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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Thursday 13 October 2022

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The House met at half-past Nine o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Speaker's Statement

Mr Speaker: This Saturday marks the first anniversary of the death of our friend and colleague Sir David Amess, who was murdered in his Southend West constituency. David was an extremely diligent constituency Member of Parliament who died carrying out his democratic duties, which made his death all the more shocking. May I express, on behalf of the whole House, our sympathy with his family, friends and colleagues on this sad anniversary? David was a long-serving Member who was respected and liked on all sides of the House. We will not forget him.

At this time, we also remember our colleague James Brokenshire, a dedicated, respected parliamentarian, and hold his family and friends in our thoughts this week.

Oral Answers to Questions

TRANSPORT

The Secretary of State was asked—

Ely Rail Capacity Enhancement: Benefit-Cost Ratio

1. **James Wild** (North West Norfolk) (Con): Whether her Department has made an assessment of the accuracy of the benefit-cost ratio in the outline business case submitted by Network Rail for the Ely area capacity enhancement under the rail network enhancement pipeline. [901604]

The Minister of State, Department for Transport (Kevin Foster): As a fellow Blue Fox, I always had a lot of time with David, and a great friendship. I join you, Mr Speaker, in your tributes to him and James. I also reflect that last Friday marked 70 years since the collision involving three trains at Harrow and Wealdstone station where 112 people lost their lives in our worst peacetime rail incident. We remember those who were lost.

The benefit-cost ratio for the Ely area capacity enhancement was calculated and assured by Network Rail as part of the development of the outline business case for the scheme. We have no reason to doubt the robustness of the benefit-cost ratio.

James Wild: I welcome the Minister to his place, and indeed the new Front-Bench team. The project is backed by MPs across the east of England because it would

increase capacity by 30%, enabling more passenger and freight services and delivering a major boost to growth. Given the overwhelming economic benefits that it offers, will the Government ensure that this much-delayed project, for which my right hon. Friend the Prime Minister has been campaigning for more than a decade, is now fast-tracked and moves to the next phase?

Kevin Foster: My hon. Friend is a strong champion for the Ely scheme, and I recognise the potential for the benefits that he highlighted. It is, though, worth noting that the scheme would require significant public funding with a total cost of up to £500 million, so we need to consider that as part of reviewing patterns of rail travel post the pandemic. We will therefore seek to provide as much clarity as possible when we publish an update to the rail network enhancements pipeline.

Major Transport Infrastructure: North of England

2. **Dan Jarvis** (Barnsley Central) (Lab): What recent steps her Department has taken to deliver major transport infrastructure projects in the north of England. [901605]

The Secretary of State for Transport (Anne-Marie Trevelyan): Mayoral combined authorities across the north of England each received a share of £5.7 billion over five years from the city region sustainable transport settlements to transform their local transport networks. That builds on nearly £33 billion of central Government spending on transport across the north since 2010 as well as the £96 billion committed to the north and midlands through the integrated rail plan.

Dan Jarvis: I welcome the Secretary of State to her post and thank her for her answer. Doncaster Sheffield airport is a strategic asset not just for South Yorkshire but for the wider north and an important part of our national transport infrastructure, but it is about to close. She has received numerous meeting requests from both the Mayor of South Yorkshire and Members across the House along with specific concerns about how closure would diminish our civil contingency capability, potentially with severe consequences. Will she agree to an urgent meeting to sit down with the Mayor and Members of Parliament from across South Yorkshire so that we can work together and do everything we can to keep DSA open?

Anne-Marie Trevelyan: The Government are incredibly disappointed that air operations at Doncaster Sheffield airport are expected to close from the start of November. We recognise that that will be difficult news for those who use the airport as well as businesses and people working there. Of course, it was ultimately a commercial decision made by the owners of DSA. I have held several meetings with both local leaders and the Peel Group to encourage them to work together towards a solution for the site that will benefit local people and the region's economy.

Paul Howell (Sedgefield) (Con): I welcome the Government's recent commitments to accelerating infrastructure investment and in particular the comments about Northern Powerhouse Rail. Will the Secretary of State encourage spades in the ground for the Ferryhill station project, which is progressing, and meet me and

others with regard to the work already being done to put plans in place for the Leamside line and the opportunities to bring it into the full Northern Powerhouse Rail project?

Anne-Marie Trevelyan: My hon. Friend is a doughty champion for all transport infrastructure in County Durham, having been so before and indeed now that he is in the House. I will ensure that he can sit down with our rail Minister to discuss in greater detail the investments that we are making. The growth plan, which the Chancellor set out a few weeks ago, sets out clearly why transport infrastructure is critical to helping our economy to grow. We have a broad range of projects that we are both accelerating and continuing with the investments that we have committed.

Stephanie Peacock (Barnsley East) (Lab): Further to the question from my hon. Friend the Member for Barnsley Central (Dan Jarvis) on the closure of Doncaster Sheffield Airport, this is an incredibly urgent and serious issue. I am not sure what meetings the Secretary of State is referring to, but will she now agree to meet local leaders?

Anne-Marie Trevelyan: I have asked my officials to meet the Mayor of the combined authority in the very near future to continue the discussions we have already had, but, as I say, this is ultimately a commercial decision by the airport owners. We want to work with them and the authority to find the right solutions.

Guy Opperman (Hexham) (Con): I welcome my right hon. Friend to her place. May I urge her to continue the work of the former cycling Minister and Active Travel England, who were enthusiastic supporters of the improvement and upgrading of the cycle route between Newcastle and Hexham, and ultimately to Carlisle, to a cycle superhighway? This has the treble benefits of increasing commuting capability, cutting cost of living, and creating both active travel and a tourist destination.

Anne-Marie Trevelyan: My parliamentary neighbour is nothing if not a champion for all things active travel. I would be very happy for him to sit down with the new cycling Minister to discuss that in more detail. I agree with him absolutely that we need to look at such important cycleways, which offer a series of new economic opportunities, and get those spades in the ground as quickly as possible.

Mr Speaker: I call shadow Secretary of State, Louise Haigh.

Louise Haigh (Sheffield, Heeley) (Lab): I welcome the new Secretary of State and the entire ministerial team to their place. We look forward to shadowing them. I am afraid that we are not off to a great start, though. The Prime Minister promised to protect Doncaster Sheffield Airport during her leadership campaign, and she gave a promise to the hon. Member for Don Valley (Nick Fletcher), who I do not see in his place this morning, at her first Prime Minister's questions to do what she could to protect the airport. This is not just a commercial decision. The Mayor has written to the Peel Group this morning with names of potential bidders and a reiteration of financial support to keep the airport

running. Will the Secretary of State agree to meet the Mayor and Members across this House, and consider using her powers under the Civil Contingencies Act 2004 to keep this strategic asset running?

Anne-Marie Trevelyan: Department for Transport Ministers and officials have been clear throughout that the Government support our regional airports and that they provide a vital contribution. Throughout the period of review carried out by the Peel Group, Transport Ministers have been working together—I am very pleased to hear there are new proposals on the table—with the local authorities and the Peel Group to find ways forward. On the issue the hon. Lady raises relating to the Civil Contingencies Act to prevent closure, I have looked at that in some detail. While all things under the Act are owned and determined by Cabinet Office Ministers, I am not persuaded that the closure of DSA could be undertaken under that Act.

Louise Haigh: What did the Prime Minister mean when she said she would protect Doncaster Sheffield airport?

Anne-Marie Trevelyan: As I say, we continue to show that support for our regional airports, but at the end of the day this is an airport held in ownership by the Peel Group and we want to continue to work with it. As I said to many colleagues, we continue to provide the technical support from DFT officials that may help to find a solution, but at the end of the day a solution is offered and accepted, or not, at that level with the Peel Group.

Private Hire Operators: VAT

3. **Daniel Zeichner** (Cambridge) (Lab): Whether she has had recent discussions with Cabinet colleagues on the potential impact of VAT levels on private hire operators. [901606]

The Minister of State, Department for Transport (Lucy Frazer): I know the hon. Gentleman is a keen champion for this area, given that he is chair of the all-party parliamentary group on taxis. He will know that the question of whether a private hire vehicle operator needs to pay VAT depends on two factors: whether he is acting as principal or as agent; and whether he meets the VAT threshold. As he will also know, His Majesty's Revenue and Customs is responsible for VAT.

Daniel Zeichner (Cambridge) (Lab): I welcome my near constituency neighbours to their posts. I hope they will get behind a brilliant public transport scheme that Cambridge craves and the country needs Cambridge to have. There are 16,000 private hire operators across the country and an impending court case could change the complicated relationship between customer and operator. The worry is that if that change comes into effect, as a consequence of the court case, many small operators could be at risk. What plans does the Department have to deal with that contingency? Will the Minister agree to meet me and representatives of the industry to discuss that further?

Lucy Frazer: I welcome the hon. Member's championing of a great area in the country in the east of England. I am aware of the litigation that he refers to. His Majesty's Revenue and Customs is considering any implications that that may have on VAT payable by private hire

vehicle operators. As he will know, the Government keep all taxes under review at all times. I am sure that the Minister responsible for this area, Baroness Vere in the other place, will be happy to meet him.

Stations Outside Cities: Regeneration

4. **George Freeman** (Mid Norfolk) (Con): Whether her Department is taking steps to increase investment in the regeneration of stations outside cities to (a) improve access for (i) local residents, (ii) commuters and (iii) tourists and (b) support growth hubs. [901607]

The Minister of State, Department for Transport (Kevin Foster): The Government recognise that stations are the heart of many communities across our country, providing vital transport links. We are investing in stations through the new stations fund and the restoring your railway programme, as well as through wider enhancement and renewal schemes. We are also providing accessibility improvements through the £383 million Access for All programme.

George Freeman: I am grateful for that answer. No region is more poised to deliver growth for this country than the east, with agritech, cleantech, biotech and every other tech, but we are being held back by terrible infrastructure. The residents of East Anglia want a commitment to regional rail—what Network Rail dismisses as small regional routes—right at the heart of a growth vision. Will my right hon. and hon. Friends agree to support the role of stations in rural areas? There are 52 in East Anglia. They could all be innovation hubs and be redeveloped. They are going nowhere at the moment. In particular, there is Wymondham station in my patch, where disabled passengers have to go to Norwich to change platforms. We have waited 10 years. My right hon. Friend the Prime Minister has made big commitments. Will the Minister meet me to drive rural stations for growth?

Kevin Foster: I am always delighted to meet colleagues who share my passion for investing in our rail network and who recognise that our stations are not just a handy place to board a train, but are sometimes the heart of a local community. We are investing in our stations: for example, we recently delivered a new mobility hub at Norwich station in the east of England. I am very happy to meet my hon. Friend.

Tim Farron (Westmorland and Lonsdale) (LD): Staveley station in my constituency, on the Lakes line from Oxenholme to Windermere, has 41 steps to get up to it. It is 100% inaccessible to anybody with a mobility problem. That is an outrage. We have bid into several pots over the years, but because it is not a main line station, it never qualifies for any funding. Will the Minister meet me and local rail campaigners to make sure that Staveley station is accessible for everyone?

Kevin Foster: As the hon. Member will know, we are making great progress on accessibility through our Access for All programme across our stations. We are also completing an accessibility audit of all the stations on our network. I am happy to meet him to talk about his station and I look forward to announcing, in the next year, the latest round of stations that will benefit from Access for All improvements.

Mr Speaker: Let us hope they do Chorley at the same time.

Priti Patel (Witham) (Con): I welcome the Minister to his new role and thank him for all his work in the Home Office.

Will the Minister commit to the upgrade of Witham train station, which has been under debate and discussion for many years? Importantly, will he help with the accessibility issue at Marks Tey station? I also invite him to come to Marks Tey station to look at the work that is needed to make it fully accessible.

Kevin Foster: I have a feeling that I will hear quite a lot about Chorley station over the next few months, Mr Speaker.

Turning to matters in Essex, I am delighted to see my right hon. Friend in her place, campaigning hard for her constituents. I would be delighted to visit—I expect that that is an invitation I really cannot refuse.

Rachel Hopkins (Luton South) (Lab): Luton town station is our gateway to our town centre. People use it to go to work and football fans use it to go to the match, but as local people know and consistently tell me, it is not fit for purpose. It is decrepit and run down. Will the Minister outline the details of when the Access for All work will begin to install lifts to the four out of five platforms that are inaccessible? More importantly, to grow our local economy, will he commit to funding a comprehensive renovation to the station to make it fit for the 21st century?

Kevin Foster: I am happy to respond in more detail, perhaps in writing, about when work is planned to take place. I recognise the important role that the station plays at the heart of her constituency and community.

Cycling Targets: 2025 and 2030

5. **Catherine West** (Hornsey and Wood Green) (Lab): Whether her Department has made an assessment of the level of funding that will be required to meet its cycling targets for (a) 2025 and (b) 2030. [901608]

The Minister of State, Department for Transport (Lucy Frazer): The Department estimates that a minimum of £4.4 billion is likely to be required to meet its cycling and walking objectives to 2025; and further, that a minimum of £5.5 billion is likely to be required to meet the objectives to 2030. The actual amount will depend on a wide variety of factors.

Catherine West: I am sure the Minister agrees that there is nothing nicer than seeing schoolchildren in local streets learning in a supervised way how to cycle safely, particularly as interest in cycling has grown post pandemic. Will she commit today to ensuring sufficient funding for every single local authority to maintain its cycling classes, so that children can learn and so that we can tackle air pollution together by having more children cycling safely on streets and being taught manners and the best way to cycle in our local environments?

Lucy Frazer: I agree that it is important to learn from a young age how to cycle safely. That will ensure that as children grow older, they are more willing to engage in

active travel rather than being in cars. I can assure the hon. Lady that the Government will offer cycle training to every primary school child in England, building on the record of 500,000 training places offered in 2022-23.

Steve Brine (Winchester) (Con): Earlier this month, 250 cyclists, including me, took part in the Cycle Winchester mass ride around the city. I also joined the school cycle bus from Twyford into Winchester during the conference recess, which was potentially a better use of my time. We are excited by the mini-Holland schemes in Hampshire that are already being invested in. In a few weeks, I will take a walk around the city to see the work that we have done investing in those plans. Can the Minister tell me whether the Government are committed to the active travel fund and when the fourth tranche of applications to it will open?

Lucy Frazer: I am delighted to hear about my hon. Friend's active travel. I remember that his constituency has a very impressive company that converts bicycles to electric bicycles. Announcements in relation to the fourth fund will be considered and made in due course.

Kevin Brennan (Cardiff West) (Lab): The Minister has just outlined the fact that nearly £10 billion of investment will be required to meet the targets. One of the only good things to come out of covid has been the expansion of cycling networks and opportunities. Will she guarantee to the House today that that will not be one of the areas that has to be cut as a result of the Government's economic plans?

Lucy Frazer: I am pleased to tell the hon. Gentleman that we have already spent significant funds on active travel. There are core funds available, but there are also funds from other Departments, such as the levelling-up fund, the highways maintenance fund and the future high streets fund. Much of that money is already committed. I remind the hon. Gentleman about the poor record of the Labour party, whose funding for active travel was significantly less than we have already put in to this important area.

Bus Services

6. **Anna Firth** (Southend West) (Con): What steps her Department is taking to help maintain the provision of bus services in all parts of the UK. [901609]

8. **Theresa Villiers** (Chipping Barnet) (Con): What steps her Department is taking to help maintain the provision of bus services in all parts of the UK. [901612]

The Minister of State, Department for Transport (Lucy Frazer): The Government have provided nearly £2 billion of support since March 2020 through emergency and recovery grants to ensure that our bus sector survived throughout the pandemic. That is on top of the £1 billion of transformation funding that will make our bus services faster, more reliable and cheaper across much of England.

Anna Firth: I thank the whole House for the very kind comments about Southend's greatest ever champion: Sir David Amess, my predecessor. They will be much appreciated by everyone in Southend West as we remember Sir David on Saturday.

Southend, and indeed the whole of Essex, did not benefit at all from the Government's bus service improvement plan earlier this year, so what steps are the Government taking to ensure that new cities such as Southend can bus back better? Will the Minister assure me that those areas that missed out last time will be at the top of the list for funding in future schemes?

Lucy Frazer: My thoughts are with Sir David Amess's family today. I am grateful that my hon. Friend has mentioned him.

My hon. Friend is a very keen champion for her area. I am aware that her area was not successful in the funding round that she mentions, but I am pleased that Essex County Council and Southend-on-Sea City Council have been awarded some funds to maintain bus services, with totals of £1.5 million and £330,000 respectively to support the development and delivery of their bus service improvement plans and enhanced partnerships. That is in addition to their bus recovery grant allocation and the practical support on offer, which includes guidance and training to ensure eligibility for any further BSIP funding.

Mr Speaker: We'll miss the bus at this rate.

Theresa Villiers: Will the Minister acknowledge that there are sometimes problems with important transport links that run between destinations in different transport authority areas? Will she seek to address that, and will she talk to Hertfordshire County Council and Transport for London about restoring the 84 bus route between Chipping Barnet, Hadley and Potters Bar?

Lucy Frazer: My right hon. Friend has made an important point, because, of course, transport crosses corridors. As she will know, transport in London is devolved to the Mayor of London, and the Government have agreed with Transport for London a £1.2 billion multi-year settlement to secure the long-term future of London's transport network, including bus services. Where bus-tender routes operate across transport authority boundaries, we expect the local transport authorities involved to work closely with bus operators.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): David Amess was a parliamentary mate. He was a proper parliamentarian. We miss him dreadfully. He would not like me to call him a mate, mind, but it is the truth.

Is the Minister aware that hydrogen-powered buses are widely available? I think there are already 16 on the streets of Belfast—I should have been speaking at a sustainability conference in Belfast today—but hydrogen-powered heavy goods vehicles and trucks, including waste trucks, are also available. When will local authorities have proper subsidies to enable them to get those hydrogen-powered buses and trucks on the road, now?

Lucy Frazer: The Government are absolutely committed to ensuring that we have a wide variety of energy sources for our transport system. The hon. Gentleman will know that only last week the Secretary of State announced £24 million for Teesside to expand its hydrogen works. I am aware of the hydrogen-powered buses; significant Government funds are available for them, for electric buses, and for various other mechanisms.

Dave Doogan (Angus) (SNP): Workers in Angus, from Kirriemuir to Arbroath and from Montrose to Brechin, are stuck because of the lack of buses, itself due to a lack of drivers. They are going cap in hand to their employers to explain why they are late for work, and they are having to take taxis home because the bus had never turned up. I have canvassed a good many colleagues in this place, and I know that this is not a Scottish issue—it extends across the British Isles—so I ask the Minister please not to remind me that transport is devolved. This is a UK issue requiring UK intervention, with training for drivers and support for operators.

Lucy Frazer: I am sorry, but I will remind the hon. Gentleman that transport is devolved. If there are issues in Scotland, he knows where to address those points. However, I also remind him that we have invested nearly £2 billion in buses over the pandemic, in addition to the £1 billion invested to ensure that our buses become more reliable and cheaper throughout the country.

Sir Mike Penning (Hemel Hempstead) (Con): Since covid, commuter bus routes from Hemel Hempstead into London have been cut. The reason for that is lack of demand, because people are working from home and there is no encouragement for them to come back into London. We observe that dangerous development when we drive into London each day and see that there is less and less traffic. Is there no way in which the Department can encourage people to have the confidence to come back into London so that we can put on these buses again from Hemel Hempstead?

Lucy Frazer: The Government have broadly welcomed people back to work—my right hon. Friend will know that we are encouraging civil servants to come back to work and leading by example here in Parliament—and we do encourage people into our towns and cities: as he will also know, we recently spent £60 million on introducing a £2 fare cap for single tickets on most bus services in England outside London between January and March to encourage travel across the country.

Mr Clive Betts (Sheffield South East) (Lab): The Minister will not necessarily know what the 8, 27 and 655 bus routes in my constituency have in common. The answer is that they have all been cut completely, or substantially reduced, in the last few weeks. That means that NHS workers cannot travel to their shifts, pensioners cannot travel to the Crystal Peaks shopping centre, and kids cannot travel to and from school. Will the Minister reflect on the fact that the previous Prime Minister told us that people would not need a timetable, because the service would be so good that they could just walk to the bus stop and get on a bus? They do not need a timetable for many routes now, because there are no buses running.

Will the Minister, as a matter of urgency, agree to meet the Mayor and Members of Parliament for South Yorkshire to discuss the cuts, and how additional Government funding could save these essential services?

Lucy Frazer: I will, of course, pass on the hon. Gentleman's request to the Minister responsible for buses, Baroness Vere. I am sure that she will consider it. I point out that the South Yorkshire mayoral combined

authority received £1.6 million from the local transport authority recovery funding from April to December this year.

Mr Speaker: I welcome the new shadow Minister, Simon Lightwood.

Simon Lightwood (Wakefield) (Lab/Co-op): Thank you, Mr Speaker. In the new Transport Minister's own area of Cambridgeshire, dozens of crucial bus services, including school routes, will be slashed imminently. Can the Minister explain why they think it is fair that communities in Cambridgeshire and many others across the country did not receive a penny to improve bus services after a £2 billion cut to the bus back better strategy, while the same Government will this year hand over billions of pounds of tax cuts to the wealthiest corporations? Is it not the truth that under this Government bankers are being put before buses and the services that millions rely on?

Lucy Frazer: The hon. Member makes an important point about buses more broadly and in the Cambridgeshire region. I reiterate that the Government have invested £3 billion in buses, and Stagecoach East is getting £427,000 every month to support bus services. Government considered the bids as they were put forward by the Mayor, and I know the Mayor is considering very carefully how he can resolve this issue in Cambridgeshire.

Modernising the Railways

7. **Sara Britcliffe** (Hyndburn) (Con): What recent assessment she has made of the potential merits of modernising the railways. [901610]

The Minister of State, Department for Transport (Kevin Foster): The need to reform our railways is now even stronger than when the "Plan for Rail" White Paper was published in 2021. The lasting consequences of covid-19 on passenger numbers and revenue, and the impact of strikes on railway customers, have increased the need for reform. The Government will ensure we have a modern railway, fit for the 21st century, that meets customers' needs, supports growth and decarbonisation, harnesses the best of the private sector and connects our communities.

Sara Britcliffe: Earlier this week I had the pleasure of opening the new disabled access ramp at Accrington station, as part of our wider plans to make this station and others across Hyndburn and Haslingden accessible for all. As we have two further stations in the pipeline—Church and Oswaldtwistle, and Rushden—can my right hon. Friend confirm that these bids will be looked on favourably? To modernise our railway stations, we need to make sure that everybody can use them.

Kevin Foster: I absolutely agree, and I am delighted to hear that my hon. Friend was in attendance to open the improvements at Accrington station, where the existing non-compliant ramp was modified. The Department recently received 309 nominations for the next round of Access for All, including Rushden and Oswaldtwistle, and I will look to announce the successful stations next year.

Rachael Maskell (York Central) (Lab/Co-op): York's powerful rail cluster is driving innovation and modernisation across the rail network—a real asset to Great British Railways. Obviously, we are waiting to hear what is happening to the headquarters of GB Railways and the relocation outside of London, because the timetable has slipped. Will the Minister say when he is planning to announce where that new headquarters will be?

Kevin Foster: I have had many powerful representations made on behalf of York, including from the local council at last week's Conservative party conference. We will confirm our intentions around announcing the location of the headquarters shortly.

Mr Louie French (Old Bexley and Sidcup) (Con): Modernising our railways and maintaining services are vitally important. Thousands of residents in Old Bexley and Sidcup have already completed my survey outlining their concerns over Southeastern's December timetable changes on the Bexleyheath and Sidcup lines. Will the rail Minister please meet me again to discuss these concerns and Southeastern's lack of consultation?

