House or the Kremlin, if we want to show the public that we can build a better world through debate, decision making and discourse, that starts with us. It starts with what we spend our time doing here on behalf of this nation, and whether this King’s Speech offers the difficult questions and answers that this country needs to face the world we are in.

The reason I spend too much time at weekends talking politics is that, for my sins, I chair the Labour Movement for Europe—and yes, looking at the King’s Speech and the European partnership Bill, I think how Brexit has broken all of us. Whether we voted leave or remain, the evidence is indisputable that Brexit has not turned out how anybody thought it would. Jobs and businesses have been lost—[*Interruption.*] The right hon. Member for New Forest West (Sir Desmond Swayne) asks what is the problem. He should go and speak to the 16,000 businesses that have given up trading altogether because the only benefit of Brexit was for paperwork creators.

We all walked out of the room, when we needed to be in the room to face the challenges of the modern world, whether that is national security, trade, or the climate crisis that we face. This is not a call to rejoin—that relationship with Europe is gone, and it will be a long time before we are able to rebuild it—but it is a call for us to recognise how damaging that has been for our chances as a country, and why we need to rebuild that relationship.

The European partnership Bill will do deals on food, emissions trading and electricity. Those things are all needed, but they are not enough to answer the challenge that our communities face us with: “How does life get better for us?”. Many of us who were here at the time of Brexit will already be deeply triggered by some of the things that have been mentioned, and it only makes sense to have this argument again if we are talking about a relationship that makes sense in 2026 and 2028, not 2016 and 2019. We must recognise that in the past six months we have been threatened with the invasion of Greenland, by continued aggression in Ukraine, and by a climate crisis that means we have to look again at the single market, the customs union and, yes, at freedom of movement. Any political party that denies that those conversations need to take place is not being honest with the public, because a customs union alone will not cut it.

The right hon. Member for Newark (Robert Jenrick) might be surprised by this, but I agreed with the hon. Member for Clacton (Nigel Farage) when he said we should get a deal that looks like the Switzerland deal. I am sorry he is not here today—I had hoped he would be, Madam Deputy Speaker, to refer to him—to agree with me that to do that, we must put behind us the fights of the past and the old red lines, and use the Bill to give the Government the negotiating mandate to do that.

We must also do what this place consistently fails to do: put families first. If we had not left the European Union, by now every family and every parent would have proper rights to paid leave to be with their kids, and we would finally be able to tackle the gender pay gap and the motherhood penalty. That is why we must ensure that the Bill does not just align for food; it needs to align for families and to put workers and their needs, not just businesses, at the heart of a new deal with Europe.

I give notice that I will try to amend the European partnership Bill, to give this place the chance to fix what it missed in the last Session: the missing piece of employment rights that businesses overwhelmingly support and that give dads and second parents the same rights as their European counterparts. We must also fix the mistake made in the last Session when we removed the European Scrutiny Committee, so that Members can be part of writing that legislation. Even colleagues who may disagree about the outcome of the European relationships that we might want to build would agree that it is time to take back control to this place.

This Bill, this legislation, this King’s Speech must be an opportunity to show our constituents that we get the challenges and barriers that they face in their lives. The honest truth is that they should be a place for discussion. None of the proposed legislation is good to go, but it can be amended through the parliamentary process to get there. Let us start with ensuring that people have confidence in our democracy. Of course we need a representation of the people Bill. There are 5 million reasons why we need to stop cryptocurrencies and company donations that are corroding people’s sense of confidence in British democracy, and we also need to end the loopholes that exist, capping donations for, and indeed from, individuals. Those who can get millions of pounds personally, or who use third-party organisations to hide their tracks, damage us all together.

We must get right the reforms for children with special needs and disabilities. For too long we as MPs have heard those vulnerable stories, seen the frustrations, and recognised that too often the tribunal has been the place of resolution. We must also get leasehold reform and the social housing Bill through. Housing is the cause of poverty in so many communities, particularly mine.

We must ban conversion therapy, because trans people are living in fear right now in this country, and that cannot be right for our fellow human beings. We need the energy independence Bill to work. I want the E in E17 to stand for energy: my community are stepping up to the plate, using our collective bargaining power to lower our energy bills by seeking bulk discounts on solar panels. We need the Government to work with us to get the interest-free loans to ensure that the community can bring everyone together in that energy transition.

We do not want the Government to be caught up in fighting to get rid of juries, when really, if we want to help victims, we should bring in specialist rape courts. Yes, we need to have the difficult conversations about immigration, because in my Walthamstow community we are proud of the contribution of our neighbours, whether they were born here or made their homes here. When we see people attacking others over indefinite leave to remain—people who are our nurses, doctors, scientists, friends and neighbours—we do not see a kingdom being united; we see people playing with culture wars rather than looking at the economic case. We want the legislation to reflect the benefits of immigration to our society.

I will defend to my death the right of people to disagree with me, to hold different opinions about the future of this country and to resolve those through the democratic process, but I will not let myself be silenced or sidelined by them. Maya Angelou taught us that hate can cause a lot of problems, but it has not yet solved a single one. I know in my heart of hearts that feeling angry at the world, including people I do not know at my local train station, solves nothing. It is up to us all in this place to rehabilitate politics through this Session, and to use the King's Speech to show that we are truly capable of bold, radical thought. I hope to play my part in presenting ideas to my colleagues and securing their cross-party support to make that happen, because this country needs and deserves nothing less.

Madam Deputy Speaker (Ms Nusrat Ghani): I call Kirsty Blackman, after whose contribution there will be a speaking limit of five minutes.

5.58 pm

Kirsty Blackman (Aberdeen North) (SNP): Madam Deputy Speaker, may I give you a heads-up? I am going to mention a number of hon. Members, all of whom I have contacted in advance to let them know that I will be mentioning them.

There has been an awful lot of talk about regulation in the debate. I remind the Conservatives that the vast bulk of regulation that businesses are labouring under was created during or prior to their 14 years in office. A huge amount of the regulation affecting businesses that transport things abroad or sell things overseas is because of Brexit. There are many reasons why regulation has come in, and not all of them are down to this

Labour Government. I agree that it is important to listen to businesses—something that the Labour Government are singularly failing to do—when they ask for easy, small changes to be made that will make their lives significantly easier. The Labour Government—all Governments—should listen to those businesses and consider making those changes.

Since 2024, the Government have been mired in stagnation. They do not seem able to do or achieve anything. Some of the pre-consultation draft Bills that were suggested in the last King's Speech never made it to Parliament—we never saw them—so even putting aside the current chaos, how can we believe that all the things in the King's Speech will come before this Parliament for us to make decisions on?

On regulation, the Office for Tax Simplification was started and cancelled by the Conservative Government. If we need a simpler tax system, then surely an Office for Tax Simplification would be the sensible route to take, but that is not the only burden that is faced. I agree that to keep people safe, keep businesses profitable and ensure that businesses can export to wherever they want, we need simpler regulations that make sense and have a purpose—not regulations that are there just because they are what we had 100 years ago, 50 years ago or 20 years ago.

On the red tape around regulation, there is more to be done on pension funds. Despite the Pension Schemes Act 2026, which I largely support, there is still more that can be done to free up some of the money in pension funds. For example, I would love to see more pension fund money going into building more social housing. We know that we will get a return on social housing, as people pay rent on those social houses. I would love to see flexibility introduced, so that the Government can create pipelines for smaller-scale energy projects, such as renewable energy projects for communities, and social housing. Pension funds could then invest our money in them. We must remember that it is our money in those pension funds, but that money is not being invested in ways that will ensure growth, in both living standards and the economy.

Touching on my constituency and jobs in Aberdeen, I recently met a business in my patch called Lows Traditional Fish & Chips. Lows is an excellent chipper; we call them chippers in Aberdeen, but everybody else seems to call them chippies. Lows talked to me about the increase in its energy costs, which have more than tripled. It is important that the UK Government consider that seriously. They claim that they have targeted support for businesses. It should not be just for high-energy businesses that have to use significant amounts of electricity and gas to make ceramics and other goods; that support should extend to smaller businesses that use significant amounts of heat—for example, in order to cook fish and chips. In Aberdeen, the fish is generally haddock, not cod. The Chancellor needs to keep those businesses in mind when making her announcement later this week—potentially on Thursday—about energy costs.

Oil and gas jobs in Aberdeen are disappearing like snaw aff a dyke, which means “very quickly”. That is the legacy of the Conservative Government, who created the energy profits levy, and the result of this Government not listening to people. The Conservatives can talk about drilling all they want, but if they cancel renewables, there is no future for our energy industries. The Labour

[Kirsty Blackman]

Government can talk about renewables all they want, but unless we fill the gap in between, all those folk from my constituency and across the north-east—the engineers, and the people who are innovating and creating amazing products that ensure we can exploit energy and provide energy security—will go away. They will go to Malaysia to work, and they will not be here, paying taxes and inventing those things. We need both types of energy generation, and neither of the two main parties are offering that.

Seamus Logan (Aberdeenshire North and Moray East) (SNP): Does my hon. Friend agree that it was folly for this Government to cancel the Ming Yang project at Ardersier?

Kirsty Blackman: I absolutely agree with my hon. Friend. Local jobs would have been created. We have rural population decline; we need to encourage people to move to rural areas by creating those jobs. This UK Government, and past UK Governments, have failed the people of north-east Scotland who work in the energy industries. We need change, or those jobs will continue to disappear.

Scottish National party Members have tabled amendment (c) to the King's Speech. The amendment says,

“having lost confidence in your leadership”—

Oh no, sorry, that is not our amendment—that is what the right hon. Member for Ilford North (Wes Streeting) said. I will try again. The amendment says:

“It is clear that the Prime Minister no longer has the trust or confidence of the public to lead this change.”

No, apologies; the hon. Member for Cowdenbeath and Kirkcaldy (Melanie Ward) said that. I will try again to find the amendment that we have tabled about the Prime Minister and our confidence in him. What about these?

“It is in the best interest of the country and the party that the Prime Minister sets out a swift timetable to ensure that a new leader is in place to regain the confidence of the public.”

No, that was the hon. Member for Hexham (Joe Morris). I am sure I have got our amendment here somewhere, so let me try again.

“It's clear that the Prime Minister no longer has the trust or confidence of the public, or large swathes of the Parliamentary Labour Party”.

No, that was the hon. Member for Glasgow South (Gordon McKee).

“The Prime Minister has...failed to instil confidence in his leadership”.

No, that was the hon. Member for York Central (Rachael Maskell). Sorry, I will find the amendment—it is somewhere here, I am sure of it. Does it say,

“the public across the UK has now irretrievably lost confidence in you as Prime Minister”?

No, that was the hon. Member for Glasgow South West (Dr Ahmed). I am sure I have the amendment somewhere. Does it say,

“it's clear from countless doorstep conversations that my constituents have lost confidence in him”?

No, that was the hon. Member for Halesowen (Alex Ballinger). I am sure it is here. Does it say that “you, Prime Minister, have lost the trust and confidence of the public”?

No, that was the hon. Member for Peckham (Miatta Fahnbulleh).

Our amendment says:

“At end add ‘but respectfully regret to inform Your Majesty that the Prime Minister does not have the confidence of this House.’”

Given my amazing confusion about the similarity between what a significant number of Labour Members have said in public and our amendment—it is almost the same wording—I assume that our amendment will be by far the most popular amendment tabled. It clearly has significant cross-party support. I have not yet heard any Member talk in the Chamber today about their confidence in the Prime Minister.

Dr Arthur: I thank the hon. Lady for entertaining us all; she is having fun. I remember the shambolic end to Humza Yousaf's tenure as First Minister in Scotland—it was shambolic; she will admit that. Having reflected on that period, which was a real crisis for her party and for Scotland, what advice can she offer Labour Members? What did she learn from that process?

Madam Deputy Speaker (Ms Nusrat Ghani): Order. May I give a tiny bit of advice? Let us keep this short, because there are many hon. Members wishing to contribute to the debate.

Kirsty Blackman: I will try to give a short piece of advice, Madam Deputy Speaker. If I were in the Scottish Labour party, I would either say, “We are a separate party from UK Labour, and we make our own decisions”, or I would say, “We back the Prime Minister.” It is clear that Anas Sarwar, the leader of Scottish Labour, does not back the Prime Minister, and does not have confidence in him. He and many of his MSPs and MPs have said that Scottish Labour is a separate party, which makes its own decisions. I assume that the hon. Member for Edinburgh South West (Dr Arthur) follows his Scottish leader, supports ending the Prime Minister's reign, and is looking forward to that, like all his colleagues.

As I said, our amendment can hardly fail to be the most popular amendment tabled, given that so many hon. Members from across the House have explicitly stated how much they support our position, so I am sure that they will vote for it on Wednesday.

6.9 pm

Helen Hayes (Dulwich and West Norwood) (Lab): I welcome many of the measures in the Gracious Speech, including legislation to strengthen our relationship with the European Union. Brexit has been the unmitigated disaster that the evidence always suggested it would be, and it is the Government's responsibility both to act in the national interest by seeking to build closer alliances with the EU, and to continue to work to build a national consensus that it is in the UK's economic, security and cultural interests to do so.

We are focused on economic growth in this debate, and economic growth depends on a strong and sustainable education system at every level. The Education Committee's recent report on higher education funding makes it clear that universities—anchor institutions in local and regional economies—face unprecedented financial pressure,

with a real risk of insolvency and no clear plan for managing it. If we are serious about economic growth, we must be serious about the financial sustainability of the institutions that underpin it. In addition to taking the measures in the Gracious Speech, I urge the Government to take with the utmost seriousness my Committee's recommendations on the steps needed to stabilise our university sector.

I will focus the remainder of my remarks on the proposed “education for all” Bill. This legislation sits at the centre of the Government's support for children with special educational needs and disabilities. Too many families still have to fight to secure the right help for their children. Too many children wait months, sometimes years, for essential support. Too many teachers and school leaders are being asked to meet growing and complex needs in a system stretched beyond capacity. I welcome the Government's acknowledgement that that cannot continue, and the aim of making generational reform that will raise standards and build a more inclusive education system.

The emphasis on early intervention, support close to home and collaboration across education, health and care reflects many of the recommendations made by my Committee. The move towards earlier identification of need is right and necessary. National inclusion standards could help to address the deeply entrenched postcode lottery that families face, and provide a baseline for accountability. Investment in workforce training and multidisciplinary support through initiatives such as Experts at Hand shows understanding that inclusion relies on professional expertise, as well as good intentions. However, there are legitimate concerns about capacity in the SEND system and the resources needed to deliver effective and impactful reforms. Parents and carers have expressed significant anxiety about some of the proposals in the Government's draft reforms, which could both reduce access to existing backstop accountabilities and risk exacerbating friction between parents and carers and schools.

If the “education for all” Bill is to succeed, it must be matched by the resources and workforce planning needed to turn its vision into reality, and it must be based on the lived experience of children and families and the professionals who work with them. Any reform of education, health and care plans must strengthen, not weaken, the ability of families to secure the support that their children need, and to hold the system to account when it fails.

Everyone wants a system that works better and delivers more effectively for children, but no system is perfect, or can be perfect. Parents need to know that, should things go wrong, the system can be held to account through robust and independent mechanisms, underpinned by legislation. For that reason, I strongly encourage the Government to provide space for continued and meaningful engagement at each stage of reform, and to consider publishing the Bill in draft form for pre-legislative scrutiny by the Education Committee. That would allow for the testing of ideas, the identification of unintended consequences, and improvements that would give the Bill the best possible start.

We have a rare opportunity to make lasting change, and to build a system that delivers on the principle of inclusion in practice, provides timely and appropriate support for every child who needs it, empowers professionals

and supports local services, rather than overwhelming them. With careful design, proper resourcing and true partnership with those on the frontline, the “education for all” Bill could mark a turning point for a system that is too often characterised by struggle and exhaustion, turning it into one defined by trust, consistency and opportunity. That is a goal that we all should share, and it is by working together that we can achieve it.

6.14 pm

Tom Tugendhat (Tonbridge) (Con): It has been a pleasure to sit here for a number of hours and hear some views that are, frankly, special.

Let me start with some of the factors that have been completely missed from not only this debate but the King's Speech. I do not think the realisation in this place takes the reality of our situation very seriously. We are broke. We owe not only £2 trillion to the debt markets—which, I am afraid, despite orders to foreigners to hand over more money, we do not control—but £10 trillion to people to whom we promised pensions and the businesses that built our schools and hospitals the last time we had a Labour Government.

We find ourselves in a situation where the conversation in this House has reached a point of unreality, because we are not addressing a very simple fact: inflation is coming down the tracks very quickly because of the decisions to challenge the energy markets directly in places such as Iran. We are seeing enormous pressures steaming up from Iran, from the strait of Hormuz, from the lack of gas flowing and from the absence of fertiliser. They are about to hit us in the grain markets in September, when the first harvest is not complete, and they will hit us in the meat markets in the spring, because that grain will not have led over the winter to the growth of animals for protein.

We are storing up a whole series of challenges for ourselves. Yet here we are talking about how much more we can spend and how much more we can get individuals to put their hands in their pockets, with the promise that they will get the money back in four, 10 or 20 years' time. I am afraid that is simply not realistic. It is nothing to do with the credibility of this Prime Minister or whomever the Labour party chooses next; it is down to the simple reality that about a year ago, the Government refused to take the first and only decision that would have strategically mattered in this Parliament—to constrain welfare. The moment they refused to do that, they put themselves in opposition to simple financial reality, and the rest of the path was set. I am afraid that is exactly where we find ourselves.

The King's Speech—the King, if not the Government, did it well—set out another series of wish lists for a Government who are going to last another few weeks. They are an Administration who are simply not going to change the reality, because they are not willing to take the decisions that need to be taken. I am afraid that is the reality of the United Kingdom's position.

We are not being serious. We are not dealing seriously with the fact that we have young people who want to work and have energy, drive and determination, but who are being sold down the river by parties that are all sticking to triple locks on pensions and promising benefits to people who are already in work—as the Employment Rights Act 2025 does—but not to those who seek employment.

[Tom Tugendhat]

We are seeking to go down a path of control, statism and nationalisation. In fact, we have replaced socialism not with communism, as the Chinese have, or with the kind of authoritarianism that we see in some parts of eastern Europe, but with command capitalism: the illusion of privatisation with the direct intervention of regulation. We are seeing the absolutely predictable results of Government instructing individuals how to behave. Well, guess what? Individuals are opting out. We saw them opting out of hiring when the national insurance rate went up; we will see them opt out of leasing when the Renters' Rights Act 2025 closes down that market; and we will see people forced out of the choices that they need to build their own lives. That is a hell of a pattern for this Government to set for the country. Let us be honest: with the current way that they are going, there is no way out.

Whoever the Labour party picks as its leader, unless its Back Benchers change and decide that they are willing to take their responsibilities seriously, we know what the result will be: the International Monetary Fund, the debt markets, and many, many people losing their homes.

6.19 pm

Liz Twist (Blaydon and Consett) (Lab): I welcome the extensive measures that this Government are taking in this King's Speech to create and enable economic growth across the country, including in my constituency in the north-east. As we know, growth is at the heart of this Government's agenda, and a good deal of legislation has been proposed to ensure we make the conditions right for it. Bills such as the Government's new regulating for growth Bill will drive our economic development forward. I am also pleased to see a regulation of late payments Bill—something that small businesses have long wanted—which is an important step forward. It was welcome to hear the positive news that the IMF has increased its growth expectations, and it is pleasing to see that the priority of growth will be written into legislation. However, I ask the Minister to confirm that health and safety—a key issue for workers—will be up there with growth as a priority, driving safety for our employees.

The UK's long-term economic security depends on raising living standards in every part of the country. Places such as the north-east have been left behind for decades, and our young people deserve greater opportunities. We are already taking steps to address that through our action on child poverty—we cannot build a resilient economy without ending the opportunity crisis and ensuring every child has the best possible start in life. True economic growth requires an inclusive system in which every child can go as far as their talent and effort will take them, so we must build on the recently passed Children's Wellbeing and Schools Act 2026 by taking further positive steps. I am pleased to see in the King's Speech additional support for educating children with special needs. The Government will introduce the education for all Bill, which aims to transform the way in which special educational needs and disabilities are addressed.

I have recently held events in my constituency to hear from some of the parents, teachers, carers and others whom that Bill will affect. I want to understand how we

can help improve the lives of parents, teachers, and the young people themselves. Parents and teachers tell me about the monumental pressures they face in supporting their children and students every day. They worry that without sufficient support, opportunities for those young people will close. They are fighting an outdated and ineffective system just to get those children the support they need, which is why I am glad that the education for all Bill will reform the system and invest over £200 million in training for teachers and support staff, helping them to better understand special educational needs and inclusion, on top of other money that has been provided for capital work on schools. However, naturally, some families fear that the changes will negatively affect them. I hope that the consultation that is ending today will help the Government to improve any forthcoming legislation, ensuring that it meets the needs of parents, teachers and young people and addresses their concerns. Every child deserves the chance to succeed, regardless of their background or their needs, and inclusive education that supports children with additional needs has long-term economic benefits.

I will speak briefly about the regulation of waste operators. It is time for waste operators to be regulated—many are good and reliable, but others are not using permits, and we see the results in the form of fly-tipping locally, which many of our constituents complain about. I am glad that those rules are being strengthened.

Finally, I will touch on energy. In the current global context, energy security is more important than ever. The local authority in Gateshead has created a local power scheme to benefit the area, and I hope that similar community-run power schemes will be part of the Government's agenda. I am proud to support the King's Speech, which will continue to create the change that positively transforms ordinary people's lives.

6.24 pm

Gavin Robinson (Belfast East) (DUP): It is mildly eccentric that this is now the third day of a five-day debate on the King's Speech when this Government are in crisis, but it is absurd to believe that this Government will be able to back business to create economic growth at all if their intention is to build on the legislative achievements—the stranglehold on our British economy—over the past two years. We were told just last week that incrementalism will not cut it, yet time after time, we have heard contributions from Labour Members suggesting that they are going to build on what has been achieved thus far. Well, thus far, what I hear from people in Northern Ireland and right across the country is families asking a very simple question: “Why are we now paying more and getting less?” They are working harder, they are taxed more heavily, and yet public services are under strain, businesses are being squeezed, and opportunity feels further out of reach.

While all this is happening, the Government appear to be more focused on internal drama and ideological priorities than on delivering. The people of this country are not interested in Labour personality contests—they want Government policies that address the pressures they are under. For four days last week, we engaged with thousands of people at the Balmoral show, all of them wondering, “Where's the hope?” Where is the aspiration that Labour promised them over the last number of years?

Jim Shannon: I know that my right hon. Friend attended the Balmoral show for four days, and that others did likewise. Does he agree that the agricultural sector, in particular, needs some help—not just in Northern Ireland, but across the whole of the United Kingdom—and that this Government do not seem to have a policy for farming? Does he agree that it is time that that was changed?

Gavin Robinson: The agricultural sector does need help, as do many other sectors besides. Just this day, I had a conversation with a lovely young gentleman—a 14-year-old student from Broxbourne in England. He is a secondary school student, and he told me about his school and his classmates. They live in a Conservative constituency, but last year in a mock election, the majority of pupils his age were not interested in this Government; they were putting their store in the Greens. I wonder just how often Members in this Chamber engage with real people and understand their concerns. *[Interruption.]* Labour Members laugh, but they were not laughing two weeks ago, and I suspect they will not continue laughing.

Earlier in this debate, I raised the issue of defence spending in Northern Ireland. Do Labour Members know that the average spend per head of population is £300, but in Northern Ireland, it has been a fifth of that? I asked whether this Government recognise that Programme Euston, which could see investment in both Scotland and Northern Ireland, could be designated as a defence project. Again, officialdom is reticent. When I served on the Defence Committee with Labour Members for eight years, we fought those campaigns together and secured investment, but now that they are in government, they buy the same official line. There are things we can do to encourage investment, business and economic growth, but I am sorry to say that I do not see them.

We have heard colleagues talk about stability in the economy. I want to see stability in Northern Ireland. The Secretary of State for Northern Ireland was in the Chamber earlier. We are now two months into a financial year with no budget. Where is the clamour? Where is the concern? Where is the effort to ensure that our politics can work and we can stimulate business and growth? That has not been mentioned, and it is not a concern.

Labour's big idea is the relationship with the EU. It is a big idea that seems to ignore a referendum that took place in 2016—its Members do not want it mentioned. Forget about betraying the people of this country and a referendum that decided our fate 10 years ago; the bigger concern among Labour Members is betraying the aspirations of their candidates, with one candidate letting slip their view so that the king of the north is left with no clothes. And yet, on a closer relationship with the European Union, what do we hear for Northern Ireland? Nothing. All are still content that laws for Northern Ireland, applying in Northern Ireland, are set in Brussels; for two years, this Labour Government have dishonoured their own position and dishonoured the pledges they made to the people of Northern Ireland to fix it. Talk about a closer relationship with the European Union: in the coming months, customs duties on parcels to customers in Northern Ireland—

Ben Coleman: Will the right hon. Gentleman give way?

Gavin Robinson: I do not have time to give to the hon. Gentleman; as I do not get an extra minute, I am not giving way. I am too close to the end of my speech.

In three months' time, we will see customs duties on parcels from one part of our United Kingdom to another; by the end of this year, general product and safety regulations that were dealt with last year will be back on the agenda again. Do we hear anything about it? Is there concern? No, sadly not.

I said earlier that it is mildly eccentric, but in fact it is a farce that we are going to have to hear more from a Government which needs nothing more than change itself.

6.30 pm

Paula Barker (Liverpool Wavertree) (Lab): I want to begin by focusing on young people and employment, which is a key aspect of economic growth. For growth with a purpose—to create a society that we can all feel part of and can all contribute to—it is vital that young people get the training to develop skills in the field they want to work in. It is often extremely hard for them just to get initial experience. Firing off job applications one after the other without success, it is easy to lose hope. They do not need the language of work incentives; they just need a chance.

The transition from school or college to work and adulthood can be difficult for anyone, and many people also start with disadvantages. Nobody should have to start their working life without support to find their first job. That is why I was very pleased to see the Government announcement earlier this spring of new investment in training and skills for young people, including the chance of a job for those who have been looking for work longest.

Given the closure of the UK shared prosperity fund, I would like to see the Government ensure continued funding for smaller community organisations that provide employment support for people facing the greatest challenges in finding work, such as disabled people or care leavers. I also urge the Government to take action to radically reform the student loan system, as when young people start work, they are often demoralised to find that their debt increases faster than they are able to pay it off.

I am very conscious of the role that small local businesses play in the economy and in the everyday lives of people in my constituency, but also of the challenges they face because of cost pressures and wider developments such as the growth of online shopping. Hair salons remain an important part of our high streets, largely run and staffed by women. They are a key source of apprenticeships and employment for young people under 35, and they generated an estimated £5.8 billion for the UK economy in 2023-24.

Victoria and Janet have owned Aura salon on Aigburth Road in my constituency for 24 years, and they have trained numerous young hairstylists over that time. Nevertheless, after weathering the financial crisis and the pandemic, they have—at least temporarily—stopped taking on new apprentices, like many other salons. I urge the Government to look again at how they can support small businesses like Aura salon.

In December, I visited another local small business in my constituency, the Motor Museum recording studio, which has always offered training and career opportunities

[Paula Barker]

for young people in record producing, mixing and engineering through its strong links with the Liverpool Institute for Performing Arts, Liverpool University and Liverpool John Moores University.

The success of Olivia Dean and Lola Young at the Grammys was a major stimulus for the UK music industry, and a reminder that the creative industries are a key part of the UK economy. The Motor Museum has played a significant role in the industry's success story over the 37 years of its existence, playing host to recording sessions by major UK bands like Oasis and the Arctic Monkeys, as well as artists from all over the world.

However, recording studios are facing an uncertain future. They are assessed for business rates in the same way as other business premises, like offices, on the basis of square footage, but it is the sound that studios create, not the space, that makes them distinctive. I urge the Government to consider assessing recording studios separately from other businesses, just as film studios are.

In her Mais lecture, the Chancellor highlighted once again how important it is that growth is not confined to London and the south-east—and recording studios are certainly not. They are part of the essential infrastructure of the music industry, and they are where so many young musicians take the first steps in their career. Without them, there would be no albums and no tours. We must not lose them.

Labour was the first party to refer specifically in a manifesto to the concerns of small businesses when, in 1906, it highlighted:

“Shopkeepers and traders are overburdened with rates and taxation, whilst the increasing land values, which should relieve the ratepayers, go to people who have not earned them.”

In closing, I urge the Government to do all they can to support small businesses in our UK economy.

6.35 pm

Sir Ashley Fox (Bridgwater) (Con): Since being elected by the people of Bridgwater, I have sought to be a strong voice for local families, small businesses and community groups across my constituency. I am saddened that, during those two years, life has got more difficult for so many people. The cost of living is rising faster than two years ago, unemployment is higher and small businesses are struggling.

The reason for these problems is that this Government are making life harder for people who work hard and do the right thing, and too often they reward those who do not. Labour is taxing and spending and borrowing too much. It is taxing those who work, those who employ people, those who save, those who invest, those who create jobs, and those who build up a family farm or family business and want to pass it on to their children. It seems that the only people better off under Labour are train drivers and those on benefits.

Two years ago, my right hon. Friend the Member for Godalming and Ash (Sir Jeremy Hunt) set out the borrowing plans of the last Conservative Government. We planned to borrow £323 billion in the five years from April 2024. This Labour Chancellor is planning to borrow £583 billion over the same period, which is an 80% increase—an extra £260 billion borrowed over five years. All that extra borrowing must be paid for.

Poor economic management and chaos within the Labour party mean that Britain is now paying 5.1% to borrow money for 10 years.

Sir John Hayes (South Holland and The Deepings) (Con): King's Speeches are partly about what a Government do, and partly about what a Government do not do. The omission in this King's Speech is exactly as my hon. Friend suggests: a macroeconomic approach, particularly to productivity. This is a huge drag on our economy, and one might have expected further measures to be announced dealing with that macroeconomic problem, for it relates closely to the problems that he has set out in his speech already.

Sir Ashley Fox: I am grateful to my right hon. Friend.

The rate that Britain is now paying is higher than at any time over the last 20 years—in fact, it is the highest rate since the last time Labour was in office. Britain's finances are in a precarious position precisely because Labour is doing what it always does: spending other people's money like there is no tomorrow.

The Government announced a holiday tax in the King's Speech. This will enable councils to tax holidays taken in this country even more than at present. Most people who take their holiday in Britain are British. They already pay VAT at 20% on their holidays, and Labour wants to tax them further. This will hit local businesses in Burnham-on-Sea, Berrow and Brean in my constituency. Many families who holiday in Somerset are not wealthy. A tax of £2.50 per person per night will take £70 a week away from a family of four. That is money taken out of their pocket that they cannot spend with local businesses.

It has been interesting to watch Liberal Democrats in Somerset squirming over their plans for a holiday tax. While their colleagues in Bristol and Bath have welcomed the tax, calling its introduction a victory for Liberal Democrats, those in Somerset do not quite know what to say. No doubt they will make their position clear before next year's local elections.

Helen Morgan: I wonder whether it has occurred to the hon. Gentleman that the Liberal Democrats' whole point is that local government should be able to decide on its own policies, because they will be appropriate in some cases and not in others.

Sir Ashley Fox: And I would like to know from the Liberal Democrats in Somerset whether they think it appropriate to take money from my constituents in Berrow, Brean and Burnham-on-Sea and spend it in Taunton and Yeovil. For some reason, they seem reluctant to say.

The King's Speech confirmed the Government's plans to curtail our constituents' right to a jury trial. It is a tragedy that this Government are trampling on our ancient rights and liberties. They claim that it is because of the backlog of cases in the Crown courts, but that backlog was not caused by jury trials, and it will not be reduced by curtailing the right to a jury trial. Labour Ministers have failed to provide any evidence that this will increase court efficiency. It will not bring swifter justice, but it will undermine confidence in our whole justice system. It is a reform without any rational justification. I believe that the Government are wrong, and must reverse their course.

My constituents want secure borders, affordable energy, safer streets, economic growth and opportunities for their children, and that is why the Conservatives are setting out our alternative King's Speech. At a time of international instability, the Government should be cutting welfare spending in order to spend more on defence, but instead we are stuck with a feeble Government who threaten both our economic and national security.

6.41 pm

Steve Witherden (Montgomeryshire and Glyndŵr) (Lab): Since the last King's Speech, we have seen great steps forward under this Labour Government in their first parliamentary Session: the Employment Rights Act 2025, the biggest upgrade to workers' rights in a generation; the Passenger Railway Services (Public Ownership) Act 2024, establishing Great British Rail to improve services and keep fares down; the Renters' Rights Act 2025, providing security and dignity by ending no-fault evictions; and the Universal Credit (Removal of Two Child Limit) Act 2026, lifting 450,000 children out of poverty. So it is welcome that in this King's Speech further steps are being taken to support our country, at a time when so many are struggling with the cost of living, when our ties with Europe desperately need strengthening, and when global uncertainty weighs heavily on us all. I particularly welcome the measures to strengthen economic security, namely the Steel Industry (Nationalisation) Bill and the European partnership Bill.

British Steel is an industry that supports 37,000 direct jobs, and supports many thousands more through its supply chains. It is vital to our economic resilience and our industrial future, but for decades it has been in private hands. I welcome the Government's willingness to bring in new legislation to renationalise British Steel, and our commitment of up to £2.5 billion to modernise and decarbonise the sector in the face of the climate crisis. However, I do wish to press the Government on a key point: the public interest test in the steel industry Bill. While it is right that such powers are exercised responsibly, I urge Ministers to ensure that the test is applied in a way that genuinely puts the public before private profit, rather than being constrained by a desire to reassure investors above all else. Furthermore, if we accept the principle that steel is too important to fail, why should we stop there? Across the country, people see the consequences of privatisation every day: sewage in our rivers, spiralling energy bills, and unreliable postal services. Let us bring all essential services back into public ownership and ensure that the wealth they generate benefits the public, not private shareholders.

I very much welcome the European partnership Bill, which seeks to strengthen our trade and investment relationship with the European Union, building on the important work begun last May when the Government and the EU held their first joint summit since we left. The EU is, of course, not without its flaws, but given the uncertain and unstable times that we face, particularly as Trump continues to prove himself unpredictable and unreliable over and over again, partnership with our closest neighbours will provide security. This is essential for farmers in my constituency of Montgomeryshire and Glyndŵr.

Some 75% of Welsh food and drink exports go directly to the European Union and the livelihoods of many of my constituents depend on reliable access to those markets.

It is for that reason that the proposed food and drink agreement is so vital. It is a deal that could add up to £5.1 billion a year to our economy, boost agricultural exports to the EU by 16%, and reduce delays at the border. This was a manifesto commitment, and fulfilling it will provide much-needed certainty for our farming and wider communities. If we are serious about tackling the cost of living crisis and supporting long-term economic growth, a key part of this will be deepening our relationship with Europe—strengthening trade, enhancing collective security, and building a future based on reliable partnerships.

I also welcome the Public Office (Accountability) Bill, commonly known as the Hillsborough law. My hon. Friend the Member for Liverpool West Derby (Ian Byrne) has worked tirelessly on this legislation. It is essential that it is passed in full as one of the first Acts of the new parliamentary Session, with the proposed duty of candour applying to all public authorities, including the intelligence and security services. The bereaved families and survivors affected by state failure and cover-ups deserve nothing less.

Finally, I welcome the commitment to ending new coal licences in the coal licences Bill. While Wales's coalfield communities can rightly be proud of their heritage, it is vital that we now protect them from the environmental and social harms of further extraction. That is essential for those living near the Bersham colliery spoil tip in Rhostyllen, in my constituency. Given that private companies are now seeking to mine coal tips, which would inflict the same issues on communities, this type of extraction should also be prohibited.

6.46 pm

Chris Coghlan (Dorking and Horley) (LD): Last year I attended the funeral of my step-grandmother, Diana Faure Walker. I adored her, and I was so proud that she had been decorated in the war for her service as a nurse after D-day. She believed that Britain was a hope for the world. That was not naive idealism, but the resolve of the generation who won the war.

Today, liberal democracy in Europe is under threat from a dictator again, and too many of our generation are turning to fear. We are facing a Reform party Government, consisting of the same people who cost us £100 billion a year with the Brexit vote. Put them in government and the current chaos will seem like nothing. But there are still three years until the next election: enough time to set a new national mission, achieved with a new economic model to bring new hope. Of course we must restore economic relations with Europe, but we must also dramatically increase defence research and development to power economic growth and defend liberal democracy.

Academics now agree that the economic dominance of the United States is powered by public research and development, especially in defence. It was through American and British research and development that we learned how to mass-produce penicillin, which saved thousands of lives after D-day, yet for the last 30 years we have failed to use at scale the No. 1 policy to maximise growth. The Government have made some progress, but today we spend £22 billion a year on public research and development while the fastest-growing advanced economies spend double that.

[Chris Coghlan]

The Government are rightly concerned about more borrowing, but we can remove most of the credit risk for defence research and development borrowing by issuing bonds jointly with our European and Canadian allies. We should follow the advice of Draghi, the former president of the European Central Bank, who urges the EU to reduce debt by borrowing for R&D at scale. Even with additional borrowing, the debt-to-GDP ratio falls as growth takes off.

Sir John Hayes: The hon. Gentleman is making a powerful point, which relates closely to an intervention that I made a few moments ago. If we are really to address the productivity gap, two things are essential: R&D, which breeds innovation to make our economy more efficient and effective, and investment in skills—particularly high-level skills, but skills across the board. Neither of those elements is emphasised in the King's Speech. The hon. Gentleman clearly thinks they should be, and so do I.

Chris Coghlan: I entirely agree.

Imagine where scaling up defence research and development could lead our country. In three years' time we could have a resurgent economy and Putin defeated. Together with our European, Canadian and Ukrainian allies, we could have defended liberal democracy. As I left my grandmother's funeral, they played Fred Astaire's "The Way You Look Tonight", a song that she loved and danced to with British soldiers. The hope of that generation lives in us.

6.50 pm

Steve Race (Exeter) (Lab): I warmly welcome the measures in the Gracious Speech, which will enhance the lives and prospects of the people of Exeter. The starting point for the King's Speech was "an increasingly dangerous and volatile world".

Few Governments have had to simultaneously tackle a decade and a half of under-investment and a dire fiscal situation, alongside the shock waves of trade tariffs, terrible wars and a cost of living crisis—not to mention the rapacious pace of technological change, and a fast-changing climate driving global instability.

Despite all the obstacles, the Government continue to set out a prospectus for change that is working. In the last year, the British economy grew faster than any other economy in the G7, and Members will note today's IMF upgrade to growth prospects this year. We have also seen the biggest fall in NHS waiting lists for 17 years. In Exeter, more than 4,000 fewer people are on waiting lists, and ambulances are already arriving 30 minutes faster than they were last year. We are delivering new Sure Start-style services, breakfast clubs, and investment in our schools and colleges, and the 30 hours of funded childcare is already making an enormous difference to families. This is real change, but for change to accelerate and to last, we need economic growth.

It is clear that we are engaged in a battle of ideas, both in this Chamber and around the world. In any such battle, we should turn to Tony Crosland, who famously argued in "The Future of Socialism" in 1956 that economic growth is central to social solidarity and greater equality. By growing the economy, we can share

the proceeds of growth fairly and invest in our social realm, making us all richer economically, socially and culturally, and more secure.

Seventy years on from Crosland's masterpiece, the global economy is very different, so where will growth come from? First, through greater trade with Europe. In our unstable world, and with uncertain partners, our stability, prosperity and security rely on meaningful partnerships with like-minded nations, so I welcome the European partnership Bill, which will boost growth in the south-west. At a time of balkanisation and uncertainty around the world, the UK must redefine and enhance our relationship with Europe, and our geography, values and economy all point in one direction. The Bill will increase trade with Europe, break down barriers and erase frictions.

Secondly, we must embrace the technological revolution. Exeter already leads the way in green energy, digital infrastructure and research. Artificial intelligence presents great challenges but also great opportunities, and I want Exeter to be at the heart of the tech revolution. From our world-leading universities to our thriving science parks, such as Exeter science park, and science institutions such as the Met Office, the south-west has become a powerhouse for scientific discovery and technological advancement.

As my right hon. Friend the Chancellor has often said, growth cannot be purely powered from a narrow base in financial services, and from London and the south-east. As in the 19th century, growth must be powered by strong regions and cities, by innovators and entrepreneurs, by small and medium enterprises, and by science and technology.

Growth will come from tackling the climate emergency, developing the post-carbon technologies that will save us, and managing the just transition to an environmentally sustainable economy. All this requires an active state to take long-term decisions on investment and research. It requires successful and supported world-class universities, such as Exeter University, to deliver the job-ready graduates our businesses need, and to actively help innovators to commercialise and productise their research—to start up and spin out, and to scale up. It needs more active and deeper capital markets so that British innovation can more easily become British success.

Thirdly, we need to unleash the potential of every young person. I welcome the new national focus on skills and apprenticeships, and the education for all Bill. We must tackle the scandal of hundreds of thousands of young people not being in employment, education or training. Exeter's young people do not lack ambition or drive; they lack the platforms on which to stand. Exeter college, the best tertiary college in the country, now delivers 95 different apprenticeship standards and pathways in partnership with 1,100 employers, meaning it is ranked third nationally for apprenticeship starts, which is remarkable in the 48th biggest city in England. I am delighted that the Government will further equip the college to help young people to reach their potential, by becoming a construction technical excellence college.

We are working with Exeter city council, and with our universities, schools and businesses, to put rocket boosters under the ambition of Exeter's rising generation. Trade, technology and young people—three sure-fire routes to economic growth. Let us never forget that politicians can encourage and craft the conditions for growth,

but it is businesses that create the growth itself. I particularly welcome the small business protections Bill. I know from my own business experience over 15 years, and from speaking to Exeter's small businesses, that cash flow is the lifeblood of any business.

Helen Maguire (Epsom and Ewell) (LD): The hon. Gentleman is talking about the small business protections Bill. Small and independent businesses are the backbone of the economy in my constituency. Many of them are really struggling at the moment, and they are not seeing much else in the King's Speech. They are struggling with the increase in national insurance costs and the cost of living. Does the hon. Gentleman agree that more needs to be done to support small businesses?

Steve Race: I am sure the Minister on the Front Bench will answer in more detail at the end of the debate, but I absolutely agree. We can all do more to support small businesses, and measures in the King's Speech will help such businesses across the country. I welcome the regulating for growth Bill, which will embed the presumption of growth in the work of regulators. Too often the framework of regulators has failed to balance the need to deliver with the duty to regulate. I look forward to seeing the details of that Bill.

As ever, I take my inspiration from Exeter and its businesses, entrepreneurs and workers. New Motion Labs, Intelligent AI, Brain in Hand Ltd and RoleMapper are four examples of the new economy that is thriving in Exeter. Across my city and region, we are fashioning the answers and forging the future. The King's Speech lays the foundations for economic growth and shared prosperity—based not on trickle-down economics or anarcho-capitalism, but on investment and modernisation. We are engaged in a battle of ideas, both here and around the world, and I say bring it on.

6.56 pm

Gregory Stafford (Farnham and Bordon) (Con): I agree with my right hon. Friends the Members for New Forest West (Sir Desmond Swayne) and for Tonbridge (Tom Tugendhat) that there seems to be a complete lack of understanding from those on the Government Benches of the absolute disaster they are presiding over when it comes to the economy and, most importantly, growth. The evidence is hard to ignore. The hon. Member for Exeter (Steve Race) talked about a battle of ideas—

Madam Deputy Speaker (Caroline Nokes): Order. I remind Members that if they have intervened in a debate, they might like to have the courtesy to wait a while before departing the Chamber.

Gregory Stafford: Thank you, Madam Deputy Speaker.

The hon. Member for Exeter talked about a battle of ideas, but those on the Government Benches seem to be totally devoid of any ideas that will actually get this country moving again. The ITEM Club forecasts around 160,000 job losses this year alone, with manufacturing, retail and construction expected to be hit the hardest. Unemployment has risen month after month and now stands at 5.2%. His Majesty's Revenue and Customs payroll data shows 110,000 fewer people in employment than when Labour took office.

In my constituency of Farnham and Bordon, in Haslemere, Liphook and the surrounding villages, there has been a 28% increase in the number of young people claiming unemployment-related benefits in a single year. This is the reality behind the rhetoric that comes from the Government: young people unable to get a foothold in work, businesses pausing recruitment, families feeling the squeeze in their bills, and high streets losing momentum.

The reason is not difficult to identify, and businesses across the country are telling us the same thing: Labour has increased the cost of employment, raised taxes and layered on regulation that is undermining confidence. The Employment Rights Act alone introduced more than 330 pages of additional obligations on employers. The Government's own assessment acknowledged a cost of around £1 billion a year. Both the Federation of Small Businesses and the Institute of Directors warned that the legislation would reduce hiring and investment, which is exactly what we are seeing. What is the Government's response? A regulating for growth Bill. It is like asking a vegetarian how they would like their steak cooked. The reality is that this is not the way to get growth.

At a recent hospitality roundtable in my constituency, one publican told me that there is now "no incentive to hire someone under 25". That should concern every single Member of this House, but Labour Members simply parrot the Government's talking points. They are totally detached from what is going on in the real world. The unemployment rate is now close to one in six among 16 to 24-year-olds, and I cannot believe that Labour Members are not being told this by their constituents. For many young people, their first job is the foundation for everything that follows—skills, confidence, independence and ambition—but too many are now finding the door closed.

Sir John Hayes: My hon. Friend is right about young people, and he will be as shocked as I am that over a million of them are not in education, employment or training. Much has been said about growth, but what matters is per capita growth—making all our people better off—and yet, to go back to my earlier point, there is nothing in the King's Speech about investment in skills, which allows people to get their foot on the ladder, businesses to thrive and the economy to boom.

Gregory Stafford: My right hon. Friend is right. Per capita growth is down, and that is a shocking indictment on the Government.

Across our high streets and the hospitality sector, the pressure is becoming severe. To give some local examples, John from Birdies café in Farnham told me that his business rates are rising from around £290 a month to approximately £1,600 a month, and his energy bills have increased from £300 or £400 to about £3,500. As a result, he has already let a member of staff go.

Wey Hill in Haslemere is one of the areas most affected by business rates. The average increase in rateable values is 82%. That is entirely unsustainable for small shops—a butcher, a kitchen shop and a party shop. These are not enormous businesses. At the same time, retail sales are falling and confidence is weakening across the sector, yet the Government still do not appear to grasp the impact of their decisions.

[Gregory Stafford]

In the King's Speech, instead of backing enterprise, the Government are increasing the cost of employing people. Instead of reducing the burden, they are adding to it, and instead of restoring confidence, they are eroding it. Thirty-year gilt yields are at their highest level since the 1990s, and higher borrowing costs mean higher mortgages, higher debt interest and less capacity to fund public services. The Government are presiding over stagnation and apparently calling that a strategy. Good news: there is a different path, which we Conservatives laid out in our alternative King's Speech. I say to the Ministers on the Treasury Bench that we are not precious about it; take every single policy and enact it, because we want the best for Britain. We will support them in every way we can, if they pick up those policies. They include reducing regulatory burdens on businesses, cutting energy costs by removing unnecessary levies, restoring domestic energy security by renewing North sea licences, and properly cutting business rates for high streets and the hospitality sector.

Jobs are not created through legislation, regulation or press releases; they are created when businesses are confident enough to invest, expand and hire. That requires lower costs, lower taxes, cheaper energy and a stable regulatory environment. Labour came in promising growth, but we have seen anything but. Unless there is a change of direction soon, the cost of this Labour Government to our country will only rise further.

7.2 pm

Kerry McCarthy (Bristol East) (Lab): I welcome the measures set out in the King's Speech, and the wider Government programme to back British businesses. In the face of ever more disabling global headwinds, it is crucial to have a Government who accept an interventionist role, whether through renationalising British Steel, setting up Great British Energy, tougher regulation of the water companies, competition reform or tackling late payments. There is acknowledgement that an engaged state is needed, and that leaving things to the market simply does not work.

It is disappointing and frustrating that even now we are having to relitigate the debate about whether reaching our climate goals and protecting our planet is compatible with economic growth and prosperity. On the one hand, we have the Tories and Reform peddling fallacious arguments about the cost of net zero, and completely failing to grasp the importance of ending our dependence on volatile fossil-fuel markets—with an apparent abject ignorance of things like electric arc furnaces and carbon capture and storage. On the other hand, we have the Greens and their anti-growth agenda, not understanding that for redistribution, we first need to have a growing, strong economy to redistribute from; that to solve a housing crisis, we need to support our construction industry; and that we can pursue economic growth in a way that helps us protect the planet, rather than plunder it.

Indeed, many companies in my constituency of Bristol East, some of which are attracting international attention, are showing how that can be done. Matter was recently runner-up for the Earthshot prize, having developed washing machine filters that will filter out 97% of microplastics. LettUs Grow's aeroponic growing systems were being talked about at the desertification COP that

I attended in Riyadh in 2024, and Vertical Aviation is pioneering electric flight with a very cool plane. At national level, clean energy is the fastest-growing sector of the economy, bringing jobs and economic growth back to de-industrialised communities—and it has huge export potential.

When I was climate Minister with the international energy brief, I saw that the British model for offshore wind was seen as the gold standard, in everything from the way we financed it through contracts for difference to the innovation of floating offshore wind and offshore hybrid assets, such as the Nautilus and LionLink interconnector pilots. Whether I was at North Seas Energy Co-operation events, or talking to the President of Azerbaijan ahead of COP29, there was great interest in what we were doing and recognition of our expertise. The same was true of our progress on small modular reactors, fusion, and carbon capture and storage. It has to be said that that was not always recognised by other parts of the Government. Sometimes, there was a battle to stress to them just how crucial the drive towards net zero could be to our economic opportunities. Too often, progress was stalled by, "Treasury says no," "No. 10 says no," or "The Department for Business and Trade says no." The knee-jerk reaction was that regulation or intervention would be a burden on business.

To take forest risk commodities as an example, in the Environment Act 2021, the previous Government committed to introducing regulations to stamp out deforestation in our supply chains. The EU was on the same mission, using the EU deforestation regulation. When I was a Minister in this Government, there were lengthy discussions about whether we should stick with the UK approach, centred on illegal deforestation, or adopt the EU's approach, which was based on sustainability. Those discussions were valid, but what was not valid was some quarters suggesting that we should not regulate at all. First, there was the reputational crisis. How could the UK, which co-chaired the global Forest and Climate Leaders' Partnership with Guyana, and the forest, agriculture and commodity trade dialogue with Malaysia, call on other countries to protect and restore our precious forests and peatlands if we were not prepared to act ourselves? We would have no moral standing. Secondly, businesses want this. I met companies such as Ferrero, and major supermarkets, who want the Government to act, set the direction and show leadership, so that they can plan accordingly. They do not see that as a burden. It is lack of certainty that businesses hate. They are perfectly willing to get with the programme, if they know what the programme is.