Kevin Foster: As always, my hon. Friend is a doughty campaigner for his constituents. He has already been in contact with me a number of times and I think we may have a meeting scheduled, at which I look forward to exploring these issues further with him.

Wendy Chamberlain (North East Fife) (LD): Leuchars train station in my constituency is the only station serving St Andrews. It is a hub for local communities and the large number of tourists and students who go to the town, but the access bridge installed in 1995 is no longer fit for purpose and those who require step-free access cannot use it. I have been in contact with the Scottish Government and I am pleased with what the Minister has said about funding announcements next year for Access for All, but can he provide clarity on who is the final decision maker?

Kevin Foster: My understanding is that accessibility is a reserved matter, hence we will announce the successful stations as the UK Government. Obviously, in looking at access, we will liaise with the Scottish Government on potential priorities. We want to make sure that there is a fair spread of spending across the UK, looking at a number of factors, including usage, how inaccessible a station is, and the type of facilities it provides.

Amanda Milling (Cannock Chase) (Con): Accessibility is a real issue at some stations in Cannock Chase; at Rugeley Trent Valley, for example, there is a footbridge to two of the platforms. Will my hon. Friend meet me to discuss how we can modernise stations across Cannock Chase to ensure that they are accessible for everyone?

Kevin Foster: I recognise the representations that my right hon. Friend makes, and I will be happy to meet her. We have already agreed improvements that should deliver over 100 more accessible step-free routes. The vast majority of passengers are now able to make their journey through a step-free station, but we recognise that, due to the historical nature of much of our infrastructure, far too many stations still are not able to

be used by all. That is why we asked for nominations; we have received 309, and we look forward to announcing next year the next list of stations to receive improvements.

Patrick Grady (Glasgow North) (Ind): The Scottish Government recently took ScotRail into public ownership, which has revitalised the industry, created new stations and effectively decarbonised train travel. They have also chosen to end the Caledonian Sleeper contract, because it does not give value for money to the taxpayer. When will the UK Government fully devolve Network Rail so that Scotland's railway is fully under the control of Scotland's Government?

Kevin Foster: I understand why the SNP, given its plans for a border at Berwick, may not see having an integrated rail network across the entirety of Great Britain as a priority. We believe it is right that we have an integrated rail network and infrastructure across Great Britain, and that is why it remains a reserved matter.

Mr Speaker: I call the shadow Minister.

Mr Tanmanjeet Singh Dhesi (Slough) (Lab): I welcome the new ministerial team to their place.

To address the failure of privatisation and fragmentation, just last year the Secretary of State's predecessor, the right hon. Member for Welwyn Hatfield (Grant Shapps), announced the launch of Great British Railways. There were promotional videos with Michael Portillo and a nationwide campaign to host the new headquarters, with towns and cities investing enormous time, effort and money in their bids. There is a huge transition team, and millions of pounds of public money has already been spent. But now we hear that the whole thing is being scrapped and will not be included in the transport Bill. I appreciate that this Government are infamous for their U-turns and creating confusion, but can the Minister confirm: has Great British Railways been stopped in its tracks?

Kevin Foster: I thank the hon. Gentleman for welcoming me to my place and I look forward to perhaps more constructive exchanges. We are taking forward an ambitious programme to reform our railways. We look forward to confirming the position on the Great British Railways headquarters in the very near future. I have to say to the hon. Gentleman that, for those of us who remember his clarion call to bring back British Rail, that hardly brings back memories of amazing customer service and quality provision compared with what we have today.

Mr Speaker: I call the SNP spokesperson.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): I, too, welcome the new Minister to his place. I often talk favourably about Scotland's record on rail modernisation, as we actually get on and modernise infrastructure while down here the Tories focus on pushing the sector to "modernise"—to cut the workforce's terms and conditions. Following similar comments from the Scottish Trades Union Congress general secretary at the weekend, Mick Lynch of the National Union of Rail, Maritime and Transport Workers said yesterday that in Scotland we have an attitude of wanting to resolve workforce disputes, whereas down here the Government want to exacerbate them for political reasons.

Has this new team at the helm asked Network Rail and the train operating companies to get round the table and properly negotiate with freedom? If not, why not?

Kevin Foster: Again, as the hon. Gentleman will be well aware, my right hon. Friend the Transport Secretary has met leading members of the unions, but we are not the employer in this dispute. It is important that the unions sit down, stop striking and get on with coming to a deal that is fair not just for workers but for taxpayers, who have put £16 billion into supporting our railways over the last couple of years.

Bradford-Manchester Rail Journey Times

9. **Imran Hussain** (Bradford East) (Lab): Whether her Department is taking steps to help reduce rail journey times between Bradford and Manchester. [901613]

The Minister of State, Department for Transport (Kevin Foster): The Prime Minister has been clear that the Government will deliver Northern Powerhouse Rail in full and it will stop at Bradford. That is a pledge I am sure the hon. Gentleman will welcome.

Imran Hussain: I, too, welcome the Minister to his team, and I also welcome his comments. As he will know, Northern Powerhouse Rail will slash journey times from Bradford to Manchester dramatically, bringing much-needed and immense investment to Bradford. He is right to say that the Chancellor and Prime Minister have previously made this commitment, so will he add some further clarity to this excellent news for Bradford by setting out today a timetable of funding and construction, and when the Government will finally start work on this programme in full?

Kevin Foster: I am glad to hear that the hon. Gentleman shares my enthusiasm for that project, which, as he says, will make a massive difference for communities in Bradford. As he will appreciate, I am not going to lay out the detailed construction timetable here in the House, but we certainly intend to engage with leaders in the region and look forward to setting out further details in due course.

Mr Speaker: I call the shadow Secretary of State, Louise Haigh.

Louise Haigh (Sheffield, Heeley) (Lab): Northern Powerhouse Rail, and the billions of pounds in growth and tens of thousands of jobs, depend on HS2 being delivered in full. So will the Minister guarantee that the HS2 leg beyond Birmingham to Manchester will not be the victim of his Chancellor's kamikaze Budget?

Kevin Foster: We have already got the Bill for the line through to Crewe through this Parliament. The next Bill, for phase 2b and the line up to Manchester, will soon be before its Select Committee. People can see our commitment to HS2: we are building it.

Transport Sector Vacancies and Shortage Occupations

10. **Owen Thompson** (Midlothian) (SNP): Whether she has had recent discussions with the Secretary of State for the Home Department on the (a) level of vacancies and (b) potential merits of expanding the shortage occupation list in the transport sector. [901614]

The Secretary of State for Transport (Anne-Marie Trevelyan): The Department regularly reviews the impact of labour shortages on the transport industry. Currently, there are currently 54,000 vacancies in the transport and storage sector, so my officials are in frequent contact with Home Office colleagues to ensure that the needs of the transport industry are reflected in their next review of the shortage occupation list.

Owen Thompson: Despite issues remaining for many, the HGV driver shortages, exacerbated by Brexit and covid, have marginally improved and drivers are now receiving the higher pay they rightfully deserve, although working conditions remain an issue. Many of the recruits are coming from the bus driving sector, which is causing significant driver shortages, cuts to timetables and service cancellations across the UK, and which is having an impact on passengers and net zero ambitions. What recent discussions has the Secretary of State had with the Home Secretary on expanding the shortage occupation list to include bus drivers?

Anne-Marie Trevelyan: The newly established transport employment and skills taskforce is already taking steps to identify and address the shortage of skills and jobs across the transport sector that we face now, and it is thinking about how we tackle this for the future. We are supporting new HGV driver training through apprenticeships and we are working with the Department for Work and Pensions to support jobseekers to become HGV drivers. We want to make sure that we grow this pool. This is a challenge not only in the UK, but across the world, and we want to make sure that we are at the front end of bringing these new young people into this industry.

Transport for London: Long-term Funding Settlement

11. **Bob Blackman** (Harrow East) (Con): What recent discussions she has had with Transport for London on its progress on making the agreed savings under the long-term funding settlement of 30 August 2022. [901615]

Mr Speaker: Minister, welcome.

The Parliamentary Under-Secretary of State for Transport (Katherine Fletcher): Well, this is not remotely intimidating!

The longer-term settlement agreed with the Mayor in August sets a framework for Government funding until March 2024 and gives certainty on transport in London. It is based on commitments made by the Mayor during previous agreements and it is now down to the Mayor and Transport for London to deliver. Progress under the most recent funding settlement will be regularly monitored to ensure fairness to the national taxpayer.

Bob Blackman: I thank the Minister for that answer.

May I also commemorate the tragedy that took place 70 years ago last weekend at Harrow & Wealdstone station, in my constituency? A number of events were held in Harrow to commemorate that event, and I thank the Minister of State, Department for Transport, the hon. Member for Torbay (Kevin Foster) for mentioning it.

On the long-term settlement for TfL, the Mayor has committed £500 million-worth of savings, but thus far we have heard nothing about what savings are to be made, and it appears that no progress has been made.

Will the Under-Secretary commit to holding the Mayor to account and making sure that those savings are resolved before that funding is provided to TfL?

Katherine Fletcher: The long-term funding settlement does not include a condition that requires the Mayor to make or report on specific savings targets. It is for the Mayor and TfL to deliver within the funding outlined in the settlement, which provides security until March 2024 and is, I remind my hon. Friend, the fifth package of support the Government have provided to TfL for covid recovery. I remind the House that TfL was originally set up to be independent of central Government in terms of its income and spend. The current settlement returns to that model as a whole, and it is for the London Mayor to decide how he controls his costs and looks for efficiencies within TfL. We will continue to monitor his progress to ensure that taxpayers' money is used fairly to support London's commuters.

Motorists: Fuel Costs

12. **Jerome Mayhew** (Broadland) (Con): What recent discussions she has had with Cabinet colleagues on taking steps to support motorists with fuel costs. [901616]

The Secretary of State for Transport (Anne-Marie Trevelyan): I regularly discuss fuel prices with Cabinet colleagues, particularly those in the Department for Business, Energy and Industrial Strategy. Our Departments are working with the Competition and Markets Authority, which is currently looking at fuel prices. We will continue to work together and with representatives of the fuel industry on this issue to ensure that motorists are paying a fair price at the pump.

Jerome Mayhew: Rural constituencies such as mine in Broadland, where public transport is limited, are disproportionately affected by high fuel costs. It is sometimes overlooked that people also have limited choice as to which forecourt to fill up at. I am struck by the effectiveness of the price-comparison requirement in Northern Ireland, which is used to get consistently lower forecourt prices; are we considering that policy in England?

Anne-Marie Trevelyan: I agree with my hon. Friend that we need to focus on the challenges in rural areas, including my own constituency, which is why we asked the Competition and Markets Authority to conduct a thorough review. He is also right that although the price of fuel in Northern Ireland has historically been lower than the rest of the UK for several reasons, we absolutely consider the fuel price checker provided by the Consumer Council in Northern Ireland—along with cross-border competition with petrol stations in Ireland and lower overheads—to be part of the reason for those lower costs, and we are considering that possibility to help us to assess our own.

Mr Speaker: Let us hear the voice of Northern Ireland: Jim Shannon.

Jim Shannon (Strangford) (DUP): I do not think I am the voice of Northern Ireland, but I do my bit for Northern Ireland. Is there any intention to work with the Treasury to formulate VAT reductions for small and medium-sized businesses that pay a mileage allowance to staff and are struggling to meet those costs?

Anne-Marie Trevelyan: The hon. Member is indeed Northern Ireland this morning, as he sits alone on his Bench, and we are always pleased to hear him raise such important issues. Questions of finance are, of course, for the Treasury, but I will make sure that point is raised with Treasury colleagues.

Topical Questions

T1. [901594] **Liz Twist** (Blaydon) (Lab): If she will make a statement on her departmental responsibilities.

The Secretary of State for Transport (Anne-Marie Trevelyan): I recently addressed the 41st International Civil Aviation Organisation triennial assembly, where I set out the key challenges that aviation faces and urged action, particularly on Russia's violation of international law and on tackling climate change. It was a historic moment in two ways. First, in a triumph for those who respect the rules-based international order that ICAO and the wider UN system is built on, Russia was voted off the ICAO governing council for the first time in its history. Russia has shown a blatant disregard for its obligations under the treaty governing international civil aviation—the Chicago convention—and it is right that it no longer has the privilege of serving on the council.

Secondly, the assembly agreed to a new climate goal of net zero international aviation emissions by 2050. This is a historic milestone, not just for the future of flying but for the wider international commitments that we have all made to meet the Paris agreements. Now, the real work begins to put in place the measures to achieve that goal, including the technology, efficiencies and clean fuels that are central to our jet zero strategy.

Liz Twist: My constituents in Blaydon are hugely concerned about the availability and reliability of our local bus routes. We were pleased to be granted funding under the bus service improvement plan programme, but will the Secretary of State assure me that Transport North East will receive that grant? If so, when?

Anne-Marie Trevelyan: The hon. Lady raises an important point. She will have heard earlier much discussion of the investments that we continue to make in buses. I am happy to ask the Minister who oversees the portfolio to discuss that with the hon. Lady in more detail.

T2. [901595] **Michael Fabricant** (Lichfield) (Con): Previous Ministers for rail have been up to the National Memorial Arboretum to see the existing freight line between Lichfield and Burton. It would be remarkably cheap to convert it into a passenger rail line. It would relieve traffic on the A38 and provide direct contact for veterans to go to the National Memorial Arboretum. So, having had a load of Ministers coming up, may I invite my right hon. Friend—a very good friend—the Secretary of State to come up and visit me at the National Memorial Arboretum, which she will enjoy, and see the benefits of making that line available for passenger traffic?

The Minister of State, Department for Transport (Kevin Foster): I thank my hon. Friend. His invitation sounded so wonderful that I, as the Rail Minister, insisted on coming to the Dispatch Box to accept it. I do note that the proposed scheme was previously unsuccessful under

the restoring your railway programme, but I am happy to continue working with him to explore opportunities to improve the rail transport offer in this area.

Mr Speaker: I call the shadow Minister.

Mike Kane (Wythenshawe and Sale East) (Lab): It was an honour to attend the anniversary mass for Sir David Amess at the Tomb of St Peter with the all-party parliamentary group on the Holy See on Friday. It was a truly moving moment.

It has been five months since the Government promised to take legal action against P&O Ferries. Given that the chief executive himself admitted to this House that he had disregarded employment law and would do so again, when will the Insolvency Service finally deliver its decision and strike him off as a director?

Mr Speaker: Who wants the question?

The Minister of State, Department for Transport (Lucy Frazer): The hon. Member will know that the Government have taken a variety of actions and considered very carefully the position in relation to P&O. He talks about the Insolvency Service and, obviously, this is a matter for it.

T4. [901597] **Bob Blackman** (Harrow East) (Con): Over the summer, the Mayor of London conducted a consultation on expanding the ultra low emission zone across outer London. Two thirds of those responding said that they do not want it and that they want it stopped. Clearly, the Mayor is preparing the ground to introduce this against Londoners' wishes, so will my hon. Friend on the Front Bench—whoever is going to answer—agree that we should completely reject this imposition on motorists in outer London and make sure that the Mayor cannot use any of the subsidy that is being provided to Transport for London to introduce such a scheme?

The Parliamentary Under-Secretary of State for Transport (Katherine Fletcher): With a daily charge of £12.50, I can understand why my hon. Friend's residents are concerned. I remind him that the Mayor's powers do not allow for revenue-raising schemes in their own right, but only those that deliver policy outcomes such as those relating to air quality and/or congestion. The consultation, which has been run by the Mayor, is now closed and we are expecting a response this year. I understand that my hon. Friend may have concerns about how responses have been considered as part of that consultation, and I would support him in directing them directly to the Mayor, Sadiq Khan.

Mr Speaker: I call the SNP spokesperson.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): We all shared a deep anger at the actions of P&O Ferries. Although we welcomed much of what the Government said in response at the time, we are yet to see the action match the rhetoric. In welcoming the Secretary of State to her place, I ask her whether she will confirm in this Maritime UK Week that her Department will continue working with all relevant stakeholders, including the maritime trade unions, in delivering the nine-point plan to address P&O's actions and ensure that workers' rights are protected from a race to the bottom.

Anne-Marie Trevelyan: I look forward to continuing to extend the work that my predecessor set running to build that relationship, improve the workplace environment for our seafarers and to ensure that the terrible decisions that were taken by P&O cannot happen again.

T9. [901603] **John Lamont** (Berwickshire, Roxburgh and Selkirk) (Con): The Borderlands growth deal is a fantastic example of the UK Government delivering for local people, but transport officials are delaying and dragging their feet over the next steps to extend the Borders railway to Hawick, Newcastleton and on to Carlisle. The lack of progress is frustrating for me, local campaigners and my local council. Will the Minister agree today to urgently speed up this process so that we can deliver better transport links across the Scottish Borders?

Kevin Foster: My hon. Friend will know that I am only too keen to enhance the links across the border rather than put border infrastructure in place as others would wish to do. We are currently considering advice regarding next steps for the proposal. In particular, I am keen to see a feasibility study in place for the restoration of the whole rail route. I would be happy to put in writing more details for him in the very near future.

T3. [901596] **Helen Morgan** (North Shropshire) (LD): Bus services in the market towns of my constituency are some of the worst in the country. People who cannot drive in those towns are unable to access not only their high street, but hospital appointments. Studies have shown that for every £1 invested in bus infrastructure we generate about £8 in economic benefits. Will the Secretary of State support me in helping to level up rural market towns and pass my Bus Services Bill to improve this critical piece of local infrastructure?

Lucy Frazer: The Government are committed to improving bus services and, as the hon. Member will have heard, we have already committed £2 billion during the pandemic and a further £1 billion that will help MPs across the area and support their constituencies.

Mr Speaker: I call the Chair of the Select Committee, Huw Merriman.

Huw Merriman (Bexhill and Battle) (Con): I welcome the entire ministerial team to their positions. I understand that they will want to take time to consider the various matters in front of them, but I ask them to recommit to page 53 of the decarbonising transport plan, promising £2 billion for active travel to ensure that we meet a target of 50% of all urban journeys being conducted by active travel. Do those two commitments stand today?

Lucy Frazer: I have read the decarbonising transport plan and I am aware of the importance of active travel. I did not particularly notice what was on page 53, but I thank my hon. Friend for raising it. As I have already said, the Government are committed to active travel. We have already committed £4 billion through a variety of measures through the Department for Transport, and across Government we are committed to ensuring that active travel remains on our agenda.

T5. [901598] **Ruth Cadbury** (Brentford and Isleworth) (Lab): As co-chair of the all-party parliamentary group for transport safety and as a resident and MP in London,

I know that a default ban on pavement parking works—there can be exceptions. Across this House, MPs representing English constituencies have been demanding a ban on pavement parking. We are still waiting for the outcome of three consultations of almost two years ago. When will the Department for Transport come forward with a plan to ban pavement parking in the rest of England?

Anne-Marie Trevelyan: This issue is important to me personally; we will be continuing to work through it at pace and, as soon as parliamentary time allows, make sure that we bring forward the legislation we need.

Karl McCartney (Lincoln) (Con): It is welcome that the North Hykeham relief road, championed by myself since 2004 as a requirement for my Lincoln constituents as part of the eastern bypass, was highlighted by the Government as a project for accelerated delivery in the Chancellor's mini-Budget. However, the welcome £110 million DFT funding is still £80 million short of the estimated total cost of the scheme. Is consideration being given by current DFT Ministers or officials to upgrading the £110 million by inflation?

Katherine Fletcher: My hon. Friend is a remarkable champion for Lincoln. He will forgive me if I quote the late Queen and say that I am in my salad days as a Minister, so perhaps we could meet directly and I could look at the scheme details at more length.

T6. [901599] **Marion Fellows (Motherwell and Wishaw) (SNP):** Given that more than 1 million people are using e-scooters on roads across the UK and the UK transport Bill will seek to legalise them, Guide Dogs Scotland has concerns for the safety of people with sight loss. What plans are there to cap the speed, weight and power of e-scooters, introduce mandatory dock parking and provide a sufficient public information campaign so that the law is understood and those with sight loss feel confident using our streets?

Lucy Frazer: The hon. Member makes an important point. We have a number of pilots relating to e-scooters. A lot of people are using them, but we must ensure that they use them safely. When we bring in regulations to ensure that people can continue with that method of travel, we will of course consult widely and discuss how we can do that safely.

David Rutley (Macclesfield) (Con): Sadly, too many local residents and passengers have experienced cancelled and disrupted Avanti West Coast train services over recent months, despite the excellent service of the team at Macclesfield railway station. Can my right hon. Friend confirm that Avanti's day-to-day operational performance over the period of the new short-term contract will also be a material factor in determining who will be awarded the long-term National Rail contract to operate west coast services after April 2023? Local passengers deserve better.

Kevin Foster: I could not agree more with my hon. Friend. The current service is not acceptable, as I have made clear directly to Avanti's most senior management, and significant improvements are needed. We will be monitoring Avanti's performance over the next six months, particularly the implementation of its recovery plan, before making a decision in April 2023.

Mr Speaker: I call Mick Whitley for Question T7. He is not here.

Andrew Selous (South West Bedfordshire) (Con): We do need that fourth round of the active travel fund, because it not only reduces greenhouse gas emissions, but reduces congestion, improves health and frequently increases economic activity through extra footfall. Will the Government commit to it?

Lucy Frazer: My hon. Friend is right. Active travel is very important and further information on the process will be published shortly.

T8. [901601] **Fleur Anderson (Putney) (Lab):** It is not just the Prime Minister's economic mess that is keeping my Putney constituents up at night, but the deafening return of Heathrow early morning flights. Some are coming in at 4 or 4.30 in the morning, when they should not be before 6 o'clock. Flights should start at 6, but Heathrow keeps pushing the boundaries. Will the Secretary of State publish the data on exactly how many late-running flights are being granted special dispensation to break the night-time curfew, the reasons why and what action she will take if it transpires that Heathrow is breaking the restrictions on it?

The Minister of State, Department for Transport (Kevin Foster): I am interested to hear that, although I would note that now the economy is reviving Heathrow has gone back to being the busiest airport in Europe. But it must operate within the law and we will investigate any evidence that that is not the case.

Maria Caulfield (Lewes) (Con): Parishes in my constituency such as Ditchling and Ringmer want to introduce road safety measures including reducing the speed limit and cutting the number of HGVs coming through the villages, but they have been told by the local highways authority that not enough fatalities have occurred. Will the Minister outline how we can change the policy so that we can make villages in my constituency safer?

Katherine Fletcher: My hon. Friend is a fantastic champion for her rural communities and villages. We know that inappropriate speed is particularly significant, and speed limits are one tool to address that. We believe that local transport authorities are best placed to know their local areas, so the Department for Transport has rightly given the power to vary speed limits to them and issued guidance to support them in striking the balance between safety, the data, enforcement and other factors when making those decisions. I am happy to write to her with further details.

Mr Speaker: I call Alex Sobel.

Alex Sobel (Leeds North West) (Lab/Co-op): Thank you, Mr Speaker: I was beginning to lose hope.

The previous Prime Minister made a promise on Northern Powerhouse Rail, but when the announcement came it did not include a new line. This Prime Minister has made a promise on Northern Powerhouse Rail, but will we see a new line between Leeds and Manchester via Bradford that is not an upgrade of the trans-Pennine line; when will the funding be delivered; and when will spades go in the ground? We need that line for the growth that the Government want to see.

Kevin Foster: I am delighted to note the support from the Opposition for the statement that the Prime Minister made last week, as I am sure she will be. We will certainly make sure that we set out in detail soon, having engaged with those in the region who have a clear interest in the detail of the plan and how we ensure that we deliver the many benefits that project will bring at the same time as minimising the impact of construction.