We saw misplaced caution in other areas, too, such as on our manifesto commitment to 1.5°-aligned transition plans. One other area where I suspect other parts of the Government machine have been acting as a drag on progress is the development of voluntary carbon and nature markets. We know that public money and philanthropy alone will be nowhere near enough to enable us to meet our climate and nature goals. We also know that private finance is interested in investment, whether that is driven by the need to offset its own emissions, decarbonise portfolios, or ensure biodiversity net gain—or whether it is driven by insurers' worries about climate risks and so on. In London, we have the world's leading financial centre, and we are the best place to lead—many international visitors to last year's

buzzing London Climate Action Week told us that—but the consultation that concluded on 10 July last year seems to have gone into the ether. If the Minister can reply on only one issue that I have asked about, can she tell us what has happened to progress on the voluntary carbon and nature markets?

7.8 pm

Jim Allister (North Antrim) (TUV): It is strikingly surreal to be debating a King's Speech from a Government who are patently on their last legs. This is the King's Speech of a Prime Minister who is working out his notice in Downing Street. It is equally surreal that after the biggest electoral trouncing that any Government have ever had, particularly in red wall seats, and in areas that voted strongly pro-Brexit, the Prime Minister thinks that the answer is more Europe. Dear help his wit, if that is his solution. Of course, that is also the solution of the wannabe Prime Ministers who are queuing up, bristling with European credentials—although I notice that Andy Burnham is feverishly trying to cover his Europhile tracks, because he thinks they might not go down too well in Makerfield. It is the height of folly for any Government who have been so trounced in an election in those areas to think that the answer is more Europe, but we are told that that answer will come in the European partnership Bill. I suspect that it will be a mere shell of a Bill, loaded with Henry VIII powers, so that as we increasingly align with the EU, this House will not even have the right to scrutinise those measures.

What does “dynamic alignment” mean? I can tell the House what it means, because I represent a part of the United Kingdom that, sadly, has continued to be dynamically aligned with the EU. It means that we become a supplicant rule taker. It means that we are subject to laws that we do not make and cannot change. It means that laws of absolute folly impose costs on our constituents. Let me give but one example. Northern Ireland is subject to the European vehicle type regulations. What does that mean? It means that buying a new car in Northern Ireland costs £4,000 more than it does in Great Britain, because it can be imported to and used in Northern Ireland only if it meets EU standards. That is what it is to be a supplicant rule taker in the United Kingdom.

Ben Coleman: The sanitary and phytosanitary rules, which are being discussing and negotiated with the European Union, will be implemented by the European partnership Bill. Does the hon. and learned Member not accept that that will give us a seat at the table, when it comes to developing food and drink standards? Does he not also take a certain amount of pleasure from the fact that the Bill will remove the food and drink trade barriers between Great Britain and Northern Ireland, which arise from Northern Ireland's effective membership of the European single market?

Jim Allister: I am sorry the hon. Member is so ill informed. Let us take the SPS deal. The Government are seeking an SPS deal not between the United Kingdom and the EU, but for GB and the EU. Why? Because, shamefully, in all SPS measures, the Government are going to leave Northern Ireland subject to the jurisdiction and sovereignty of the EU. It would not be so bad if they were saying that they will have an SPS deal to take back sovereignty over SPS matters in Northern Ireland, but they do not even have the courage to say to the EU,

“If we're going to align, we're going to make the laws for the whole United Kingdom.” They are prepared to continue to make Northern Ireland subject to the foreign jurisdiction of the EU.

What does that mean, and what will dynamic alignment mean for Great Britain as well as Northern Ireland? It will mean huge disfranchisement of the people of this United Kingdom. In Northern Ireland, there are over 300 areas of law in which we do not make and cannot change the laws; they are made by a foreign Parliament. This Government are going to mirror that for the whole United Kingdom. That means that the people we represent cannot elect anyone to make those laws; they are disfranchised. Disfranchising is the very antithesis of democracy, yet it is the democratic price of dynamic alignment. What about the financial price? How much are this Government going to pay the EU to be a supplicant rule taker? It will be tens of millions of pounds, I am quite sure, but the Government have not wanted to tell us. That is the challenge: let them tell us how much it is going to cost financially.

I want to comment on one other Bill. The energy independence Bill will wilfully shut down our oil and gas industry. Only the deluded would want to produce a plan that will make us weaker, poorer and more dependent on others to meet our energy needs. Here we have a Government saying, “Let's choose to leave billions in value under the sea, so we can squeeze our taxpayers for the money that is required to buy oil and gas from a foreign Government.” Where is the logic in that? It is the ultimate delusion, and it is because of such delusions that this Government are heading for the exit.

7.14 pm

Katrina Murray (Cumbernauld and Kirkintilloch) (Lab): Earlier this month, I was privileged to be involved in the inaugural Money Made Human awards organised by 1st Class Credit Union, a large national credit union that was started by postal workers at Royal Mail 35 years ago but now spreads across the communication industries. The whole concept of Money Made Human is to recognise that every single decision we make on a macro or microeconomic level affects people. We can choose to make it simply about numbers on a spreadsheet and lines on a graph, or we can make it about human dignity: having enough money to pay for the weekly shop; to live in decent-quality, affordable housing, whether with a mortgage or rent; to pay for one-off big purchases such as a new washing machine or a new fridge; or to pay for all three kids, who all go to the same school, to go on the same school trip at the same time. In the words of the chief executive of 1st Class Credit Union, Gayle Lloyd, prosperity only really comes when people feel able to do those things.

For many reasons similar to those of the right hon. Member for Salisbury (John Glen), I welcome the inclusion of the enhancing financial services Bill in the King's Speech. It recognises the role that credit unions and mutuals play in modern financial services. It also provides scope for large credit unions such as 1st Class to expand and develop, but still, at their core, to live their values. It enables them to support the much smaller, community-based credit unions, to which the same people come in every week to pay part of their pension, their wages or their benefit money—a reminder that not everybody claiming universal credit is not working, because nearly

[Katrina Murray]

40% of universal credit claimants are employed and in paid work—into funeral plans, insurances, savings and loans.

I want to place on record my thanks to the new Chief Secretary to the Treasury for everything she has done so far to support the sector and the thousands of people, predominantly pensioners, who have seen their funeral savings disappear. By bringing together stakeholders to find a solution, we may be able to get some redress and peace of mind for vulnerable people. This is our opportunity to take action, such as making it illegal, not just immoral, to withdraw these products with only 30 days' notice. I am sure the new Economic Secretary, my hon. Friend the Member for Cities of London and Westminster, will not only carry on the Chief Secretary's excellent work, but add her own perspective—not just with mutuals and local banking services, but in tackling economic abuse and coerced debt.

My hon. Friend the Member for Blaydon and Consett (Liz Twist) talked about the importance of health and safety legislation. I want to delve a bit more deeply into that, particularly in relation to the regulating for growth Bill. In the time we are in, it is wrong that every single piece of major health and safety legislation has a “19” in the date. The key primary legislation was in 1974, and the regulations used on a daily basis were set in 1992. Health and safety legislation needs to be updated for the world we live and operate in now. Every single one of the health and safety statutory instruments relates to physical health; there is not a single one about mental health and wellbeing. What is one of the biggest reasons why people leave the workplace? It is mental ill health and wellbeing. People who have suffered mental ill health have the longest journey back to the workplace. We need to build on the work of companies, such as AG Barr in my constituency, that are ensuring that mental wellbeing is as important as physical wellbeing for their workers.

7.19 pm

Manuela Perteghella (Stratford-on-Avon) (LD): For my constituency, the King's Speech was underwhelming; a timid affair, not the radical bold change our country needs right now. In the previous parliamentary Session, my constituents were promised change and a Government focused on growth. Instead, we have the farm tax for those producing our food and a job tax for our local businesses that impedes the very same growth.

In Stratford-on-Avon, one of the key industries is hospitality and tourism, which is why I have long called for better rail and bus connectivity for my constituency, and why I will continue to press for it today. Stratford-upon-Avon is still without a direct train to London and has no reliable or direct late-night rail service to Birmingham. We are also without adequate bus connections between our rural towns and villages. The Government claim that their top priority is growth, but how is our local economy supposed to grow without adequate public transport infrastructure to get people to their places of work, and to get young people to college and other places of learning or to their first job?

Stratford is home to one of the finest theatre companies anywhere in the world, the Royal Shakespeare Company, and the home of the Shakespeare Birthplace Trust,

yet it is difficult for people to visit us. This leaves local businesses to suffer. Our hospitality and nightlife industry is being starved, and it is young people who are paying the price most of all. Hospitality and tourism are young people's industries. These are often the first jobs our young people take, the sector in which they build confidence, skills and careers. When those industries struggle, young people struggle with them.

For constituencies such as Stratford-on-Avon, the creative industries are also central to our economy, our identity and our future. The Government see the sector as one of the eight growth-driving sectors in their industrial strategy, yet the reality is that the sector is already under immense pressure. For example, since our departure from the European Union, touring across Europe has become more difficult, more expensive and more bureaucratic than ever before for performers, musicians and arts and culture organisations, yet there has been little meaningful support from the Government for those industries or for the communities that depend on them.

Brexit has made us all poorer. By clinging to red lines such as blocking a customs union and access to the single market, and dithering over a youth mobility scheme, the Government are locking Britain into higher prices and weaker growth, but most importantly they are letting our young people down. For that reason, I am again calling on the Government to: scrap the employer's national insurance jobs tax; support local businesses by reforming the unfair business rate system; implement an emergency VAT cut for hospitality and leisure; and support our young people, our businesses and the creative sector with a bold, renewed EU-UK deal which includes a customs union, access to the single market and a youth mobility scheme.

My constituents struggle with poor transport connectivity, but they also watch the condition of the Rivers Alne, Arrow, Avon and Stour deteriorate before their eyes. After recognising the failure of the Conservative Government to properly regulate water companies, this Government have quickly followed in their footsteps and allowed more than half a million sewage spills into rivers last year alone. My constituents have seen only rising water bills. They are paying through the nose to companies that do not respect the environment they live in. The clean water Bill will establish a new regulator. I call on the Government for that regulator to be a strong regulator with the power and determination to hold water companies properly to account and end the sewage scandal once and for all. The Government must also legislate to measure the volume, not just duration, of sewage spills, and strengthen powers for local authorities and communities to monitor river health. We need to place power in the hands of the people who most cherish the areas they are responsible for.

People in Stratford-on-Avon deserve reliable transport, thriving businesses, opportunities for young people and a clean, protected natural environment. They deserve a Government willing to invest in rural communities, defend our waterways and stand up to failing companies where regulators have been asleep at the wheel. My constituents are tired of excuses, tired of sewage in their rivers, and tired of being treated as an afterthought. They want action and they deserve nothing less.

7.24 pm

Mary Kelly Foy (City of Durham) (Lab): I welcome the ambition in the King's Speech to grow the economy, raise living standards and make Britain a secure place to invest, but for my constituents in the City of Durham growth cannot exist only in national figures or ministerial speeches—it must be felt in everyday lives. That means secure work, better wages, stronger businesses and young people imagining a future close to home. The Employment Rights Act 2025 saw massive improvements in that regard and the measures in the King's Speech will help further. I particularly welcome action on late payments. For many small businesses in Durham, late payment is not a minor irritation; it damages confidence and stalls employment.

Durham is fortunate to have a vibrant range of high-quality businesses. Every year, I run a small business of the year competition and I am overwhelmed by how many constituents get involved. Whether it is past winners such as Daisy Rose Coffee House, Vanity Hair Salon, Newhouse General Store, the Weigh to Shop or numerous other businesses across the constituency, the message is very clear: they are the bedrock of our communities. We must acknowledge the severe challenge facing our small businesses, particularly in a sector that is vital for the city—hospitality. They are being squeezed by skyrocketing costs and the impact of the cost of living on their customers. If we want them to thrive, we need bolder steps to ensure long-term viability. The Government may say that the business rate system has been improved, but the feedback from small businesses is clear: this is the same old system, just tinkered with. A comprehensive overhaul to support them is urgently required.

We need to see the Government row in behind strategic employment sites, such as the . Stalled for years, this critical site has now been purchased by a new developer and is on the cusp of delivering the benefits promised to the city. It will be a measure of the Government's commitment to delivering growth in all our regions.

I also welcome the focus on removing barriers to growth and building better trading relationships with our European neighbours. These issues sound technical, but they really matter to the north-east. Our region was historically a net exporter to Europe, meaning steps to reduce burdens on exporting businesses will have a huge impact on our local economy.

As we go further with clean energy, Durham could be at the heart of the transition. Energy independence must create high-quality jobs, support local supply chains and give people the skills they need to seize these opportunities. Durham University, through its Energy Institute, brings world-class expertise to Durham. It is carrying out pioneering work on energy sustainability and geothermal energy. The very mines that powered our industrial past could literally heat our homes in a green future.

Alongside long-term environmental benefits, we need immediate structural support for our communities. That means real investment in local training, ensuring young people from Durham are equipped to build these systems. I saw that potential first-hand last week when I spoke at the regional T-level networking event in Durham. It brought together colleges, employers, young people and local partners to discuss how we build the skills pipeline our economy needs. That is exactly the kind of practical

partnership we need to stop the persistent brain drain that forces our brightest graduates to pack their bags. We need local economies strong and diverse enough to allow them to stay and build beautiful and meaningful careers in the City of Durham. That growth relies fundamentally on connectivity, so I welcome the inclusion of Northern Powerhouse Rail. Specifically, the Government must now prioritise fully the reopening of the Leamside line.

The King's Speech sets out an important direction, but the test will be delivery. For Durham that means supporting small businesses, good well-paid jobs, unlocking the sustainable energy potential of Durham University, investing in skills and ensuring the green economy creates opportunities that local people can build their lives around.

7.29 pm

Robin Swann (South Antrim) (UUP): A King's Speech allows a Government to provide a reset—a signal to the general populace that they want to do something different and are going to build on the last Session. The Prime Minister said that the purpose of the Bills contained in this King's Speech was to strengthen our economic security. In opening the debate, the Secretary of State said that it was about building national resilience.

I have listened for nearly four hours to Members on the Government Benches tell this Chamber and the country about all the positives contained in the Bills that will be brought forward within the next Session. I have looked at how the Bills proposed by this Government will affect the people of South Antrim—the businesses, employers and employees—and the people of Northern Ireland.

Reading through the King's Speech, there is a section that covers the territorial extent and application of the Bills. When I listen to what Government MPs say is good about these Bills, they say that this extent will cover the whole of the United Kingdom, but the reality is that it will not—it does not—because so much will depend on the European partnership Bill. The hon. and learned Member for North Antrim (Jim Allister) has already explained some of those challenges.

I have listened to discussion of the regulation for growth Bill. So many of those regulations in Northern Ireland are still countermanded and managed by European Union regulations. I listened to how sandbox powers will be brought forward, and how they will lessen legal powers and release from bureaucracy people who want to create employment. The Secretary of State says that the powers will increase skills in Northern Ireland, but they will not initially apply in Northern Ireland—in fact, they may never apply there because of the European partnership Bill.

At this minute in time in the EU, the Commission will be looking at who it is going to be negotiating with. Is it going to be negotiating with the current Prime Minister or, in a few months' time, will it be negotiating with a British Prime Minister who is probably more pro-EU than some on the European Commission themselves? Why would the Commission move now on the regulations that the European partnership Bill would bring about?

Let us look at the implications for energy independence and strengthening our energy security. I was at a recent evidence session of the Northern Ireland Affairs Committee, where John French, the chief executive of the Northern

[Robin Swann]

Ireland Authority for Utility Regulation, made it clear that if Northern Ireland was fully integrated with the GB energy market, we would see a 20% reduction in our electricity bills.

George Freeman: The hon. Member makes an important point about regulation in Northern Ireland. When in government, I championed the Genetic Technology (Precision Breeding) Act 2023, which gives this country the ability to grow disease-resistant and drought-resistant crops—the potato that typically requires 14 applications of high-carbon toxic fungicide can, with technology developed in Norwich, be grown without. Does the hon. Member agree that the Act is a big opportunity for Northern Ireland? It could be growing those potatoes without the fungicide, with huge environmental benefits, but under the European partnership Bill, it will be denied that opportunity.

Robin Swann: I agree with the hon. Member. The right hon. Member for Belfast East (Gavin Robinson) mentioned earlier that every Northern Ireland politician who is worth their salt was at the Balmoral show last week, along with members of the Northern Ireland Affairs Committee and the Environment, Food and Rural Affairs Committee. The continual message was that agriculture in Northern Ireland is being strangled by some of the regulations coming from the European Union, preventing us from bringing forward a truly world-leading agricultural industry.

On energy, the cost of fuel is impacting heavily on Northern Ireland, and that has a knock-on impact on our steel industry. There is a fantastic manufacturing base across Northern Ireland, but our businesses now face a dual burden. The Windsor framework necessitates the application of the EU carbon border adjustment mechanism on at-risk goods from Great Britain, which effectively creates a carbon border in the Irish sea that could add up to £200 million in annual trade costs and increase major project expenses by 5%.

Our steel importers will also face a triple jeopardy of global levies, including US tariffs of up to 50%, an incoming UK regime that slashes tariff-free quotas by 60% this July, and ongoing EU safeguarding duties of 25% on goods that are deemed as at risk under the Windsor framework. That plethora of additional costs on raw material coming into Northern Ireland is not balanced out when we hear that this Government want to invest in our small businesses, especially our defence SMEs in Northern Ireland; they promised a £50 million investment coming into those small industries, while at the same time adding costs to their power and raw materials.

The implications of the Bills in the King's Speech have the potential to be truly life-changing. For example, there would be opportunities for my constituency if the powerhouse rail Bill and the railways and passenger benefits Bill could be brought to Northern Ireland, opening up the Knockmore line and Belfast International airport.

The right hon. Member for Salisbury (John Glen) mentioned the enhancing financial services Bill. There is an opportunity for this Government to come into Northern Ireland and make a real difference in car

insurance, if they were to take the powers proposed in the Bill to regulate claims management companies in Northern Ireland in the same way as they do across the rest of the United Kingdom.

7.35 pm

Dawn Butler (Brent East) (Lab): In the time that I have, I would like to touch on two important areas with regards to backing business and creating economic growth. The first is the tourist levy. London is the gateway to British tourism. Of the 38 million inbound visits to the UK in 2023, just over half were to our capital. I therefore welcome the Government's announcement of this measure, but I would like to see a little more pace and progress. That legislation could do so much for boroughs such as Brent, which includes Wembley stadium; I hope there will be a 50:50 split in the visitor levy.

Secondly, I want to touch on high streets, which I have mentioned in this Chamber a number of times. When we talk about growth and investment, we have got to think about where that comes from. We have to ensure that we have resilient local communities. If the Government committed to scrapping "aim to permit", which is part of the Gambling Act 2005, there would be a dramatic effect on the growth of our local economy and high streets. "Aim to permit" means that councils are often powerless to refuse applications for betting shops, even if there is public protest and the clustering of shops, like there is in my constituency. As shown in videos I have made, gambling shops are disproportionately found in areas that are more economically deprived, so the Government would be carrying out a justice for all those areas if they were to scrap that measure.

I have asked people what they want to see on their high streets, and even people coming out of gambling shops did not say gambling shops; they said they wanted gyms, libraries and cinemas—literally anything but a gambling shop. This change would cost the Government nothing and could have been done in the King's Speech—I am disappointed that it was not—but we can make progress. I acknowledge the Government's gambling impact assessment, introduced through the English Devolution and Community Empowerment Act 2026. That is a good step forward in ensuring that local people's voices are listened to, but it really is not enough. I wrote a letter to the Government that had almost 300 signatures, and I will continue to update that letter until the Government do what I ask—it gets more signatures all the time.

I warmly welcome the drive for economic growth. The IMF has upgraded the Government's growth forecast, which is good, but we need to do better and think about where that growth comes from and who it will benefit. I feel that ending "aim to permit" will do exactly as I have outlined.

7.39 pm

Alicia Kearns (Rutland and Stamford) (Con): I will begin with an issue where the Government have promised action time and again but have failed to act: solar mega-plants. If rural communities are to host nationally significant energy infrastructure, we must be compensated fairly for doing so. An entire parliamentary term has passed, and yet the Government have still not regulated mandatory compensation, despite promising to do so.

The consequences are real. In Rutland and Lincolnshire, a 2,100-acre industrial plant with 10-foot solar panels will fence in some of our villages on all sides for the next 60 years—a decision that the right hon. Member for Doncaster North (Ed Miliband) happily signed off on in his first 24 hours as Energy Secretary. Mallard Pass has subsequently been purchased by Quinbrook Infrastructure Partners, a company with a global transaction value of \$30 billion.

Last Friday, I convened a meeting with Quinbrook and the affected parish councillors from Rutland and Lincolnshire. I had to intervene just to get the executives in the room, and what they put on the table was an insult. They have refused to honour the promises made during the application process to pay per megawatt generated, reinterpreting it to mean only energy exported—a sleight of hand that will cost my communities £44,000 a year.

Let us put this in plain terms. A solar plant is estimated to generate annual revenues after finance and operating costs of £10 million to £15 million a year, and yet the company claims it can afford to give my communities only a paltry £96,000 a year.

Sir John Hayes: I am delighted to hear what my constituency neighbour is saying, because she is right; these careless corporates who have little interest in energy—and even less in the environment—are riding roughshod over the will of local people in order to impose huge plants on the best and most versatile land. As I said to the Prime Minister recently, this compromises our food security at the very time that we should be building greater economic resilience.

Alicia Kearns: My right hon. Friend is completely right. What is breathtaking about this offer of £96,000 a year is that in a previous meeting—in a statement the company now disavows—we were told that paying compensation any higher would make the project financially unviable. That is to say that a project generating £15 million a year would be made financially unviable if it upped its offer to £144,000 a year in compensation.

I wonder how Quinbrook's investors and shareholders would feel if I asked them why margins are so narrow and whether they can have confidence in Quinbrook. I give notice today that if that offer is not substantially improved, that is precisely what I intend to do: I will name every investor and every shareholder on the Floor of this House, and I will write to them and ask whether they are comfortable with what is being done to my communities in Rutland and Lincolnshire.

Quinbrook is offering less than 40% of the rate being offered on comparable developments in the east midlands. In fact, the only national programme offering less than Mallard Pass is Cleve Hill, which—surprise, surprise—is also owned by Quinbrook. Over the two years of construction works, Quinbrook issued a good-will handout of £200,000 as a one-off donation—not for each year, but across the two. Some residents' homes have already lost 70% of their value. My question is: when will the Government stand up for us? I intend to amend the Government's energy independence Bill to make community compensation mandatory for solar developments and to backdate it, but the Government could act first.

The King's Speech also contained no measures to ban SLAPPs—the use of aggressive, unfounded legal threats to silence whistleblowers. I will use parliamentary

privilege today to expose one of the most stomach-churning examples I have encountered. I hope this will shame the perpetrator into silence and similarly force the Government into action.

The company, which is called Enough, sells self-swab rape kits to women and children, and it does so on the back of a series of lies: that the kits are admissible in court—they are not; that women are more likely to be raped than to get cancer—they are not; that 430,000 people are raped in the UK every year—they are not; and that owning of its devices will deter a man from raping you—as if it is my responsibility as a woman to stop a man raping me.

More than 40 sexual assault charities have urged against use of the kits. The National Police Chiefs' Council has also spoken out against them. The Advertising Standards Authority is investigating the company, as is Trading Standards. The kits prevent proper evidence collection and stop perpetrators' DNA being checked against police records. A case has already collapsed because of the use of one such kit.

In a debate on Times Radio, I told one of the founders, Katie White, that I had seen the threatening letters that Enough had sent to rape charities and young women across our country. When asked if this was true by the journalist, Katie said, "No, not true." This was also a lie.

George Freeman: My hon. Friend is making a really important point. I was previously the Minister responsible for the Medicines and Healthcare products Regulatory Agency. Traditionally, the MHRA's influence has been in denying proper companies permission. It seems to me that now, in a digital age, we have a different problem, which is people coming up with rubbish and selling it over the counter unofficially—digitally. Do we not need a much more powerful set of legal and financial disincentives to really hammer the people selling these sorts of products?

Alicia Kearns: My hon. Friend has enormous experience, and it is exactly the MHRA that we need to look at. This is not a medical device, yet it is being treated as such.

I want to pay tribute to the brave young girl who has shared with me the letter sent to her by Enough. She is not a journalist or a campaigner, and she does not have the protections that I enjoy as a Member of Parliament, so Enough thought it could silence her. The first letter, signed personally by both founders, Katie White and Tom Allchurch, told her that she had seven days to comply, or they would pursue

"injunctive relief, damages for defamation, and recovery of legal costs."

They accused her of scaremongering.

Then—and I want the House to hear this clearly—they said to a young woman who had simply dared to raise concerns:

"Carefully consider the long-term consequences of continuing this campaign...you not only risk serious legal considerations, but also lasting damage to your personal reputation, career prospects, and future opportunities."

They threatened to destroy her future because she posted questions on Instagram. A week later, to ensure there was no ambiguity, they sent a second letter, explicitly calling it a cease and desist. This is predatory, and it is not a one-off.

[Alicia Kearns]

A rape charity has also shared with me a letter it has received from Enough—lawyers threatening a rape charity into silence. I will tell Members what that letter said. After once again threatening legal action, Enough had the audacity to write:

“Our client considers such an approach to be in the best interests of survivors.”

Citing the best interests of survivors—said by a company that lies to survivors.

Enough’s targets are rape charities and young women. It has tried to make their lives hell. I urge the Government to ban self-swab rape kits, and I urge them to honour their promise to legislate against SLAPPs. I am speaking out because Enough has intimidated people into silence, and rape charities are quiet because they do not have the financial means to take legal action—legal action that would distract them from their duties to survivors.

What I have described today is a window into how our legal system is being weaponised to silence the vulnerable and punish those with the courage to tell the truth. We in this House, and the Government, must choose the side of victims and rape charities and make sure that individuals who commit rapes face the justice they deserve, instead of it being stolen by a company selling lies to women. It must end.

7.47 pm

Ben Coleman (Chelsea and Fulham) (Lab): That was a very powerful and upsetting speech. I am grateful to the hon. Member for Rutland and Stamford (Alicia Kearns) for raising that issue. There is a lot to think about.

In a world of growing uncertainty, our country’s economic security has never mattered more, which is why I have to say I am delighted by the European partnership Bill in the King’s Speech. Right now, our rigid distancing from the EU is simply holding us back. It has piled costs on to business and has done nothing for ordinary people. If Members visit the Italian-Spanish deli on the King’s Road in my constituency, they will see that the shelves are half bare because the white van person who used to make buying runs across northern Europe cannot or does not want to do the paperwork any more. A drinks importer in Fulham is paying £100 to £150 extra per pallet. These are import businesses, but the costs fall on exporters just as hard, and small businesses can least afford the costs they now face.

Large sectors are also paying heavily for our rigid distancing from the European Union. British cars now have to meet a separate set of regulatory requirements just to enter European markets, and it is costing the automotive sector £600 million a year that they did not used to have to pay. In chemicals, leaving the EU REACH registration scheme and creating an entirely separate one has left the UK industry facing a £2 billion bill. In pharmaceuticals, British products are waiting for four to six weeks for batch testing before they can get into European supply chains.

Ten years ago, none of those costs existed. Why not? We all know the answer: because we and our European neighbours were in a single market together. Once outside that market, Britain became subject to all these new trade barriers, just like any non-EU country, which pushed up costs.

Indeed, in the food and drink sector, costs for British exporters have risen by as much as 20%. Since 2023, businesses have had to pay for over a million multi-page export health certificates just to trade with the EU, at a total cost of between £90 million and £210 million. Each certificate costs up to £200 quid. This did not used to be the case. A salmon shipment can then face sampling costs of £1,400 on top. The cost can be £1,200 for a consignment of beef or cheese. If you have got the forms even slightly wrong, valuable produce can be held at the border, or spoiled entirely.

Sir John Hayes: As you might know, Madam Deputy Speaker, I try to read a lot of fiction—I read two novels a month—but I sometimes think I do not need to, because what we are hearing now is a fiction about the European Union. In every Department in which I served as a Minister, I tried to encourage the procurement of British products and services, including vehicles. Every time I did so I was told that it was impossible because of EU regulations and rules, particularly state aid rules. That disadvantaged British businesses large and small. We have been freed from that now, which is why Ministers on the Treasury Bench can preside over a regime that procures British goods and services, and I know that every day they try to do so.

Ben Coleman: I am most grateful for that intervention, but it does not in any way even attempt to address the point I was making about the loss of money to this country through trade and the fact that so many businesses have gone under.

On state aid and product procurement, I will accept that one of the most unpalatable things that civil servants have always said, along with “commercial in confidence”, is, “No, we can’t do that because of EU procurement rules.” After the changes to EU procurement rules there was, even while we were in the European Union, a huge amount that you could do to prefer small and local firms, as I knew when I was deputy leader of my local council and got officials to do that. The civil servants you were dealing with perhaps should have looked again—

Madam Deputy Speaker (Caroline Nokes): Order. We have been here for two years; you have to stop using “you” and “your”, because it refers to me. It was not me who was dealing with civil servants.

Ben Coleman: I am most grateful, Madam Deputy Speaker. Such officials as gave that information could have looked again.

Dawn Butler: Does my hon. Friend remember when a former Tory Prime Minister gave a guarantee to small businesses that there would be no paperwork to trade with the EU, because they recognised how much of a disadvantage and how problematic it would be?

Ben Coleman: It will come as no surprise to anybody that what the previous Prime Minister said and the truth perhaps did not have the closest of relationships.

It is absolutely no surprise, looking at what has happened, that the London School of Economics found that new border checks and paperwork pushed up UK prices by more than 7% between 2019 and 2023, adding

around £250 to our grocery bills. It is also no wonder that 20,000 small businesses, all with fewer than 10 employees, have simply stopped exporting to Europe—not by choice but because the costs got too high.

The war with Iran is making things even worse. It is pushing up energy and food costs around the globe. Our country's economic security demands that we do all we can to reduce business costs and limit price increases, working with our European allies. That is where the European partnership Bill comes in. For months now, the Government have been negotiating a new sanitary and phytosanitary—food and drink—agreement with the EU. This would sweep away the certificates, checks and fees that have added so many costs to food and agricultural trade with Europe. The aim is to wrap that up by the next EU summit, but to bring it into force we need the European partnership Bill.

Under the SPS deal, multi-page export health certificates, phytosanitary certificates, port health authority costs and sampling costs would all go. The Bill will support that. It will also provide the framework to implement an emissions trading agreement, which will link the UK's emissions trading scheme with that of the EU. That will give us a larger, more stable carbon market, support investments in new technologies and help us to decarbonise more efficiently. Together, the food and drink deal and the emissions trading agreement could add nearly £9 billion to the UK economy by 2040.

Robin Swann: Will the hon. Member give way?

Ben Coleman: I am afraid I will not; I have given way twice, and I do not think I will get any more time.

The European partnership Bill will also give Ministers the essential power to keep UK regulations in step with EU rules more broadly, without needing an Act of Parliament every time. The jargon phrase that we have heard is “dynamic alignment”—keeping our rules compatible with those of our largest trading partner, rather than constantly playing catch-up.

Crucially, this is not a one-way street. Unlike the situation we have now, this will give the UK a seat at the table in Brussels where food standards are being developed. Parliament will also retain its say before any EU rules are applied here. We will be replacing the patchwork of ad hoc fixes that we have now with a clear and stable framework that businesses can plan around. Importantly, if we pass the Bill, which I expect we will, that will be a sovereign decision, freely made—not because we have to but because the prize is too great to walk away from.

The European partnership Bill will deliver real relief and real advantages for food and drink businesses now. It will pave the way to bringing down costs in other areas such as chemicals, pharmaceuticals and automotive. It is a patriotic and hopeful Bill. It will boost British business and strengthen our country's economic and energy security. I look forward to it building our country's growth and future in Europe.

7.55 pm

Andrew Rosindell (Romford) (Reform): At the heart of the King's Speech lies a fundamental misunderstanding of how economic growth is created. Growth comes from the grassroots, not central planning. It certainly does not come from Whitehall or European micromanagement and regulation; rather, it comes from everyday people in

our constituencies who get up early, work hard and build businesses from nothing while incurring risks themselves. It comes from Governments getting out of the way of people's lives and allowing enterprise to flourish.

In Romford, the entrepreneurial spirit is deeply ingrained in our community. Ever since King Henry III granted our market charter in 1247, our town has thrived through enterprise. My constituency has always been a town of market traders, small businessmen, shopkeepers and the self-employed. Napoleon's remark that Britain was a nation of shopkeepers should fill us with pride, as our entrepreneurial spirit is the foundation of Britain's success as a prosperous, free-trading nation.

Yet today my local high street, like so many up and down the country, tells a very different story. Successive Governments, and this Government in particular, have made it harder, not easier, to operate a successful business here in Britain. Only this Government could stand here claiming to back growth while simultaneously hammering employers with a tax on employment through higher national insurance contributions. The people of Romford made their views known very clearly on 7 May, with every single council seat in my constituency—all 23—being won by Reform UK. Ordinary working men and women have simply had enough. Watching their communities fall into terminal decline while the national Government effectively destroy people's livelihoods is simply unacceptable.

Two of those Reform UK councillors, Diane and Russell Smith, are landlords of the Wheatsheaf pub—a family-run business started by Russell's father. They are risk takers, and they are indispensable to our local economy. It was never their intention to enter frontline politics, but they could no longer tolerate watching their community fall into disrepair and seeing the so-called Government of working people fleece small business owners and local traders like them and make running a successful commercial enterprise intolerable. They are right.

Sir John Hayes: The hon. Member is right that the pubs, clubs, small shops and associations—the things that Edmund Burke called the “little platoons”—are what constitute civil society. Yet successive Governments, including this one, have capitulated to huge, corporate, multinational, globalist businesses. Nothing in the King's Speech casts us in a separate, distinctive direction, and the hon. Member is right to champion those little platoons in a Burkean fashion.

Andrew Rosindell: The right Member is, as always, completely correct. Our nation's success is built on grassroots entrepreneurial spirit, not bureaucracy, corporate control or Government regulation—and certainly not Brussels interfering with our affairs yet again, after we had a referendum in which the British people voted overwhelmingly to get out of a political union with Europe. Now, the Government want us to have a pathway to growth, apparently through closer alignment with the European Union. We do not yet know what the contents of the so-called European partnership Bill will be, but it is bound to mean more powers being stripped away from this place and the British people, with the introduction of so-called dynamic alignment—the regulatory straitjacket that will be imposed on us by Brussels. As the hon. and learned Member for North Antrim (Jim Allister) said to the Prime Minister only

[*Andrew Rosindell*]

last week, the Labour party's solution to growth is to make the UK a subservient rule taker from a foreign Parliament. That is unacceptable. The socialist solution is always more central planning, more spending and more bureaucracy. It failed in the 1970s, and it will fail again today.

What this country needs is not more Whitehall diktats or Government intrusion into people's lives, but another 1979-style Margaret Thatcher revolution for enterprise—a period of national rejuvenation defined by cutting back state intervention and giving people back control over their lives. We must cut the waste and red tape strangling business, scrap IR35, and give our tradesmen, freelancers and small firms a fair deal again. We need to lower and simplify corporation tax to make Britain one of the best places in the world to build a business, instead of watching as the wealthy flee our shores.

We must abolish inheritance tax, so that families can pass on what they have built through a lifetime of work. We must reform welfare, so that those who can work do work, but ensure that those who are vulnerable are genuinely cared for. We must reward effort, protect the vulnerable and, most importantly, bring back respect for the hard-working taxpayer. We need to cut waste, restore discipline to public finances, and spend where it helps working people and small businesses, rather than propping up the bureaucracy and needless white-collar workers. I want Romford to thrive again, but we can achieve that only if we stop treating small businesses like cash machines, and start treating them, rightly, as the backbone of our economy and the lifeblood of our communities.

8.2 pm

Margaret Mullane (Dagenham and Rainham) (Lab): I welcome the opportunity to contribute to this debate on backing business to create economic growth. I also welcome the Government's commitment to removing the barriers to growth in all corners of Britain. With all the hubbub of the last week, it may have escaped the attention of many that GDP grew by 0.6% in the first quarter of 2026—the highest level of growth across the G7. Although that is positive, it needs to mean more than a percentage point on a graph for communities like the one I represent in Dagenham and Rainham. Small and medium-sized enterprises in seats like mine form the backbone of the local economy and play a vital role in delivering infrastructure, which is why I welcome the announcement of the small business protections Bill, on late payments. This legislation represents a historic moment for small companies, who often suffer at the hands of big business and because of poor payment practices. It is my hope that the legislation outlined by His Majesty last week will support more free-flowing supply chains across the country.

Speaking of supply chains, these are exciting times for growth in Dagenham and Rainham. The lower Thames crossing project is playing an integral role in bridging the gap between small and medium-sized construction companies and large national infrastructure projects. I spoke at the lower Thames crossing roadshow in Rainham recently, and it was encouraging to see so many local and family-run companies being awarded contracts and opportunities to upskill their staff.

Although my seat did not become the new home for London's three historic markets of Billingsgate, Smithfield and New Spitalfields, I am still working closely with the City of London, and partners across the south of my constituency, such as the Thames freeport and Ford UK, to determine a new legacy for Dagenham and Rainham. However, "new opportunities and investment" cannot translate into more datacentres springing up across our brownfield sites, draining resources, contributing to the urban heat island effect, and offering very little in terms of jobs for local people. Artificial intelligence, for all its advancement, cannot be all we have to offer the world, and as the steel industry nationalisation Bill progresses through this House, I hope that it will pave the way for a resurgence of British manufacturing excellence and industry.

I stood for election on a platform of bringing back jobs that people can raise a family on. That is what the people of Dagenham and Rainham want and deserve, and that is what I am determined to deliver, under a Labour Government, so imagine my joy when His Majesty and our Government set out a plan for apprenticeships, beat the drum of education for all, and painted a vision of a place where every child succeeds and is not held back by poverty, special educational needs or a lack of respect for vocational education. Growth does not work when we all pull in different directions. It works when we deliver opportunities on the ground to everyone, everywhere. That is the mission of this Labour Government, and it is my personal mission to ensure that my constituents in Dagenham and Rainham thrive.

8.5 pm

Monica Harding (Esher and Walton) (LD): My constituency is the single biggest contributor to the Exchequer of any constituency outside London. It is home to almost 5,500 businesses, and their opinion matters. As their representative in this place, I want to convey the message from the small businesses, entrepreneurs and major employers that this King's Speech and this Government are failing to protect them, failing to promote them, failing to get growth, and failing them. Businesses are struggling with everything, everywhere, all at once, with pressure from rising national insurance costs, business rates, wage increases and energy bills, and Government policies are exacerbating the pain, rather than alleviating it. Retailers are trying to keep the high streets alive, while footfall drops and costs rise. Employers want to recruit, invest and grow, but they increasingly feel that they are being punished for taking on staff and building businesses in the UK. One said to me:

"It's just too hard. I'm out. Instead of carrying on and creating wealth and jobs, I'm retiring."

At least they are still here. Some are eyeing up getting out of this country altogether and offshoring.

Hospitality businesses are under enormous strain. Across much of Europe, hospitality is recognised as a strategic sector that is worth supporting through reduced VAT rates. In Britain, cafés and restaurants are still largely paying the full 20% VAT rate, while also absorbing soaring energy costs, higher staffing bills and rising business rates. The VAT rate for hospitality in this country is one of the highest in Europe, second only to that in Denmark.

The high street is hurting. Laurent Trenga, who owns Thames Ditton Bakery, has described just how unsustainable things have become for many small high-street businesses. His monthly energy bill is now nearly as

high as the rent for the shop. He pays around £1,250 for energy, compared with £1,000 for rent. He says it feels like he is paying “two rents”, simply to keep the ovens on. On top of that come corporation tax, VAT and rising staff costs—all in a small village, where footfall is down because of the cost of living. Business owners are working harder than ever, while being rewarded less and less for taking the risk of running a business.

Daytona outdoor go-karting in Sandown Park has told me about the combined impact of rising wage costs, high VAT and soaring business rates. Its business rates have risen by £100,000 in two years, and when the minimum wage rises, every wage band goes up, so that the grades can be differentiated. That creates huge pressure on employers across the hospitality and leisure sectors. That business’s concern, which has been echoed by others, is that money will simply stop moving through the economy. Many business owners are now seriously thinking about scaling back, relocating or closing altogether.

None of this has been confronted in the King’s Speech. Surely, after the local elections, the Government have woken up and smelled the coffee. They must act with urgency to tackle both the cost of living crisis and the cost of doing business crisis. This means cutting hospitality VAT to 15%, as we recommend, until April 2027, bringing energy bills down, and finally getting serious about economic growth by negotiating a new UK-EU customs union. These measures would help save jobs, support struggling high streets, grow the economy and put around £270 back into each person’s pockets by next year, giving businesses and families alike a much-needed boost in confidence and stability.

I have mentioned a customs union, and it is good to see that the Government’s inertia on Brexit has finally been broken by both candidates for the Labour leadership, although it is interesting to see that the one who is not in this place has U-turned already, within 48 hours. The economic damage from Brexit is becoming harder to ignore, so why do the Government still not move to fix it more wholeheartedly? Last November, the National Bureau of Economic Research estimated that Brexit had reduced UK GDP by between 6% and 8%, with investment significantly lower and business confidence badly weakened by years of uncertainty and instability, but the King’s Speech is yet another wasted opportunity for British businesses and ambition. Of course, the biggest gift a Government can give to business is stability. Instead, business leaders are warning that investment decisions, as well as the country’s reputation, are at risk, with more infighting, more scandals and more jostling for power.

It is such a shame that this Government are following the chaos of Tory Governments. It is such a shame that this Prime Minister has wasted his mandate to reform welfare, properly reset our relationship with the EU and create a business friendly environment. He promised that this would be an Attlee Government. The only characteristic they share with the Attlee Government may be having one term.

8.10 pm

Martin Rhodes (Glasgow North) (Lab): Hon. Members across the House have already referred to the fundamental and structural challenges we face as a society and an economy. One that has been mentioned is the challenge around the rapid rate of technological change. That brings

opportunity and benefits for many, but it also brings uncertainty and exclusion for others. It is a challenge that highlights the more general need for Government intervention to nurture and protect, for regulation that does not hinder but encourages growth, and for growth that is necessarily inclusive.

Because of the limits of time, I will concentrate on one area, the European partnership Bill, which will focus on rebuilding our relationship with Europe in this fractured geopolitical and economic world. Europe is our largest and closest trading bloc, and breaking down trade barriers with it will help businesses to grow, create jobs and ease cost pressures for UK households. I support these positive moves, prioritising trade, business and jobs above refighting past political debates.

That said, we should be more ambitious in aligning requirements for British businesses with EU standards where possible and appropriate. Many UK companies are already required to follow the EU’s corporate sustainability due diligence directive in order to trade with our biggest external market. We risk becoming a dumping ground for unethically sourced products, while UK companies—following best practice in order to trade with our closest and largest neighbours—are undercut by less responsible enterprises.

Some 50 leading businesses have already signed statements calling for human rights due diligence legislation, including brands such as Tesco, Twinings and John Lewis. Such legislation could promote more ethical consumption, allow companies to better manage risk and help British businesses to grow. The European partnership Bill is an opportunity to align our due diligence regime with EU standards. Following the responsible business conduct review, I hope that the Government might see the Bill as an opportunity to make those changes happen.

I am proud to support this Government’s agenda of regulating the market, so that it works for consumers and small businesses, and of putting fairness and dignity at the heart of our economic system. I welcome the proposed legislative measures in the King’s Speech to support good business, and over this parliamentary Session, I will continue to urge Ministers to take forward measures to ensure human rights and environmental due diligence in supply chains. The successful future of our economy, further growth in our economy and good-quality jobs can be based only on responsible and sustainable business practices, with strong workers’ rights and protections for consumers. I am confident that measures in the King’s Speech will build on legislation in the previous Session on delivering those goals.

8.13 pm

George Freeman (Mid Norfolk) (Con): There is no more important issue for the country than the stubbornly low growth rate and the structural barriers to the growth, productivity, enterprise, innovation and investment that this country so desperately needs, solutions to which have defied successive Governments since the coalition and the political crisis that Brexit unleashed in 2016. It gives me no pleasure to highlight that, for my constituents in Mid Norfolk, the King’s Speech is irrelevant without real delivery on the ground. In Mid Norfolk, the small businesses on which we rely are shedding jobs; disposable incomes are falling; high streets in market towns such as Dereham, Watton and Attleborough are struggling;

[George Freeman]

pubs are closing; farmers are moving away from farming food to take the Government incentives for solar panels and commuter housing estates; and public services are being overwhelmed by rising demand from new housing and an ageing population.

This is fuelling a surge in political anger, which explains a lot of the election results last week. Across Suffolk, Norfolk and the fens of Cambridgeshire and Lincolnshire, rural deprivation, rural poverty and the disproportionate impact of high energy prices on the rural economy—where, according to Treasury figures, every cup of coffee, schoolbook, pencil, lesson and journey costs 20% more than in cities, yet rural areas are underfunded—are driving real anger, based on real grievances. People are now paying European levels of tax for American levels of public services, and they are fed up. Unless we—this Government, this Parliament, this media, this Whitehall—respect and understand the grievance and set out a truly bold plan to deal with it, I fear that the rich will continue to leave this country, that the middle classes, the engine of growth, will conclude that it is no longer worth putting the work in, and that the poor will turn to the black market and crime.

Sir John Hayes: For that to happen, Governments and Parliament must take back control, and successive Governments have divested themselves of that control by, as Simon Case said when he left office, giving more power to unelected and unaccountable bodies of all kinds and types. For the Government to act, they need levers to pull to make the kind of difference that my hon. Friend described, and Governments have less and less ability to do that, yet the King's Speech does not address that fundamental need for a change of direction.

George Freeman: My right hon. Friend makes an important point. The King's speech that my constituents loved was the King's speech in Washington, in which he spoke for the very best of this country. My point is that it is in all our interests—I say this as a friend of mainstream politics and democracy—that we tackle this challenge more boldly.

I welcome the speed with which newly elected Labour MPs have realised the scale and urgency of the problem of public and voter anger, stubbornly slow growth, rising unemployment and demand for public services exceeding capacity, but they are in danger of going for the wrong prescription. What we need is a renaissance of enterprise and innovation across the public and private sectors. Convenient though it may be for my party politically, the idea that the answer is a regicidal political infighting crisis and a leadership contest in office is for the birds. Take it from me: my party has tested that idea to destruction, and we have all paid the price. We do not need a Labour party beauty contest. We need a Parliament and a Government that get more urgent about the many laudable things they have set out to do, but we do not have 10 years to deliver it—we have a couple of years.

If the Labour party knifes this Prime Minister, he will be the seventh who will have been got rid of because of the structural deficit. I remember, when I first arrived here in 2010, the brilliant Paul Johnson of the Institute for Fiscal Studies explaining what the structural deficit is, and it is worth repeating. The normal deficit is when

a Government do not earn as much as they are spending; because the economy has taken a downturn, they borrow a bit to keep spending and then pay it back. The structural deficit is that bit of the deficit that goes up every year even when the economy is growing, and it is driven by four things. In 2010, it was being driven by welfare, public sector pensions, and—the big one—health, and debt interest was remarkably low. After the coalition, we had capped off the rise in public sector pensions, incredibly painfully, and we had capped off the rise in welfare, incredibly painfully. Health has continued to defy reform, and it is bankrupting the public sector. We are now spending more than 50% on health, welfare and social support. That is simply not affordable.

We cannot cut, borrow or tax our way out of this. The only way out is to grow, not through dumping cheap housing across the countryside, but by backing the industries of tomorrow.

Sir John Hayes: I might press my hon. Friend a little further. The other way of dealing with that is to improve productivity, as I said earlier. He is right, of course, that the cost burden is fundamentally important, but it can be made better through greater efficiency. Indeed, the Government themselves have said that, as successive Governments have, but we must put in place measures—very often, tough measures—to deliver that kind of productivity.

George Freeman: My right hon. Friend makes an important point. I will make a slightly different point, which is that there are huge opportunities for good growth in this country. Speaking as someone who has had a 16-year career backing the industries of tomorrow, whether it is in fusion, SMR nuclear technologies, agritech, bioscience, the bioeconomy on Teesside, or the satellite economy in Glasgow, we have an opportunity to turn these into the industries of tomorrow. I welcome the Government's industrial strategy commitment to do it, but it is at 50,000 feet; we need to drop down to some more tangible and bolder policies to back those industries.

I know the Secretary of State gave a tub-thumping speech about the 1980s, but the truth is we have made a lot of progress over the last 20 years. I was doing my work as the Minister for Life Sciences, for agritech and for Science and Technology following in the footsteps of Paul Drayson and David Sainsbury. In life science, fusion, AI and quantum, we have built an unbelievably competitive economy, but other countries are moving fast. Our competitors are more agile. We are terrible at adopting technology in the public services. Our scale-ups are not getting the finance they need in the city. Kate Bingham in *The Times* today is right.

How do we unlock this? I want to suggest a ten-point plan for renewal. I support the Government's ambition. I say this because if all of us fail, the Benches to my left of pub populists who are promising everything will win, and we will see even deeper disillusionment. I am calling in this speech for, first, real honesty of a 1979 scale about the extent of the emergency; secondly, bold devolution to the people, cities and mayors who know how to do it better—frankly, they could not do worse than Whitehall—thirdly, serious Whitehall reforms, so that we end the juvenile process of His Majesty's Treasury playing Departments off against each other for funding, which in the end comes very late and is taken back; and fourthly, a serious backing for the innovation economy.

I welcome the £20 billion of R&D, but how we allocate it is key. We need to allocate it in a way that attracts private investment. Fifthly, we need a bold revolution of tax incentives for enterprises—a new deal for new business. There should be no national insurance or VAT for a couple of years for someone starting a company and growing it. Sixthly, we need regulation for innovation. That is not just cutting regulations, but leading in setting the regulation. I welcome the Government's work in setting up the Regulatory Innovation Office. We then have skills and patriotic capitalism. I do not think it is communism to get the city investing in British business. Boldness—

Madam Deputy Speaker: Order.

8.21 pm

Dr Allison Gardner (Stoke-on-Trent South) (Lab): I am excited by this Government's vision and commitment to renationalisation. We have started renationalising rail with Great British Railways, thus ending the subsidising of foreign owners. That, alongside freezing rail fares, means businesses and their workers can look forward to reliable, cheaper rail travel that expands where businesses can locate and where workers can seek employment. I also note the reopening of several rail stations nationally, and I of course continue to ask that we consider doing similarly in Stoke-on-Trent South. Connectivity is key to our economic growth.

In this King's Speech, we see much on transport, including the railways and passenger benefits Bill and Northern Powerhouse Rail. There I see a new rail route proposed from Crewe to Manchester. While I welcome that, I must raise the continuing concern that High Speed 2 causes throughout Staffordshire and Stoke-on-Trent. I ask that any new rail investment assesses the impact on Stoke-on-Trent. We have a conurbation with the city and towns such as Kidsgrove and Newcastle-under-Lyme of over 400,000 people. It is an area with huge growth potential if we have the investment and connectivity we need. It is not about speed; it is about capacity and the assurance of direct services to Manchester, Birmingham and London, plus eastwards to Derby and Nottingham. We still sit in stasis in Staffordshire in the sorry shadow of the old HS2 plan. I ask that we consider upgrading the west coast main line in Staffordshire, tackling the key pinch points and giving resolution to the people and communities impacted by the travesty of HS2 thus far.