Scott Benton (Blackpool South) (Con): Creating a passing loop on the South Fylde line would double the number of trains coming into south Blackpool every hour, assisting businesses such as Blackpool Pleasure Beach to create new jobs and investment. Will the new Minister meet me and my hon. Friend the Member for Fylde (Mark Menzies) to discuss the opportunities that could deliver?

Mr Speaker: A quick yes will do.

Kevin Foster: Yes.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): Over the summer my constituents experienced atrocious service from local bus companies, with elderly and frail constituents forced to wait for hours at bus stops without knowing whether a bus was coming or not. Will the Minister with responsibility for buses, and my neighbour the Secretary of State, meet me so we can sort out at least an acceptable bus service for my constituents?

Lucy Frazer: The Secretary of State would be happy to meet the hon. Lady, and I am sure the buses Minister would be too.

John Glen (Salisbury) (Con): I thank the Secretary of State for reaching out to me in the early days in her new role. I urge her to make a final, binding decision on the

tunnel at Stonehenge on the A303. We have been waiting nearly eight years for a definitive statement and I would welcome a decision by the end of this month.

Katherine Fletcher: I thank my hon. Friend for his question. I read a weighty document on the A303 recently, and perhaps we can meet to discuss it in more detail.

Mike Amesbury (Weaver Vale) (Lab): I welcome the new Ministers to their places. What recent discussions has the Secretary of State had with the Secretary of State for Levelling Up, Housing and Communities about the excellent Winnington bridge and transport corridor round 2 bid?

Kevin Foster: We are always keen to hear positive proposals to help to level up our communities, and we meet regularly with ministerial colleagues. I am particularly passionate about the role rail will play in levelling up, but roads and other aspects are important as we make sure that communities get the investment they deserve.

Helen Whately (Faversham and Mid Kent) (Con): Whenever there is a major delay at the channel crossings in Kent, motorways in my constituency are turned into lorry parks and Kent comes to a standstill. The fact is that Kent is carrying the can for a gap in our national infrastructure. May I urge my right hon. Friend to work with Kent MPs on this problem and be the Transport Secretary who solves it?

Lucy Frazer: I am pleased to have had a brief discussion with my hon. Friend about the importance of Kent and queues in relation to Kent, Dover and the borders. I am very happy to meet the Kent MPs, and I am sure the Secretary of State will be fully engaged in this issue.

Edenfield Centre: Treatment of Patients

Mr Speaker: I wish to notify Members that the police have launched an investigation into the allegation of misconduct at the Edenfield Centre. I therefore encourage Members to refrain from comments that may prejudice either the police's ongoing investigation or any subsequent legal proceedings that may result from it.

10.35 am

Christian Wakeford (Bury South) (Lab) (*Urgent Question*): To ask the Secretary of State for Health and Social Care if she will make a statement on the treatment of patients at the Edenfield Centre.

The Minister of State, Department of Health and Social Care (Will Quince): I am grateful to my hon. Friend for this important question. Like him, I have been horrified by the treatment of vulnerable people at the Edenfield Centre, which has been brought to light by undercover reporting from the BBC. There is no doubt that these incidents are completely unacceptable. The Under-Secretary of State for Health and Social Care, my hon. Friend for Sleaford and North Hykeham (Dr Johnson), has met the Greater Manchester Mental Health NHS Foundation Trust, and a number of steps are being taken.

As a matter of first priority, my Department is working with the trust to ensure that all affected patients are safe, and a multidisciplinary team has completed clinical reviews of all patients. Secondly, a significant number of staff have been suspended pending further investigation. Thirdly, the trust has agreed that there will be an independent investigation into the services provided at the Edenfield Centre. Fourthly, Greater Manchester police are investigating the material presented by BBC "Panorama". For that reason, as you rightly pointed out, Mr Speaker, I will not be commenting on the specifics of the case. The trust will continue to work closely and collaborate with local and national partners, including NHS England, the Care Quality Commission, the police and, of course, my Department.

These are important first steps, but they are by no means the last. There are serious questions that need to be answered, especially in the light of other recent scandals. I want to put on record my thanks to the whistleblowers, to the BBC and, above all else, the patients and families who have been so grievously affected. Anyone receiving mental health treatment is entitled to dignity and respect. On that principle there can be no compromise, and this Government will work with whoever it takes to put this right.

Christian Wakeford: Thank you for granting this urgent question, Mr Speaker. It has been 15 days since "Panorama" aired the deeply distressing scenes from the Edenfield Centre in my constituency, which brought tears across the country, including my own, yet we have heard nothing from the Department. The programme showed some of the most vulnerable people in society being physically abused and goaded, sexualised behaviour from staff to patients, falsifying of medical records and patients locked in isolation for months on end. Seclusion seemed to be used for the convenience of staff, rather than as punishment. All this happened while the CQC was on site and did not issue a notice; it even praised bosses.

I have received an unprecedented amount of correspondence from individuals who have worked at the Edenfield Centre in the past or families with relatives there now or in the past. They all speak of failings of leadership, along with a culture of bullying. I have spoken with the families of those featured in the programme, and they advise that they are still being blocked from contacting their relatives, who are desperate to move out of the Edenfield Centre, and some are even still in seclusion. I pay tribute to Alan Haslam, who went undercover for three months. He received a crash course and was thrown in to care for these incredibly vulnerable people, many with complex needs.

What is the Minister doing to address the issue of sufficient training levels in the NHS for those providing mental health care? Can he outline how much additional funding the Government are giving the NHS for mental health services? Will he apologise to those families for what happened at Edenfield and support my call for a public inquiry, as Edenfield cannot be trusted to mark its own homework? Finally, will he outline how he is ensuring that the correct care is being given to those featured in the programme, such as Olivia and Harley, who desperately need it, and how the families will get the justice they deserve?

Will Quince: I thank my hon. Friend for his further question. I know that he has met the Under-Secretary, NHS England and the trust, and has had an opportunity to ask questions. On his points on training, I suggest he has a further meeting with my colleague at the Department, who has responsibility for mental health, so that she can set out those plans.

My hon. Friend asked whether I will apologise to the patients and their families. Of course, I will do so unequivocally. It should not have happened, and it is our role as Ministers—in fact, it is the role of all those who work in the NHS—to do all we possibly can to prevent it from happening again. He asked for an independent inquiry, and I believe it does the meet the threshold for that.

Finally, my hon. Friend mentioned NHS funding. The NHS long-term plan commits to investing at least an additional £2.3 billion a year, which takes the total to about £15 billion last year, and there is an additional £10 million for winter pressure this year.

Andrew Selous (South West Bedfordshire) (Con): I have a terrible feeling of déjà vu because I remember standing on a previous statement on an issue such as this, and here we are again. We are talking about the most vulnerable people, who cannot tell their own story, so I want to ask the Minister, who I know cares deeply about these issues, what more we can do to provide the proactive, independent evidence by any means necessary so that we nip this sort of behaviour in the bud. We have to care for these people, and I think that the overwhelmingly decent workforce in this industry will be equally appalled about what has happened in the Edenfield Centre. Will the Minister think about independent, verifiable, proactive evidence to stop this from continuing to happen?

Will Quince: I thank my hon. Friend for his question, and he is absolutely right that patients and their families deserve and indeed expect the highest standards of care quality. Safe services are by no means—never, in fact—

optional extras, and where there are failures to deliver to those standards, we must continue to be transparent so that we can learn and improve. Whether it is in the CQC or local trusts, I know that the Under-Secretary, my hon. Friend the Member for Sleaford and North Hykeham, will look at any and all options to improve transparency, and to make it far clearer where cases of this nature do take place. He is also absolutely right to point out that the vast, vast majority of those who work in our NHS provide the most incredible world-class care, and where they are let down by a tiny number of individuals, as they have been in this case, such people are letting down everyone who works in the NHS.

Mr Speaker: I call the shadow Minister.

Dr Rosena Allin-Khan (Tooting) (Lab): I thank my hon. Friend the Member for Bury South (Christian Wakeford) for his work with the families who have been affected.

I want to pick up on a point of clarification, if I may. The Minister mentioned in his response that the Government are putting an additional £2.3 billion into mental health. Over the last four years, 21 different Ministers have mentioned this same funding at that Dispatch Box on 67 different occasions as being spent in myriad different ways. I know that the Government are on the ropes, but this just shows that they are out of ideas and out of money.

Patients and their families rightly expect to be safe in in-patient settings. The footage of inappropriate use of restraint and seclusion, the bullying, dehumanisation and sexualisation of patients by staff, the verbal and physical abuse, mistakes over medication and falsification of records all made for extremely disturbing viewing. Each of these would be cause for significant concern, but together they point to a scandalous breach of patient safety. It should not have taken an undercover investigation to bring to light poor patient care. Why are the Government not across this?

Since “Panorama” aired, I too have received correspondence from families who have gone through similar experiences and from former staff at Edenfield who were bullied out of their jobs. What are the Government doing to tackle this toxic culture? The Government’s failure to learn from past failings, and to implement recommendations on reducing restraint, segregation and seclusion, is costing people their lives and traumatising too many patients, as evidenced in these reports. I sent a letter to the Secretary of State after “Panorama” aired. When will I receive a response? Is the Secretary of State even taking this seriously?

In 2019, the Government committed to reducing the need for restraint and restrictive intervention, yet the use of restraint has soared. Will the Government be conducting a rapid review into mental health in-patient services? What are the Government doing to tackle staff shortages, and what are they doing to ensure that patients’ complaints about their care are taken seriously? To have a “Dispatches” investigation into another trust less than two weeks after “Panorama” aired demonstrates that this is not a one-off. What are the Government doing? People are losing their lives.

Mr Speaker: Order. May I remind Front Benchers that we have set times? Please time your speech before you come to the Dispatch Box, otherwise it is not fair.

Will Quince: The Government are absolutely committed to ensuring that all patients receive safe and high-quality care in all settings. As the hon. Lady pointed out, we are investing more than ever before in NHS mental health services through the NHS long-term plan, which will see an additional £2.3 billion in funding per year by 2023-24.

The hon. Lady asked what work is underway. There is work under way at a national level to improve the way we safeguard patients and ensure they receive high-quality care through a new mental health safety improvement programme, which has set up new mental health patient safety networks across all regions in England. We are reviewing everyone with a learning disability and all autistic people in long-term segregation in a mental health in-patient hospital. The Care Quality Commission is introducing a new approach to inspections from next year, which will be more data driven and targeted, and we have commenced the Mental Health Units (Use of Force) Act 2018.

I can absolutely assure all hon. Members that this Government will continue to work with our partners across the NHS, social care and other sectors to consider what more action is needed to tackle toxic and closed cultures, looking at the available evidence base and, most importantly, hearing from the people affected and their families.

Barbara Keeley (Worsley and Eccles South) (Lab): NHS guidance has been clear for many years that abuse of this kind, including punitive seclusion and overuse of restraint, should never be allowed, yet it has persisted, as other hon. Members have said, including at Winterbourne View, Whorlton Hall, Cygnet Yew Trees, Cawston Park and now the Edenfield Centre. There will be other places, too, that have not had media attention, but where families of patients are seeing abuse and have no mechanisms to change things.

Harley is a young autistic woman who was detained at the Edenfield Centre and experienced punitive seclusion for weeks at a time. She said in the programme:

“Staff provoke a patient and then my reaction is used against me. But they’re provoking us. It’s disgusting. I’ve been treated like I’m an animal.”

There are over 2,000 autistic people and people with learning disabilities locked in inappropriate in-patient units in this country, often for 10 years or more. The policy of the use of inappropriate in-patient units for autistic people and people with learning disabilities is a choice. They could have support in the community with skilled and experienced staff. Will the Minister promise to end the culture of abuse for Harley and so many people like her?

Will Quince: The hon. Lady is right. I believe what I saw to be disgusting too. She specifically referenced those with learning disabilities and autistic people in long-term segregation. NHS England is undertaking independently chaired care education and treatment reviews for everyone with a learning disability and all autistic people in long-term segregation in mental health in-patient hospitals. A senior intervenor pilot is also underway. These actions will help support people in long-term segregation to move to a less restrictive setting or to leave hospital. A programme of safety and wellbeing reviews for the care and safety of people with learning

[Will Quince]

disabilities and autistic people is now complete, and NHS England will be publishing the findings of a national thematic review later this year.

Steve Double (St Austell and Newquay) (Con): Recruiting the right staff is key to providing the right mental health support. I know from conversations I have had with providers in Cornwall that they are facing a huge challenge in recruiting staff. Will the Minister lay out what steps the Government are taking to attract more of the right people to work in mental health provision?

Will Quince: I thank my hon. Friend for his question. We know this issue is not exclusive to mental health practitioners, and it can be a particular challenge in rural, remote and coastal areas. The Secretary of State is currently working on a workforce plan, which we hope to publish in due course. Talking more broadly about those working in mental health in the NHS, as raised by the hon. Member for Tooting (Dr Allin-Khan), we have 6,900 more mental health professionals in the workforce than in 2021, which is a 5.4% increase since then and a 12.2% increase on June 2010.

Mike Kane (Wythenshawe and Sale East) (Lab): Jemima Burnage, the interim director of mental health at the CQC, described the BBC's footage of the Edenfield Centre as "appalling, inhumane and degrading". The people of Greater Manchester deserve better than that. Does the Minister therefore agree with local authority calls for a public inquiry?

Will Quince: Having seen some of the footage, it is hard for me to disagree with the words that the hon. Gentleman has used. I know that the Greater Manchester Mental Health NHS Foundation Trust has already identified and suspended staff involved in the behaviour at Edenfield that was revealed in that documentary, the police have launched an investigation into the allegations, and disciplinary proceedings have now commenced post broadcast. As I said, does that meet the threshold for an independent inquiry? My view is that it does.

Munira Wilson (Twickenham) (LD): As this shocking investigation shows, the Mental Health Act 1983 often leaves vulnerable people at risk of cruelty and a distinct lack of care, and too many people have endured poor treatment or been detained for many years against their wishes. Reform of the 40-year-old Act is long overdue. We had the Wessely review back in 2018 and the White Paper in 2021. When will we see legislation come to the Floor of the House so that we can finally get that overdue reform?

Will Quince: I thank the hon. Lady for her question. I understand that a Bill to reform the Mental Health Act is in the Lords. I cannot give her a further update on that as I am not the responsible Minister, but it is important to stress that it is part of a number of measures that the Government have taken to improve on some of the challenges that she rightly pointed out. Whether that is the use of force Act, the NHS patient safety strategy, the mental health safety improvement programme, the patient safety networks that I mentioned, the new requirement for learning disability and autism

training for staff or the HOPE(S) model, a lot is going on. I know that the Under-Secretary of State for Health and Social Care, my hon. Friend the Member for Sleaford and North Hykeham (Dr Johnson), will be happy to meet her to update her further.

Justin Madders (Ellesmere Port and Neston) (Lab): If a test of the Government is how the most vulnerable in society are protected, I am afraid that this is yet another failure—as has been said, this is not the first time that it has happened. The CQC inspected the trust only a couple of months before the documentary was aired, which raises serious questions about the efficacy of CQC inspections. What challenge has it been given about its findings?

Will Quince: I thank the hon. Gentleman for his question. As a former Children's Minister who every week read the serious incident notification report, I am a little bit disappointed in it for one reason. I mentioned some of the steps that the Government are taking, and yes, we always need to do more, but no Government can ever legislate for or produce procedure or guidance that will stop anyone who is not acting with empathy and kindness. In this case, we have seen some of the most horrific abuse. No Government can legislate to stop that, but we must do all in our power to identify it and prevent it. The CQC has an important role in that. My understanding is that, as soon as a whistleblower brought the matter to its attention, it investigated. We then understand that there was the BBC investigation. Of course, we will look at how the CQC responded and hold it to account.

Barry Gardiner (Brent North) (Lab): What was the earliest date on which a whistleblower or member of a family contacted either the Department or the CQC? With respect to what the Minister said about the CQC, given that we have repeatedly seen such degrading behaviour at Winterbourne View and other places, what confidence does he have that it can assure the public that care is being given at the quality that is required?

Will Quince: On the hon. Member's first question, I am a little cautious only because I am not the responsible Minister, but my understanding—I have not heard this at first hand—is that the first whistleblower complaint was made around Easter. I know that the Under-Secretary of State for Health and Social Care, my hon. Friend the Member for Sleaford and North Hykeham, will write to him on the specifics about the point at which the CQC was first notified.

Is this in any way acceptable? The answer is no. Do we therefore need to look at processes and how the CQC investigated, how it acts and its ability to identify? Yes, of course we do. But, in the same way, going back to my time as Children and Families Minister, I know that when people act in a way in which they know they should not, they deliberately hide that from the authorities and investigative bodies. So we do need to cut the CQC a little bit of slack, because this is often not in plain sight. Where it is, it is easier to identify. However, the hon. Member is right that where there is a whistleblower complaint, we must act, and we must act swiftly.

Rachel Hopkins (Luton South) (Lab): We hear far too often of staff being completely overstretched, with far too many vacancies in mental health services. That

was cited as one of the factors in the Edenfield scandal, but it is all too common. The Government were happy to clap for key worker staff, but they refuse to treat them with dignity and respect. Labour has pledged to invest in the NHS mental health workforce. We will recruit 8,500 extra staff. Why will the Minister not make the same commitment?

Will Quince: We are absolutely fully committed to attracting, training and recruiting the mental health workforce of the future. Through our plans set out in “Implementing the Five Year Forward View for Mental Health” and “Stepping Forward to 2020/21: the mental health workforce plan for England”, we have expanded and diversified the types of roles available. The hon. Lady asks us for our plans. Our aim is an additional 27,000 mental health professionals in the workforce by 2023-24 to deliver the transformation of mental health services in England that we all want to see.

Jim Shannon (Strangford) (DUP): I thank the Minister for his answers, and I welcome him to his place. Having seen a very similar issue with the treatment of vulnerable patients in Muckamore Abbey Hospital in Northern Ireland, it would appear that how we balance the safety of staff with the treatment of patients needs an overhaul, and that must be UK-wide. Will the Minister make contact with the devolved Administrations, in particular the Northern Ireland Assembly, to ensure that lessons learned can be lessons shared for the safety of patients, but also for staff who have to deal with these things throughout the whole of the United Kingdom of Great Britain and Northern Ireland?

Will Quince: The hon. Gentleman is absolutely right. There is no monopoly on best practice and where it does exist, we have to ensure it is shared. Where we identify the very poorest practice, we must ensure the lessons are learnt not just in England, but across our United Kingdom.

Business of the House

10.56 am

Thangam Debbonaire (Bristol West) (Lab): Will the Leader of the House give us the forthcoming business?

The Leader of the House of Commons (Penny Mordaunt): May I start by associating myself with the many remembrances and tributes that have been paid to our dearly missed late colleague, Sir David Amess? Mr Speaker, I hope you will allow me to say that of the many organisations Sir David supported, perhaps the best known is the Music Man Project. Next week will see the first ever live performance of its new Christmas single, the first record it has ever produced. In its efforts, it is being supported by a little-known backing group called the Royal Marines Band. I hope all Members will buy a copy of the single and support this amazing cause.

The business for the week commencing 17 October will include:

MONDAY 17 OCTOBER—Subject to the House agreeing a motion on today’s Order Paper, the House will sit from 2 pm in order for any Members who wish to take the oath or make the affirmation to do so. Oral questions will then take place in the usual way from 2.30 pm, followed by consideration of an allocation of time motion, followed by all stages of the Energy Prices Bill.

TUESDAY 18 OCTOBER—Remaining stages of the Public Order Bill, followed by consideration of a motion relating to the Committee on Standards reports into the code of conduct and its recommendation relating to appeals and a procedural protocol in the House’s conduct system.

WEDNESDAY 19 OCTOBER—Opposition day (5th allotted day). Debate on a motion in the name of the official Opposition. Subject to be announced.

THURSDAY 20 OCTOBER—Debate on a motion on NHS dentistry, followed by a general debate on investing in the future of motor neurone disease. The subjects for these debates were determined by the Backbench Business Committee.

FRIDAY 21 OCTOBER—Private Members’ Bills.

The provisional business for the week commencing 24 October includes:

MONDAY 24 OCTOBER—Consideration of out-of-turn supplementary estimates relating to HM Treasury and the Department for Business, Energy and Industrial Strategy, followed by proceedings on the Supply and Appropriation (Adjustments) Bill, followed by consideration of a resolution relating to stamp duty land tax (reduction), followed by all stages of the Stamp Duty Land Tax (Reduction) Bill.

Thangam Debbonaire: I thank the Leader of the House for the forthcoming business, and I join her and Members across the House in their tributes to our lost friend, David Amess, who will be very much in our thoughts in the coming days.

I am glad that yesterday’s motion on proxy voting seems to have inspired the right hon. Lady to press ahead with other important matters of House business, such as the Standards Committee recommendations on the Members’ code of conduct, which I have been calling on the Government to introduce for months—and now here it is. But, as with everything from this Government,

[*Thangam Debbonaire*]

it is half-baked. It appears that they are planning to bring in only the bits on appeals. Why? Will she tell us which of the other recommendations to raise standards for MPs she does not like? Is it the one about banning MPs from doing paid consultancy work? We know the reputational damage that has caused to Parliament recently. Is it the one about increasing the transparency of Members' interests? Or are they just planning to shelve these measures altogether? Have they simply given up on standards in public life?

Despite the hard work of civil servants, Members continue to raise with me the long delays and inadequate responses that they experience when making representations to the Home Office on our constituents' behalf. The Department said that it aims to answer all queries by the end of February 2023 and to return to its 20-day service standard by March. That is not good enough. It is important that Ministers provide MPs with the timely, quality responses that we are entitled to and that our constituents deserve. I have written to the Leader of the House on that issue and I look forward to receiving a response addressing my concerns, including the impact on our staff workload and our constituents' lives. Will she talk to the Home Secretary about the importance of providing responses to MPs?

It is a pleasure to be back at business questions after party conference season. I hope that the right hon. Lady was watching the Labour conference as closely as I was keeping an eye on hers. It looks like she had a great time, all things considered. It is amazing what can get you cheers and applause at a Tory fringe event these days. I think I saw the right hon. Lady saying, "Our policies are great but our comms are sh—shocking"; let us go with that to keep it parliamentary. On comms, I agree, but people across the country know that her Government's policies are sh—shocking too; I might as well make it work twice. Government Ministers know that themselves or they would not keep U-turning on them. It has been one policy for the pre-record and another for the time it is broadcast.

If only the Government had listened to Labour, because just before the Chancellor's mini-Budget turned into a major disaster, I asked the Leader of the House whether Members could receive economic briefing papers and an independent Office for Budget Responsibility forecast, and have a proper chance to scrutinise the Chancellor's tax cuts for the richest 1%. Labour does not ask for those things just for the sake of it; we are His Majesty's loyal Opposition and it is our job to hold the Government to account on behalf of the people we all serve. It is the role of the House to examine and scrutinise the work of Government.

As the House's representative in Government, has the right hon. Lady made that point to the Prime Minister and the Chancellor? Have the Government learned? Will they publish the OBR document as soon as they get it? Can the Leader of the House guarantee that her Government will never again seek to swerve scrutiny in such a catastrophic way that working people are left to pick up the Government's very expensive bill?

"Funereal" and "unspeakably bleak"—just some of last night's savage stream of consciousness flowing from the 1922 Committee of Tory Back Benchers. Oh dear, oh dear. The country's economic outlook is almost as

grim as the faces on the Government Benches during Prime Minister's questions. The Leader of the House could not even muster a nod for her Prime Minister, and why would she? They have crashed the economy, sent mortgages and prices sky-high and damaged the UK's reputation on the world stage, and we are all left paying the price. This is a Tory crisis made in Downing Street. The Government must end this "roll the dice" economics, reverse their Budget and abandon their failed trickle-down approach, because only Labour—the party of sound money—will get this country back on track and deliver a fresh start for the British people.

Penny Mordaunt: First, let me address the hon. Lady's comments about my facial expressions: my resting face is that of a bulldog chewing a wasp, and people should not read too much into that.

Let me address the hon. Lady's questions. The motion next week will focus on appeals, but I will also update the House about other measures. It is not that we are not doing them; it is just that we particularly want to press ahead with the appeals issue. A lot of my work has focused on ensuring that we can do something swiftly about the declarations issue. I have already spoken to the Chair of the Standards Committee about it, and we are bringing other things forward, including a motion on Tuesday's Order Paper about the Parliamentary Commissioner for Standards.

I completely agree with the hon. Lady about questions, and particularly about the issues at the Home Office. I have already raised the matter with the Home Secretary; on receiving her letter, I summoned the permanent secretary to come and see me to discuss the matter in detail. I know that it is a concern for many Members of the House. We need to ensure that the Home Office can meet demand.

I am guilty as charged: I was playing to the crowd as I was addressing a room full of communications professionals. That was my profession in a former life, and they always get the blame for things, even when it is not their fault.

With regard to the other issues that the hon. Lady raises, our prime concern in this Government is to deliver for the people of this country. That means delivering the Prime Minister's plan of modernising our economy, tackling people's priorities on the cost of living, ensuring that they can get access to healthcare and supporting business. We are facing unprecedented challenges, particularly the war in Ukraine, which is not just a war against the people of Ukraine but an economic war against every hospital, every school, every business and every household in this country. We are determined to win that war.

With regard to our record—against a backdrop of having no money left when we came into office, I remind Opposition Members—we are the party that has held down fuel duty, has introduced a living wage and has created a modern welfare system that saw millions through the pandemic. Labour's legacy systems would have collapsed. In this Parliament, we are investing £4 billion in skills. We have introduced T-levels. We have doubled free childcare. We introduced the triple lock. Millions of households will be getting direct payments to protect the most vulnerable this winter. We have modernised the universal credit taper rate and provided £1,400, on average, to help households to combat rising

energy prices. We have made the largest cash investment in affordable housing for a decade. We introduced the Tenant Fees Act 2019. Those are all things that protect vulnerable people.

Our record is nearly 4 million people back in work since 2010, unemployment halved, 2 million more women in work and 1 million more disabled people in work. [HON. MEMBERS: "More!"] I shall not indulge myself any longer, but that is the Conservatives' record. It is Labour and those on the Opposition Benches who are anti-more money in your pocket, anti-better public services and anti-protecting the most vulnerable. It is the anti-growth coalition whose—[*Interruption.*]

Mr Speaker: Order. If Members are enjoying this, they should try to be restrained in their enjoyment. If not, that cup of tea awaits them very soon.

Penny Mordaunt: I just want to conclude by saying that it is the anti-growth coalition whose policies are sh—shocking.

Alexander Stafford (Rother Valley) (Con): My right hon. Friend will be aware of the fire burning for over five weeks at Kiveton Park industrial estate in Rother Valley. It is having an impact on local residents, creating fumes and choking smoke that is affecting their everyday life. The burning 100,000-tonne, 30-metre-high waste pile is being tackled by firefighters as we speak, but they are in desperate need of more heavy machinery to aid them. Will my right hon. Friend ask the Environment Agency to direct more plant machinery to the fire service in Kiveton Park as a matter of urgency? What does she advise regarding avenues of compensation for my residents, who have endured this hellish situation for so long?

Penny Mordaunt: I thank my hon. Friend for raising this terrible situation. I understand that the Environment Agency has several pieces of machinery on site to assist, and that operators have been working on the site since Friday to break apart waste so that they can get water to the site of the fire. I will pass on my hon. Friend's concerns to the several relevant Departments that could assist. I ask him to keep my office posted so we can ensure that he gets swift responses and that we are able to help in this appalling situation. I thank him for raising it.

Mr Speaker: I call the Scottish National party spokesperson, Deidre Brock.

Deidre Brock (Edinburgh North and Leith) (SNP): Let me begin by associating myself with the comments of the Leader of the House about Sir David Amess.

We are struggling through particularly difficult days, and the Prime Minister's desperate deflection from the topic of the economic crisis, and her Business Secretary's refusal even to admit that the dramatic crash just after the mini-Budget had anything to do with it, fail to reassure. However, this was also a week in which Tory politicians clutched their pearls in horror to discover that many people in the UK—including our First Minister in Scotland—do not like the fact that they support a party whose increasingly chaotic mismanagement and cold-hearted political ideology are viewed with utter abhorrence.

It seems that this blindness to reality goes all the way to the top. In her conference speech, the Prime Minister said:

"I know what it is like to live somewhere that isn't feeling the benefits of economic growth. I grew up in Paisley and in Leeds in the 80s and 90s. I have seen the boarded-up shops...I have seen families struggling to put food on the table."

That was an odd reference, given that those were of course the days of the Government of her hero, the late Margaret Thatcher—although, as she seems intent on returning us to those days, perhaps not. After all, this Government are threatening "iron discipline" on spending and "difficult decisions" coming down the line. May we therefore have a debate entitled "Economic History: Lessons Learned"? I understand that the Chancellor studied that subject at Cambridge; I think it is about time he had a refresher.

This week sees the start of the independence referendum Supreme Court case. I note that back in June 2014, before the last independence referendum, the Scotland Office issued a research and analysis sheet on the Scots' personal finance, which stated:

"As part of the UK, our savings are protected by UK-wide institutions and the costs of the essentials you spend money on—like energy and mortgage bills—are kept lower and more stable than they would otherwise be."

Just how far removed that is from where we find ourselves today would almost be funny were it not so frightening for our constituents. May we have a debate examining the promises—the vows, if you like—made to the Scottish people at the time of the last referendum which have let them down so badly, to ensure that they will not be misled again before the next one?

Penny Mordaunt: The hon. Lady has made an excellent suggestion for a debate. We could talk about the tax dividend that every Scottish household receives as a result of being part of the United Kingdom. We could talk about the various schemes that the UK Government have provided to support our people through the cost of living issues that we are facing—most recently, the enormous energy pricing package. We could also discuss the Scottish National party's record on drugs, on health, on education, even perhaps on bin collection; and finally, we could discuss SNP Members' total lack of self-awareness when it comes to their own tragic record.

Mrs Natalie Elphicke (Dover) (Con): Today the BBC journalists Michael Keohan and Colin Campbell released a shocking report on the channel crossings. It showed people smugglers selling their wares brazenly in the migrant camps and many children living in unsafe and dangerous conditions, as well as—this is breathtaking—a free French public bus service that migrants can use to travel directly from the camps to the Dunkirk departure beaches. Will my right hon. Friend allow a statement on the issue of tackling the small boat crossings and the Government's response in their work with France?

Penny Mordaunt: I thank my hon. Friend for raising this appalling matter. I have not seen the programme myself, but I have heard reports of it and I know that the Home Secretary will want to examine its findings. This is not just about border security in the UK; it is about the treatment of very vulnerable individuals, and also about the facilitation of crime. I am sure that the Home Secretary will want to look at this, and I will draw it, and my hon. Friend's comments, to her attention.

Mr Speaker: I call the Chair of the Backbench Business Committee, Ian Mearns.

Ian Mearns (Gateshead) (Lab): I thank the Leader of the House for her statement, and for announcing the Backbench Business debates for next Thursday, 20 October. If we are given the time, we have provisional offers on the stocks, for the following Thursday, of debates on a national food strategy and food security and on an independent review of children's social care.

Quite a number of businesses in a range of sectors in my constituency, and also, interestingly, from further afield, have asked me whether we can extract from the Government urgently needed information about exactly what help with energy bills will be available to them and when, as current deals come to an end or have already ended and they face potential rises of 600% or 700%, with no certainty about how that is to be sorted out. May we have an urgent statement to reassure businesses that wish to survive in order to grow now and into the future?

Finally, may I ask the Leader of the House to join me in celebrating Colleges Week? We will be celebrating the work of colleges across the country for the whole of next week.

Penny Mordaunt: Yes, I will join the hon. Gentleman in that, and I will be taking part in events next week to help all who do such an incredible job for people of all ages. I thank him for raising that and for bearing with me to make sure his Committee gets time, given the unusual start to this parliamentary term.

I will raise with the Secretary of State for Business, Energy and Industrial Strategy the issues that the hon. Gentleman mentioned. I know that many of the schemes the Government are bringing forward to assist businesses are very complicated, and the Secretary of State is doing a good job of explaining how they work. He is always open to holding sessions with Members of Parliament to talk them through that, as well as coming to this House to update Members.

Mr Peter Bone (Wellingborough) (Con): During the summer recess, I toured most Departments to discuss with civil servants why there is a failure—an abysmal failure, in some cases—by some Departments to respond to Members' parliamentary questions and correspondence. We also discussed the failure of some Departments to attend Select Committee meetings, and the leaking of information to the media before it is announced to Parliament.

I was ably assisted by the excellent staff in the Office of the Leader of the House of Commons, but I particularly thank Katie Hayman-Joyce, who had to listen to the same speech at least 15 times—[HON. MEMBERS: “What about us?”] You are paid to listen to me. Will the Leader of the House tell me whether the report that was going to be prepared and issued to every Department reminding them of best practice is still going to be issued, and if so, when?

Penny Mordaunt: I thank my hon. Friend for his question, because it affords me the opportunity to pay tribute to him. I had the benefit of his wisdom for only a few weeks, but he was of huge service to former Leaders of the House. The work that he did over the

summer, on behalf of Members of this House, with every single Department to identify why they are not delivering what we need was invaluable, and it will not be wasted. We will be bringing that forward and he will get full credit for it, because it is not something that I have done. I once again thank him for everything that he has helped to make happen, particularly during the very sad events of our loss of Her late Majesty the Queen.

Florence Eshalomi (Vauxhall) (Lab/Co-op): It was pleasing to hear the Prime Minister commit to ending section 21 notices, but when can we expect that to come fully into action? One of my constituents emailed me this morning. She has just been served with a section 21, meaning that her young family will go through the pain of being evicted from their property two weeks before Christmas, and she has a four-month-old baby. The family wanted a two-year lease so they could have security and raise their family. Will the Leader of the House urgently find time for us to discuss the issue and make sure the Bill is brought forward in this parliamentary session?

Penny Mordaunt: I am sorry to hear about the hon. Lady's constituency case, and I hope that in raising it on the Floor of the House, she will help to galvanise local services and support for that young family. I will raise with the relevant Department the issues she mentions, and I am sure that the Prime Minister will want these measures to be brought forward swiftly.

Lee Anderson (Ashfield) (Con): Now then, I thought things were bad in Ashfield when I was told by residents that one of the district councillors had gone to live in Wales, over 100 miles away, but my hon. Friend the Member for Bassetlaw (Brendan Clarke-Smith) has outdone me. He tells me that one of his lazy Labour councillors has been signed off sick until the next district council elections and has also emigrated to Australia. Local people need local representation, so does the Leader of the House agree that district councillors should not live “Home and Away”? Their constituents expect them to be good “Neighbours”, because everybody needs good neighbours.

Penny Mordaunt: I thank my hon. Friend for the amusing but serious point that he raises. It is very important that councillors, in particular those drawing a salary and expenses for their work, are there with their communities—although, with my experience of living in a Labour-controlled council area, I often understand why people would want to move away.

Wera Hobhouse (Bath) (LD): The Climate Change Committee has said that before the Government lift the moratorium on fracking, they must conduct “an in-depth independent review of the evidence” of its climate impact. When will the Government do that review, and will it be followed by a statement in this House?

Penny Mordaunt: I am sure that the Department will update the House on developments with regard to our energy policy and fracking. Our policy is based on evidence, and several reassurances have been given by the Prime Minister and Departments that fracking will not proceed without local consent.

Sir Mike Penning (Hemel Hempstead) (Con): I join you, Mr Speaker, in paying tribute to my two good friends, David and James, whom we lost a year ago.

May we have a debate on the way that local health authorities sometimes pull the wool over the eyes of Ministers and perhaps even mislead them in their letters? On 6 September, I got a letter thanking me for supporting a brand-new 18-storey tower block hospital in the middle of Watford. I have spent 20 years opposing that, so I was chewing a wasp. May we have a debate on how we can have honesty from Department of Health and Social Care officials and from trusts, so that Ministers can inform us in this House of the facts and not what the Department wants us to hear?

Penny Mordaunt: My right hon. Friend raises a serious point that I will raise on his behalf with both the Cabinet Office and the Department of Health and Social Care. May I also associate myself with the remarks that he made about our late colleague James Brokenshire?

Sara Britcliffe (Hyndburn) (Con): Numerous residents have contacted me this week about fireworks being set off at all hours of the night. As we come closer to bonfire night, will the Leader of the House allow a debate in Government time on antisocial behaviour and the use of fireworks, so that we can consider what we can do to strengthen legislation?

Penny Mordaunt: I thank my hon. Friend for raising the topic. I think it would make for a timely debate, and she will know how to go about securing one. There is already a comprehensive regulatory framework in place for fireworks, and we are determined to tackle all forms of antisocial behaviour, including fireworks being used as weapons. I will raise her concerns with my colleagues at the Department for Business, Energy and Industrial Strategy and the Home Office.

Andy McDonald (Middlesbrough) (Lab): Will the Leader of the House urge the Secretary of State for Environment, Food and Rural Affairs to come to the House next week and make a statement about the appalling ecological disaster that has blighted the east coast north and south of the Tees bay, with massive numbers of dead crustaceans washed up on our beaches? DEFRA says that it is naturally occurring algal bloom, but there is not a scientist or marine biologist worth their sea salt who buys any of that. We need an independent analysis and report that our communities can rely on. While she is at it, will she persuade the Tory Tees Valley Mayor, Ben Houchen, to stop pumping out false and misleading information about the quantity and content of capital industrial dredgings from the River Tees being dumped at sea?

Penny Mordaunt: I am very sorry to hear the hon. Gentleman's first point; no doubt that will be having an economic impact on his local area, so I will raise it with the Department and ask it to get in touch with his office. I think the local Mayor is doing a fantastic job. I know that he has the confidence of the business community and his constituents, which is why he keeps doing so well at the ballot box.

Bob Blackman (Harrow East) (Con): I am sure my right hon. Friend has seen widely circulated reports about the arrest of 24 men for having sex with a

13-year-old girl in Bradford. This follows a series of scandals, in Rotherham, Rochdale and other places, that have a common theme: a cultural problem of men thinking it is okay to groom young girls for the abuse of sex. It is clear we have a cultural problem, so may we have an urgent debate in Government time on how we will combat that and, in particular, how we will protect young girls who are in the care of local authorities?

Penny Mordaunt: I thank my hon. Friend for raising this appalling issue. I am sure all Members of this House would have been appalled to read some of the details of these cases involving very young girls having to go through the ordeal of not only sexual assault and rape, but it being done repeatedly, by multiple men. It is appalling. I encourage him to apply for a debate in the usual way, but I will also write to the Home Secretary and urge her to update the House on what more can be done to tackle this appalling situation.

Marion Fellows (Motherwell and Wishaw) (SNP): This is National Work Life Week, and the Business Disability Forum recommends that all businesses should embed this ethos into their organisations, to reduce stress-related absences, enhance employee wellbeing and improve workforce inclusion. May we have a debate in Government time on the benefits of work-life balance and the principle of work-life balance in its entirety?

Penny Mordaunt: I thank the hon. Lady for raising that important issue, in a timely week. She will know that the Government have focused very much on occupational health, on halving the disability employment gap and on ensuring that the welfare state and disability benefits, in particular, are very much more focused on mental health issues. So much of this is about prevention and wellbeing, and learning the lessons that we have learnt throughout the pandemic. I thank her for raising these issues and I will raise them with the Department of Health and Social Care.

Steve Double (St Austell and Newquay) (Con): On Tuesday evening, I had the huge privilege of being at Cornwall Airport Newquay for the arrival of Virgin Orbit's Cosmic Girl, the Boeing 747 converted for satellite launch. That is a major step forward towards fulfilling our ambition of launching the first satellites from UK soil—indeed, from European soil—later this year. This is a huge step forward in fulfilling our dream and it has the great opportunity to attract investment, economic growth and jobs of the future to Cornwall. Will the Leader of the House join me in congratulating all those involved in making this dream a reality? May we have a statement on the Government's ambitions and plans to support the UK space industry in the future?

Penny Mordaunt: I thank my hon. Friend for raising this issue and I join him in congratulating everyone who made that happen. I also thank him because he has been a doughty champion for this incredible growth sector in his county. We have a thriving sector, which is globally respected; about 47,000 jobs have been created in recent years to support it. Clearly, it is going to account for a growing number of exports as well. It is very exciting and I will certainly encourage the relevant Secretary of State to come to update the House.

Kate Green (Stretford and Urmston) (Lab): Will the Leader of the House arrange for the Work and Pensions Secretary to make a statement on what the Department is doing to tackle fraud and error in universal credit? I have seen what purports to be an internal DWP staff question and answer sheet listing what it describes as “workable” universal credit offences and advising staff that everything else should be “parked”. I know she will agree that our confidence in the social security system and the right of people to receive the support to which they are entitled depends on its being immune to fraud and error.

Penny Mordaunt: I will happily raise the issues the hon. Lady brings to the House’s attention with the Work and Pensions Secretary. The hon. Lady is right to say that the systems need to have integrity. Although there will always be some elements of fraud, especially at moments when people are trying to get money out the door in crisis situations, we always need to be wary about that. I know that this issue is taken very seriously by the new Secretary of State.

Andrew Jones (Harrogate and Knaresborough) (Con): I recently attended a meeting organised by a group in my constituency, the Knaresborough Anglers, that brought together parties interested in the water quality of the River Nidd. They are seeking bathing water status for parts of the river and I support their bid. The overwhelming majority of areas with designated bathing water status are coastal or lakes, with very few rivers included—in fact, I think the only river with such status may be in my native Ilkley—so may we have a debate on how we can establish more high-quality designated bathing areas in our rivers?

Penny Mordaunt: The River Nidd sounds absolutely delightful. I will certainly raise with the Department for Environment, Food and Rural Affairs the issues that my hon. Friend has raised. I wish him good luck with that bid; if he is backing it, I think it will be successful, because he has that reputation. If successful, the bid will no doubt bring economic benefit to the area, so I will certainly raise those issues. My hon. Friend will know very well how to apply for a debate in the usual way.

Christine Jardine (Edinburgh West) (LD): First, I thank the Leader of the House for and welcome her suggestion of a debate on the issues in Scotland; many of us who live in Scotland would relish the opportunity to question the SNP on its record—[HON. MEMBERS: “Hear, hear!”]

Secondly, we are currently in the midst of the airspace-management exercise and reshuffling, which is affecting every airport in the country. It is causing uncertainty for a great many constituents in my constituency and, I recognise, for those in the constituencies around Edinburgh West. Would it be possible to have a debate in the House on the progress of the airspace-management realignment and how it is affecting air transport as the sector tries to recover from the pandemic?

Penny Mordaunt: We have just had Transport questions so it might be a little while before the hon. Lady can raise the matter with the Secretary of State in that way. I will write to the Secretary of State on the hon. Lady’s behalf and encourage the provision of clarity, so that

people can be assured about what the future will look like. The hon. Lady will know that she can apply for a debate in the usual way.

Selaine Saxby (North Devon) (Con): Like me, my right hon. Friend represents a fabulous coastal constituency. So many communities around our coast face significant challenges. Remote Ilfracombe in my North Devon patch has seen a hotel close its doors and make 30 people redundant to become an asylum dispersal centre—before the Home Office has even confirmed that it will use it. This has created huge concern in a community that already has a life expectancy that is 10 years less than most of the county, and that has little public transport and few health facilities. This is not nimbyism—we are happy to help—but there are potentially more suitable locations nearer to the services that will be needed.

I remain concerned that along the coasts of Devon and Cornwall we increasingly have asylum seekers in hotels, key workers living in holiday parks and houses stood empty for more than half the year as second homes or holiday lets. Will my right hon. Friend consider the case for a coastal communities Minister, to begin to tackle our coastal housing needs and properly level up coastal communities?

Penny Mordaunt: I am sorry to hear about that situation. My hon. Friend is a fierce campaigner for bringing economic benefit to her local area and is very focused on quality of life for her constituents. The Under-Secretary of State for Levelling Up, Housing and Communities, my hon. Friend the Member for Bishop Auckland (Dehenna Davison) has that responsibility; I would be happy to facilitate a meeting between her and my hon. Friend. I ask my hon. Friend to keep me posted on progress in the matters she has raised.

Kevin Brennan (Cardiff West) (Lab): May we have a debate about the creation of an Ofsted-style inspectorate for Government Departments? Having spoken to colleagues from throughout the House, I have no doubt that were the Home Office to be inspected in such a way it would be found to be failing. I have been dealing with the Home Office recently in respect of a student who is trying to come to this country to study. They have their visa, everything is fine with the application and all has been done in time, but Home Office incompetence means the student is now probably not going to be able to start their course. Cardiff Metropolitan University tells me that it is not an isolated incident. Instead of doing things for dog-whistle purposes, such as reclassifying modern slavery as illegal immigration, as the Home Office is doing today, why does it not just get on with the job of running a modern and efficient immigration and visa system?

Penny Mordaunt: The Chancellor of the Duchy of Lancaster is doing that work. He is looking at the performance of Departments on these very important basic functions as we come out of the covid pandemic and making sure that people are being trained properly. That work is in hand and I will let the Chancellor of the Duchy of Lancaster know about the hon. Gentleman’s particular interests in that.

On the reclassification of modern slavery, this Government have done more than any other in history to tackle the scourge of modern slavery not just in the UK, but

through the UN. The reason for that reclassification is that the systems that are in place are being abused. We need to ensure that the resource, as the hon. Gentleman points out, is targeted at those who need the help, not at those who are trying to abuse the system.

Jason McCartney (Colne Valley) (Con): Last year, in England and Wales, 5,583 people tragically took their own lives. Each death was a tragedy for their family, their friends and their community. Suicide rates in England are as high now as they were 20 years ago. Can we have a debate on how the Government can work with charities such as the Samaritans, which I met at the party conference last week, and other local organisations to ensure that we reach the lowest ever recorded suicide rates to benefit us all?

Penny Mordaunt: I thank my hon. Friend for raising this important issue. I thank, too, all colleagues who, over the past week, have been sharing their own personal stories on this or stories of constituents' families who have lost a loved one through suicide. Suicide is the biggest killer in this country of young men, which is an absolute tragedy. We must do all we can to rectify that situation. I will ensure that the Secretary of State for Health and Social Care has heard what my hon. Friend has said today.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Madam Deputy Speaker, I know that you and the Leader of the House are passionate about women's rights, particularly women's rights at work. I wonder whether the Leader of the House can give me some advice on this—genuine advice. I have always been a great supporter of public service broadcasting. A man was convicted and imprisoned last week for trolling BBC staff for years. One of them was Liz Green, a constituent of mine in Huddersfield, who is so popular and dear to our hearts and is known by everyone. She and other women were trolled unmercifully. Their lives were ruined and disrupted, and the BBC gave them no support—no help at all. Is it not time to bring the Secretary of State for Digital, Culture, Media and Sport to this Chamber to discuss the matter? I am a passionate supporter of public broadcasting and what these women have suffered from the BBC is unacceptable.

Madam Deputy Speaker (Dame Rosie Winterton): It is quite important to keep the questions fairly brief so that we can get everyone in.

Penny Mordaunt: I shall try to keep the answers timely as well, Madam Deputy Speaker.