Alongside renationalising rail, we now see the steel industry nationalisation Bill. Bringing back strategically important industries such as steel into the ownership of the British people is something I am deeply proud of, but of course I would like to see this vision continue. I would like us to be braver still, and I encourage the Government to renationalise the water industry. I commend the Government on their work so far to tackle the appalling and—in the view of many—criminal shambles that private water companies have inflicted upon this country. I welcome the plans to overhaul the regulatory regime with the clean water Act, but will it be enough? Our rivers are dead, and sewage flows over our fields and streets and into our sea. I have seen this in my constituency in Trentham and Tean. My constituents and I would welcome this Government throwing out the foreign private interests that have devastated our waterways and siphoned off profits, and delivering a water sector owned by the people of this country.

I also note that the Government have an investment plan of up to £100 billion for improving our water infrastructure. I hope that this investment uses British businesses and products, including the pipes, tiles and bricks produced by the ceramics industry, so that every penny spent re-enters our own economy. We back British business by building British.

Of course, as the MP for Stoke-on-Trent South and the villages, I cannot let a debate focusing on British business go by without repeatedly mentioning ceramics. In the last parliamentary Session, we saw ceramics recognised in the industry as a foundation industry. I have championed advanced and technical ceramics throughout my time in this place, and I am delighted to see its inclusion, alongside refractories, in the British industrial competitive scheme, but we need to do more for all of our ceramics sector.

Many of my ceramics businesses tell me of their frustration with exporting to the EU. They can export to the US easier than they can to our nearest and biggest market. Hence, I welcome the European partnership Bill. Creating closer links to Europe is key to our economic future. We can do this strategically without having to revisit the toxic Brexit debate of old. We are rebuilding a partnership that works for us and our European partners. Closer dynamic alignment is vital. As we are essentially talking about trade, I again ask that we have a trade envoy for British ceramics. We need to promote our iconic tableware, our sanitaryware, our bricks and, most certainly, our technical ceramics. We also need to tackle the crippling issue of Chinese dumping and the flooding of fakes into the British market. We need to support our home-grown industry, and I am a proud signatory of the GMB's potters' pledge.

I have many times raised the strategic value of investing in the manufacturing of fibre and of carbon matrix composites. That is vital to ensuring that we have control of key supply chains within aviation, defence and nuclear industries. We are currently dependent on a handful of overseas factories. Despite this country owning many of the IPs, once again manufacturing occurs elsewhere. We need to bring it home and centred around the Potteries' developing advanced sector.

Of course, ceramics is a gas-intensive industry and so has additional challenges to face. I note that this King's Speech introduces the electricity generator levy Bill, but we need a bespoke solution for the ceramics industry. We need help now.

8.27 pm

Cameron Thomas (Tewkesbury) (LD): I stood in this Chamber in September last year and spoke of my pride to represent 52 pubs and three breweries. I warned the Government then that, despite their protestations that they were supporting businesses, their hikes in employer national insurance contributions and business rates were hitting hospitality hard. Since then, Winchcombe's Corner Cupboard inn has closed, and the Inferno Brewery has vacated Bredon Road in Tewkesbury. If the Government do not row back their business taxation, I expect to be back with an updated list.

There is one very clear route to economic growth in Gloucestershire. The M5 junction 9A and A46 Ashchurch project requires a Government injection of approximately £1 billion, but it will unlock 100 hectares of employment

[Cameron Thomas]

space while releasing capacity on the UK's crucial trans-midlands trade corridor. It is a key enabler of the Tewkesbury garden communities project. Combined, those projects will facilitate tens of thousands of new homes, with the community infrastructure that is so desperately needed.

In the current geopolitical climate, backing business for economic growth means unleashing the UK's world-leading defence manufacturing sector, and few regions of the UK boast Gloucestershire's engineering heritage. In my constituency, I proudly represent Babcock, GE Aerospace, Moog and Safran, each at the top of a chain of small and medium-sized manufacturing and logistics enterprises. The M5 junction 9a project can further enhance Gloucestershire's contribution to economic growth through the sector, and help the Government to meet their pledged 3% of GDP on defence by 2030.

If the UK is serious about generating growth, we cannot be cowed by taboo. We must reckon with the reality that leaving the European Union has been a diplomatic and economic disaster. Reform UK wants to abolish the Office for Budget Responsibility, perhaps because it reported that the UK economy will be 4% smaller by 2035 for having left. That will not help my constituents with the cost of living crisis. Indeed, the OBR's estimation seems conservative compared with that of other economists. The Organisation for Economic Co-operation and Development estimates a deficit of 5% by 2030, and the US National Bureau of Economic Research says that by last year the impact was already negative by 6% to 8%. No greater mechanism to effect economic growth is available to the Government than negotiating a new customs union with the EU.

Last year I met UK businessman Steve Wisbey, who explained the nightmare of red tape that Brexit has caused UK businesses. He spoke of the additional costs of work visas since freedom of movement was surrendered, of temporary import licences, and of cash flows inhibited by VAT now paid up front. Other Members might be keen to avoid rehashing the old arguments of Brexit, but we must not deny its cost. Backing business means undoing the damage caused by Brexit.

8.30 pm

Amanda Hack (North West Leicestershire) (Lab): My constituency of North West Leicestershire is right in the centre of the UK. It is a constituency of makers and movers, with around 25% working in logistics, and a further 15% in manufacturing, mining and utilities, the latter of which aligns with one of the broader industrial strengths of the east midlands, as one of the most manufacturing-intensive regions in the country.

North West Leicestershire is also home to one of three sites in the only inland freeport in the UK. However, the site proposed for Leicestershire has created considerable concern for the local community. The proposed site was identified as a freeport by previous Conservative administrations, both locally and nationally, but it is next to an 825-year-old village with heritage status. When we are considering growth, we need to make sure that we take our communities with us. They need to be part of the decision-making process, not to feel that they are an afterthought.

North West Leicestershire also has 4,000 people working in the construction sector, which is an important sector for us, as well as nationally headquartering a number of house builders. There are also three Ibstock brick sites and a number of quarries in my constituency. We have significant construction capacity, and a real opportunity to meet our social housing targets, as well as the social housing renewal ambitions set out in the King's Speech, by using the industry strengths that we have right on our doorstep—British bricks building homes so that families can thrive. I welcome Secretary of State's earlier mention of ceramics, and I look forward to a further announcement.

My farmers have been feeding our country for generations, and play a core part in the growth opportunity offered by the European partnership Bill announced in the King's Speech, which has potential to increase agricultural exports to the EU by 16%. The Bill also offers smoother trade arrangements with the EU. Capturing the potential of current trade agreements is key, with my constituency being home to East Midlands airport—the largest small-parcel freight operation in the country. Making sure that our SMEs can access those trading relationships and opportunities will also be key when it comes to growth.

Also beneficial is the introduction of the small business protections (late payments) Bill announced in the King's Speech, which will improve cash flow for SMEs and support business resilience. It will also mark the biggest action on late payments in 25 years. That is interesting to me, because in 1998 I wrote my dissertation on small business support, and I pointed out the impact of late payments as a barrier to growth. Late payments cost the UK economy £11 billion a year and close around 38 small firms every day. Just imagine the growth potential if small businesses could invest the money that they are simply owed. Access to finance is also a huge concern for SMEs, but as the last two physical banks in my towns are departing—Lloyds in Coalville is closing at the end of next month, and NatWest in Ashby is due to close imminently now that we have a temporary banking hub—I worry that my constituency is already at a disadvantage. We cannot underestimate the impact that will have on my local businesses, which is why I welcome the work on the enhancing financial services Bill.

I also want to talk briefly about the establishment of new forests across the UK, replicating the success of the national forest, which is central to my constituency. The pioneering work that the national forest has done in creating new growth opportunities for rural businesses has been transformational, so much so that even the Oxford-Cambridge growth corridor wants to get in on the act and get a forest too.

I have said it before and I will continue to say it: the national forest is a treasure, but access is limited without access to a car. Poor transport connectivity is not only an inconvenience but a real limiter of growth. When people cannot reliably get to work, businesses struggle to recruit and retain staff. When roads are congested and public transport is patchy, productivity suffers and investment goes elsewhere.

As I have mentioned before, when we do not have a single passenger rail service across my entire constituency—despite being a logistics hub, despite having an international airport and despite being home to the east midlands rail freight terminal—my businesses will continue to feel

the impact. There is a huge opportunity in expanding rail and I am hopeful that the railways and passenger benefits Bill opens up the discussion about towns like mine being served by rail.

Backing British business means backing people, high streets and the infrastructure behind them. The Bills laid out in the King's Speech are a promising start, and success will depend on whether the smallest firms can be considered in delivery.

8.35 pm

Jess Brown-Fuller (Chichester) (LD): I am pleased to speak in today's King's Speech debate, with the theme "Backing business to create economic growth".

I know from meeting businesses across my constituency in all fields—be it hospitality and retail, manufacturing, haulage, technology, agriculture and horticulture, or the creative industries—that they are ready, willing and able to play their part in achieving economic growth for this country. However, right now it is hard to see how that will be achieved given that businesses are being squeezed from all directions. They are facing rising costs, additional employer national insurance contributions, sky-high energy bills and a workforce who are struggling to get to the end of the month with anything left in their bank accounts.

Although my Chichester constituency is often described as "affluent", the cost of living crisis is felt acutely there. In fact, last month a Resolution Foundation report entitled the "Slurp Index" looked at the ratio of average gross hourly earnings to Guinness pint prices. It concluded that in somewhere like Trafford, the average median hourly wage will earn someone just over four pints when they are getting a round in on a Friday, but in Chichester, it does not even stretch to two and a half pints, which would not make anyone popular with their co-workers. It's halves for everyone in Chichester—I'm very sorry.

The high costs in Chichester are compounded by the fact that desperately needed improvements to the A27 have been removed entirely from the Government's road investment strategy. Without investment, the road will continue to strangle regional trade and competitiveness for Chichester. It feels more and more likely that it is quicker to get around by sea than by the roads in my constituency.

That brings me to the clean water Bill, which aims to undo years of dissatisfaction with the water industry. Over the weekend, I joined the Surfers Against Sewage paddle-out protest. Ironically, we were told not to get in the water because a sewage outflow had discharged into the Solent and the water was not safe. It did not stop us from getting in and highlighting just how important our water is to us in the Chichester constituency, as Chichester harbour is a national landscape.

The legislation that the Government are bringing forward must deliver an overhaul of how our water industry is regulated, starting with the scrapping of Ofwat—a measure that the Liberal Democrats have been calling for since 2022. In the legislation, I hope that we will see many of the 44 amendments that the Liberal Democrats tabled at Committee stage of the Water (Special Measures) Bill, and which the Government chose not to accept.

One of those amendments included a statutory responsibility for water companies to measure the volume of spills they release, rather than the arbitrary measure of time, as doing so would accurately reflect the actual levels of pollution. This is vital, as the Environment Agency looks to enforce stricter targets at waste water treatment works around my constituency in sensitive areas that have seen high levels of pollution, like Bosham, Chichester harbour and the chalk stream River Lavant. There was discharge into the River Lavant for a total of 285 days in 2024—but that was counted as one discharge; we need to know the volume rather than the time spent discharging. This issue fills my inbox, because in Chichester are passionate about our rivers, coastline and national landscape.

Another key issue that residents raise with me is the behaviour of rogue property management companies. Chichester residents are living in properties where the verge is not maintained and saplings are dropped into holes in the ground and left to die, before being removed six months later for the whole process to start again. Residents describe management companies as faceless, with non-existent customer service except when they are told that their service charge is increasing exponentially. In some cases, that has led to residents moving from the homes they fought so hard to purchase, because they can no longer afford to live there. In the commonhold and leasehold reform Bill, the Government have the opportunity to tackle this issue head on.

Sir John Hayes: I met residents of Georgian Court in Spalding a day or two ago. They live in a McCarthy & Stone home, and their freeholder has put up their ground rent by around 100%. That is exactly the kind of thing to which the hon. Lady is drawing the House's attention, and it must be dealt with in the Bill set out in the King's Speech.

Jess Brown-Fuller: Regulating these companies effectively and putting a cap on excessive service charges, particularly when there is no evidence that the service is actually being delivered, would really change the game for a lot of people who feel trapped in their estates. I have met with the Housing Minister and shared my residents' accounts with him, and I hope that the legislation being brought forward will start to address the issue.

As has been seen throughout the country in the recent local elections and current polling, the Government have failed to seize the initiative when it comes to the direction of the economy. People wanted change, but they are still left wanting. There was much in the King's Speech that my constituents hope will make a difference to them, including in relation to the matters that I have raised, the police reform Bill, the ticket tout Bill or the European partnership Bill. However, given the record of this Government, many people will be quite rightly concerned that these reforms will once again be either U-turned on or fudged. I hope they are wrong, and I will of course continue to work for my constituents in Chichester to ensure that their concerns are properly represented.

8.41 pm

Frank McNally (Coatbridge and Bellshill) (Lab): I welcome the King's Speech last week. In a volatile world, the question of domestic economic resilience is

[Frank McNally]

paramount. Whether it is the conflict in the middle east driving energy price instability, supply chain disruption or a rise in global uncertainty, Britain cannot afford inaction or simply to hope that global shocks will be contained or pass us by. We need an active concordat between Government, business and communities to strengthen our resilience and ensure our prosperity.

The King's Speech set out an agenda focused on growth, investment, infrastructure, innovation and economic security. Crucially, it recognised that growth must exist not just in Whitehall spreadsheets or the boardrooms of financial institutions in the City; it must be felt in communities like Coatbridge and Bellshill. For decades, businesses—particularly small and medium-sized ones—have felt that the Government work around them rather than with them, so one of the most important measures announced in the King's Speech was the small business protections Bill on late payments.

For too long, businesses have been pushed to the brink because they completed work and paid wages and suppliers, but waited months to be paid themselves. According to the Small Business Commissioner, late payments cost the UK economy £11 billion annually, with small business owners spending around 86 hours each year chasing unpaid invoices. That is time that is not spent innovating, hiring, exporting or growing. The proposed reforms include stronger powers for the Small Business Commissioner, mandatory interest on late payments and maximum payment terms, and they all represent a positive step.

I also welcome the regulating for growth Bill and the plans being put in place to place a greater emphasis on innovation. That is particularly important for emerging sectors like AI, clean energy, advanced manufacturing and defence technologies. I certainly hope that the Government look to prioritise some of the R&D on clinical research for motor neurone disease—an issue that is very close to my heart.

Innovation matters greatly for post-industrial communities in North Lanarkshire, Scotland's fastest-growing economy. We are already seeing there the potential of advanced industry and digital infrastructure, with Scotland's first AI growth zone and companies like Cairnhill Structures in my constituency, which is rebuilding bridges in Ukraine that have been destroyed by Russian forces.

I welcome the support for clean energy investment and for securing domestic steel production, which reflects an understanding that modern economies cannot grow on weak foundations. Recent global events have exposed the dangers of over-reliance on volatile international energy markets, so expanding home-grown clean energy and supporting a new generation of nuclear power is not just sound environmental policy but sound economic security policy. Certainly in Scotland, the SNP should end its decades-long dogmatic opposition to new nuclear.

Growth is strongest and most sustainable when working people are secure, skilled and fairly paid. We have made great progress through the Employment Rights Act and the uplifts to the national and living wages, but we must go further, particularly on apprenticeships. It is a national scandal that apprenticeship starts for advanced manufacturing dropped by 40% under the previous Tory Government and by 30% in Scotland under the SNP.

We have to redouble our efforts to end the erosion we have seen under Opposition parties, but we also have a moral obligation to support the 1 million young people who are not in education, training or work to reach their potential. That will be a critical act for transforming our economy.

This King's Speech recognises that economic security, national resilience and living standards are deeply intertwined. It recognises that Governments have a responsibility not merely to observe the economy but to help to shape the conditions for growth, innovation and long-term prosperity. In a world that is becoming more uncertain by the day, that approach is not ideological—it is necessary.

Madam Deputy Speaker (Judith Cummins): I call Olly Glover, who I believe was standing.

8.46 pm

Olly Glover (Didcot and Wantage) (LD): Apologies, Madam Deputy Speaker—I had forgotten how to do it.

When assessing the effectiveness and suitability of the King's Speech, we need to consider what we need for a great and renewed United Kingdom. First, we need a fairer society with greater opportunities; secondly, we need an economy that works for people; and thirdly, we need a strong and globally relevant United Kingdom.

Starting with a fairer society, the King's Speech contains some good intentions in relation to housing, with the social housing renewal Bill and the commonhold and leasehold reform Bill. However, the former falls a long way short of real action on social housing, with the Government continuing to refuse to refocus their targets on social housing specifically, and with no clear legislative plan to properly regulate property management companies and their charges.

The proposed Bills on health and education also both fall short. The Government continue to prevaricate on the desperate need to act on the findings of numerous reviews of adult social care, which is the best way to support our struggling NHS. The focus on special educational needs provision is welcome, but the proposals in the King's Speech are unlikely to succeed without investment in state special schools, which is necessary to reduce significant local authority expenditure on private special schools and transport to distant special schools.

On transport more widely, measures to improve taxi and private hire safety and regulation, railway investment in the north of England, and private finance for roads have merit. However, it is important that we do not blindly follow the Treasury's obsession with avoiding capital spending. There are many examples of private finance initiatives that ended up as very poor value for money on a whole-life-cost basis, which is what we should think about rather than “sign and forget” private finance deals.

While votes at 16 are welcome, real ambition is missing when it comes to fixing our broken politics. The Government's proposals do not address the real need to modernise the House of Lords, deal with grubby money in our politics, or introduce a fair voting system that delivers election outcomes that bear some resemblance to how people vote.

Perhaps the greatest omission for my constituents is yet another failure to deal with the dysfunction of our planning system—centrally imposed housing targets

without the same targets or focus on the infrastructure and public services needed to support them, whether that is healthcare, transport, or large-scale leisure. Councils are often blamed for not providing those services, but much of the fault really lies with central Government.

On an economy that works for people, we face the twin challenges of small and local businesses being under massive pressure and some very large companies needing to be prodded to play fair and respect consumers. The Government's proposals go some way towards dealing with the problems with big businesses, but totally absent from their agenda are things that would really help small and local companies, such as business rates reforms, measures to rejuvenate our high streets, and initiatives to encourage greater employment.

The Government's plans include some welcome measures to better protect consumer rights and reduce costs. The energy independence Bill and the electricity generator levy Bill are long overdue attempts to ensure that consumers feel the benefit of our move towards renewable electricity generation and accompanying grid upgrades, including by reducing the effect of electricity prices being determined by a small amount of gas power generation. However, we need more and faster action on home insulation, a heating oil price cap and the creation of an energy security bank to finance critical green energy generation upgrades. These steps are exactly what we need. Climate change prevention cannot be done to people; it must be done with them, and the benefits have to be very clear to people, economy and planet.

The clean water Bill is an attempt to end the likes of Thames Water charging ever-higher water bills while delivering inadequate upgrades to reduce water leaks and sewage dumping, aided by a toothless Ofwat largely watching from the sidelines. What is missing from the Government's proposals is the radicalism needed to assuage justified public anger by mandating water companies to publish the volume and concentration of discharges from emergency overflows and to end sewage dumping at key bathing sites by 2030, and by making all our water companies become customer-owned public benefit corporations.

The King's Speech also lacks a credible plan to help more people to get into the workplace, which will happen only with investment in skills, education and training that adapt to changing societal and economic needs, in improvements to the Access to Work programme, and in research and insight into the many reasons why some people do not work.

On international matters, it is welcome that the Government have acknowledged the need to try to do something with their European partnership Bill. However, the Bill continues to reflect the Government's self-delusion on the Europe issue. Those with expertise in the matter are clear that there is very little growth to be had by tinkering around the edges of our existing inadequate agreements with the European Union. Only by joining the customs union and single market will we regain the significant economic and security benefits of being part of humanity's most successful peace and economic project. It is interesting that it apparently takes an undeclared leadership contest and crisis within the Labour Government for the idea even to start to be discussed and maybe accepted.

8.51 pm

Dr Rupa Huq (Ealing Central and Acton) (Lab): Last Wednesday—it seems so much longer ago—saw the second King's Speech of this Labour Government, with 37 Bills to address the UK's economic, energy and national security at a time of gigantic global challenge, much of it unforeseeable at the time of the last King's Speech in 2024. A stunning proposer—from Bradford like you, Madam Deputy Speaker—was followed by the Prime Minister's forceful plea for a change to the status quo, which he mentioned 10 times. I was having visions of "Rockin' All Over the World", but he was, of course, spot on.

After the first King's Speech—no, not the Colin Firth film—of employment rights, renters' rights and rail nationalisation, the sequel will bring British Steel into public ownership in the public interest, end the leasehold scam and see a social housing Bill for a million families trapped on waiting lists in temporary accommodation. Some of it was promised by the Tories and never delivered.

On broken promises, as we approach the 10th anniversary of the fateful vote that bequeathed us Brexit, I welcome the EU partnership Bill and the Government's rebuilding a stronger relationship with Europe. We were told that Brexit would make us richer, that we would see migration down and that it would make us more secure. Wrong on all three counts. As the mum of an undergrad, I know that Brexit robbed young people of their ability to work, study and live easily in Europe, so I applaud the youth experience scheme and rejoining Erasmus. I would suggest the circular economy directive as one to sign up to.

The referendum was indeed fateful, but not fatal, thanks to this Government's action securing the highest growth in the G7. I would say that circumstances have changed so dramatically since 2024, it might be time to consider relaxing some of the red lines on single market and customs union membership. Just a thought.

Unlocking barriers to growth is also in the Bills on the industrial strategy, national security, investing in defence and the armed forces, and repairing public services like the NHS, policing and special educational needs. On immigration reform, I must forewarn the House that I will be one of probably a number of MPs lobbying for the modification of the earned settlement proposals, but they are not inked in yet, so we are hopeful.

I regret that there is nothing in the King's Speech on my ballot Bill on ticketing to fix Oasis-style rip-offs and surge pricing. My old union, the University and College Union, is disappointed that there is nothing much in the King's Speech for universities or further education, despite the multiple crises that the sectors are facing.

But we are where we are and, as I have said, it is an ambitious programme with 37 Bills. As events in the strait of Hormuz affect prices at the pumps in Acton, the energy security proposal in the King's Speech is very welcome. If implemented, it will mean that we are no longer at the mercy of those who would push us around in foreign wars but can withstand global instability, with clean, home-grown energy independence. All these are things the Tories would never do, and Reform—none of whose Members are in the Chamber at present—would undo.

Much has been done and there is much more to do, including repairing and rebuilding the European alliances that have been so damaged by 14 years of Tory rule, the

[Dr Rupa Huq]

first five of which, I should remind the House, were propped up by the Liberal Democrats: they too were handmaidens to austerity, although they tend to forget that nowadays. It has not been an overnight process, but reversing the Tories' mess to build a more resilient country is under way. Our constituents voted for change, and they expect their Government to get on with it.

8.55 pm

Susan Murray (Mid Dunbartonshire) (LD): In 1603, Britain saw the Union of the Crowns. That moment began a journey that would lead to the Acts of Union and the growth of not only our modern democracy but the most powerful economic and industrial force that the world has ever seen. This story was not written by one nation alone; it was a political union of nations enabled by the sharing of skills and resources from every corner of these islands to build something far bigger than anything that could have been achieved individually, with each nation bringing its strengths and each nation benefiting from the strengths of the others.

The benefits of the Union are clear and the ties run deep, but if we are to make that case properly, we must be honest about what has gone wrong. As a Scottish Member of Parliament, I speak to too many business owners in Scotland who do not feel supported—too many who feel squeezed, taxed and ignored. Both their Governments have made poor choices. In Holyrood, the Scottish National party has chosen campaigning for independence over economic delivery. It has pulled funding from specialist technical facilities that could have created hundreds of jobs, and refused to back new nuclear, despite Scotland's engineering heritage and energy expertise. After 20 years of SNP government in Scotland, businesses do not need another referendum. They need stability for investment and growth.

In Westminster, Labour's jobs tax has made it more expensive to employ people and more expensive for firms to expand. Higher running costs mean higher prices for working people, and fewer job opportunities for part-time workers and for young people, at a time when the level of youth unemployment is nearly 16%. Inheritance tax changes have introduced a survival risk for family businesses in the UK, opening them up to hostile takeovers. Businesses need Labour to acknowledge that more than 80% of jobs are in the private sector, in small and medium-sized enterprises, and that increasing taxes on those jobs is not a recipe for growth but, all too often, the death knell for local jobs.

In Scotland, recent elections should have been a clear sign for both Labour and the SNP. Only 14% of Scots said that independence was one of the most important issues facing the country, while 63% said that the cost of living was one of the top issues deciding their vote. As a result, 56% of Scottish votes went to unionist parties, a clear sign that people want stability and not another referendum. The English council elections told a similar story of voters looking beyond old two-party habits and desperate for change.

It is clear that our current voting system in Westminster is part of the problem. Too often, seats in Parliament do not reflect what people voted for. A fairer, proportional voting system, which Liberal Democrats want to see,

would make politicians listen more and would encourage collaboration. It would mean fewer sudden swings from one extreme to another, and a steadier environment for businesses to invest and grow.

Although this House may be the mother of Parliaments, that does not mean that it cannot change with the times. Britain has so much potential, and we must be ambitious. Too often we have been too timid, too bureaucratic and too concerned with political differences. I urge everyone here today—everyone who is left—to come together and push for what is best for people in every corner of the UK. While we may need compromise to find agreement, it is the job of every Member of this House to ensure that the UK is at the forefront of change that benefits all our constituents and celebrates our diversity and tolerance.

9 pm

Sarah Smith (Hyndburn) (Lab): The House may not know this, but Hyndburn was the engine of the industrial revolution, for it was in Oswaldtwistle, where I live, that James Hargreaves invented the spinning jenny back in 1765, which revolutionised the cotton industry. This spinning machine enabled subsequent advancements in textiles machinery, which ultimately paved the way for the mechanisation of the entire manufacturing process. What is often missed in the story about James is that he faced opposition to his invention by the weavers, who smashed up his house and forced him out of town. The spinning jenny brought down the cost of yarn, and it was natural for those workers to be fearful of the impact that this would have on their livelihoods. It was right that they sought to protect their future, but through this innovation and those that followed, the mills in Accrington, Oswaldtwistle and Great Harwood, and the workers who powered them, became the backbone of our economy.

Today, I believe that we can draw lessons from that history. We stand once again on the precipice of a new industrial revolution. We stand at a point in history that will be examined closely by future generations. AI is a bright new technology that offers us huge hope and opportunity. Indeed, when I asked it what the biggest opportunities of AI are, it told me that it is less about replacing humans and more about expanding what humans can do at scale. However, there is also plenty to be wary of. AI is going to cause the greatest amount of disruption, particularly to industries such as coding, law, accountancy and other highly skilled professions.

Alongside this technical revolution, there is the fact that the era of globalisation as we know it is over. The risk of being dependent on foreign capabilities for our data storage, our defence capabilities and our manufacturing, and for the skills that we need to build our economy and support our businesses, so that they can thrive, cannot be overstated. The solution is to back British business, to buy British, to make British bricks—ideally, the Accrington Nori bricks—to build British houses, to be proudly patriotic, and to create the conditions in my constituency and across this country for our businesses to thrive, to invest, to grow and to create the jobs that are needed.

I was pleased to see in the King's Speech that we will “deploy the power of an active State in partnership with business and enable reforms that support higher growth and a fair deal for working people.”

I urge the Government to go further and faster on that commitment, whether it is on procurement policy, energy policy or cutting red tape. We need an industrial strategy that outlines how investment will deliver the jobs, supply chains and sovereign capability in the skills and infrastructure that we need for the future. This is not a time for making tweaks around the edges; it is a once-in-a-generation opportunity to meet the scale of the challenge and to build back better.

In places like Hyndburn, we need active intervention by the state on things like infrastructure. For example, there is an opportunity for a freight terminal in Huncoat, and the chance to support RedCAT, a catapult in my constituency that needs funding to help businesses bring products to scale. That could be a game changer for many local businesses—Senator Group, Emerson & Renwick, What More UK, Rospen Industries, Langtec, Fagan & Whalley, and so many more.

I want to cover briefly the importance of skills. I am proud of the progress that the Government are making in this area, and I am pleased that the current Session will focus on apprenticeships, tackling youth unemployment and, of course, a plan for SEND. I hope that these plans will put colleges, such as those in the East Lancashire Learning Group, at the heart of the Government's ambitions. It is time that college teachers had pay equity with other teachers. It is time that colleges received the respect that they deserve, and the funding that they need to help our most vulnerable and disadvantaged students. We can be the Government who put right the wrongs of the Tories and finally unlock the potential of millions of young people.

Before I close, I offer one final word to my hon. and learned Friend the Chief Secretary to the Treasury, and to her successor as Economic Secretary to the Treasury. There is £120 million sitting there, stuck in children's tax funds for children who lack the capacity to access them. If we can break this, that money will go directly into local economies across the country. I hope that point is not lost as my hon. and learned Friend takes on her new job.

The King's Speech is clear in its ambition to increase growth, expand investment and improve our public services. It is a Labour programme due to the fundamental belief that underpins it: that access to opportunity is for all. I look forward to working with colleagues to support and strengthen the Bills that will come before us in the Session ahead.

9.5 pm

Charlie Maynard (Witney) (LD): We all agree that we urgently need to get the economy growing again. However, the Bills in the King's Speech do not represent the big, bold economic change that the country needs. I will talk today about just two things that would create economic growth: trade, and balancing tax and spending through our fiscal framework.

On trade, our country prospers when fair markets for goods, services, capital and labour operate effectively. Trade makes this country great. Raising barriers to trade makes it harder for the economy to grow and erodes the tax base on which our vital public services depend—and the cost of doing business skyrockets, whether for a small business person in my constituency or for a large financial institution here in London.

The evidence of the damage that Brexit has done is in plain view. America's National Bureau of Economic Research, which produces non-partisan economic research, estimates that by 2025, the Brexit process had reduced UK GDP per capita by 6% to 8%, investment by 12% to 18%, employment by 3% to 4%, and productivity by 3% to 4%. That comes at enormous human cost.

The UK-EU reset has some good elements, but each element, which is being painfully negotiated, returns merely some of the benefits that we all used to have. Our young people may soon have the opportunity again to travel and work abroad. We may rejoin the EU's energy market, cutting electricity costs and making both markets greener and more efficient. The Government have been working hard on an SPS agreement on food with the EU. That would hugely reduce costs and delays for our farmers, and the benefits would be felt in Oxfordshire and rural communities across the country. It would bring cheaper food to supermarket shelves, which is good news for all of us. But consider the logic: the Government are now fighting really hard to rejoin the EU's single market in food products, while remaining resolutely against rejoining the single market for anything else. Where is the logic in that? Two things are painfully clear. We are expending enormous political capital to recover just a fraction of the benefits we once had, and even that goal is wholly insufficient, given the scale of the challenge that our economy faces. We need to be bolder and aim higher.

I turn to the UK's fiscal framework. Let us have a think about how well it has worked over the last quarter of a century. In the last 25 years—a period spanning at least eight different fiscal frameworks—we have not had a single year in which tax receipts have exceeded spending. The 2024-25 deficit was £153 billion, which was 5.2% of GDP. The consequences of this are severe: our national debt has ballooned to £2.9 trillion, equivalent to 94% of GDP. When I look at our fiscal rules, the words that come to me are, "Lie to me." The tradition works something like this. The Government of the day assure the country that all targets will be hit—not now, when it actually matters, but at a completely unknowable forecast date, five years hence. That five-year target rolls forward and is never reached. Spending is front-loaded in years one, two and three, and tax rises are backloaded in years four and five—ideally, the other side of a general election.

Traditionally, voters have been lied to because the alternative means politicians confronting and explaining a financial situation that nobody wants to face. Is this failure inevitable? No, it is not. Other countries have moved in the other direction and cut their debt-to-GDP ratios. Sweden had a financial crisis in the 1990s, with a debt to GDP ratio of above 80%. Its response was the 1996 Budget Act, one of the most rigorous fiscal frameworks in Europe, which fundamentally reshaped how taxation and parliamentary scrutiny interact. Most importantly for our situation today, the principles of this framework continue to command very strong cross-party support. That does not mean that there is agreement on specific spending or tax decisions—these remain contested—but the framework rules themselves are treated as largely above partisan dispute. That is precisely why the Swedish model is so frequently cited internationally. I am asking everyone in this Chamber and everyone

[*Charlie Maynard*]

listening to think seriously about whether we could do something similar here. After all, we are far better off addressing this very large problem now, before a financial crisis forces our hand later.

9.10 pm

Janet Daby (Lewisham East) (Lab): Bellingham and Downham in my constituency are some of the most deprived areas in London and, indeed, the country. These areas need the radical change that Labour promised in 2024, and I believe that the action to achieve this must be rooted in a foundation of economic stability. That is why I welcome the Government's approach to the economy. It may have been missed, but just last week, it was reported that the UK had the fastest growth in the G7, despite the backdrop of conflict in the strait of Hormuz and eastern Europe.

There are over 3,000 thriving businesses based in Lewisham East, and many of them are small and medium-sized enterprises. A missed or delayed payment can have a deep effect on those businesses' sustainability, which is why the Government's small business protections Bill, on late payments, is relevant. It will protect businesses from being mistreated in any way. Construction firms are the largest sector in the constituency, accounting for 16% of registered businesses. The Government's plans to ban the deduction and withholding of retention payments under construction contracts will protect supporting industries, safeguard construction workers and help get Britain building again.

Turning to Europe, which so many in this Chamber have mentioned, I welcome the closer ties with the European Union that will be delivered through the Government's European partnership Bill. It will benefit many businesses across my constituency. Indeed, when I was first elected in 2018, it was on a promise to repair the relationship between the UK and the EU, and I am pleased to note that the Government are progressing that commitment. The Bill will stabilise our trading relationship and set the stage for agreements on emissions trading and electricity trading, benefiting the environment, advancing our net zero goals, and securing our long-term energy future. I very much welcome the youth experience scheme and our rejoining Erasmus.

I wish to speak about cladding remediation. In my constituency, many freeholders in buildings such as Park View in Lee Green have felt trapped in their home because of the delay in correcting dangerous cladding, which is causing them such distress. I ask the Government to please look again at those in buildings of under 11 metres who have been caught up in the cladding crisis from no fault of their own.

Finally, I turn my attention to high streets. Of course, we all want to have pride in our towns and cities. We want them to thrive, businesses to develop and be stronger, and people to be really happy and secure in their area. Like my constituents, I want to be prouder of, and to feel safer in, Catford town centre, which is in great need of regeneration. There are opportunities for new homes, more businesses and social spaces, building on the amazing initiatives and benefits already there, such as Catford House. Goldsmiths, University of London, will use some of the premises for its teaching, and there is a plan for a cinema to return to Catford. Will Ministers

look again at Catford town centre, and will they meet me to discuss this further, so that progress happens in this area of my constituency?

9.14 pm

Lillian Jones (Kilmarnock and Loudoun) (Lab): I welcome the King's Speech and the Government's focus on backing business to drive economic growth across every part of the United Kingdom. I declare my interest at the outset as the chair of the all-party parliamentary group for the wood panel industry.

I want to begin with a positive vision of what Government can achieve when they work in genuine partnership with industry, supporting British manufacturing, strengthening domestic supply chains, creating skilled jobs and delivering the homes and infrastructure our country needs. The UK wood panel industry ought to be and should be central to that mission. It is a strategically important British sector, supplying essential products including chipboard, MDF and OSB to construction, housebuilding, furniture manufacturing and home improvement markets. It meets around 65% of domestic demand using British timber and recycled wood, directly employs more than 2,300 people, and supports a further 8,500 jobs across the wider supply chain.

Last year's CBI report confirmed that in 2022 prices the wood panel industry added £1.1 billion of gross added value to the UK economy. Yet despite that contribution, wood and wood-based products are too often overlooked in industrial policy, particularly compared with steel, cement, ceramics and glass. That must change and it must change quickly. Timber security is national security. The UK currently imports more than 80% of its timber and wood products, leaving us exposed to global supply shocks, price volatility and geopolitical uncertainty. I welcome the solid foundation this Government have laid, but I urge Ministers to go further. First, timber security should be formally recognised within national security and supply chain resilience planning. Secondly, wood and wood-based products should be explicitly recognised within the industrial strategy as strategic construction materials, alongside steel, cement, glass and ceramics. Thirdly, we must support domestic forestry expansion and ensure that productive planting targets are actually met. Without the raw material, we cannot build the resilient supply chain we need. This is not a niche issue. It goes to the very heart of growth, jobs, housing, net zero and national resilience.

I strongly welcome the Government's commitment to modernising public procurement and backing British business through public contracts. The Cabinet Office is right: it does matter where things are made and who makes them. Procurement should be used to put Britain's national interest first and to back British industry. That principle must also apply to wood panel manufacturing. When taxpayers' money is invested in infrastructure, defence accommodation, public housing and regeneration, we should be asking how we maximise the benefit to British jobs, British manufacturing and British supply chains. We have already seen the UK wood panel industry successfully win defence accommodation contracts, supporting domestic employment while delivering excellent value for money. Public procurement should not be a race to the cheapest product available anywhere in the world. It should promote quality, sustainability, resilience and long-term economic value here at home.

Kirsteen Sullivan: We have just heard mention of the very ambitious Government plan for investment in national infrastructure. Does my hon. Friend agree that we must consider the safety of workers in our procurement contracts and include inclusive personal protective equipment in any specification for public sector procurement going forward?

Lillian Jones: I agree. Health and safety should be written into public procurement contracts as standard.

Finally, economic growth is about not only national strategy but the small businesses and entrepreneurs driving our local economies at home in our communities. On the day of State Opening, I was delighted to welcome to Westminster my constituent Elaine Borland, founder of Kilmarnock-based Blowin' Free Gin, whose premium small-batch Agronomist gin is the very best of local produce and innovation—it is available to try now in the Strangers Bar. Businesses such as hers are exactly what we should be championing, and I welcome the Government's commitment to supporting them through exports and by promoting British excellence.

I welcome the direction set out in the King's Speech, but I urge the Government to go further and faster: recognise strategic industries, back British supply chains, use procurement to strengthen domestic manufacturing and ensure that growth reaches every nation and region in our country. When we back British industry, support local enterprise and invest in resilient supply chains we do more than grow the economy; we create skilled jobs, strengthen the communities we serve and build a more secure future, giving hope to our great nation.

9.19 pm

Callum Anderson (Buckingham and Bletchley) (Lab): The urgent need for, and the strategic imperative of, economic growth matters nowhere more than in Buckingham and Bletchley. My constituency lies at the heart—the engine room—of the Oxford-Cambridge growth corridor. If we get economic growth right, it will enable us to support high-growth businesses across my constituency and beyond, strengthening the local economies of Buckinghamshire and Milton Keynes and enabling the UK to develop a strategically important economic region. It will build a globally competitive, modern British economy, with higher wages and more opportunities for the families and communities I represent in Parliament.

In addition to the measures that the Government introduced in the first parliamentary session, I established the Bletchley investment taskforce, bringing together local leaders, employers and investors, as a vehicle to attract the businesses, investment, jobs and apprenticeships that communities in my constituency need. In the coming weeks we will publish our first investment prospectus for Bletchley, and I am grateful to colleagues from across Government who have been supporting our work.

In Bletchley, firms such as Pulsar Fusion and Carnot Engines are developing innovative technologies that are global leaders. On the other side of my constituency, the advanced engineering cluster surrounding Silverstone is home to a number of world-leading Formula 1 teams, again showing that when Britain invests in its people we can be global leaders.

There are also parts of my constituency that are home to a number of rural enterprises, family farms and small independent businesses, which are all contributing

to local growth and prosperity. Those businesses are asking not for special favours but for the right conditions to grow: access to capital and talent, fair regulations, and lower barriers to trade. That is why I welcome a number of the measures in the King's Speech.

The regulating for growth Bill is particularly welcome because over the last 25 years Britain has become a country, as Members across the House have mentioned, where the regulation system is too slow, too fragmented, and poorly suited to confront the pace of modern technological change. Other Members have also mentioned the enhancing financial services Bill and the wider Leeds reforms that will come with it. I congratulate the Chief Secretary to the Treasury, my hon. and learned Friend the Member for Northampton North (Lucy Rigby), for all the work she did to lay the foundations of that Bill.

Financial services are one of Britain's great strengths, providing the investment that drives growth across all sectors of our economy. That is particularly relevant to Milton Keynes, as it is home to a growing suite of financial and professional services firms such as Santander and Allica Bank, both of which employ people in my constituency. A globally competitive financial services sector is imperative in enabling high-growth companies in my constituency to access the capital that they need to innovate and create jobs. However, we also need to mobilise more British capital towards British assets, particularly high-growth companies. As many Members debated in the last parliamentary session, it is now important that the Government focus on implementing the Pension Schemes Act 2026.

I also welcome the small business protections Bill. Late payments and non-payments continue to damage firms of all types and sizes across the country, including in Buckingham and Bletchley, particularly those operating within tight margins. The stronger protections in the Bill for smaller companies will help local firms across my constituency.

I will not be as effusive about the European partnership Bill as some other Members who have spoken, but I believe it is in the national interest to take the required measures to reduce unnecessary friction for exporters and businesses trading with our European neighbours, regardless of whether they are farmers or other high-growth companies. The success of the King's Speech in the coming months will depend on whether we match it with the ambition of local companies, such as the ones in my constituency. I look forward to playing my part in ensuring that those measures are implemented as soon as possible.

9.24 pm

Baggy Shanker (Derby South) (Lab/Co-op): I refer the House to my entry in the Register of Members' Financial Interests, specifically relating to Rolls-Royce.

We in Derby are proud to be a manufacturing powerhouse. At Litchurch Lane, more Elizabeth line trains will be rolling off Alstom's production line. At Rolls-Royce, thousands of employees are working to deliver the future of aerospace and nuclear. Our brilliant SME community is pioneering cutting-edge innovation day in, day out. As a city, we do not talk about growth—we power it.

[Baggy Shanker]

When we speak about backing British business, we are speaking about backing places like Derby. Time and again, this Labour Government have voted with confidence on what our city is capable of delivering. Last year we welcomed a massive £9 billion investment confirmed for the Unity contract with Rolls-Royce to deliver the next generation of AUKUS nuclear submarine reactors. We are cracking on with making Derby the home of Great British Railways, getting the headquarters set up in the heart of our city.

However, for far too long, hard-working people in our city have not felt the benefit of our industry's success in their own lives. Our city's manufacturing sector is world class, but when it comes to health equality, transport investment and child poverty, Derby has been left lagging behind. Too often, the wealth and success created by industry has not translated into better living standards or stronger opportunities for the communities who helped to build that success in the first place.

That is why whenever we talk about backing British business, we need to bring our communities with us. The King's Speech is clear that supporting working people and backing British business goes hand in hand. Led by Mayor of the East Midlands Claire Ward, and backed by our brilliant Chancellor, who was also at the launch, with investment, confidence and stability, that is exactly what Team Derby is all about.

Team Derby is about ensuring that every pound of investment flowing into our city delivers real change for residents, whether that is raising living standards, guaranteeing fair wages or delivering real opportunities for people to get on in life. It is about regenerating our city centre so that we can take pride in it. It is about investing in skills so that young people growing up in Alvaston, Sinfyn or anywhere else in Derby can walk into high-quality apprenticeships and build a lifelong career. At its heart, it is about ensuring that when companies succeed in Derby, and across the country, communities also succeed, because backing British business means backing the people who power those businesses—our communities.

9.28 pm

Neil Duncan-Jordan (Poole) (Lab): Growing Britain's economy is vital if we are to raise living standards and improve our public services. However, we need to recognise that growth that fails to tackle social inequality will mean that all the economic gains remain at the top of our society. In fact, between 2010 and 2019, the UK's GDP grew by 1.9% every year, but the wealth gap widened by nearly 50%. Very few of us felt better off during that time, despite the figures showing that the country's wealth was growing.

Poverty is not just unfair; it is economically reckless as well. Reducing income inequality to the level of more equal OECD nations would save the UK up to £128 billion annually in reduced costs in areas such as crime and imprisonment rates, tackling poor mental health and improving healthy life expectancy. But none of that will be possible if we continue to use the same austerity-driven measures of the past. Put simply, we cannot cut our way to growth; it takes investment. In my view—I have mentioned this in the Chamber before—our pension

funds offer one way to achieve that. We should remember that these funds represent the deferred wages of millions of workers. Directing pension funds toward socially beneficial projects is one way that our Labour Government can rewire our economic model so that it delivers for ordinary people.

Sir Ashley Fox: I am grateful to the hon. Member for giving way; he is one of my favourite socialists in the Chamber. Does he accept that were he to change the duty of trustees from getting the best return possible for their pensions, the result will be that future pensioners will enjoy a lesser income? Is that what he wants for future pensioners?

Neil Duncan-Jordan: The point that the hon. Gentleman makes assumes that investing in green technology and social housing will not give a decent return, but the evidence is to the contrary, so I think that he is wrong in his premise.

Workers' money should be invested in things such as green technology and social housing because they are stable, reliable sectors that build a better future for the very people whose contributions fund them. I know that Ministers are looking to the AI revolution as another way to grow our economy. There is little doubt that AI is a transformational technology that will bring with it many benefits to our society, but in order to fully realise those benefits, it is important to put in place safeguards to ensure that the technologies are developed and deployed appropriately and in the interests of society as a whole—rather than simply being a vehicle by which large tech companies make even bigger profits. That is why we need the democratic shaping of technology. We need to work with innovators, workers and unions to steer UK research towards automation that creates or improves jobs.

Without robust regulation, we risk steering society towards an unpredictable and turbulent future that does not work for the public. I have already raised with the Government the prospect of considering some kind of employment levy on companies that replace large-scale workforces with AI, and I hope that they will give that some consideration. That links to my belief that we need to rebalance our entire taxation system. Capital gains could be taxed at the same marginal rate as wages. There are also windfall taxes that could be levied on banks, utilities and other corporations that are making excessive profits. We could also have a wealth tax on those with assets of more than £10 million.

Our economy needs to grow, because all the evidence shows that the more unequal a society is, the higher its risk of becoming dysfunctional. As income differences widen, people are less likely to trust one another, and we see a breakdown in social trust between our communities. Getting the right kind of growth in our economy is therefore essential—not just to make people better off but to create a more equal society that works in the interests of every one of us.

Madam Deputy Speaker (Judith Cummins): I call the shadow Minister.

9.33 pm

Dame Harriett Baldwin (West Worcestershire) (Con): It is an honour to respond on behalf of His Majesty's loyal Opposition to this debate on backing business to

create economic growth. I would like to start by congratulating the Chief Secretary to the Treasury, the hon. and learned Member for Northampton North (Lucy Rigby), on her promotion. It seems like only moments ago that she was a colleague on the Treasury Committee, and now she is in charge of the whole nation's spending, so I wish her the most enormous amount of luck. I also want to say, Madam Deputy Speaker, that I will be mentioning by name some colleagues who have not been in the debate, but I have warned their offices that I will be doing so.

I want to focus in this debate on a simple truth that many businesses across this country have come to recognise, which is that when it comes to backing business to create economic growth, Labour does not know what it is doing. Labour does not know how to govern when times are tough. It entered government without a plan and we are seeing the consequences. I am afraid that this goes deeper than the Prime Minister. Only one Labour Cabinet Minister has started a business, and none of the Prime Minister's wannabe rivals has worked in a business or a start-up. This matters because it goes to the core of this Government. Whose side are they on? Time and time again, Labour shows that it is on the side of "Benefits Street", not on the side of people who work, who strive and who save.

When this Labour Government came into office, they had a choice. They wanted to deliver growth. They could have backed business. They could have supported enterprise. Instead, they delivered higher taxes, higher costs and higher uncertainty, and I am afraid that the consequences are now undeniable. Business confidence has collapsed to record lows. The Institute of Directors reported its lowest-ever confidence reading in March 2026, and the Confederation of British Industry says that businesses expect their activity to fall. Jobs are being lost, payroll jobs are down, and the ITEM Club has forecast that there will be 160,000 further job losses this year because of a slowdown in growth and rising energy prices. Retail sales are weak, and nearly half of all businesses are now worried about business rates, which are rising sharply.

It all started with the Chancellor's first Budget. Labour's £25 billion jobs tax has increased the cost of employing someone by around £900 per person and, as a direct result, youth unemployment is at a shocking 15.8% on Labour's watch. For an average pub with eight employees, national insurance means an extra £7,200 bill every year. At the same time, Labour has squeezed our high streets with rising business rates. The result of all this is that one in eight business leaders are planning to leave Britain and 30% of those on *The Sunday Times* rich list have fled high-tax, socialist Britain. That is a vote of no confidence in this Government.

The damage is not confined to business; it is spreading across the whole economy. Inflation is up. Borrowing costs are surging, with gilt yields at their highest level in decades. Debt interest is spiralling towards £140 billion a year. We are now paying more to service debt than to invest in our future. That is the direct result of a Government without a plan.

So what will happen if we get a new Labour Prime Minister? Will that help businesses and the economy? No, because Andy Burnham wants higher taxes and more borrowing, the right hon. Member for Ilford North (Wes Streeting) wants higher taxes and more borrowing,

and the right hon. Member for Ashton-under-Lyne (Angela Rayner) wants higher taxes and more borrowing. Businesses can see where this ends. It ends in low growth and unsustainable debts. Perhaps the IMF will have to be called in, as it was under Denis Healey.

I thank colleagues on the Conservative Benches who have contributed to today's debate, and spoken powerfully for their constituencies and the businesses that they represent. Their speeches were beams of light shining into this Chamber from the real world. My right hon. Friend the Member for New Forest West (Sir Desmond Swayne) spoke about debt and chaos. My right hon. Friend the Member for Salisbury (John Glen) talked about the importance of small businesses and deregulation, and the impact on them of national insurance. My right hon. Friend the Member for Tonbridge (Tom Tugendhat) referenced the debt markets and the pressing need for welfare reform. My hon. Friend the Member for Bridgwater (Sir Ashley Fox), in an outstanding speech, spoke about his local businesses, and said that the last thing they need is another holiday tax.

In an excellent speech, my hon. Friend the Member for Farnham and Bordon (Gregory Stafford) highlighted the impact on jobs for young people, and in a powerful contribution, my hon. Friend the Member for Rutland and Stamford (Alicia Kearns) spoke about solar farms and the shocking information about self-swab rape kits. My hon. Friend the Member for Mid Norfolk (George Freeman) spoke about rural businesses and rural deprivation, and made an outstanding contribution on turning things around for his constituents in Mid Norfolk.