I thank the hon. Gentleman for raising this incredibly serious matter. I hope that all employers would have that duty of care and look after people. I have to say to all Members of this House that we have a responsibility, too, in how we conduct ourselves on social media. When we see colleagues suffering similar abuse, even if they are on the opposite side of the House, we have a duty to step in and ask that that desists.

Stephen Metcalfe (South Basildon and East Thurrock) (Con): Will the Leader of the House arrange an urgent debate in Government time on the Government's ambitious infrastructure plans, which include the controversial Lower Thames Crossing? That would give me an

opportunity to tell the Secretary of State about the impact that the project will have, the latest traffic modelling and its impact, the development consent order process, and the undervaluing of my constituents' properties.

Penny Mordaunt: I thank my hon. Friend for raising those issues. He will know that this new Administration will want to have a greater focus on building the right infrastructure. I encourage him to apply for a debate in the usual way, and I will make sure that a number of Departments hear what he has had to say today.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): The funeral was held yesterday for Ian Hamilton KC, who passed away at the age of 97 following a long and distinguished career as an advocate. Early-day motion 440 states:

[That this House mourns the passing of Ian Hamilton, KC, who has passed away at the age of 97; salutes his long and distinguished career as a member of the Faculty of Advocates and as one of Scotland pre-eminent criminal lawyers; notes his upbringing in Paisley as a the son of a tailor who went on to attend the John Neilson Institution in the town, before being called up for National Service and then to study at the University of Glasgow; celebrates his role in the liberation of the Stone of Scone, also known as the Stone of Destiny, on Christmas Eve 1950; welcomes his landmark achievement alongside Gavin Vernon, Kay Matheson, and Alan Stuart in securing the Stone and returning it to Scotland following its theft by Edward I of England in 1296; notes the work undertaken by monumental mason Bertie Gray of Glasgow following the Stone's liberation in making repairs to the Stone and making a number of copies of the Stone; acknowledges the return of a stone to Arbroath Abbey on 11th April 1951 from whence it was again taken from Scotland and installed in Westminster Abbey; celebrates Ian Hamilton's long service in campaigning for Scottish independence and the causes and ideals that were fundamental to him as a human being; and notes that while he will not see Scottish independence that the work he and many others have done over the decades have brought that achievement closer than ever.]

Ian will be remembered for his campaigning for Scottish independence and in particular for leading a team who, on Christmas Eve 1950, liberated the Stone of Scone or Stone of Destiny from Westminster Abbey. As a fitting tribute, considering how much this Government are trying to frustrate democracy through their arguments in the Supreme Court, will the Leader of the House find time for a debate on the UK and whether this Union is indeed voluntary for Scotland, Wales and Northern Ireland?

Penny Mordaunt: First, I join the hon. Gentleman in his sentiments in remembering the life of someone who was, I assume, his constituent as well as someone he greatly admired. I would, though, point out that it is people on the Government side of the House who have honoured the results of two referendums.

Julian Sturdy (York Outer) (Con): Could we please have a debate in Government time on the importance of doctors' surgeries for smaller, more rural communities? With Wheldrake surgery in my constituency having been closed now for a prolonged period and Stockton on the Forest surgery's reducing its opening hours to

[Julian Sturdy]

just two mornings a week, there is real concern that rural communities are not getting the access to primary care that they desperately need.

Penny Mordaunt: I am sorry to hear about the situation in my hon. Friend's constituency and thank him for raising it today; I will flag it with the Department of Health and Social Care. Clearly, the NHS is under great pressure because of backlogs from the pandemic. Patient education is important, and the whole local health team has a responsibility and can help people, but a large part of that is time with a general practitioner, and we need to ensure that those services are accessible by the local population.

Barbara Keeley (Worsley and Eccles South) (Lab): We have just had an urgent question on the abusive treatment of patients at a mental health in-patient unit. Since the scandal of Winterbourne View 11 years ago, we have had a series of reviews, targets and broken promises from the Government. What is so appalling is that, despite these abuses having been known about for more than a decade, nothing has changed to stop them happening. I understand that the Leader of the House cares about this issue and has had meetings with Ministers about it in the past, so can we now have a debate in Government time on how we might work finally to end the abuse, particularly for the 2,000 autistic people and people with learning disabilities who should be living in homes, not hospitals?

Penny Mordaunt: As the hon. Lady kindly says, I am personally very concerned about that issue—I know that all Members across the House are. It would be an excellent topic for a debate. In addition to the reports that Sir Stephen Bubb has produced on the issue, he has produced a plan of social capital available to enable the transition into more appropriate care services. I hope all hon. Members will agree—I hear my colleague on the Front Bench, my right hon. and learned Friend the Member for South Swindon (Sir Robert Buckland) agreeing—that this issue must be resolved.

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): At the weekend, Nicola Sturgeon, the First Minister of Scotland, made clear that she detests Conservative voters, who make up one in four people across Scotland. Does the Leader of the House agree that it would be worth while to hold a debate on the use of that kind of divisive and dangerous language in politics?

Penny Mordaunt: I have always thought that the people of the United Kingdom are kind, positive and tolerant. We stand up to bullies. We have lively political debate and different views, and that makes us stronger as a nation. I can tell my hon. Friend that, happily, in my experience, political movements based on hatred and division always fail as a consequence, because the British people are better than that. However, organisations that promote such hatred and dissent should be scrutinised.

Munira Wilson (Twickenham) (LD): One in five households with children are struggling with food insecurity, which means that families are skipping meals or going hungry because they simply cannot afford to buy food.

The Government's own adviser, a former health Minister and now the right hon. Member for Surrey Heath (Michael Gove) all agree that every child on universal credit should be eligible for a free school meal. Now that the Schools Bill appears to have been buried in the other place, will the Leader of the House provide Government time for a debate and, crucially, a vote on extending free school meals so that no child goes hungry at school?

Penny Mordaunt: The hon. Lady raises an important issue. The Government's record has been to extend free school meals, and in times of particular challenge and hardship that has been further enhanced. I will make sure that both the Department for Environment, Food and Rural Affairs and the Department for Education hear what she has said and encourage them to update her.

Karl McCartney (Lincoln) (Con): As a number of colleagues are sceptical about some of the Government's net zero policies and proposals, and have read the Fair Fuel and Centre for Economics and Business Research report published on Tuesday and realised that we will not replace 35 million-plus internal combustion engine vehicles with electric ones by 2030 or even 2050, will my right hon. Friend allow a debate on the future of fossil fuels and the potential benefits for my constituents and the nation's economy of synthetic fuel alternatives?

Penny Mordaunt: I thank my hon. Friend for raising the issue. We are committed to net zero and the legally binding targets, but the Prime Minister has been clear that that cannot be done at the expense of business and growth, or of energy security. I am sure that he will hear much more about our plans to reach net zero while taking those issues into account in a way that has not been done before. I encourage him to apply for a debate on the matter.

Holly Lynch (Halifax) (Lab): This autumn marks four years since the coming into effect of the protect the protectors Act, which sought to protect emergency workers from assault. In recent years, a small minority has increasingly felt that bonfire night means that laws do not apply and engaged in antisocial and violent behaviour. Will the Leader of the House arrange for a debate so that colleagues can bring their experiences to the Chamber and discuss all the ways in which we can make sure that our communities and emergency service workers are protected ahead of this year's bonfire night?

Penny Mordaunt: I thank the hon. Lady for the role that she played in bringing in that Act. She will know that we have also increased sentences for people who commit such offences. Earlier my hon. Friend the Member for Hyndburn (Sara Britcliffe) raised a similar issue, and I encourage the hon. Lady and my hon. Friend to get together and apply for a debate in the usual way. I shall make sure that the Home Office has heard what the hon. Lady has said.

Andrew Selous (South West Bedfordshire) (Con): May we have an urgent debate in Government time on green and sustainable growth, in which we can demonstrate that we are the best country in the G7 at reducing greenhouse gas emissions while producing significant growth, and that we really understand the power of both nature-based solutions and first-mover advantage in the new green clean industries of the future?

Penny Mordaunt: I thank my hon. Friend for raising the issue. We do have an incredible track record on this, and we want to improve on it and share our expertise with other nations. In addition to the Government's work, a plethora of organisations that are focused on nature, the environment and our national heritage are helping in that respect.

Owen Thompson (Midlothian) (SNP): Last night in Dundee, the Local Government Information Unit hosted the Scottish local government awards, which celebrate and recognise the huge efforts put in by local councillors across the country. In a great turn of fate, Midlothian's own deputy provost, Connor McManus, was given the award for young councillor of the year. Will the Leader of the House join me in congratulating Connor and the other award recipients last night, and may we have a debate in Government time to recognise the importance of local democracy?

Penny Mordaunt: I thank the hon. Gentleman and I am happy to join him in congratulating Connor and all the other winners. The hon. Gentleman will know that Democracy Week is not far away, and we shall be just as focused on local democracy during that time as we are on democracy in the House.

Scott Benton (Blackpool South) (Con): Residents in the Talbot and Brunswick area of Blackpool have been plagued by antisocial behaviour in recent weeks, with hundreds of different crimes being committed by a gang of teenagers. Its ringleader is an 11-year-old boy who has been responsible for more than 80 different offences, including assaulting a female police officer. Sadly the efforts of Lancashire police to bring him to justice have been compromised by Blackpool Council's children's directorate, which refuses to criminalise teenagers. May we have a debate on antisocial behaviour, the misery it causes to communities and whether the police have the appropriate powers to tackle the problems?

Penny Mordaunt: I thank my hon. Friend for raising this issue, and I am so sorry that his community are suffering from this antisocial behaviour and criminal activity. He will know that it takes a team of people to redress this situation—it is about education, it is about the local authority and it is about a good policing approach. This will be an excellent topic for a debate, and I encourage him to apply for one in the usual way.

Barry Gardiner (Brent North) (Lab): Some 15,626 families in my constituency are dependent on means-tested benefits. Failing to uprate benefits in line with prices may save the Government £3 million, but it will put those families in Brent North and millions like them across the country into deep debt and despair. Will the Leader of the House arrange for a debate in Government time on benefits uprating and on poverty this winter?

Penny Mordaunt: I thank the hon. Gentleman for raising that important issue. I encourage all Members to write to the Department for Work and Pensions and the Treasury on such matters and make their views known. Clearly there is a timetable for the uprating announcement, and we must wait for that, but I point him to our record in government, which is to support the most vulnerable and to create a modern welfare system that protects those people.

David Johnston (Wantage) (Con): Last week, 16-year-old Niamh came to see me about negative behaviour that she and her friends have been getting from boys and men, including rape jokes, which are dismissed by the adults around them as “boys will be boys.” She wants to campaign on this, and I will help her, but it seems pretty obvious that if boys are taught to respect girls, they will not grow up to be men who disrespect women. Can we have a debate on how we change attitudes in this area, not just our laws?

Penny Mordaunt: I know that my hon. Friend is very concerned about this and has done a huge amount of work on education and understands its importance. A debate is an excellent idea, and I encourage him to apply for one in the usual way. That is a way of not only raising the issue but sharing good practice and what works.

Chris Stephens (Glasgow South West) (SNP): I refer to my entry in the Register of Members' Financial Interests. The Prime Minister indicated yesterday that there would be no cuts to public spending, which will be welcomed by the 150,000 civil servants currently balloting for strike action. Can we have a debate in Government time on how we value public servants and ensure that there are no compulsory redundancies, no cuts to redundancy payouts and decent wages for those who keep this country's economic wheels turning?

Penny Mordaunt: We had a wonderful example earlier from my hon. Friend the Member for Wellingborough (Mr Bone), the former Deputy Leader of the House, appreciating the civil servants he worked for; I think we all do, whether we are in government or sat on the Opposition Benches. The hon. Gentleman will know that more information about the Government's economic programme will be brought forward on 31 October, but I encourage Members who have representations to make to write to the Treasury.

Dr Kieran Mullan (Crewe and Nantwich) (Con): Many of us know that noise nuisance can be a real blight to our constituents, especially when it is one of those local hums that plague the people who hear it. May I put on the record my thanks to Alistair Somerville, president of the Institute of Acoustics, and council member Peter Rogers, who have been helping to investigate the “Haslington hum” in my constituency?

Penny Mordaunt: I thank my hon. Friend for placing that on record. This is incredibly important work. I understand that the John Connell awards will be held next week in the Terrace Pavilion. Those awards support and recognise innovative ideas that have made a positive impact to reduce excessive noise, which is often a huge concern for our constituents.

Liz Twist (Blaydon) (Lab): Given that the Prime Minister has promised to deliver Northern Powerhouse Rail in full, can we have a debate in Government time on the component parts of Northern Powerhouse Rail, in particular the inclusion of the Leamside line, 21 miles of track which would bring huge opportunity to the north-east?

Penny Mordaunt: This is a hugely complex project with many parts, and the sequencing of each of them will be of huge interest to the hon. Lady and her constituents.

[Penny Mordaunt]

I will certainly ensure that the Secretary of State for Transport has heard what the hon. Lady said, and I encourage her to apply for a debate in the usual way.

Oliver Dowden (Hertsmere) (Con): We are very blessed in this nation to have world-class museums. They are museums of the world, and the world comes to them. One of the bulwarks they have against constant claims of restitution is both the British Museum Act 1963 and the National Heritage Act 1983, and I am aware that there will be a debate in the other place about changes to the 1983 Act. Can I ask the Leader of the House whether we can have a debate in this place so that Members have an opportunity to express their support for that legislation? Otherwise, those institutions risk facing a barrage of claims for restitution, some of which may be encouraged by virtue signalling. I can assure you, Madam Deputy Speaker, that if we allow this Pandora's box to open, we will regret it for generations to come as we see such artefacts being removed to countries where they may be less safe.

Penny Mordaunt: I thank my right hon. Friend for raising this issue, and there were many nods around the Chamber when he was speaking. I am aware that my noble Friend Lord Vaizey has a debate on this matter in the House of Lords, but I can tell my right hon. Friend that revisiting the National Heritage Act is not a priority for this Government.

Patrick Grady (Glasgow North) (Ind): Scotland is a nation of animal lovers, and constituents in Glasgow North want to see the highest standards of animal welfare and nature protection enforced across these islands. There is growing concern about the Government's intentions when it comes to improving such protections, so can the Leader of the House tell us when the Animal Welfare (Kept Animals) Bill will be brought back to this House for its Report stage?

Penny Mordaunt: Future business will be announced in the usual way, but I know that the new Secretary of State for Environment, Food and Rural Affairs is deeply concerned by these issues and wants to make good progress on them. I would just reassure the hon. Gentleman by asking him to look at our track record on a whole raft of issues on improving animal welfare not only in the UK, but also around the world.

Dr James Davies (Vale of Clwyd) (Con): As my right hon. Friend may be aware, I have long been a proponent of comparable and interoperable data in the NHS across the United Kingdom. The Data Protection and Digital Information Bill has the potential to bring this about, which could be very important for north Wales, so will she confirm when the Bill will return to the House?

Penny Mordaunt: Business will be announced in the usual way, but it is incredibly important that we are able to compare statistics, particularly between one part of the UK and another. For example—my right hon. Friend the Secretary of State for Wales is sitting on the Front Bench—I understand that in England one in 20 people are waiting more than a year for treatment, and in Wales the figure is one in four, and I think greater scrutiny of such comparisons should be encouraged.

Richard Burgon (Leeds East) (Lab): I of course welcome the Leader of the House to her place. Just 80,000 Conservative party members put the Prime Minister and her dangerous ideas into government, so can we be given the opportunity to have a debate on how we can further improve our democracy and democratic processes, and how the public can have a real say in securing a general election when it is clear that the Government have lost the confidence of the public, as is clearly the case with this one?

Penny Mordaunt: The democratic system under which we operate elects a team, and this team on the Government side of the House are pro-growth, pro-better public services and pro-getting our constituents through the cost of living issues they currently face. It seems to be successful, as we are approaching at the next election a potential fifth term in office. Teamwork is good, and I would commend it to the hon. Gentleman.

Layla Moran (Oxford West and Abingdon) (LD): The Leader of the House may be aware of my Non-Disclosure Agreements Bill, which is making its way through the House. It came about as the result of the harrowing stories of students at Oxford University who had not only been subject to sexual assault, but then felt forced to sign such clauses with their colleges. The thing is that NDAs are not just an issue for universities; they are happening in businesses, and they are even happening in our political parties and in Parliament. Would she consider helping me to have a meeting with the Home Secretary, who I see is in her place on the Treasury Bench? I had very constructive conversations with the former Home Secretary on this, and I would be extremely grateful for meetings with the new Ministers so that we do not lose the progress we have made on this incredibly important issue.

Penny Mordaunt: The Home Secretary's presence might spare me the need to write a letter, but I shall write one anyway. I thank the hon. Lady for the important work she is doing in this very serious area and I will ensure that those discussions take place.

Justin Madders (Ellesmere Port and Neston) (Lab): Further to the question raised earlier by my hon. Friend the Member for Wythenshawe and Sale East (Mike Kane) at Transport questions on the progress of the Insolvency Service actions against the directors of P&O for the sacking of 800 workers, the Secretary of State for Transport, the right hon. Member for Berwick-upon-Tweed (Anne-Marie Trevelyan), responded that that is a matter for the Insolvency Service. I understand that it is not the responsibility of the Department for Transport to monitor these prosecutions, but this is a matter of great public interest. Those sackings were unlawful and immoral, and the public want to know where the Insolvency Service is up to in its actions against those responsible. Will the responsible Department make a statement?

Penny Mordaunt: I shall pinpoint exactly where this sits in Government and write to those responsible to ensure that they have heard the hon. Gentleman's request. When the issue was at the forefront of the media agenda, every Member of this House was appalled by those practices, so I will ensure that the relevant Minister hears the hon. Gentleman's question and gets in touch with him.

Dave Doogan (Angus) (SNP): Many of us in this House will realise that when two elements of any partnership find themselves in court, that partnership is ultimately doomed. So it is with the United Kingdom, with Scotland debating its future in the Supreme Court. Nevertheless, I am certain that the Leader of the House will be wedded to the misnomer that this is a union of equals. If that is the case, may we have a debate in Government time about how one of those equals can dictate terms about the future of the other equal without their say-so? How on earth does that work?

Penny Mordaunt: I will not seek to educate the hon. Gentleman about the inaccuracies that he has just spouted on the Floor of the House. The Government are not the party that is not adhering to the democratic mandate of the people of this country and of the people of Scotland. It is the hon. Gentleman's party that is doing that.

Christian Wakeford (Bury South) (Lab): Raising benefits in line with inflation “makes sense”—powerful words with which I am sure everyone will agree. They were, of course, the words of the Leader of the House at the Conservative party conference. Does she still stand by those words and, if so, will the Government be following suit?

Penny Mordaunt: The hon. Gentleman will be more familiar than most with what my party has done to improve the welfare system. We are the party that has introduced the triple lock and ensured that we have a modern welfare system, and the amount of benefits going to particular groups—we mentioned those with mental health issues earlier—is vastly improved from when we took office. I point him to our record, with which he will be very familiar, because he helped us deliver some of it. He should wait for 31 October.

Alan Brown (Kilmarnock and Loudoun) (SNP): A constituent contacted me about the high income child benefit charge. Because he now earns more than £50,000 a year, he is liable to start paying that charge. He is not trying to get more money for himself, but he has contacted me because he sees how profoundly unfair the system is at the moment because it is based on one person earning over £50,000 triggering the charge. That means that a household where a single parent earns more than £50,000 pays the charge, but a household where two people earn £50,000 each, making a combined income of £100,000, gets the full child benefit payments. Will the Government provide a statement about a review into how this system operates? Can payments be calculated on the basis of joint household income, rather than one person's income triggering the charge? That could even be done on a revenue-neutral basis, covering a black hole in the Government's finances.

Penny Mordaunt: I will certainly write to the Department with the hon. Gentleman's suggestion. Of course, the Scottish Government will also have powers relating to welfare if they wish to do anything in the meantime.

Carolyn Harris (Swansea East) (Lab): Over 60,000 kidney patients currently receive home dialysis. Countless other individuals are using stairlifts, oxygen tanks, hoists and nebulisers—the list goes on. All require electricity. Without more financial support to help cover the cost

of energy consumption, many will either have to return to hospital for treatment or face spiralling into debt just to cover the cost of their medical treatment. Can we have a debate in Government time to address the vital issue of more financial support for these patients?

Penny Mordaunt: I thank the hon. Lady for raising that important and timely issue. The Secretaries of State at the Department for Work and Pensions, the Department of Health and Social Care, and the Department for Business, Energy and Industrial Strategy are aware of it and very much focused on it. We will want to give reassurance to people in those circumstances as swiftly as possible. I will write to all three Departments on her behalf to raise the matter.

Helen Morgan (North Shropshire) (LD): As far as I can see, Shropshire has been plagued by rogue developers who build small numbers of homes with shared ownership of communal spaces. When the developer sells the last house on the development, it liquidates its company before critical infrastructure such as roads and sewage pumps are complete. Shropshire Council does not as a matter of course take a financial bond that would secure the section 104 and 106 agreements that would allow that infrastructure to be completed. May we have a debate in Government time to consider making it mandatory for councils to secure that financial bond so that homeowners are not left picking up the pieces when their developer leaves them in the lurch?

Penny Mordaunt: I thank the hon. Lady for that suggestion. I shall write to the Secretary of State for Levelling Up to ensure that he has heard her words and encourage him to get in touch with her office.

Catherine West (Hornsey and Wood Green) (Lab): Every seven minutes, a household in the private rented sector is given a section 21 notice—commonly known as a no-fault eviction—which is having a huge impact on our communities. Following the Prime Minister's response yesterday to the first question at Prime Minister's questions, will the Leader of the House impress on the Levelling Up Secretary the need to come to the House as soon as possible—perhaps next week, which is Renters' Rights Awareness Week—to lay out the timing for the publication of a Bill? Let us get on with it so that we can protect more households.

Penny Mordaunt: Government business will be announced in the usual way, but I will ensure that the Secretary of State has heard the hon. Lady's concerns and those of other hon. Members who have raised the matter today.

Margaret Ferrier (Rutherglen and Hamilton West) (Ind): Following the mini Budget, the Chancellor invited me to write to him about the family-owned business in my constituency, Equi's Ice Cream, and its exclusion from the energy support scheme. He promised a “timely” reply. Will the Leader of the House encourage her colleague to respond and demonstrate the Government's commitment to small businesses?

Penny Mordaunt: I will certainly do that. I thank the hon. Lady for raising that matter.

Jim Shannon (Strangford) (DUP): Yesterday, some 1,000 people joined the “stop Hazara genocide” solidarity march outside Westminster, which was organised following the attack on the Kaaj education centre in Kabul that killed 53 people. That attack happened just one week after the publication of the Hazara inquiry report on the risk of genocide in Afghanistan. Will the Leader of the House arrange for a statement on the “stop Hazara genocide” campaign and on what conclusions His Majesty’s Government have made from the report’s findings?

Penny Mordaunt: I thank the hon. Gentleman for raising that matter. I shall certainly write to the Foreign Secretary to ask him whether he will update the House on that.

Point of Order

12.8 pm

Catherine West (Hornsey and Wood Green) (Lab): On a point of order, Madam Deputy Speaker. This week, the Deputy Prime Minister visited my constituency as part of her ministerial brief. While I appreciate that her office provided me with notice of a visit, it did not provide the required information, and I am desperately sorry that I missed the opening of an NHS facility for which I had been calling for a long time. Could you or the Leader of the House mention guidance so that Ministers know that these are opportunities to celebrate good things about the NHS and not just to mark up a political point? I do not understand how I got left off the invitation list; I am so sad.

The Leader of the House of Commons (Penny Mordaunt): Further to that point of order, Madam Deputy Speaker. May I apologise if that was the case? I know that the Deputy Prime Minister in particular is assiduous about such things. I will happily look into what happened. The Chancellor of the Duchy of Lancaster is looking at how we ensure that the basic mechanics of Departments are running as they should.

Madam Deputy Speaker (Dame Rosie Winterton): First, I thank the hon. Member for Hornsey and Wood Green (Catherine West) for giving notice of her point of order. I understand she notified the Deputy Prime Minister that she was doing so. That was a very helpful response from the Leader of the House, but I endorse how important it is to have as much information as possible about a visit. I know Mr Speaker is very anxious that hon. and right hon. Members respect each other in that way and that when visits occur, the maximum amount of information is given, but I thank the Leader of the House for that helpful response.

Economic Crime and Corporate Transparency Bill

[*Relevant document: The Eleventh Report of the Treasury Committee, Session 2021-22, Economic crime, HC 145: and the Responses, Session 2021-22, HC 1261.*]

Second Reading

12.10 pm

The Secretary of State for the Home Department (Suella Braverman): I beg to move, That the Bill be now read a Second time.

Following Putin's unconscionable invasion of Ukraine we acted immediately, cracking down on dirty money in the UK by passing the Economic Crime (Transparency and Enforcement) Act 2022. I am very grateful for the way that the whole House got behind that effort and I hope we can come together on this Bill, too. I am very grateful to the shadow Front Bench for its constructive engagement on the Bill and to party colleagues for their considerable input. I hope we can send a united message that dirty money, fraudsters and gangsters are not welcome in the UK.

Andy Slaughter (Hammersmith) (Lab): I just wonder why it took a war in Europe for action to take place on this matter, why for years and years and years the right hon. and learned Lady's Government and their predecessors did nothing about it, and whether it had anything to do with the millions going into Tory party coffers from Russian oligarchs?

Suella Braverman: I am not sure what point the hon. Gentleman is making. Important strides are being taken forward in the Bill and we should all be getting behind the swift action the Government took in response to the invasion of Ukraine. I am very grateful that we were able to pass that legislation and take powers in the Act earlier this year, which included taking the groundbreaking action of sanctioning hundreds if not thousands of Russian individuals and entities, freezing assets and really excluding the influence of Russian finance in the UK. I am proud of that effort and I hope that he is too.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op) *rose*—

Suella Braverman: If I can just make some progress, I will come back to the hon. Gentleman.

Having acted immediately in response to Putin, we promised to go further. The Economic Crime and Corporate Transparency Bill will bear down even further on kleptocrats, criminals and terrorists, strengthening the UK's reputation as a place where legitimate business can thrive but economic crime cannot. Economic crime is a serious problem. It threatens our prosperity, national security and global influence. The UK has one of the world's largest and most open economies, and it is an extremely attractive place to do business. That is a good thing, but it also exposes us to economic crime, such as money laundering, corruption, the financing of organised crime and terrorism, and a growing range of state threats.

Stephen Doughty: I thank the Home Secretary for giving way. One issue I have raised with Foreign, Commonwealth and Development Office Ministers directly

relates to the use of cryptocurrency and different mechanisms for those trying to evade sanctions or commit other crimes. There is a particular issue around mixers and tumblers—that is what they are called. The US Treasury took very, very severe action on this in August this year. My understanding is that we are yet to take that action. Will she look urgently at these issues with her colleagues in the Treasury and the FCDO to ensure that we bear down very strongly on those who are using crypto to avoid detection by our criminal investigation agencies?

Suella Braverman: The hon. Gentleman raises a really important and valid point. The Bill will go some way to dealing with cryptocurrency, but he is right that cryptoassets are increasingly being used for malign and terrorist purposes. We intend to crack down on that and will be bringing forward a Government amendment that will mirror the changes in Part 4 of this Bill in counter-terrorism legislation, but we are very happy to review that further.

The Government have already undertaken unprecedented action to stop kleptocrats and criminals.

Jim Shannon (Strangford) (DUP): Just last year, as everyone in the House will remember very well, the Police Service of Northern Ireland seized £215 million from a money laundering scheme that started in eastern Europe, came right across into the United Kingdom and ended up in Northern Ireland. The Home Secretary said clearly that money laundering will be addressed directly. In Northern Ireland we seem to have a problem in relation to that. Will she enter into discussions with the Finance and Justice Ministers back home in Northern Ireland to ensure that they can work together to beat money laundering everywhere?

Suella Braverman: I thank the hon. Gentleman for raising that point. I am very happy to build further and closer engagement with Northern Ireland on this particular issue. In the case of anti-money laundering and other investigations, and prosecutions in relation to standalone money laundering cases or where money laundering is the principal offence, the agencies have recovered considerable amounts. £1.3 billion has been recovered in those cases since 2015-16 using the Proceeds of Crime Act 2002 powers. That is good progress, but of course there is further to go and, as I said, I am very keen to engage more closely.

Catherine West (Hornsey and Wood Green) (Lab): On the agencies, does the Home Secretary accept that it has taken an awfully long for the Government to get around to reforming Companies House, which is very open to abuse and which the Royal United Services Institute has been mentioning for years now as a danger to our national security?

Suella Braverman: I am very pleased that we are taking this action now. I take on board the point that this has been a long-standing matter that Members and Administrations have been talking about for some time. There has been progress over several years. We have the National Economic Crime Centre and new legislation, so there are greater powers, but I am focused on ensuring that the reforms in the Bill are implemented as quickly as possible. On reforms to Companies House, we seek to ensure that the level of change is balanced to avoid

[Suella Braverman]

causing any confusion for legitimate customers and to ensure effective implementation. So yes, speed is essential, but not at the expense of undue disruption.

Some of the action we have already undertaken includes being the first G20 country to establish, in 2016, a public register of domestic company beneficial ownership; the publication of the economic crime plan in 2019 and the progress made against it; and establishing, as I said to the hon. Lady, the National Economic Crime Centre and the combating kleptocracy cell in the National Crime Agency. The Bill is just one component of a wider Government approach to tackling economic crime, including fraud. It sits alongside the National Security Bill and the Online Safety Bill, and the forthcoming second economic crime plan and fraud strategy.

Layla Moran (Oxford West and Abingdon) (LD): One of the areas this place will struggle to scrutinise is golden visas. It has now been four years since that review was commissioned. We understand it is ready, yet we have not seen it to be able to scrutinise it and hold the Government to account on it. Will the right hon. and learned Lady be the Home Secretary who finally releases that review?

Suella Braverman: When it comes to golden visas, I was very proud of the action the Government took in relation to Russian individuals following the invasion, where we stopped the sale of golden visas to particular individuals—

Chris Bryant (Rhondda) (Lab): The sale? You were selling them?

Suella Braverman: The issuance—excuse me—of golden visas to particular individuals from Russia. I agree that there is further work we can do and I am very keen to look at it.

Chris Bryant: I think the Home Secretary said the sale of tier 1 visas, as if the Government or the Conservative party were somehow selling these things. Is it not absolutely shocking that 10 of the people the Government sanctioned this year were people to whom the Conservative Government had given tier 1 visas? We were inviting crooks and Putin's cronies to come into this country, make their lives here and carry on their criminal activities here.

Suella Braverman: I think the hon. Gentleman will find that this has actually been a long-standing issue for Administrations of both colours, and we have been vulnerable for some time. However, I am incredibly proud of and make no apology for the robust, tough and unapologetic action that this country took in response to the invasion of Ukraine by Russia. That includes, along with the EU and the US, sanctioning thousands of Russian individuals and entities; taking aggressive, prohibitive action to stop them taking part in the UK financial system; freezing the assets of all Russian banks; barring Russian firms from borrowing money; and, importantly, ensuring that we take a strong stance to affect and disable, to a degree, the Russian economy. That is how we will win this war, not by cheap political points.

Chris Bryant: Look, some of us have been battling on this for a very long time. Some of us said in 2014 that if we did not sanction Putin properly then, he would not only take the Crimea, but try to take the whole of Ukraine. Some of us fear that the Government's refusal to act in this area is part of what has emboldened Putin. The biggest problem is that, in many cases, the UK's sanction regime has been much weaker than that of other countries. The Home Secretary is wrong: we have not sanctioned all the Russian banks. There are still others to be sanctioned. We have sanctioned 20% of the people who have been sanctioned by the United States of America. For most of the people we have sanctioned, we are relying on EU legislation—we are just copying it. Honestly, I think she needs to do her work a bit more carefully.

Suella Braverman: No, I disagree. I will not repeat the points that I have made, but I am very proud of our record. The action was tough, unprecedented and far-reaching, and I am very glad that other countries followed suit soon after.

The Bill includes essential reforms of Companies House and measures to prevent the abuse of limited partnerships. It creates additional powers to seize cryptoassets more quickly and easily. The Bill will enable more effective and targeted information sharing to tackle money laundering and economic crime.

Kevin Hollinrake (Thirsk and Malton) (Con): Late last year, NatWest was fined £265 million for facilitating money laundering through its UK branches. Sacks of cash, literally, were being taken into NatWest branches. Despite the £265 million fine, no person at NatWest has personally been held to account. Does my right hon. and learned Friend not agree that these fines are simply a cost of doing business, because this is profitable business? The only way in which we will clamp down on this is to hold individual executives at the top of organisations to account and, if necessary, put these people in jail.

Suella Braverman: I agree with my hon. Friend, who has a huge amount of expertise and has achieved a huge amount in Parliament to crack down on fraud and economic crime. I will come to the Bill's anti-money laundering measures, so I will have to detain him a bit longer until I get there. I agree, however: we have to make sure that we can build on the regime, powers and law enforcement frameworks that are in place. We can go further.

Dame Margaret Hodge (Barking) (Lab): If the Home Secretary does agree with what was said by the hon. Member for Thirsk and Malton (Kevin Hollinrake), with whom I have worked closely on these matters, why is she not reforming corporate criminal liability in the Bill to bring into effect the very change that he has promoted?

Suella Braverman: I accept what the right hon. Lady says, but the Government have already taken steps to establish the case for change on corporate criminal liability. In 2020, we commissioned the Law Commission to undertake a detailed review of how the legislative system could be improved to appropriately capture and punish criminal offences committed by corporations, with a particular focus on economic crime. The Law

Commission published that paper on 10 June 2022. The Government are carefully assessing the options that were presented and are committed to working quickly to reform criminal corporate liability.

Jim Shannon: I thank the Secretary of State for generously giving way again. I understand that 929 companies registered with Companies House were identified as taking part in 89 economic crime incidents, which amounted to £137 billion of potential economic damage. I know that the Secretary of State, like me and others in the House, is keen to ensure that we get the change we want, but will that mean that that can no longer happen in relation to Companies House?

Suella Braverman: We want to ensure that there are more restrictions on who can register with Companies House so that we prevent the abuse of the regime. As I said, we have one of the most open, liberal and business-friendly economies, but we are exposed to some degree. The reforms in the Bill very much address the issue that the hon. Member raises.

Furthermore, the Bill introduces a regulatory objective into the Legal Services Act 2007; removes the statutory cap on the Solicitors Regulation Authority's fining power for disciplinary matters relating to economic crime offences; extends pre-investigation powers to all Serious Fraud Office cases; and streamlines the process for updating the UK's high-risk third country list. The Bill will also ensure that we have more effective and targeted information sharing to tackle money laundering and economic crime. It provides new intelligence-gathering powers for law enforcement and removes regulatory burdens on businesses. Altogether, the Bill is a formidable tool in the fight against illicit finance.

The Government have consulted widely on the Bill and won broad support from business and professional groups, law enforcement agencies and civil society. We are, of course, working closely with the devolved Administrations on this legislation, as the Bill contains several provisions that engage devolved powers in Wales, Scotland and Northern Ireland.

I will now set out the Bill's measures in more detail, turning first to Companies House reform. Companies House is one of the foundations of the UK's business environment. It operates the UK's open and flexible corporate registration framework. The UK's business community enjoys a simple system for creating and maintaining companies and other legal entities. Information on those entities is made available for the benefit of investors, lenders, regulators and the public. The companies register was accessed 12 billion times last year. Inevitably, that makes it a target. In recent years, the Companies House framework has been manipulated, particularly with the use of anonymous or fraudulent shell companies and partnerships. That gives criminals a veneer of legitimacy to help them to commit crimes, ranging from grand corruption and money laundering to fraud and identity theft.

We will reform the role of Companies House and improve the transparency of UK companies. The Bill will ensure that we can bear down on the use of thousands of UK companies and other corporate structures as vehicles for economic crime, including fraud, international money laundering, illicit Russian finance, corruption, terrorist financing and illegal arms movements. These

are the most significant reforms to the UK's framework for registering companies in 170 years. We will introduce identity verification for new and existing directors.

Kevin Hollinrake: It is very good news that we are moving from a register to a regulator. On the capacity of Companies House to do that, there are around 5 million companies in the UK, with probably two directors on average, and 500,000 companies are registered every year. Does Companies House today honestly have the capacity to properly verify the ID of all those directors?

Suella Braverman: Resourcing the agencies and organisations, such as Companies House, to better fight the threat of fraud and economic crime will be part of the equation. I am pleased to be in constant discussion with the various agencies, although, obviously, Companies House is the responsibility of other Departments. However, we have to ensure that it has the tools, operationally and from a resource point of view, to be able to carry out its legal duties.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): The Home Secretary is being generous in giving way. The point about institutions being able to carry out enforcement is immensely important. As well as Companies House, there is also an issue for the National Crime Agency. She may be aware that her predecessor asked the National Crime Agency to draw up plans for 20% staffing cuts. Has the Home Secretary now ruled that out?

Suella Braverman: Last year's spending review settlement set out that the economic crime levy would provide funding totalling approximately £400 million over the spending review period. Law enforcement activity on economic crime is conducted by a number of agencies, including the National Crime Agency, as the right hon. Lady says. I want to ensure that those agencies have the proper resources, personnel and tools to be at the forefront of fighting crime effectively.

Catherine West: Will the Home Secretary give way?

Suella Braverman: I will make some progress. As hon. Members have said, I have been very generous, but I am struggling to get through my speech. I know that everybody wants to speak, so I will take no more interventions for now.

We will introduce identity verification for new and existing directors, beneficial owners and those who file information with Companies House. That will improve the accuracy of Companies House data and will ensure that we know who is really acting for and benefiting from companies.

Chris Bryant: Will the Home Secretary give way on that point?

Suella Braverman: I am sorry, but I will not.

The powers of the registrar of companies will be broadened, making the registrar a more active gatekeeper for company creation and a custodian of more reliable data. The registrar will receive new powers to check, remove or decline information that is submitted to or already on the company register. The Bill will improve

[*Suella Braverman*]

the financial information on the register so that it is more reliable, complete and accurate, and enables better business decisions. Companies House will be given more effective investigation and enforcement powers, including by enabling it proactively to share information with law enforcement bodies about higher-risk corporate bodies, or where there is evidence of anomalous filings or other suspicious behaviour. To protect individuals from fraud and other harm, we will also enhance the protection of personal information and addresses provided to Companies House.

We will introduce broader reforms to clamp down on the misuse of corporate entities. These reforms will support enterprise by enabling Companies House to deliver a better service for more than 4 million UK companies. They will help us to maintain our swift and low-cost routes for company creation. They will also improve the collection of data to inform business transactions and lending decisions across our economy.

Catherine West: The Witanhurst property, a 500-room mansion in Highgate, is the second largest property in the UK after Buckingham Palace. Its ownership is contested, so it has not been seized. Will the Bill cover such difficult and anomalous situations? Local residents feel that people should be brought to account. Considering the links with the regime in Russia, there is no way that that house was bought in an honest way.

Suella Braverman: Without knowing the details of that case, what is clear is that the reforms to Companies House will ensure not only that more investigation and enforcement powers are afforded to it, but that there will be new powers for checking, removing and declining information submitted to the company register if there are grounds for concern.

Chris Bryant: The Home Secretary is being generous in giving way; I am very grateful. I warmly welcome all these changes to Companies House, for which some of us have been arguing for a very long time. My anxiety is that Companies House will have a major change of role: as several agencies have said recently to the Foreign Affairs Committee, it will go from being a registrar to being effectively a policeman. To do so, it will need enormous additional capacity. Can she tell us how much additional money it will have to fulfil that role?

Suella Braverman: The transformation of Companies House has been under consideration for some time, and the Treasury Committee has done quite a lot of inquiring into the issue. We published a White Paper on corporate transparency and register reform earlier this year, which provided considerable detail on how these reforms will operate. It is a complex area of law. Resources will be needed for these extra powers.

Chris Bryant: How much?

Suella Braverman: The transformation is already under way, with £20 million invested in 2021-22 and a further £63 million announced up to 2024-25 at the most recent spending review. We have been thinking about this, and the money has been announced in spending reviews. It has been thought about.

Kate Green (Stretford and Urmston) (Lab): Will the Home Secretary give way?

Suella Braverman: I am going to continue.

The Bill will tackle the misuse of limited partnerships, including Scottish limited partnerships, and will modernise the law governing them. We will tighten registration requirements and will additionally require limited partnerships to demonstrate a firmer connection to the UK. Transparency requirements will be increased. The registrar will be able to de-register limited partnerships if they are dissolved or no longer carrying on business, or if a court orders that it is in the public interest.

Nor does the Bill overlook cryptoassets. It will give additional powers to law enforcement bodies so that they can more quickly and easily seize, freeze and recover cryptoassets that are the proceeds of crime or are connected with illicit activity. That will ensure that cryptoassets cannot be a conduit for money laundering, fraud, ransomware attacks or terrorist financing. Most notably, it will mitigate the risk posed by those who cannot be prosecuted but who nevertheless use their funds for criminal purposes. I am sorry to say that cryptoassets are increasingly being used to fund terrorism; we will crack down on that by introducing an amendment to counter-terrorism legislation that reflects those changes.

I turn to anti-money laundering. We will enable better sharing of information about suspected money laundering, fraud and other economic crimes between certain regulated businesses, allowing them to take a more proactive approach to preventing economic crime. As a result, businesses will be better able to detect crime taking place across multiple businesses and to prevent criminals from exploiting information gaps between them. We will also reduce the reporting burdens on businesses, enabling the private sector and law enforcement to focus their existing resources on tackling high-value and priority activity.

Threats evolve and are changing, so the Bill includes a measure to streamline and allow faster updates to the UK's high-risk third country list. The list will be updated and published on gov.uk for everyone to see, reflecting updates from the Financial Action Task Force, the international standard setter, when it identifies countries with weak anti-money laundering, counter-terrorist financing and counter-proliferation financing controls. By removing the need to lay a statutory instrument before Parliament every time the list needs to be updated, we will reduce delays in updating the list and free up parliamentary time.

The Bill will add a regulatory objective to the Legal Services Act 2007:

“promoting the prevention and detection of economic crime.”

It affirms that it is the legal duty of legal regulators and professionals to uphold the economic crime regime. That will reduce the risk of lengthy and expensive challenges from regulated members over enforcement action. It will improve the ability of the Legal Services Board, as the oversight regulator, to manage the performance of frontline regulators in meeting that objective.

The Bill will remove the statutory cap on the Solicitors Regulation Authority's financial penalty powers for disciplinary matters relating to economic crime. That will align the SRA with other regulators that have such flexibility. Fewer cases will be referred to the Solicitors

Disciplinary Tribunal, resulting in faster enforcement. There will be a credible deterrent and a more coherent response to breaches of economic crime rules.

The Bill will enable the Serious Fraud Office to use its powers under section 2 of the Criminal Justice Act 1987 at the pre-investigation stage in any SFO case, including a fraud case—an ability that is currently limited to cases of international bribery and corruption. This measure will mean that the SFO can more quickly gather the information that it needs to allow its director to decide whether to take on a case.

Cracking down on economic crime is a major plank of the Government's beating crime plan.

Andy Slaughter: I am grateful to the Home Secretary for giving way; I know that she is about to finish her speech. There are 22 professional bodies overseeing compliance with anti-money laundering rules. Is the Home Secretary going to do anything about the resulting confusion, and the inadequacy of some of those bodies? May I also ask whether she intends to introduce—as her colleague the Secretary of State for Wales hinted earlier this week—a new offence of failure to prevent offences from being committed? I do not know whether she welcomes her colleague commenting on her brief, but as the Welsh Secretary has raised the question, perhaps she could respond to it.

Suella Braverman: The hon. Gentleman raises two issues concerning the regulators. We need to ensure that they strike the right balance in terms of their investigatory or prosecutorial powers, but also do not overstretch themselves to become a burden on legitimate and bona fide enterprise. This is a balance that legislation constantly seeks to strike. As for the offence of failure to prevent offences, it is something that we consider all the time, and I am always open to considering such possibilities.

Far from being victimless, these crimes bring misery, fund other crimes and undermine our country's reputation, and Putin's illegal invasion of Ukraine raises the stakes even higher. The United Kingdom must ensure that we are doing nothing to aid Putin, and doing everything we can to support the courageous Ukrainian people.

I urge the whole House to get behind the Bill so that we can make sure that the UK is a great place for legitimate business and a no-go area for crooks, and I commend it to the House.

Madam Deputy Speaker (Dame Rosie Winterton): I call the shadow Home Secretary, Yvette Cooper.

12.41 pm

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): Let me first join in the tributes paid earlier by Members on both sides of the House to Sir David Amess. His parliamentary office was just above mine, and I know that we all remember him very fondly.

I rise to support the Bill's Second Reading, and also to welcome the Home Secretary to her first full debate in the Chamber in her new post. It has been—what?—about five weeks since she was appointed, and I must say that she has been busy.

We have seen a series of major public disagreements between the Home Secretary and the Prime Minister: on restoring a net migration target, and then not; on

leaving the European convention on human rights, and then not; on reclassifying drugs, and then not; on seasonal agricultural workers, still unresolved; on the claim that the Prime Minister did not see small boats as a priority and did not want her to talk about Rwanda; on some kind of row with the Business Secretary about florists, which nobody could follow; and on the Indian trade deal, which is something the Prime Minister had been working on for years, and which the Home Secretary seems to have single-handedly scuppered with a passing remark during an interview with *The Spectator*. Furthermore, according to the latest story this morning, the Home Secretary is not actually involved in immigration policy decisions at all, although they are at the heart of her Department.

We have to wonder whether there is anything that the new Home Secretary and the new Prime Minister agree on—although, to be fair to the Home Secretary, it is not clear that the Prime Minister agrees with herself from one day to the next. There have been so many U-turns that the Cabinet is spinning in circles. I have seen 11 Home Secretaries come and go, but I have never seen anything like the chaos and confusion that we are seeing now. There are disagreements from time to time, of course, but the scale of this is actually dangerous, because the Home Office is too important.

On issues of national security, crime and migration, we need the sense that there is some stability: that the people at the top are capable of self-discipline, that there is collective Cabinet responsibility, and that, at least on home affairs, they are making statements in the interests of the country, rather than behaving as if they were still in the process of a leadership campaign—although I guess that is exactly what is going on. If they are not capable of getting their act together and being a Government who are focused on those matters, they should get out of the way, and give way to someone else who can.

Suella Braverman rose—

Yvette Cooper: If the Home Secretary wants to respond to any of those points, I shall welcome her doing so.

Suella Braverman: I am not sure whether it has dawned on the right hon. Lady that we are here to talk about the Economic Crime and Corporate Transparency Bill, which is an important measure to tackle fraud and support victims of this heinous crime. I am not sure whether she is really focusing on that. I thank her for the party political broadcast, but let us get on with the job in hand.

Yvette Cooper: There are plenty of aspects of the Bill that we can discuss, but I note that the Home Secretary chose not to deny any of the chaotic things that she has been saying in the papers. This is not stuff that we have made up; these are things that the new Home Secretary has been saying, which undermine her ability, and indeed the country's ability, to deal with issues relating to national security, economic crime, fraud and migration—all the serious challenges that the country faces.