Turning to the King's Speech, what do we see? We see a King's Speech full of more intervention, more regulation, more taxes and more uncertainty. There is even—I am not making this up—a regulating for growth Bill: more compliance burdens dressed up as protections and more top-down control from Whitehall. Labour Members describes it as growth coming from an interventionist Government, but they are wrong. Growth comes from entrepreneurs who take risks. Growth comes from businesses that invest and hire. Growth comes from workers who strive and succeed. That is why we have set out a clear alternative: a serious plan, a credible programme.

Ben Coleman: Will the hon. Lady give way?

Dame Harriett Baldwin: I am going to make a bit of progress on our serious, credible plan—a pro-growth alternative King's Speech, with 16 Bills designed to get Britain working again.

First, we will give people jobs and hope with our get Britain working Bill. We will repeal the job-destroying elements of Labour's Employment Rights Act, saving businesses up to £5 billion a year. We will restore flexibility in the labour market, and reintroduce minimum service levels to protect essential services from strikes. That means more jobs and lower hiring costs—a labour market that rewards work.

Secondly, we will back our communities with our back our high streets Bill. We will introduce permanent 100% business rates relief for retail, hospitality and leisure, which will support 250,000 of the smallest businesses with lower bills, leading to stronger high streets and protecting jobs. While Labour targets family businesses and farmers with punitive taxes, our plan is simple:

[*Dame Harriett Baldwin*]

we will scrap the family business and family farm tax, and back those who grow our food, create jobs and create wealth.

Thirdly, we will cut red tape with our deregulation of business Bill. We will scrap unnecessary environment, social and governance reporting requirements, which cost businesses millions every year—less bureaucracy, more time to grow and more investment.

Fourthly, we will restore industrial competitiveness with our save British industry Bill. We will repeal the Climate Change Act 2008, establish a monitoring and reporting mechanism for the offshoring of emissions, axe the carbon tax, which pushes up energy bills, and repeal the zero emission vehicle mandate. That will lower costs and lead to stronger industries—jobs kept in Britain.

Fifthly, we will tackle energy costs—many hon. Members raised energy costs in their contributions today—with our cheap energy Bill. We will cut electricity bills for businesses by 20% and household bills by £200 by taking VAT off energy bills, axing the carbon tax and scrapping the Energy Secretary's renewables subsidies. That will give businesses immediate relief and greater competitiveness, and lead to stronger growth.

Beyond those Bills, we have plans to scrap stamp duty to get the property markets moving, to properly fund our armed forces, to reform welfare, to get people back into work and to approve new North sea licences for energy security. Because growth is not achieved through slogans—

Ben Coleman: Will the hon. Lady give way?

Dame Harriett Baldwin: Is the hon. Gentleman going to achieve growth through a slogan?

Ben Coleman: I was going to say that I cannot be the only person in the House who is thrilled by the great list of exciting things that the hon. Lady is setting out for the country. I wonder why she did not do any of them during the 14 years she was in power, why it is only now that she has ideas for the country, and whether she could have done something that would not have led to the catastrophe that we are trying to put right—just a suggestion.

Dame Harriett Baldwin: I am afraid it is the historical role of my party to clean up the mess that Labour Governments leave behind. Growth is not achieved through slogans; it is delivered through serious and sustained planning.

In conclusion, the debate comes down to a clear choice: Labour's approach—

Ben Coleman: Liz Truss!

Dame Harriett Baldwin: The hon. Member mentions Liz Truss from a sedentary position. Is he not aware that gilt yields are now higher than at any time during that brief period? I am sure he will be welcoming the higher taxes and more borrowing that his Government have caused, the higher energy costs imposed on his local businesses, the more regulation that has led to less growth—or he could adopt the Conservative approach: lower taxes, lower costs and less regulation. [*Interruption.*]

The Business Secretary says “More growth” from a sedentary position. He may be referring to the first quarter of this year when the biggest thing that happened for growth in this economy was vehicle repair. I call that the pothole growth strategy, and I am afraid that that is the reality if we dig into the growth numbers.

Our approach is less regulation and more growth. Ultimately, this is about values. Labour has the wrong values. It is for “Benefits Street”, and we are on the side of people who work, people who strive, people who save. Only the Conservative party has a plan to reduce costs and deliver the growth that we all want. Only the Conservative party is ready to govern. Only the Conservative party will back great British businesses to build a stronger economy for the future.

9.46 pm

The Chief Secretary to the Treasury (Lucy Rigby): It is a pleasure to close today's King's Speech debate on behalf of the Government. I am grateful to Members for their contributions, including the Business Secretary for his excellent opening speech and the shadow Business Minister, the hon. Member for West Worcestershire (Dame Harriett Baldwin), for her kind words—although I note that I did not qualify as a “beam of light”, nor others on the Government side. I speak on behalf of the whole House when I say that whichever part of that £5 million charitable donation the right hon. Member for Newark (Robert Jenrick)—he is not here, unfortunately—spent on his amateur dramatics course, he ought to ask for his money back.

Two years ago, the Chancellor stood at this Dispatch Box following the first King's Speech of this Labour Government. She committed to rejecting the failed economic approach of the 14 years prior and to charting a different economic course, reinvigorating our economy after years of chronic under-investment, austerity and poor productivity, and the only Parliament in recorded history when living standards actually got worse. The Chancellor committed to charting a different course so that our economy delivers for people right across this country.

As a result of that approach, interest rates have been cut six times since the general election. In March, the spring forecast showed inflation coming down, as the right hon. Member for New Forest West (Sir Desmond Swayne) was good enough to highlight, and real wages continuing to rise. Last week, ONS data showed borrowing falling by around £20 billion compared with the year before. Importantly, economic growth accelerated sharply in the first quarter of this year, rising to 0.6%, despite the Iran war. Of course, today we have had the IMF upgrade to growth this year as well.

I am afraid I have to correct the shadow Chancellor, the right hon. Member for Central Devon (Sir Mel Stride), and the hon. Member for Rutland and Stamford (Alicia Kearns), because GDP per capita is up too. These things are the result of the fiscally responsible choices that this Government have made, and it is responsibility for a clear purpose. That same purpose will always be at the heart of who we are as a Labour party: improving the lives of working people right across the country.

We increased the national living wage and the national minimum wage. We have frozen prescription costs, and we have frozen rail fares for the first time in 30 years.

We have scrapped the two-child benefit cap, lifting 450,000 children out of poverty. We are helping parents to save up to £8,000 a year with our expansion of Government-funded childcare, free breakfast clubs, and the new school uniform cap on branded items. Those things are helping millions of families across the country.

The conflict in the middle east is putting pressure on energy markets and creating renewed fragility in trade and supply chains. The Conservative party and Reform would have raced into that costly war—the Leader of the Opposition was clear about that at the time—with damaging consequences for both our national security and our economy. *[Interruption.]* Conservative Members are shaking their heads and saying it is not true, but one of two things must be true: either the Leader of the Opposition said that she wanted to take us into the conflict and she meant it, in which case she has catastrophically poor judgment, or she said that she wanted to take us into the conflict but did not mean it, in which case she is deeply confused and Conservative Members have more things to worry about than catastrophically poor judgment.

By contrast, the Prime Minister made the right decision to keep us out of that conflict. Because of his decision, and because of the action we have taken to stabilise the economy over the past two years, Britain today is in a stronger position to withstand the uncertainty and insecurity in the global economy.

As well as immediate support with the cost of living, we must also create the conditions for shared prosperity. That means more jobs, businesses expanding and investing, and people in every community and part of our country having greater security and more of their own money to spend. That is what a Labour growth agenda means. The Chancellor has been clear that she wants to ensure that that growth is stable and resilient. Why? Because that means people secure in their jobs and households secure in their finances and, in our increasingly uncertain world, it means that families the length and breadth of Britain will be more confident and hopeful about what the future holds.

All that is the basis on which the pro-growth legislation set out in the Gracious Speech is being delivered. That begins with legislation to reform and modernise regulation, to ensure that rules are proportionate to risk, and that businesses are able to expand and grow to the benefit of our economy as a whole.

I am grateful to the right hon. Member for Salisbury (John Glen) for his constructive comments about our enhancing financial services Bill. I confirm that the Bill will maintain the UK's competitive edge by enabling the sector to support businesses of all sizes to invest and grow, including credit unions, with reforms to the common bond. We will ensure that regulation ensures more lending to small businesses, and we will give Government the power to take action on in-person banking services.

As many Members highlighted, the small business protections (late payments) Bill will tackle the scourge of late payments which, as my hon. Friend the Member for North West Leicestershire (Amanda Hack) wrote in her dissertation some years ago, cost the UK economy £11 billion each year and lead to the closure of 38 UK businesses every day.

We must also build resilience to protect our critical infrastructure. Steel is strategically important to our economy, which is why we acted last year to avoid a

sudden halt to production at Scunthorpe, protecting workers and the community that depends on the site. It is why we are now bringing forward legislation to give us options to protect Britain's steelmaking capability.

We have already announced major energy investments, including for the UK's first ever small modular reactor in Anglesey and the next generation of nuclear submarines in Inverclyde. Our nuclear regulation Bill will modernise the way new nuclear projects are regulated so that we can deliver safe, secure and affordable nuclear power and infrastructure sooner, while maintaining strong environmental protections. Unlike a number of the Opposition parties, including the Greens and the SNP, this Government recognise the importance of new nuclear for our energy security, our climate security and our economic security.

My hon. Friend the Member for Bristol East (Kerry McCarthy) asked about the voluntary carbon consultation. The Government have published a summary of responses and a formal Government response will be published over the summer.

As Members have noted, we must improve connectivity and boost trade to unlock growth. Labour has been saying for years that far too many parts of Britain lack basic and reliable transport connections, and all the many positive economic benefits that flow from that. Some of these points were echoed by Members, including the hon. Member for North Shropshire (Helen Morgan). Northern Powerhouse Rail will help to build a northern economy that reaches its full potential. Backed by up to £45 billion of Government support, the new route will drive jobs and investment across a single, well-connected northern growth corridor. We are also taking steps to protect and grow the freight industry.

On the points raised by my hon. Friend the Member for Brent East (Dawn Butler) and by the hon. Member for St Albans (Daisy Cooper) about the overnight visitor levy, the levy is a key means by which we are delivering our manifesto commitment to devolve new revenue-raising powers. Revenues from the levy will support local economic growth and mayors will make decisions, informed by local consultation, about how revenues should best be invested in their region.

Britain will work closely with those who share our values and interests, which means a closer and more constructive relationship with Europe. That is why we are bringing forward the European partnership Bill.

Tom Tugendhat: I am delighted to hear that we will be working more closely with the European Union. As the hon. and learned Lady may know, my wife, being French, will be particularly pleased about that, but what will that mean for the agreement we have struck with the Pacific nations in the comprehensive and progressive agreement for trans-Pacific partnership, or the deal that we did with the Australians? Will the hon. and learned Lady be cancelling those deals as she focuses on the European Union, or will she be staying out of the customs union and the single market, and therefore being focused much more on being a rule taker? I am interested to hear her response.

Lucy Rigby: The right hon. Gentleman's wife, and potentially he himself, will be pleased to know that those two things are entirely compatible. We will have to

[*Lucy Rigby*]

cancel absolutely nothing at all. The key point is that where it is in our national interest to align with EU regulation, the Bill will enable us to do so.

I want to address some specific points that were raised about Northern Ireland. The Government have worked closely with devolved Governments to design the Bill. The application of the agreements we are making alongside the Windsor framework will sweep away the majority of regulatory barriers for businesses moving agrifood goods.

Jim Allister: If the Minister is truly interested in sweeping away some of the barriers of the Irish sea border, in circumstances where sanitary and phytosanitary rules are being aligned, would the natural and proper constitutional move not be to take back control of the SPS system in Northern Ireland, instead of leaving it under the jurisdiction of the EU? If we are going to do a deal, let it be for the whole United Kingdom, so that the whole United Kingdom aligns, if that is what the Government think, instead of leaving Northern Ireland exclusively subject to the laws that the EU makes.

Lucy Rigby: As I said, the Government have worked closely with devolved Governments in the design of the Bill and we will continue to do that.

To conclude, the pro-growth legislation set out in the Gracious Speech will drive this country forwards. The Conservatives had 14 years to deliver their legacy, which left our economy weaker, left people poorer and, most of all, left our country smaller in stature. This Government are undoing that legacy and our pro-growth legislation will allow us to accelerate the change that the country deserves to see.

Our approach of a productive, active, agile state will ensure that we generate growth and lift living standards for people right across this country, not just for a few people and postcodes, but everywhere, because we value the contribution of the whole of Britain. The Bills in

the King's Speech are the path to a stronger and fairer future, and I commend the King's Speech to the House.

Ordered, That the debate be now adjourned.—
(*Jake Richards.*)

Debate to be resumed tomorrow.

Business without Debate

HUMAN RIGHTS (JOINT COMMITTEE)

Ordered,

That Juliet Campbell be discharged from the Joint Committee on Human Rights and Euan Stainbank be added.—(*Gen Kitchen, on behalf of the Committee of Selection.*)

PETITION

East Hagbourne Post Office

9.59 pm

Olly Glover (Didcot and Wantage) (LD): I present on behalf of 175 constituents a petition regarding the closure of East Hagbourne post office. This is in addition to a non-parliamentary petition signed by 1,100 members of the local community.

The petition states:

The petition of residents of East Hagbourne in the constituency of Didcot and Wantage,

Declares that the loss of the community post office branch in the East Hagbourne Community Shop would be damaging to the village and wider community, and that the volunteer-run community shop is not in a position to take on the Post Office's new 'local' model.

The petitioners therefore request that the House of Commons urge the Government to encourage the Post Office to ensure that the community model is restored to the East Hagbourne Post Office.

And the petitioners remain, etc.

[P003198]

Audiology Services: Doncaster

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

10 pm

Sally Jameson (Doncaster Central) (Lab/Co-op): Let me start this debate by welcoming the Minister to her seat and to her new role, as I believe that this is her first time responding from the Front Bench. I am sure that she will be excellent, and I look forward to her response.

Doncaster has a long and proud history of supporting the deaf and hard-of-hearing community. It is home to the historic Doncaster school for deaf children, which was founded on 2 November 1829 by Rev. William Carr Fenton. That legacy continues today through the Carr Fenton Foundation site, which provides a nationally recognised resource, including a nursery, Yorkshire Rose college, employability services, and so much more. However, not long after I was elected, it became clear to me that audiology services in Doncaster were a huge cause of concern to many of my constituents. People were waiting years for basic appointments, hearing aids and even essential hearing aid repairs—sometimes three, four or five years.

Jo White (Bassetlaw) (Lab): I thank my hon. Friend for bringing this debate to the House. It is not just Doncaster that is impacted by this issue, because Doncaster and Bassetlaw teaching hospitals NHS foundation trust stretches right across Bassetlaw. I have had similar experiences with my constituents; in fact, every time I have a meeting or a coffee morning, or am knocking on doors, I will find somebody who has been waiting years for treatment. Today, a coach tour of 50 constituents came to the House, and two of them have had problems getting treatment for audiology issues.

I will talk about Martin, who I met this morning. He has hearing aids, and had issues with them, as his hearing had changed. He has waited more than three and a half years to get them replaced. In fact, he can no longer use them, because they do not meet his needs. That is one story; there are many more. While I know that the situation is improving, and treatment is given every time I raise a case with the hospital, there are many thousands of people across my constituency who face this situation. This is a very important issue, and I thank my hon. Friend again for raising it.

Sally Jameson: That goes to show that this is a widespread issue. This is happening not just in Doncaster, but further afield, and thousands upon thousands of people have been impacted. At one stage, the audiology service at Doncaster royal infirmary temporarily shut down. While some of the emergency cases and children's cases were reallocated to neighbouring services, a lot of people were left with pretty much nothing. They were totally uncertain about when, or even if, they would receive an appointment.

The impact on the hard-of-hearing community in my area has been truly devastating. Waiting lists have grown well into the thousands, and many people have felt isolated and forgotten. During this difficult period, the integrated care board and the Doncaster and Bassetlaw hospital trust have worked to improve the service, but as my hon. Friend the Member for Bassetlaw (Jo White)

has pointed out, that took a lot of time. Alongside campaigners Maggie and Paul, who formed the Doncaster Audiology Action Group, and my hon. Friend the Member for Doncaster East and the Isle of Axholme (Lee Pitcher), we held regular meetings with the NHS to press for action. With the support of the fantastic Healthwatch team, an audiology action event was held last month, giving residents the opportunity to access information about the service and receive basic hearing aid repairs, as well as to speak directly to stakeholders and support services.

There is still a long way to go; the waiting list is still too long. Constituents contact me, and there are times when I can contact the hospital and we manage to speed up treatment, but not in all cases. Eighteen months on, improvements are beginning to show. I take this opportunity to pay tribute to the dedicated audiology team at Doncaster royal infirmary, who have worked tirelessly to try to turn the service around. However, this experience has shown me just how important audiology services are, yet how often they are overlooked.

Lee Pitcher (Doncaster East and the Isle of Axholme) (Lab): I agree with my hon. Friend that the audiology action day was phenomenal, and that those in the audiology services at Doncaster royal infirmary are doing everything they can to improve the service that they offer my constituents, who are their patients. I have been exploring other opportunities; for example, I have been working with Specsavers in Thorne, to see whether there are services available on the high street that we can maximise and use. Does my hon. Friend agree that we need to work with the integrated care board, and either use high-street shops that can provide patients with services much closer to home, or introduce pop-up services, maybe in isolated rural areas, like mine in the Isle of Axholme?

Sally Jameson: I completely agree with my hon. Friend. As he knows, some appointments were outsourced during this period, but if we are honest, it was not enough. The waiting list is still far too long, and too many people have been waiting four or five years, so part of our collective ask as MPs for these areas is that the Minister continues to press the ICB to look at what resource is available for outsourcing more to the high street—at least in the short term—so that we can clear the backlog and get the waiting list back under control in a more effective way.

Without proper audiology care, lives can be fundamentally changed. People become isolated from their families, their communities, and society as a whole. I have had people get in touch with me who have stopped going to family events because they cannot hear the conversation properly—they end up sitting in a room, not enjoying themselves and unable to participate in conversations. That is incredibly isolating, and in a world where we talk a lot more about loneliness, particularly following the covid pandemic, that needs extra scrutiny. Just by clearing the waiting list and getting people appointments, we can really change lives. Hearing loss also affects confidence and wellbeing. I have heard from constituents who have been worried about keeping their job because they cannot hear properly on the telephone. This impacts all age groups, and those at all stages of life. This experience has shown me personally just how important audiology is.

Jo White: I am concerned about the link between loss of hearing and dementia. If somebody who is experiencing hearing loss goes down that horrible path of dementia and loss of memory, the lack of communication can spiral and make their condition explode. It becomes much more life-changing, much more quickly. Access to audiology services for people with dementia, or symptoms of dementia, is absolutely imperative, and I am so worried that those people are missing out on this very important course of treatment.

Sally Jameson: My hon. Friend is completely right. In a world in which we focus a lot on how we can treat and slow the progress of dementia and Alzheimer's, this is something we really need to look at. That is key, and it is worrying and disappointing to us all that our constituents will be more susceptible to this issue because they do not have the service that might be available in other areas.

Lee Pitcher: My hon. Friend the Member for Bassetlaw (Jo White) mentioned dementia. This is Dementia Action Week. The ability to hear is so important, not just for the obvious reasons, but in the broader context of dementia. This is about dignity and being able to enjoy precious moments. The Alzheimer's Society has a regular "singing for the brain" event at Cantley community centre, and it is a beautiful way to bring people together. The ability to hear, converse and grasp that music is so important. Does my hon. Friend the Member for Doncaster Central (Sally Jameson) agree, in Dementia Action Week, that we must continue to fight for audiology services for that reason? What a wonderful way to show that we care—doing something in this place to help all those people who will live with dementia in the coming years.

Sally Jameson: I completely agree with my hon. Friend. I reassure him that I will not attend the Alzheimer's Society's "singing for the brain" event in Cantley, as that would be devastating for everyone who had to hear it. It is important that we start to raise awareness of the knock-on effects that poor audiology services can have on wider society, and on people's health generally.

I ask the Minister to consider the following important points. First, will she ensure that the NHS 10-year plan includes greater investment in training audiologists across the country, so that areas like Doncaster never again face such severe staff shortages? But this is not just about investment; it is also about raising awareness. Many young people would not even consider audiology as a career, and would not even be aware that it exists. Part of this is making sure that the workforce plan reaches out to young people, and informs them about the different jobs available in the NHS, as opposed to just the traditional ones that everyone thinks about. We need to do more of that locally, and I know my hon. Friends here will take that point into schools and colleges. We have a new university technical college, specialising in medical science, opening in Doncaster in the not-too-distant future. I will definitely be banging the drum on this, along with my hon. Friends, to make sure that audiology is included, so that people understand from an early age that it is a good career, available to them.

Secondly, will the Minister carefully consider the recommendations of the Kingdon review, including the recommendation on the introduction of a single professional register for audiologists, improved governance for audiology

services and reform of how children's audiology services are delivered? It is so important that we get audiology right at the earliest possible stage, because when these problems are missed, it can be truly damaging later in life. It is so important that we capture young people who require support, and also that lessons are learned from audiology failures, so that we do not find this happening again. Whether in Doncaster or in other parts of the country, it is important to look at that. Potentially under-resourced or at-risk NHS diagnostic and children's services should also be highlighted, so that immediate action is taken to make sure that services do not fall below standard.

If the situation in Doncaster and Bassetlaw shows us anything, it is that audiology can no longer be treated as a Cinderella service in our NHS. If we are really going to move to prevention as opposed to cure, it is really important that this becomes a recognised priority, so that deaf and hard-of-hearing people receive not only the support they need, but the quality of life that they deserve. I hope that this debate is just the start of an important conversation that needs to take place here in Westminster and across the country.

10.14 pm

The Parliamentary Under-Secretary of State for Health and Social Care (Preet Kaur Gill): I thank my hon. Friend the Member for Doncaster Central (Sally Jameson) for securing the debate. I commend her advocacy on this issue, and thank her for all her tireless work on behalf of her constituents in bringing it to the House's attention. I also know that my hon. Friend the Member for Doncaster East and the Isle of Axholme (Lee Pitcher) asked a business question on the subject during the last parliamentary Session. It is clear that there is strong local concern across Doncaster, and I am immensely proud to respond directly today during my first debate as a Minister.

Let me begin by acknowledging what many constituents experience when audiology services are not working well. It is deeply frustrating when people need a hearing assessment, a follow-up appointment or a hearing aid repair and cannot get it within a reasonable time. For many, that is not just inconvenient; it can be isolating and can affect confidence, independence and wellbeing. Families and carers also feel the strain as they try to navigate appointments and periods without support. We will ensure that that changes. Like my hon. Friend, this Government will not stop until everyone has timely access to essential services such as audiology, as part of our mission to ensure that the NHS is fit for the future.

I want to start with Doncaster. I was shocked to learn from my hon. Friend that constituents have faced long waits, repeat appointments, and periods without working hearing aids. It is also concerning that some people have been asked to return because the right assessment or adjustment was not available on the first occasion. That situation is a lose-lose: it is distressing for patients, and it is an inefficient use of clinical time. Let me be absolutely clear: it is not acceptable, and it must improve. I will now set out briefly what has happened, what actions have been taken, and what further progress we need to see.

Doncaster's audiology services have faced significant challenges, and I acknowledge that there were delays for hearing tests and follow-up appointments. I understand that one underlying issue has been insufficient numbers

of staff who are fully trained to carry out all the specialist assessments. That created a backlog, with neighbouring services and external specialists supporting the most urgent cases. The NHS region has prioritised cases that involve safeguarding or developmental concerns. The trust has recognised those problems and has put in place a recovery plan, including upgraded facilities and improved booking and tracking. I am told that most adult hearing services have recovered. As for children's audiology, the backlog is also shrinking, and outside specialists are helping until the local team complete their training. The hospital is also using new digital tools and regular review meetings to keep track of performance and risks. Further development on the recovery plan will mean an improvement in audiology services and patients returning to be seen on time.

The pressures that we have seen in Doncaster also reflect wider challenges across diagnostic and community services. When we talk about diagnostic audiology, we mean assessments to diagnose hearing and balance conditions. Audiology services are not only about diagnostics; for many people, this means long-term support providing rehabilitation, ongoing monitoring, treatment and support for a number of lifelong conditions, such as hearing therapy and hearing aid fitting and maintenance. That is why cutting waiting lists, including those for diagnostic tests, is a key priority for the Government.

We are backing that priority with investment to help services to recover performance and improve the experience for patients, including their experience of audiology. We are improving and transforming NHS audiology services, for instance through a national improvement collaborative to test changes that improve access and patient experience. Four NHS trusts took part in 2024-25, and a further eight have joined in the last financial year, including Somerset, Leicester, Oxford and Gateshead. We have learnt that when local teams have been empowered to drive change, that has led to improvements in services. Improvement depends on having the right kit and environment as well, which is why the Government have invested £13 million in audiology equipment and facilities across 66 capital schemes. We are also expanding access by delivering more diagnostics and assessment in the community.

Let me now turn to children's audiology more broadly. As my hon. Friend said, it is vital that children and young people can access timely, safe audiology services. The paediatric hearing services improvement programme was established in 2023 to address the risks to paediatric diagnostic audiology across England, and as part of the programme progress has been made in improving the paediatric audiology service in Doncaster. I welcome the 2025 review of children's hearing services, undertaken by Dr Camilla Kingdon and with a response under

consideration. NHS England is committed to reviewing the future direction for high-quality, sustainable children's hearing services, with clearer end-to-end pathways and shared priorities. The workforce requirements for hearing services are also being considered as part of the 10-year workforce plan.

We know that clearer commissioning expectations help to drive consistency and equity across the country. NHS England is developing new commissioning guidance for integrated care boards and providers on safe, high-quality and equitable paediatric audiology, covering service configuration, workforce, estates, equipment, data and safeguarding. By taking action on multiple fronts, we will restore performance and ensure that improvement continues.

Finally, I turn to community audiology services, which are delivered in community settings and commissioned by integrated care boards, based on the needs of their local population. We know that community health services have the power to better align care with people's day-to-day lives, but when it comes to community audiology, people are waiting far too long and there is local variation in services. That is why, for the first time, we have set a clear target to reduce long waits for community health services, including community audiology services. By 2028-29, at least 80% of activity across community health services should take place within 18 weeks. To support the shift to neighbourhood health, we have asked systems to increase the capacity of community health services and to work to standardise the provision of core community services.

I am most grateful to my hon. Friend the Member for Doncaster Central for bringing forward this debate and for speaking up for her constituents. She mentioned the Doncaster school for deaf children and the Carr Fenton Foundation, and just how imperative it is that we deliver in areas like hers, which have such needs. We are committed to improving access through local recovery, national improvement support and more provision through community services.

To return to Doncaster, I have heard the concerns about long waits for repeat appointments and the problems with hearing aid provision. The trust has made progress, particularly for adult services. The paediatric service is improving and the waiting list is reducing, with external support in place while workforce training is completed. We will continue to work with local leaders to deliver timely appointments and reliable support, and we will go further still by reforming community audiology to shift more care from hospitals to communities, ensuring that our NHS is fit for the future.

Question put and agreed to.

10.22 pm

House adjourned.

Written Statements

Monday 18 May 2026

BUSINESS AND TRADE

Companies House: Public Targets 2026-27

The Parliamentary Under-Secretary of State for Business and Trade (Blair McDougall): I have set Companies House the following targets for the year 2026-27.

Companies House will continue to score above average for the public sector, in the UK customer satisfaction index.

Digital services are available for a minimum of 99.5% of the time.

All incoming calls to our contact centre wait for no longer than five minutes in the call queue, on average.

Using the registrar's powers, Companies House will take at least 225,000 actions to tackle abuse and improve the integrity of the register.

By the end of the financial year, all companies will have met identity verification requirements linked to their confirmation statement or be on an appropriate pathway to compliance or enforcement action.

Deliver 4% efficiency, in comparison to 2025-26 controllable spend. [HCWS24]

TREASURY

Consumer Credit Act 1974: Reform

The Economic Secretary to the Treasury (Rachel Blake): 2024 marked the 50th anniversary of the passage of the Consumer Credit Act 1974. The world, the way people interact with their finances, and the consumer credit market are dramatically different today and the transformation in 50 years has been vast—79% of the public now hold at least one regulated credit product, new products such as “buy now, pay later” have come to the market, and digital technology has transformed how people use and take out credit.

<https://www.fca.org.uk/publication/financial-lives/fls-2024-credit-loans.pdf>

It is perhaps not surprising that the legislation has not kept up. While it was well designed for its time, the CCA is increasingly under strain to deliver for the way consumers and firms now use and provide credit. The existing legislation and supporting regulations are poorly adapted to technology that was not envisaged 50 years ago. Successive updates over time have created a complex and prescriptive regime. In 2014 work was commenced to modernise the regime, with many CCA provisions being repealed and recast into Financial Conduct Authority rules in the consumer credit sourcebook, and the Government are continuing this work.

The Government have identified opportunities to deliver a modernised consumer credit regime that aims to ensure that consumers receive clearer information at the right time, utilising technological developments, enabling them to make informed financial decisions throughout the consumer journey, as well as simplified rights and protections that achieve proportionate regulation while achieving robust consumer protection.

Modernising the CCA aims to achieve a more agile, flexible and proportionate regulatory regime that better supports innovation and economic growth alongside robust protection for consumers. This will enable firms to better

tailor products and consumer journeys to achieve good consumer outcomes, in line with the broader FCA consumer duty principle. It also brings consumer credit in line with the modern UK model of financial services regulation, whereby the scope of regulation is determined by Parliament, with the detailed conduct rules set by the regulator.

The policy statement published today outlines the Government's approach to reform of the CCA, which will be delivered via the forthcoming financial services and markets Bill. The FCA is also publishing a statement on its direction regarding CCA reform measures announced today.

The policy statement is available at:

<https://www.gov.uk/government/consultations/consultation-on-consumer-credit-act-1974-cca-reform> [HCWS28]

Review of the Ringfencing Regime

The Economic Secretary to the Treasury (Rachel Blake):

At Mansion House 2025, as part of the financial services growth and competitiveness strategy, my right hon. Friend the Chancellor of the Exchequer confirmed her intention to uphold the ringfencing regime to safeguard financial stability and depositors while taking forward meaningful reform to update the regime and support the Government's growth agenda. In response, His Majesty's Treasury has, in close collaboration with the Bank of England, undertaken a review of the regime.

The review has now concluded, and its findings can be found in the review report “Safeguarding Stability, Enabling Growth”, published on gov.uk. The Government will take forward reforms to the regime to enable the ringfenced banks to provide more productive funding to UK business and the real economy, supporting the Government mission to deliver sustainable economic growth.

The ringfencing regime will continue to uphold the financial independence of ringfenced banks and protect retail depositors from volatility in global financial markets.

The Government will take forward reforms in five key areas:

Creating a more agile and proportionate ringfencing framework

As part of the upcoming financial services and markets Bill announced in the King's Speech, the Government will take forward primary legislation to:

Address unnecessary duplication, by enabling the Prudential Regulation Authority to remove ringfencing rules where the objectives of ringfencing are already met by other prudential requirements or the resolution regime.

Enhance regulatory flexibility, through removing elements of primary legislation that are overly prescriptive.

Deliver better regulatory alignment by ensuring the PRA's approach to making ringfencing rules reflects developments in the resolution regime for banks.

Enable HM Treasury to move aspects of the regime out of legislation and into PRA rules, so they can be updated in a more agile and proportionate way, and creating greater scope for the PRA to use modifications and waivers.

Allowing ringfenced banks to provide more products and services to support the UK economy

Subject to consultation on the detail this summer, the Government will:

Introduce a new growth allowance, supporting the financing needs of the real economy by permitting ringfenced banks to undertake activities otherwise prohibited by the regime. The Government

will consult on an allowance worth up to 10% of their pillar 1 risk-weighted assets for credit risk, which could be used to unlock up to £80 billion of financing for UK businesses.

Allow ringfenced bodies to offer a more comprehensive range of hedging products to businesses, supporting investment by ensuring they can more effectively manage their risks as they grow.

Ensure RFBs can fully support Government priorities through the British Business Bank and National Wealth Fund by enabling participation in funding schemes that are guaranteed or offered by UK public financial institutions.

Permit exposures to a wider range of financial institutions where those firms undertake activities that the ringfencing regime would permit the RFB to undertake directly.

Addressing inefficiencies in how ringfencing is applied to banking groups

The PRA and Financial Policy Committee will review how ringfencing interacts with certain capital requirements, including how the Basel 3.1 output floor and the leverage ratio is applied to banks in the regime.

The Bank of England will review its calibration of the internal minimum requirement for own funds and eligible liabilities scalar to ensure the appropriate amount of loss-absorbing capacity is pre-positioned at the RFB.

Sharing resources and services more flexibly across the ringfence to reduce or remove operational burdens

The PRA has today announced that it will consult on allowing firms more flexibility as to how they share operational resources across the ringfence.

The Government will consult on legislation to enable surpluses in closed RFB pension schemes to be shared with other schemes in a wider banking group, subject to certain conditions, enabling flexibility in how surplus funds are used.

Maintaining proportionality

The £35 billion primary threshold will be subject to review every three years, with a view to uprating it in line with changes to the market and deposit base.

The PRA will review ringfencing-specific reporting requirements as part of its regular review of its ringfencing rules, reporting in 2028, to ensure they are proportionate once the revised regime is in place.

The review is available at <https://www.gov.uk/government/publications/safeguarding-stability-enabling-growth-the-ring-fencing-review>

[HCWS27]

Notification of Contingent Liability

The Chancellor of the Exchequer (Rachel Reeves): The independent Monetary Policy Committee of the Bank of England decided at its meeting ending on 3 February 2022 to reduce the stocks of UK Government bonds and sterling non-financial investment-grade corporate bonds held in the asset purchase facility by ceasing to reinvest maturing securities. The Bank ceased reinvestment of assets in this portfolio in February 2022 and commenced sales of corporate bonds on 28 September 2022, and sales of gilts acquired for monetary policy purposes on 1 November 2022. The sales of corporate bonds ceased on 6 June 2023, with a small number of outstanding corporate bonds reaching maturity on 5 April 2024. Therefore, the APF is now comprised solely of gilts.

The Chancellor at the time agreed a joint approach with the Governor of the Bank of England in an exchange of letters on 3 February 2022 to reduce the maximum authorised size of the APF for asset purchases every six months, as the size of APF holdings reduces.

Since 11 November 2025, when the maximum authorised size of the APF was last reduced, the total stock of assets held by the APF for monetary policy purposes has fallen further, from £555 billion to £524.9 billion. In line with the approach agreed with the Governor, the authorised maximum total size of the APF has therefore been reduced to £524.9 billion, comprising entirely of gilts.

The risk control framework previously agreed with the Bank will remain in place, and HM Treasury will continue to monitor risks to public funds from the APF through regular risk oversight meetings and enhanced information sharing with the Bank.

There will continue to be an opportunity for HM Treasury to provide views to the MPC on the design of the schemes within the APF, as they affect the Government's broader economic objectives and may pose risks to the Exchequer.

The Government will continue to indemnify the Bank, the APF and its directors from any losses arising out of, or in connection with, the facility. Provision for any payment due under the liability will continue to be sought through the normal supply procedure.

A full departmental minute has been laid in the House of Commons, providing more detail on this contingent liability.

[HCWS26]

CULTURE, MEDIA AND SPORT

Sporting Events Bill

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Stephanie Peacock): On 14 May 2026 the Government introduced the Sporting Events Bill, which can be found at:

<https://bills.parliament.uk/bills/4127>

The Government are proud of the UK's record of hosting world-class major sporting events over recent years, including the London 2012 Olympic and Paralympic games, the 2014 and 2022 Commonwealth games, and last summer's remarkable women's rugby world cup. These events bring the nation together like nothing else can and have profound social and economic benefits.

The Sporting Events Bill will better equip the UK and devolved Governments to attract and deliver such events into the future. It will ensure that these events, including the UEFA European championships 2028 and the FIFA women's world cup 2035—should the UK's bid be successful—can be delivered as efficiently as possible, and enhance our competitive advantage when bidding for future global tournaments, showing to international event owners that we are event ready.

For an event to qualify, it must meet three conditions. First, it must be taking place at least in part in the UK. Secondly, it must not usually be held in the UK. Thirdly, it must be either of significant international interest, with the potential to deliver social or economic benefits, or of strategic importance in helping to secure such events in the UK in the future.

The framework provisions include measures to:

Put fans first by criminalising the unauthorised resale of tickets for qualifying sporting events, ensuring that more tickets go directly to fans. More broadly, the Government consulted on measures last year to introduce a price cap on the resale of tickets

for all live events. That consultation made it clear that for too long fans have been ripped off by touts, who buy large volumes of tickets online and resell them for vastly inflated prices. We are fully committed to these measures and will publish a draft Bill for pre-legislative scrutiny in this parliamentary Session to ensure that the legislation is effective, enforceable and future-proof.

Prohibit unauthorised advertising and trading around event locations through time-limited criminal offences. These provisions will enable us to create a restricted advertising and trading zone where unauthorised businesses—those not authorised, for example, by the event organiser—will be prevented from trading in places such as competition venues, official fan zones and transport hubs and their surrounding areas, balancing the need for commercial protection for event organisers and their sponsors with the rights of individuals and businesses. This would allow for a safe flow of spectators and help to create a consistent and positive experience for event goers.

Prohibit unauthorised association with a sporting event by creating a general prohibition enforceable through the civil courts. This prevents businesses from benefiting financially by associating with an event without contributing to delivery costs of the event.

Manage transport and traffic in relation to a sporting event in England.

UK Ministers and devolved Governments will be able to determine which framework provisions apply to qualifying events, and to tailor them to the event by adding essential event-specific details such as dates and places. This will be done via secondary legislation.

The Bill also includes a funding provision, which ensures that the Secretary of State and devolved Governments have legal powers to fund sporting events.

The provisions in this Bill as a whole will ensure that the UK continues to be an attractive host country for major events, bolstering our world-leading reputation. We are sending a clear message: the UK is not just a home for sport, but a prepared, professional and fan-focused host.

[HCWS23]

DEFENCE

LGBT Financial Recognition Scheme

The Minister for Veterans and People (Louise Sandher-Jones): The LGBT financial recognition scheme includes two types of payments, the “LGBT FRS Dismissed or Discharged Payment” and the “LGBT FRS Impact Payment”. The impact payment is available to all those who experienced pain and suffering directly related to the ban on homosexuality in the armed forces, including harassment, invasive investigations and imprisonment. There are three tariff bands: level one £1,000-£5,000; level two £5,000-£10,000; and level three £10,000-£20,000. This is determined by an independent panel.

To enhance decision-making capacity, the independent panel has been extended with the appointment of a second panel chair and additional panel members. The additional panel members will be Joanne Briggs (Chair), Barbara Johnson, Fiona Gardner, Gillian McGill, Kevin Hood, Max Johnstone and Oliver Brown. The independent panel will continue to sit as a chair plus four members, except for in exceptional circumstances.

Both independent panel chair and independent panel members are appointed for a period of 10 months as direct ministerial appointments.

The Government acknowledge the hurt caused by the historic policy banning LGBT personnel in the armed forces between 1967 and 2000, which was wholly unacceptable and is not representative of defence today.

The Government are committed to righting these historic wrongs, supporting LGBT veterans, and improving the experience of LGBTQ+ personnel in the armed forces.

[HCWS29]

EDUCATION

Lifelong Learning Entitlement Regulations

The Parliamentary Under-Secretary of State for Education (Josh MacAlister): I am today laying before Parliament the Lifelong Learning (Fee Limits) Regulations 2026, the first in a package of secondary legislation needed to implement the lifelong learning entitlement, ahead of its launch in September 2026 for courses and modules starting from January 2027.

The LLE will transform the post-18 student finance system in England by creating a single funding system for levels 4 to 6 that supports people to learn, upskill and retrain across their working lives. It will broaden access to high-quality, flexible education and training, support learner mobility, and help ensure that our colleges, universities and other providers can meet the skills needs of learners, employers and the wider economy. This supports the Prime Minister’s target for two thirds of young people to access higher-level learning by age 25, alongside increasing participation in high-quality technical education. The Government are committed to breaking down barriers to opportunity and driving economic growth, and the LLE is a central part of that mission.

The package comprises three sets of regulations:

The Lifelong Learning (Fee Limits) Regulations 2026,

The Lifelong Learning (Student Support) (Amendment of Fees and Awards etc.) Regulations 2026, and

The Education (Student Loans) (Repayment) (Amendments for Lifelong Learning) Regulations 2026.

Pending Parliament’s approval of the fee limit regulations, I will then make and lay the second two sets of regulations. In the meantime, to allow Parliament sight of the full LLE policy while scrutinising the fee limit regulations, draft copies will be made available at:

<https://www.gov.uk/government/publications/lifelong-learning-entitlement-lle-overview/lifelong-learning-entitlement-overview>

Together, these regulations establish the fee limits, student support and repayment framework required for the LLE. They will create a credit-based fee limit system, allow funding to be used more flexibly for modules as well as full courses, and put in place the student support and repayment arrangements needed to operate the new system from launch.

Under the LLE, new learners will be able to access a lifetime entitlement equal to four years of full-time tuition, which can be used more flexibly than the current system allows. Eligible learners undertaking designated in-person study will also be able to access maintenance support for living costs, representing an important expansion of support for part-time and technical learners. The LLE also removes the equivalent or lower qualification restriction, helping adults with prior study to retrain and reskill.

The LLE marks a significant step forward in modernising the student finance system so that it works better for young people and adults in a changing economy. It will give learners greater flexibility in how and when they study, support providers to offer more responsive provision, and

help ensure that people across the country can access the education and training they need to unlock opportunity and succeed.

[HCWS25]

HEALTH AND SOCIAL CARE

Favipiravir: Contingent Liability

The Parliamentary Under-Secretary of State for Health and Social Care (Mrs Sharon Hodgson): The UK Health Security Agency is receiving a supply of doses of the antiviral medicine favipiravir from the Government of Japan to support the United Kingdom's preparedness and response to hantavirus.

Favipiravir is not currently licensed for use in the United Kingdom. In line with standard international practice for the provision of medical countermeasures of this nature, the Government of Japan and the supplier have requested that the United Kingdom provides an indemnity in respect of liabilities that may arise from the use of the product.

This indemnity constitutes a contingent liability. The Government have concluded that it represents an appropriate and proportionate arrangement to secure access to a clinically recommended countermeasure, supporting the Government's ability to respond to the current outbreak and protect the public's health.

The liability is unquantifiable at this time and is expected to be called upon only in highly unlikely circumstances.

In the normal course of events, a departmental minute would be laid before Parliament for 14 sitting days prior to the indemnity being entered into, in accordance with "Managing Public Money". Due to the urgent need to secure supply and support the UK's response to the current hantavirus outbreak, this has not been possible. The departmental minute has been laid before Parliament today. The Department has written to the Public Accounts Committee and Health and Social Care Select Committee to notify them that Parliament could not be informed in advance of making this commitment. Further correspondence will be provided to the Committees.

[HCWS30]

JUSTICE

Youth Justice Reform and Delivery Plan

The Lord Chancellor and Secretary of State for Justice (Mr David Lammy): Today I am publishing the Government youth justice White Paper, "Cutting Youth Crime. Changing Young Lives", which sets out our plan to reform the youth justice system in England and Wales so that it intervenes earlier, responds more consistently, and does more to protect the public.

Over the past two decades, sustained efforts across the system have led to very significant reductions in the number of children entering the formal youth justice system and the number of children in custody. As a result, the system is now working with a much smaller but far more complex cohort, including many children who face multiple and overlapping vulnerabilities including substance misuse, children who are victims of exploitation, and in some cases children who present a serious risk of

harm to others. However, the systems and structures designed for an earlier era have not kept pace. This limits our ability to prevent escalation, reduce reoffending, and keep victims and communities safe.

This Government are clear about the balance we must strike. Children are still developing and have a strong capacity to change, and the system must respond accordingly. But avoiding unnecessary criminalisation must never come at the expense of public protection. Where children's behaviour causes harm, or where risks escalate, the system must act decisively. Firm, timely and proportionate intervention is essential both to protect the public and to support children to change course.

We will strengthen early intervention to prevent risky behaviour or offending from escalating. This includes continuing to invest in the turnaround programme, improving alignment with wider services that support children at risk, and taking action against the adults who exploit children and draw them into crime. We will also publish a strengthened national protocol to reduce the unnecessary criminalisation of children in care and care leavers, while ensuring that risks are identified and managed effectively.

Where offending does occur, children must receive the right response at the right time. We will reform the youth out-of-court-resolution framework to improve public confidence and ensure interventions address the drivers of offending. We will take a fundamental look at the function and purpose of criminal courts for children, pilot new problem-solving youth intervention courts, and develop specialist training requirements for lawyers representing children. We will ensure custodial remand is used appropriately and fairly, and modernise the sentencing framework to support public protection and rehabilitation. Alongside this, we will deliver proportionate reform of the childhood criminal records regime, so that people who have turned away from offending do not face lifelong consequences for childhood mistakes.

We will strengthen local youth justice services so they are equipped to manage risk and deliver effective interventions for today's cohort. We will reform youth justice service oversight and funding arrangements, and we are reforming the role of the youth justice board to sharpen its focus on continuous improvement, so that children receive consistently high-quality support wherever they live. We will back innovation and modernisation through a new youth justice innovation fund, new devolution arrangements and better use of technology.

This Government are clear that, in some cases, custody is a necessary and appropriate response to protect the public. But we must ensure that children come out better than they went in. We are taking action to improve safety, safeguarding and education across the youth custodial estate, while setting a clear long-term direction away from large, outdated institutions, towards smaller, more rehabilitative settings that better support children to turn their lives around. We will set out further detail in a youth custody transformation plan in the autumn.

Taken together, these reforms represent a decisive shift for youth justice. A system that intervenes early to prevent escalation, provides firm and decisive community responses, and uses custody where necessary, is a system that will cut youth crime and change young lives.

The White Paper is being laid before Parliament today.

[HCWS31]

Petition

Monday 18 May 2026

OBSERVATIONS

CULTURE, MEDIA AND SPORT

Aylesbury United Football Club

The petition of residents of the constituency of Aylesbury,

Declares that Aylesbury United Football Club, founded in 1897, has made an invaluable contribution to our area in fostering community spirit and promoting physical and mental wellbeing over more than 125 years; further declares that over 60,000 people have been positively impacted by the Club over the last 30 years; further notes that the Club's players and supporters, nicknamed the Ducks, have been without a home ground in the Aylesbury constituency since their eviction from Buckingham Road in 2006—a displacement that has now lasted 20 years; and further notes that the Ducks have long sought to relocate to a local ground.

The petitioners therefore request that the House of Commons urge the Government to consider the merits of Aylesbury United Football Club returning to a home ground within the Aylesbury constituency, and to encourage the relevant bodies to take the necessary steps to achieve this, thereby “bringing the Ducks home”.

And the petitioners remain, etc.—[Presented by Laura Kyrke-Smith, *Official Report*, 22 April 2026; Vol. 784, c. 405.]

[P003182]

Observations from the Parliamentary Under-Secretary of State for Culture, Media and Sport (Stephanie Peacock): I would like to thank my hon. Friend the Member for Aylesbury (Laura Kyrke-Smith) for raising this important issue on behalf of their constituents and the wider supporter base of Aylesbury United football club. I also extend my thanks to the club's volunteers, staff, and supporters. The Government recognise the vital role that historic grassroots clubs like Aylesbury United play in towns and villages across the country, making an immense positive impact on the fabric of their local areas.

These clubs are often the beating heart of their communities, providing a vital space for both sport and social connection. The immense value of grassroots football is well documented, providing substantial social wellbeing benefits and relieving pressure on our health services through improved physical and mental health. These community institutions are instrumental in fostering local networks and a true sense of pride in place.

The Government also acknowledge the rich history and cultural significance of Aylesbury United. The Ducks have long been a source of local pride, with notable historical achievements including their run to the third round of the FA cup in 1994-95, and they famously hosted the full England national team ahead of the European championships in 1988. Furthermore, we note the club's recent transition into a community-owned model. This move demonstrates a commendable commitment to the club's long-term sustainability, and ensures that Aylesbury United remains firmly rooted in the community it serves.

In this context, it is highly commendable that the club has maintained such an extensive youth set-up, providing sporting opportunities to hundreds of boys and girls, despite the prolonged logistical challenges of not having a dedicated local stadium over the past two decades. We understand the deep frustration of the fans and the wider community when they see local children potentially miss out on these opportunities due to a lack of permanent, dedicated facilities.

The Government support the enthusiasm that relevant bodies are showing in continuing their efforts to bring the Ducks home. Should a new site be identified, support may be accessed via the Premier League stadium fund. This fund can assist existing national league clubs in securing a permanent new ground by part-funding specific facility developments at a new site, such as stands, floodlights, and pitches.

We remain committed to supporting football at all levels. We have already put football fans back at the heart of our national game by delivering the historic Football Governance Act 2025 and establishing the independent football regulator. While this is focused on the top five levels of men's football, the new regime will promote a more sustainable game, ensuring the success of English football at all levels.

We wish Aylesbury United the very best in their ongoing efforts to find a permanent home within their community.

Written Correction

Monday 18 May 2026

Ministerial Correction

WORK AND PENSIONS

Child Maintenance Service

The following extract is from the Work and Pensions questions on 27 April 2026.

Zöe Franklin (Guildford) (LD): I thank the Minister for this and previous answers on the CMS. I hear the Government saying “when time allows”, but this really is important for the families who have suffered for too many years. My constituent, for example, has successfully appealed at tribunal, with both the judge and the Child Maintenance Service agreeing that the parent’s declared income did not reflect their true earnings, and arrears were awarded. Yet after receiving a substantial redundancy payment and despite holding significant assets, including

property and substantial pension investments, no maintenance is being paid, and enforcement has not taken place. Does the Minister accept that this exposes a gap in how redundancy payments are treated by the CMS and the wider enforcement framework, and will he urgently review both to ensure that children are not left without support and no longer suffer?

Andrew Western: Part of the challenge here is that the legislation currently requires us to use earnings information and figures provided by His Majesty’s Revenue and Customs, and, because redundancy payments of up to £80,000 are exempted from tax, they do not show up in that way...

[*Official Report*, 27 April 2026; Vol. 784, c. 562.]

Written correction submitted by the Under-Secretary of State for Work and Pensions, the hon. Member for Stretford and Urmston (Andrew Western):

Andrew Western: Part of the challenge here is that the legislation currently requires us to use earnings information and figures provided by His Majesty’s Revenue and Customs, and, because redundancy payments of up to **£30,000** are exempted from tax, they do not show up in that way...

WRITTEN STATEMENTS

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PETITION

Monday 18 May 2026

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Aylesbury United Football Club	5P				

WRITTEN CORRECTION

Monday 18 May 2026

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WORK AND PENSIONS	7WC	
Child Maintenance Service	7WC	

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**not later than
Monday 25 May 2026**

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