This Bill, which is long overdue, should constitute an area in which the whole country can come together and in which, across the House, there is broad agreement in the national interest. I welcome the Bill, but I am concerned that it does not go far enough. The Home Secretary will have heard the points made by Members

[*Yvette Cooper*]

in all parts of the House: extremely detailed work has been done by many Members with great expertise in respect of areas in which the Government need to go further. I hope that the Government will listen and will be able to go further, because the whole House will agree that action on economic crime in the UK is urgently needed.

This is a rough estimate, but the National Crime Agency says that £100 billion of dirty money flows through the UK every year, and that fraud is causing £190 billion-worth of damage. Economic crime is growing. According to the latest PwC global survey, 64% of businesses have experienced fraud, corruption or other economic or financial crime within the past two years, up from 50% just four years ago. Last year, 4.5 million frauds were perpetrated against people across the country, a 25% increase in the last few years. This is hugely damaging to families and communities, to our economy and businesses, to our international reputation, and also to our security.

The organised crime that is facilitated by weak financial systems has a deeply pernicious impact on our communities and our children, drawing young people into crime, gangs and exploitation, and fuelling the most appalling violence on our streets. It undermines our economy. It undermines legitimate businesses and financial organisations, and the thousands of people who work in them, who are standing up for high standards, are also undermined by this kind of crime and exploitation.

As I have said, economic crime is deeply damaging to our international reputation. London's reputation as the money-laundering capital of the world is a source of national shame. Ours is a country that has long prided itself on the rule of law and on strong economic institutions, which is what traditionally made it a good place in which to invest, but that is being undermined by economic crime. United States allies have expressed frustration at the UK's failure to tackle fully the problem of the flow of illicit Russian funds through what they have called Londongrad, and exposure to corrupt oligarchs and networks of kleptocracy means that that undermines our national security too.

Catherine West: My right hon. Friend is making an excellent speech. Does she agree that it is also necessary for the courts in London to accept that there are limits to how many cases can be held involving libellous action against good authors such as Catherine Belton, who wrote "Putin's People" with the aim of educating the general population? Are not these false claims which keep coming up in court a complete waste of the courts' time?

Yvette Cooper: My hon. Friend has made an important point which I hope can be explored further in Committee. There is clearly a problem when those with the deepest pockets, who effectively have endless wealth that they can draw upon, can use and abuse the court system in order to silence people. That issue needs to be addressed further.

We know that this problem has a wide impact on the state of our economy and our national security. We supported the last economic crime Bill and we support this one, although there are deep concerns about how long this process has taken, and also about the gaps.

We welcome, in particular, the overhaul of Companies House, which Labour has supported and has pressed the Government to get on with, and which I know has been championed by Members on both sides of the House. It is right to give Companies House powers to check and challenge basic information. When we try to explain this to people, most of them are shocked to learn that it did not already have powers to check the identities of people trying to set up shell companies.

We welcome the measures on cryptoassets. The new technology is outpacing action against economic crime and organised crime. The power to freeze and seize criminal assets cannot just be an analogue one in a digital age. We welcome the measures to encourage information sharing to help spot fraud and money laundering, and we welcome the measures that the Home Secretary has referred to about the ability for the SRA to increase fines.

There are sensible measures in the Bill, but the delays in getting this far have caused a problem, and so do the gaps in the Bill. We are still playing catch-up rather than looking forward, and it should not have taken a war for us to get this far. Transparency International warned about serious problems back in 2015. For years, the National Crime Agency has called internally on the Home Office, the Department for Business, Energy and Industrial Strategy and the Treasury to do much more. We were promised action in 2016, in 2018 and in 2019, but as of August, fewer than half the recommendations in the Government's 2019 economic crime plan had been enacted. The shadow Attorney General called for action on serious corporate fraud nine years ago. As shadow Home Secretary, I called 10 years ago for stronger laws and action on economic crime and fraud.

We are very clear about the importance of the matter. The Labour party believes in stronger action to defend our national interest, our economy and our national security from the organised criminals, fraudsters, corrupt oligarchs and kleptocrats. We know that that depends on having robust powers and procedures in place to defend our economy and our financial and economic institutions from fraud and abuse.

Chris Bryant: In fact, we tabled some of the measures in the Bill as amendments in 2018, and all that lot voted against them. One of my anxieties is about what happens with oligarchs' assets that are frozen by the UK. There is a legitimate question about whether it is right for the state to seize assets that belong to private individuals. On the whole, that is not a good thing—that is what authoritarian regimes do—but we need some clarity on how we proceed in a time of war, which is effectively where we are at the moment. I note that Abramovich's Chelsea was sold, and the money is still sitting in his bank account because the Foreign Office still has not put in place a means of transferring it to Ukraine. This is months in, and it is absolutely bonkers.

Yvette Cooper: My hon. Friend makes an important point, and I pay tribute to the work he has done over very many years, long before other people were talking about these issues and highlighting the risks. I also pay tribute to the work of the all-party parliamentary group on anti-corruption and responsible tax, co-chaired by my right hon. Friend the Member for Barking (Dame Margaret Hodge) and the hon. Member for Thirsk and Malton (Kevin Hollinrake). We really need to get the detail right and go further.

I agree with the principle that my hon. Friend the Member for Rhondda (Chris Bryant) has raised. Safeguards must be in place, but in an extreme time of war, when oligarchs have supported and enabled Putin's regime and his illegal war for so long, there is a strong case for using their assets to support Ukraine. I do hope that the Government will look further at that. Canada and other countries have changed their laws in the most serious of circumstances, and we are keen to talk to the Government about taking forward something similar.

We want to explore with the Government going further on other measures, such as provisions to enable Companies House to publish and verify up-to-date information on shareholders, and provisions on third-party enablers of organised crime and kleptocracy. The Home Secretary will know that there have long been concerns about those who help organised criminals and kleptocrats hide their money, and who cover up for crime. The regime for preventing that and for effectively regulating high-risk sectors is still too weak. She will be aware that the Office for Professional Body Anti-Money Laundering Supervision has said that 81% of professional supervisors on money laundering do not have an effective risk-based approach. I hope that we can look further at that in Committee and work with the Government on stronger measures.

We have already raised with the Home Secretary concerns about enforcement, and I will keep pushing her on the question of funding for the National Crime Agency. We know that it was asked to draw up proposals for 20% staffing cuts. I think that is irresponsible at a time when we face economic crime; when the NCA's work can benefit the Exchequer and the economy by taking strong action, including on criminal asset seizures; and when the NCA needs to deal with wider issues around organised crime, people smuggling and trafficking. I will keep pressing the Home Secretary, because she did not rule out the 20% staffing cuts, and we want to know that they have been abandoned.

There have been wider questions about training for law enforcement in things such as cryptocurrencies.

Chris Bryant: One issue that is quite difficult for UK agencies concerns moneys that come from British companies straight into sanctioned accounts in the United States. British paper manufacturer Mondi, for instance, is selling off its arm in Russia, but it has just sold it to one of Putin's closest allies. In other words, millions of British pounds have gone into Russian pockets and will end up funding the war in Ukraine. How do we make sure that we have the resources to track down these problems and bring these people to book?

Yvette Cooper: My hon. Friend is right. Our law enforcement needs a level of agility to keep up with the scale and pace at which organised criminals and corrupt oligarchs work and the resources that they have at their disposal.

Hon. Members have raised concerns about the huge gap in the Bill when it comes to tackling fraud, particularly serious corporate fraud—many Members have raised concerns about the proposed legislation in that regard—but fraud more widely, too. It has become the single most common crime that we face, not just the most common economic crime. There were 4.5 million fraud offences—40% of total crimes—last year, and, shockingly, only

0.01% of them were charged. Charges for fraud have dropped. In 2015, 9,000 fraud charges were brought, but last year there were fewer than 5,000. That is a 47% drop in fraudsters being taken to court. Serious Fraud Office prosecutions plummeted by 60%, and SFO convictions were down from 10 in 2016 to just three last year. That is not justice, and it is not keeping people safe. It is as though the Government have shrugged their shoulders and said that criminals and fraudsters can have free rein. We must have proper enforcement in place and take action on serious crimes.

Kate Green: My right hon. Friend is making a powerful speech. I want to return to the question of resources for Companies House, and its new enforcement powers. Rightly, it will put most of its effort into dealing with serious organised crime and matters of national security. Does she share my concern that without adequate resourcing, the day-to-day frauds that affect so many of our constituents simply will not receive the attention they deserve?

Yvette Cooper: My hon. Friend makes an important point, because enforcement in these areas saves money—for the economy overall, and often also for public sector organisations. We need a proper enforcement plan from the Government.

John Penrose (Weston-super-Mare) (Con): Does the shadow Home Secretary agree that strengthening our enforcement and plugging the enforcement gap is not just about resourcing for public bodies; it is also about having a much more effective whistleblowing regime? That can turbocharge what public bodies can do. It dramatically improves their ability to spot financial crimes—particularly fraud—and to intervene effectively and prosecute.

Yvette Cooper: The hon. Member makes a very important point. There are issues around both whistleblowing and safeguards for whistleblowers, and around information sharing. Information sharing is rightly included in the Bill, but many hon. Members will be aware that RUSI has pointed out that if we are looking to the future, as well as some of the issues around whistleblowing, there ought to be the potential to use artificial intelligence, for example, to spot patterns of fraud and corruption. As the hon. Member says, we need ways to detect potential fraud; we need routes—be it through whistleblowing, information sharing or spotting things that happen—through which to identify it and then for speedy enforcement action to be taken.

Let me press the Home Secretary on the need to tackle corporate criminal liability. The shadow Attorney General, my right hon. Friend the Member for Islington South and Finsbury (Emily Thornberry), originally called for action on that nine years ago, and the Treasury Committee and the Law Commission have both called for action. Corporate fraudsters should not be able to get away with sequestering millions because the law just is not strong enough. I urge the Home Secretary to look at this urgently. It will have crossed her desk while she was Attorney General, and we need rapid action.

Labour will support the Bill on Second Reading, but we have to be honest that it does not yet go far enough. We should not stand for dirty money, fraudsters, organised criminals, and the deep and serious crimes that they

[Yvette Cooper]

facilitate. We must stand up for our national security; for our economy; for good businesses and professional services that are being undermined; for our law enforcement bodies, which need support and backing to deliver; and, most of all, for those who become the victims—those who are exploited here and across the world. Britain should be leading the way. The Bill is welcome, but it is not yet good enough. We hope that, with concerted cross-party action, we can all get our act together and make it better.

1.2 pm

Damian Hinds (East Hampshire) (Con): I support this important Bill, which seeks to tackle this most international of criminal problems. The scale of global financial crime is mind-boggling, accounting for up to 5% of gross world product and, depending on which estimate we look at—we cannot say absolutely for certain—worth between \$2 trillion and \$5 trillion. On an optimistic view, the confiscation rate runs at around 1%.

Economic crime is sometimes thought of as being in a separate category from other crime but, no, it is part of those other crimes. There is a particularly close link between fraud and cyber-crime. Money laundering, fraud and cyber-crime collectively—distance crime—make up the majority of crime by volume in this country. More broadly, virtually all crime with a financial motivation touches on money laundering at some level. There is a mix of organised crime groups pulling off huge cyber-crimes, down to individually small but cumulatively very large-volume frauds. Some groups have undergone a sort of vertical integration, controlling every part of the chain; others specialise in one particular part of the chain, such as ransomware as a service. There is a merging of criminal actors with a nexus to states. Then, of course, there are the kleptocrats who got filthy rich on plunder from their fellow citizens.

There is a huge amount that needs to be done in this area. Much of it needs to be done globally, but countries such as ours need to be in the lead. The world has made quite some progress in this area, and in key aspects we have been a leader, but we have also had our lacunae. High on that list is transparency about who is really behind and ultimately benefits from corporate structures and economic assets.

For some time, we have had a substantial and, in many ways, effective architecture to tackle money laundering, but there is an important question whether the suspicious activity reports regime is sufficiently efficient, and whether it is focused enough to make the most difference while minimising dead-weight. There is also the question whether we are fully harnessing the power and capabilities of banks, particularly if we compare our legislation with section 314(b) of the American Patriot Act. Should there be more direct intelligence sharing between banks, and if so, how do we manage the competition policy aspects of that? Finally, however much we improve and innovate, the criminals are doing the same, with ever more sophisticated technology, and they are increasingly bypassing the systems that we have been used to in the past by using cryptocurrency and cryptoassets.

The most important thing about the Bill is that it moves to plug the transparency gap, with reforms to Companies House and limited partnerships as its backbone.

It modernises seizure by bringing cryptoassets into scope of the civil forfeiture powers, and it moves from a compliance-driven anti-money laundering system to one that is more proactive and intelligence-led, with rationalised SARs and DAML—defence against money laundering—requirements.

I welcome all the aspects of the Bill, but especially the information-sharing provisions, and in particular their broad scope to include all types of economic crime, including, importantly, volume fraud. I ask the Home Secretary and the Under-Secretary of State for Business, Energy and Industrial Strategy, my hon. Friend the Member for Watford (Dean Russell), to really test whether these powers go as far as they productively can. I press not just the Home Office and BEIS Ministers we have here today, but the Treasury, regulators and the private sector, to come together to ensure that we link up the different parts of our financial services sector and the wider professional services sector to best effect.

Information and intelligence sharing could be so much more powerful if we reformed the way that payments are made so that in certain circumstances, where suspicious activity is detected, it is possible to slow down or pause payments and use the system not just to track down money laundering payments or fraudulent payments after the fact, but to stop them happening before the fact. That could be a genuine game changer. As I say, I strongly encourage the two excellent Ministers present today to communicate with the Treasury and others about that.

I support the Bill and I wish Ministers well with it. It is of course part of a wider set of reforms that includes the sanctions regime, the creation of the National Economic Crime Centre, the kleptocracy cell, the overall economic crime plan, and, importantly, our international work with like-minded partners, the Financial Action Task Force, and the Crown dependencies and overseas territories. The reform of visas, which came up, is part of this too, and of course we recently passed the Economic Crime (Transparency and Enforcement) Act 2022. There will be more to come, I am sure, including on corporate criminal liability.

Kevin Hollinrake *rose*—

Damian Hinds: On that point, I give way to my hon. Friend.

Kevin Hollinrake: I am very supportive of that, as my right hon. Friend knows, but I rise to make another point. He mentioned that putting some friction in the payments system might reduce instances of economic crime. At the moment, banks are refunding a much higher proportion of authorised push payment fraud, but all the onus is on the sending bank. Nothing is reimbursed by the receiving bank, yet it is the receiving bank where the dodgy account is held. Does he agree that we should look at that and create an incentive for the companies that host those bank accounts to tackle it more effectively?

Damian Hinds: I do think we need to look at this more closely, although it is even more complex than my hon. Friend suggests, because we get this ping-on system as well, where a body can be both a receiving bank and a sending bank, and so be a sort of transmission mechanism. We certainly need to look at this more broadly. Madam Deputy Speaker might get cross with

me if I try to unpack it too much now, because it is a broader subject. However, as my hon. Friend rightly mentioned, we also have to address the questions of who is liable and how much of the liability now sits within the banking sector, full stop, as opposed to other parts of the consumer interface—different channels through which people come—that might reasonably be expected to share some of that burden too and be properly incentivised.

I am going to close my remarks by saying that these reforms are important and they are not in tension with the success of our financial services sector—quite the reverse. These reforms are about enhancing the reputation of both British financial services and, more broadly, the UK and our reliance on and respect for the rule of law. They are about protecting and growing our business; and doing the right thing, ceding no space to the criminals and the kleptocrats. In the unlikely event that we divide this afternoon, I will be proud to vote “Aye” for this Bill.

1.10 pm

Alison Thewliss (Glasgow Central) (SNP): I am glad to follow the right hon. Member for East Hampshire (Damian Hinds), whom I believe was the Minister who said he was not happy with the progress that had been made on tackling economic crime thus far. None of us in this place are happy about the situation on economic crime.

SNP Members of course welcome this Bill, which is overdue. Many of its aspects could have been picked up in legislation years ago. Members of the anti-corruption coalition across the House have been clear in calling for more action from the UK Government on this, and all this delay has cost us very dearly; openDemocracy believes that economic crime across these islands costs us £290 billion a year—just think of the services we could all be enjoying if that money were not being plundered by those people engaging in economic crime. As with all things around dirty money, we have to ask: who benefits from this? Who benefits from action not having been taken for all these years? There is much to be done, and the panoply of agencies involved must be properly co-ordinated and resourced to tackle it.

This is a big Bill and there is a lot more that could be said. My not saying something in particular now does not discount my saying something about it later, when the Bill goes into Committee. I thank everybody who has sent briefings ahead of this Bill, because that has been incredibly useful.

The UK Government must go after not only those committing economic crimes, but those enabling it. Robust supervision and proper deterrents need to be in place for those responsible for economic crime. Directors and enablers of economic crime need to face proportionate sanctions, and effective anti-money laundering supervision needs to be carried out consistently across sectors. Legislation on economic crime needs to be futureproofed, as a failure to ensure that means that legislators are always playing catch-up with criminals. We see that particularly in the field of crypto.

As Companies House reform is a significant part of this Bill, I will start with a few red flags from the UK Government that I would like to deal with straight up. Having lots of companies on the Companies House register is not the win that Ministers often seem to think it is, mainly because a good chunk of the register is

absolute guff. It is like a kid in the playground with an impressive looking pile of football stickers for swapsies; but instead of getting an easy trade for the Kevin van Veen of your dreams, you find that the kid has a pile of doublers, triplers, old stickers from previous seasons, stickers from rugby and cricket, a few with Stormtroopers on and some they have drawn themselves. Sorting out that pile of stickers is pretty easy, but sorting out the millions of companies on the Companies House register is a much tougher task. Even the Department for Business, Energy and Industrial Strategy impact assessment, which I would draw everybody’s attention to, hints at the difficulty in unpicking the duplicates from the system. It is riddled with error, never mind the impact of those using it for nefarious purposes.

Having looked myself up on the register, it appears that I am on it three times; three different Alison Thewlisses exist out there in the world—just imagine that! The register believes I am three separate people, rather than the same person having been a director at different points in my life. The Home Secretary, who, disappointingly, has disappeared out of this place before hearing from the third party in this House, is on the register in her own name and in her maiden name, with no link to suggest that we are talking about the same person. The BEIS Secretary is on it as the director of 11 companies with his surname hyphenated and a further three companies with it unhyphenated. I am unclear what the process is by which Companies House will set about tidying up this basic type of messiness within its register. It should not just be put on individuals to fix this; there needs to be some mechanism by which it is all corrected.

The new objectives being given to Companies House are welcome—they are a step up from its being a passive recipient of duff information—but it is unclear how exactly they will work. The querying power must be a wider, separate piece of work to pick through in detail the existing register and figure out what is actually valid, rather than relying on helpful citizens such as Oliver Bullough, Graham Barrow, Richard Smith and David Leask to report in their concerns, as they often do.

Peter Grant (Glenrothes) (SNP): There is, of course, only one Alison Thewliss. She mentioned Graham Barrow as one of a number of exceptional individuals who do a lot to expose the kind of things going on at Companies House that it should really be doing. I do not know whether she has followed his Twitter account recently. On 10 October, he tweeted that Companies House had just accepted the registration of a business called “Legat Business Limited”, which has a single director, called “Andrei Perezhogin”. His nationality is “Russian”, his place of residence is “Russia”, and he describes his occupation as “Men”. He claims to have set up this company with £100 million of capital. Does she share my alarm that it appears that a Russian living in Russia can invest £100 million in a British company and—this is without the powers in this Bill—nobody at Companies House thinks anything of it?

Alison Thewliss: I absolutely agree and share my hon. Friend’s concerns. Graham Barrow does great work on Twitter and in other places to highlight such scenarios. Whether or not that person exists, whether or not that company is valid, and whether that money is even being invested anywhere, never mind in this company—this exposes the nature of the garbage in the Companies

[*Alison Thewliss*]

House register. The Under-Secretary of State for Business, Energy and Industrial Strategy, the hon. Member for Watford (Dean Russell) should consider what he intends to do about that situation, because the register also contains abusive names and people being registered when they do not know they have been registered. How do such people go about correcting the register where companies have been registered in this way without their knowledge or consent? Home addresses are being used although the person who lives there has no knowledge that their address has been used until a whole wheen of paperwork from Companies House arrives at their door. These things are being regularly exposed; they should not come as news or as any surprise to Companies House or to Ministers in this place. In the interim between this Bill making progress through the House and its eventually coming into force, what will happen to stop these “companies”? They are among the thousands of companies registered every week at Companies House.

The power to query company names where people might be setting them up to impersonate another company or for criminal purposes stands in contrast with the continued objective to allow companies to turn around their registration in 24 hours. There is a substantial industry in creating fake but similar names, and then using those companies to rip off the public. Without a vast increase in staffing in Companies House to assess and sense-check all these applications coming in, it seems that many will continue to slip through the net, even after these reforms. I suggest to the Minister that perhaps it would be better to build in a slightly longer application period to allow proper verification to take place. It is unclear—I seek confirmation from the Minister—whether the verification that is being referred to will be though the existing UK Government verify scheme used for passports, driving licences and tax returns, or whether a separate verification scheme will be used. Using the existing schemes seems to work reasonably well for passports, driving licences and tax returns, and I am not aware of any particular issues being flagged for those—if there are, I shall stand corrected.

The BEIS impact assessment dismisses the opportunity to verify the link between directors or persons of significant control and their companies. Again, this should be changed. Furthermore, we have a golden opportunity here to clamp down on opaque ownership structures and I cannot understand why the Government would not want to do so. The Bill must bring in provisions that prevent all companies from being controlled by opaque offshore entities, which do not need to disclose information on their owners or structures because of where they are based.

I still seek to understand from the Ministers why Companies House cannot be an anti-money laundering supervisor in its own right; this is a huge gap within the system. The Office for Professional Body Anti-Money Laundering Supervision has had mixed results in holding the AML supervisors under its wing to account; professional bodies have not done all they can to interrogate their members. That would perhaps fall into the area of a failure to prevent offence. Culpable directors, senior managers and other enablers of economic crime, including professional enablers, need to face sanctions, and rules on AML supervision need to be applied consistently. That is not currently happening.

The non-governmental organisation Spotlight on Corruption noted that there are 22 industry bodies that currently oversee AML compliance in the legal and accountancy sectors. In 2021, OPBAS found that just 15% of supervisors were effective in using predicable and proportionate supervisory action; 85% were not. It also found that just 19% had implemented an effective risk-based approach to supervision. This disjointed approach to tackling money laundering is just not working: it is allowing too many to sail through the net.

In the UK, an estimated £88 billion of dirty money is cleaned by criminals every year, compared with the lesser, but still significant, amounts of €54.5 billion in France and €51.53 billion in Germany. To tackle the issue, it is vital that support is offered to smaller firms, which are often targeted by those who wish to engage in money laundering, criminality and other illicit activities, to enable such companies to spot red flags in respect of potential clients.

It is beyond me why the UK Government allow the verification process for company registration to be carried out by company formation agents when they are the very bodies that have to a large extent created the problem that the Government are trying to solve. As the Home Office report “National risk assessment of money laundering and terrorist financing 2020” pointed out:

“Company formation and related professional services are... a key enabler or gatekeeper of TBML”—

trade-based money laundering. We should be reducing their power, not endorsing it.

Under the Bill, all third-party agents who set up a company on behalf of someone else will be required only to declare that the information they are providing on behalf of that person has been verified. I return to my verification question: what is the system for that? Without giving Companies House the ability to carry out independent checks to ascertain whether the “verified” third-party information is correct, it is just going to become a box-ticking exercise. The verification requirement in itself has no teeth and is unlikely to lead to any material change in how third-party agents carry out that key verification process.

Before I leave Companies House, I should say that I am deeply disappointed that the UK Government seem to show no willingness to increase the ridiculously low company registration fee: £10 or £12 is nothing in the scheme of things. In Germany the equivalent fee is €400, and in the Netherlands it is around €52; I am sure the Minister would regard neither country as anti-business. Having a low fee is not the benefit that Ministers seem to think it is. I am open-minded as to what the figure ought to be, but in its economic crime report the Treasury Committee agreed that £100 would be perfectly reasonable and give Companies House more resources to deal with the huge challenges it faces.

Improving relations between Companies House and the various law enforcement agencies is welcome. The Treasury Committee report on economic crime called the landscape “bewildering” and noted that both co-ordination and economic crime itself should be higher priorities for the Government. The scale of the issue is outlined in the BEIS impact assessment, with law enforcement referrals to Companies House rising from 1,400 per annum in 2015 to 9,300 in 2021. Given that we have heard how little economic crime is actually prosecuted, this feels like the tip of a very large iceberg.

With talk of future austerity and cuts, it is important that the UK Government invest in the enforcement agencies to investigate and prosecute economic crime. It is a specialist area and it requires well-paid specialist staff to tackle this scourge. The Scottish crime campus at Gartcosh is a great example of both efficiency and inter-agency working, but it can do this only if properly funded. A further round of Westminster austerity puts it all at risk.

I feel like I have been raising Scottish limited partnerships forever, and I have no hesitation about doing so again. Because SLPs hold legal personality and can possess property, they have become a very popular mechanism. The BEIS analysis was quite stark: between 2010 and 2016 they had a growth rate—one that the Government would love—of 459%. That alone should have set off alarm bells from Companies House to the Government Front Bench, but nothing terribly much happened for a long time. BEIS figures also state that as of 31 March 2021, SLPs made up 64% of all limited partnerships on the Companies House register. If we compare that with the fact that companies registered in Scotland make up just 5% of companies in the UK, we can see that something is badly out of whack.

SLP registrations have plateaued since the rules were tightened, but they have not gone away. They have also continued to be implicated in money laundering, arms running and sanctions busting, including in respect of the Russian aggression against Ukraine. They are set up with partners in secrecy jurisdictions, with companies named as persons of significant control, which is against the rules. Linking to an actual person with an actual address would be progress, as would limiting the number of times that an address or person could be a company director. To date, enforcement and fines for breaching the rules that the Government themselves set up have been few and far between. There is little point in having rules that are just not enforced.

As I have pointed out before in this place, there are also knock-on effects to our neighbours in Ireland. As there has been a slight tightening of the rules here, registrations of Irish limited partnerships have soared. What conversations has the Minister had with his counterparts in the Republic to ensure that we are not just shifting criminal activity from here to there? All possible co-operation must be undertaken to avoid criminals shifting their business over the sea.

I wish to ask about the links with other legislation that is currently going through this place. The Financial Services and Markets Bill has a significant section on the regulation of cryptocurrencies, which have become incredibly popular with organised crime incredibly quickly, as a means of shifting money as well as of scamming naive members of the public. It is unclear how the legislation before us interacts with that Bill and the halo effect that might be created by the regulation of certain cryptoassets but not others.

When the Treasury Committee took evidence on the Online Safety Bill—which has disappeared but will hopefully come back at some stage—we were concerned about crimes being carried out via the internet and social media platforms. Currently, the banks of those who are scammed have to pay up, but the social media companies themselves are not held accountable. For example, scams conducted over Instagram or Facebook Marketplace, scam messages sent over WhatsApp and

unregulated financial advice given via platforms like TikTok are not currently covered. They should be given an awful lot more attention.

I was glad to hear from the Home Secretary that there have been some conversations with the Scottish Government about the implications of this legislation in Scotland, because Scots law is, of course, a devolved area. Registers of Scotland administers the register of persons holding a controlled interest in land, which was launched on 1 April and shows who controls the decisions of owners or tenants of land and property in Scotland. I would like a bit more information from the Government about the conversations they have had with Registers of Scotland and the interaction with the register of overseas entities. Scotland did not hang around waiting for the UK Government to make legislation on this issue; we got on with the job.

I look forward to tabling amendments to try to improve this Bill, and I really hope that for once the Government will listen and be constructive on some of the issues we raise. We would not be in the situation we are in today had they done so during the debates on the Sanctions and Anti-Money Laundering Bill or umpty other bits of legislation over the years. We are all clear in this place that robust supervision and proper deterrents need to be in place for those responsible for economic crime.

We on the SNP Benches are looking forward to independence and setting up our own robust systems to register companies and to prevent economic crime. Nobody would choose the UK system as it stands, and it remains to be seen whether it can be adequately repaired.

1.27 pm

Mary Robinson (Cheadle) (Con): It is a pleasure to be called to speak on Second Reading of this important Bill.

To maintain the UK's role and reputation as an international banking and business hub, we must have a transparent system with robust defences against money laundering and fraud, backed up by legislation. As we have heard, the Bill introduces vital reforms to Companies House and to limited partnerships. It also brings forward measures to ensure that law enforcement is equipped to handle the modern challenge of cryptoassets. We have to keep pace with the inevitable changes that result from the development and recognition of cryptocurrency as it moves from niche technology to the mainstream. It is a policy area that poses a unique challenge to law enforcement, with constantly evolving technology creating intangible assets that are largely unregulated and increasingly used to hide and move the proceeds of crime and enable malign states.

The value of losses from crypto-related scams reported to Action Fraud more than doubled over the previous year to £190 million in 2021. All fraud costs the UK economy £190 billion annually, with money laundering constituting an additional £100 billion.

This is money from hard-working individuals and businesses taken by criminals and used to perpetrate wars and terrorism, and technology is only making that easier for them. The Bill's stated objective, which I welcome, is as follows:

“Strengthen the UK's broader response to economic crime, in particular by giving law enforcement new powers to seize cryptoassets and enabling businesses in the financial sector to share information more effectively to prevent and detect economic crime.”

[*Mary Robinson*]

Increased powers will bolster the National Crime Agency and Serious Fraud Office, as well as the regulatory bodies, and are welcome. However, the Bill misses an opportunity to refer to and support the important role of whistleblowers in the fight against financial crime. The impact assessment produced by the Department for Business, Energy and Industrial Strategy references PricewaterhouseCoopers' global economic crime and fraud survey 2022, which found that the UK has a higher than average proportion of serious fraud carried out by an external perpetrator at 57% versus 39% globally. It notes that fighting external perpetrators is distinct from handling internal fraud, with external forces being "immune" to traditional fraud detection and prevention tools—including workplace frameworks and whistleblowing procedures.

The Government are in the process of reviewing whistleblowing guidance, which is welcome. However, the reality is that existing legislation applies only to employees—not to contractors, trustees, volunteers or many others who might hold vital information. It is estimated that just over 40% of fraud is detected through whistleblowing tips, and only half of those disclosures come from employees.

By their very nature, money laundering and economic crime are more often than not linked to serious organised crime gangs and hostile states. Without adequate protections, the stakes for an informed insider blowing the whistle are simply too high. With cryptoassets existing outside the realm of a centralised or governed system, it is unlikely that anyone with information about financial crime involving them will be employees, and therefore they will not be covered by the provisions of the Public Interest Disclosure Act 1998, which is the one that oversees the protections of whistleblowers.

If protections are not to be afforded in this Bill, I hope the Government will support the aims of the all-party group on whistleblowing, which I chair, to create an office of the whistleblower to provide overarching protection for the very people we need to speak out and uncover the criminal activities that this Bill aims to curtail.

I welcome this important Bill, and I know that it will receive support. There are changes that could be considered, particularly with regards to whistleblowing, so I look forward to seeing the Bill go through to Committee.

1.33 pm

Dame Margaret Hodge (Barking) (Lab): It is a pleasure to follow the hon. Member for Cheadle (Mary Robinson), who has been a passionate and strong advocate on behalf of whistleblowers and the very important part they play in fighting economic crime, money laundering and fraud.

Many of us have waited with eager anticipation for the Bill that the Government promised would enable us to rid Britain of the influence of oligarchs and kleptocrats and of the cancer of money laundering, fraud and other economic crime. That is particularly true of the large and ever growing group of Back Benchers who are working together across the House on these issues. Although we all welcome the fact that the Bill is now before us, many of us deeply regret that, yet again, the Government have failed to demonstrate the strategic

vision, determination and ambition that are plainly needed if we are to translate our shared aim into reality on the ground and convert our warm words on economic crime into real action. The Bill contains good and important changes, but it does not allow us to make the big leap forward that we need to systematically drive this pernicious and pervasive illegal activity out of our economy and our society.

Let me remind Members why tackling economic crime really matters. Bluntly, the cost to the UK economy is immense. People have talked about the figure of £290 billion a year, but a recent study by the University of Portsmouth gives us a figure just short of £350 billion. The mind boggles. That is somewhere between a quarter and a third of total public spending every year. It is the enormity of the sums that gives the UK the shameful and dubious distinction of being the jurisdiction of choice for oligarchs, kleptocrats and criminals around the world—people who choose us to hide and launder their ill-gotten gains.

Governments of both the main political parties have long championed the UK's financial services, and the success of our financial services has contributed significantly to economic growth over recent decades. We boast of our professionals, our institutions, a trusted legal jurisdiction, the English language, an attractive property market and the lure of London as a place in which to live and work—all things that help to create a vibrant financial services sector. At the same time, though, our weak regulations, our woefully inadequate enforcement capability, our relationship with the UK tax havens in the Crown dependencies and overseas territories, our lack of transparency and our deficient accountability protocols have meant that it has become all too easy to wash the dirty money along with the clean here in Britain.

The human impact of this is beyond awful. We have all seen the horrific, heartbreaking images of Putin's vicious assault on Ukraine and the effect that it is having on innocent Ukrainians. However, we must face up to the understanding that the dirty cash is laundered and cleaned by Putin and his kleptocratic friends both in and through the UK. Ukraine is now paying the price for corruption and economic crime. We are helping to enable Putin's assault. Our corporate structures, our lawyers, bankers, company service providers and accountants, and our links with places such as the British Virgin Islands all facilitate the accumulation of stolen wealth and power that helps to fuel the criminal onslaught on an independent nation and its people.

We have allowed that to happen. It is an utterly appalling truth that, since Putin came to power more than 20 years ago, there has not been one single prosecution for economic crime launched against any individual Russian oligarch—not one. Similarly, the explosion of fraud in Britain has led to endless instances of misery and harm, which other Members have cited. The authorities, as my right hon. Friend the shadow Home Secretary said, reported 5.1 million incidents of fraud in the year to September 2021, and we know that much fraud remains unreported. The published figure means that at least one in 11 adults were the victim of fraud in that year. People such as Len, who, at the age of 96 and with a proud record of service in the Army and a successful career as a chartered surveyor, was getting 600 scam communications a month. Although he did not keep track of his total losses, he knew that in one 10-day

period he had spent and lost £600. It is the lack of enforcement action that contributed to Len's misery and that has allowed fraud to spiral into the most common crime in Britain today.

The Government are absolutely right to bring forward legislation. In fact, I would argue that if we do not eradicate money laundering, fraud and other economic crime we will cause lasting damage to our financial services sector, because we will lose our reputation as a trusted jurisdiction, and the plentiful supply of clean money across the world will go to other more reputable countries. We will lose business, not attract it. Britain can never enjoy sustained economic growth on the back of dirty money.

I welcome the good and important changes the Bill will bring about when it is passed into law. The reform of Companies House, which other hon. Members have talked about, is warmly welcomed and hugely important. None of us wants more regulation, but we do need much smarter regulation, and that is what these provisions aim to achieve. We need to tackle and stop scandals such as the Danske Bank scandal, where an Estonian branch of the Danish bank allowed \$8.3 billion of suspect payments to move through the bank using British registered companies. Many of those companies were limited liability companies, and we now know that 90% of the more than 800 limited liability companies involved in the scandal were set up by one rogue company service provider and registered at the same address in Birmingham. We need to stop the practices that meant that in the FinCEN files leaks 3,267 UK shell companies were named—more than in any other country. We need to tackle the reasons that led to Transparency International's finding in a 2017 investigation that 766 UK shell companies were involved in corruption and money laundering cases worth up to £80 billion, with half of those 766 companies registered at just eight different addresses.

Kevin Hollinrake: The right hon. Lady is making a fantastic speech, and it is always a pleasure to listen to her and to work so closely with her from our respective positions on the Back Benches. She refers to Danske Bank; the total amount of money laundering through that Estonian branch was €200 billion, much of it Russian money from kleptocrats moving the money out of Russia. The bank has not been fined yet. It will probably get a fine of £2 billion or £3 billion, but the likelihood is that not a single individual will be held to account. That is absolutely wrong. Fines are seen as a cost of doing business. I know she agrees that we need to extend the failure to prevent an offence to include economic crime and things such as false accounting, and we must have individual directorial responsibility.

Dame Margaret Hodge: Hear, hear! I completely concur with the hon. Gentleman, and it is a real pleasure to work with him on all these matters. He is completely right. The interesting thing about Danske Bank is that, were there to be any prosecutions, they would not happen in the UK. They might happen in other jurisdictions, particularly America, but they will never happen in the UK because of the weakness of our enforcement agencies.

The provisions in the Bill are essential to help tackle some of the wrongs in the examples I have given, but I hope the Minister will assure the House when he winds up the debate that he will seriously consider amendments

that we intend to table to strengthen the reform of Companies House and prevent potential loopholes. I also welcome the proposals to allow organisations such as banks to share information where that could help to prevent or detect wrongdoing, and the proposals to treat cryptoassets just like cash or any other assets for the purposes of seizure and enforcement.

However, the Bill too often tinkers with the challenges at the margin instead of boldly adopting a more holistic and systemic approach to bearing down on dirty money. For example, instead of proper and much-needed reform of the supervision of the professional enablers who are responsible for implementing anti-money laundering regulations, we get new cost caps for the Solicitors Regulatory Authority and new powers for the Legal Services Board—piecemeal reform, not systemic reform.

Instead of reforming the present outdated criminal offences in relation to the responsibilities of companies and their directors to prevent economic crime, which the hon. Member for Thirsk and Malton (Kevin Hollinrake) referred to, so that we can really hold those who enable, facilitate or collude with economic crime to account, we get new pre-investigation powers for the Serious Fraud Office—important, but piecemeal reform. Instead of a systemic reform of the broken suspicious activity reports regime, we tinker at the edges by reforming part of the regime, the defence against money laundering SARs—again necessary, but yet another example of the piecemeal approach being taken.

Not only does the Bill tinker at the edges; it also fails to address key matters that are all vital to a comprehensive approach to preventing, detecting and punishing money launderers and fraudsters. Where are the proposals to seize, as well as freeze, the assets taken from sanctioned individuals and states? We want the money that Putin and his kleptocratic cronies stole from Russia to be used to fund the reconstruction of Ukraine. We need similar powers to those that already exist in other European countries such as Italy and in nations across the world such as Canada.

Where are the proposals for a sustainable funding regime for the enforcement agencies, so that they can use the powers they have? For instance, as the hon. Member for Glasgow Central (Alison Thewliss) stated, the cost of registering a new company with Companies House is a mere £12. It would still be a bargain at £50 or £100, with the extra income ringfenced to fund Companies House properly.

Where are the proposals to do away with the requirement that our enforcement agencies pick up the tab for the legal costs incurred by individuals who succeed in resisting a prosecution for economic crime? The US enforcement agencies, which are far more successful in securing convictions, do not have to pay the costs of the person prosecuted if they lose a case. We should follow that example. Our system acts as a brake on our enforcement agencies. They fear the financial costs of losing, so they fail to prosecute aggressively, and because of that fraudsters, criminals and money launderers get away with awful actions.

Where are the proposals, which the hon. Member for Cheadle called for in her contribution, to protect the brave whistleblowers on whom we are so dependent? Where are the proposals to ensure accountability to Parliament and the public, so that we can see whether our reforms deliver? Where are the proposals to tackle

[*Dame Margaret Hodge*]

the abuse of our defamation laws by oligarchs who want to silence those of us wanting to hold them to account? Where are the proposals to close the loopholes on transparency for trusts and the ownership of land, which continue to act as secret ways to launder money into or through the UK? Where are the reforms to the SARs regime, to the supervision of AML supervision or to corporate criminal liability laws?

In the wake of the 7/7 attack in Britain, we treated the reform of counter-terrorism as a mission requiring strong and comprehensive action, and we are now rightly proud of our capabilities in that area. The war in Ukraine should be our 7/7 moment in the battle to eradicate dirty money. It has helped us to understand the horrors that allowing illicit finance to infect our financial services sector, our economy and our society can bring, both at home and abroad.

This Bill is a once-in-a-generation opportunity to put things right. We cannot and must not waste it. I look forward to working with my colleagues across the House and with Ministers in Government to achieve our shared and crucial objective: to show that we are a country that consistently demonstrates zero tolerance for all illicit finance and is determined to grow a strong, trusted financial services sector in a jurisdiction that boasts the smartest regulation, first-class enforcement of the rules, maximum transparency and strong accountability. There lies the way to economic growth.

1.48 pm

Kevin Hollinrake (Thirsk and Malton) (Con): It is a pleasure to speak in this debate and a particular pleasure to speak after the right hon. Member for Barking (*Dame Margaret Hodge*). She has done incredible work in this area for many years, for which we should pay tribute to her, and I hope she will continue for many years to do the same. I know that she has talked once or twice about hanging up her political boots—if the accommodation Whip is listening, I would very much like to inherit her office if she ever does—but nevertheless I hope she continues in Parliament for many years to come.

On a more serious note, all hon. Members deal with tragic cases and I want to refer to a couple of mine. Leah Heyes was a 15-year-old girl whose life ended in a carpark in Northallerton in 2019. Andrew Bellerby took his own life aged 35 in 2015. The connection between those two tragic cases is, of course, drugs. Lia suffered an adverse reaction to her first experiment with ecstasy, and Andrew's life had been devastated by drug dependency. We also try to help families in those tragic cases, who are trying to pick up the pieces and make the best of what has happened to them, by putting in place measures to stop such things happening again. Too often we look at ways to try to deal with suicide cases more effectively or clamping down on people who deal drugs, but that is treating the symptoms, not the causes.

The causes are linked to economic crime. Many people will have watched the television series “*Narcos*”. The big cartels make a huge amount of money distributing the drugs that result in those tragic cases. They make so much that they bury hundreds of millions of pounds, because it is difficult to legitimise the money. They are not supposed to be able to pay that dodgy money into a bank or buy a yacht or a house with it, because questions

should be asked about where the money has come from. Without the ability to launder the money, it is pointless perpetrating those horrendous crimes and being the linchpins behind those tragic cases.

The reality, however, is that many of our large financial institutions facilitate the laundering of that money. In 2012, HSBC, which we regard as a trusted organisation, was fined £1.9 billion for laundering money for the Sinaloa cartel, which was run by El Chapo. It is incredible that that would happen, but the obvious reason it does is money. The banks can make huge amounts of money themselves. My friend the right hon. Member for Barking mentioned the Danske Bank case. Normally a regional branch of a bank would have a profit margin of about 20% on turnover. The Estonian branch of Danske Bank that dealt with the £200 billion of Russian kleptocrat money had a profit margin of 460%, and that huge amount of money was the incentive. It is inconceivable that the people at the top of HSBC and Danske Bank did not know what was going on. It is impossible to make such extraordinary profits without those at senior levels knowing what is going on. But time and again we simply fine the bank and do not hold the individuals to account.

Drugs are not the only issue. Some of them are problems that we are trying to solve, such as the small boats crisis. Traffickers are making huge amounts of money and they need to be able to move that money around. Paul Stanfield, the head of economic crime at Interpol, says that it is all about the money and

“If you want to tackle organised crime, you have to go after the money”.

But the reality is that the UK makes all this easier. Because of some of our lax regulations on shell companies, which allow money to be hidden behind the veils of different companies in different jurisdictions, and because of the expertise in London and our overseas territories, the UK is the destination of choice for money laundering. The money may go to different places but it is laundered through London.

That is why many of the measures in the Bill are welcome, including those on transparency and Companies House. This is a big job. It is not only new companies whose directors must be verified, but existing ones. That is millions of companies. The Minister has been excellent in engaging on these issues, as was the previous Security Minister, but I would like to understand how that will be achieved. We may be putting £63 million into Companies House, but verifying the identities of people who have significant control over organisations will be a big job.

The resources going to Companies House need to be beefed up, and it makes sense to increase the very low fee of £12 for setting up a company in the UK to £50 or £100. I have set up quite a lot of companies in my time, and a fee of £50 or £100 would not have deterred me. That could increase resources to make sure that the enforcement happens. Too often, we look at innovation and legislation but we do not look closely enough at implementation. Without that, it is pointless having this debate. Implementation is key, and resources are key to that.

We are bound to focus on measures that are not in the Bill—that is what Back Benchers do. I have said many times that the No. 1 measure we need is an extension of the failure to prevent provisions on bribery and tax evasion, which have been so effective. People say that we

talk a lot and never get anything done, but the bribery provisions have been massive in holding corrupt companies to account. The Serious Fraud Office has deferred prosecution agreements for Rolls-Royce for Airbus, with almost £1 billion in fines going to the Treasury. The SFO also prosecuted the GPT Special Project Management Ltd case. The SFO does not get many successful convictions but GPT Special Project Management Ltd pleaded guilty in Southwark Crown court in 2020, and paid £28 million in financial forfeitures as a result, on the back of the Bribery Act 2010.

I pay tribute to my hon. Friend the Member for Cheadle (Mary Robinson) for her work on whistleblowers. It is an area that the Bill does not cover at the moment, but I hope that the Minister will introduce more provisions. My constituent Ian Foxley blew the whistle in 2011, resulting in a conviction 10 years later. He was well paid, operating in the middle east for GPT, but he has had 11 years without any remuneration. He was earning probably £200,000 a year, so he is millions of pounds down. We do not protect or compensate whistleblowers, and that is wrong. Those people do the right thing and come forward but—not to put too fine a point on it—we hang them out to dry.

Peter Grant (Glenrothes) (SNP): Does the hon. Gentleman agree that there is a grave injustice when those who have done the right thing have a lifetime loss of earnings of millions of pounds, but when crooked accountants are called up before and disciplined by the Financial Reporting Council, their loss of earnings from being suspended for a short time, which could run into millions of pounds, is taken into account? The sentence is often more lenient if it will have a significant financial impact on an accountant who has given false information to the FRC. It appears that the crooks are better treated than the people who try to bring them to justice.

Kevin Hollinrake: The hon. Gentleman makes a very interesting point. We need to clamp down on enablers of all kinds, and we need to get tougher in lots of ways to crack down on this in the way that we would all like to see. I know that provisions on whistleblowers will not be part of this Bill—although there may be amendments in Committee to that effect—but we want those brought forward as quickly as possible.

The failure to prevent is so important. It has to include the ability to hold an individual director to account, which would start to reduce the incidence of money laundering and the facilitation of all kinds of offences, including the huge profits made from drug dealing. An illustration of this is what happened with health and safety legislation back in 1974, when directors were made individually responsible and could go to jail if they did not prevent or seek to prevent serious injuries on their building sites. It became a health and safety offence that could be pinned on the individual. After that happened, deaths and serious injuries dropped by 90%. Of all the measures we have talked about today, this would have the biggest effect in terms of cutting down on economic crime, because lots of our financial organisations are complicit when it suits their interests to be so.

There are many other things we should do. We should extend what we did with unexplained wealth orders in terms of cost protection to other elements of the Proceeds

of Crime Act 2002 such as property freezing orders and recovery orders. Bill Browder, who is very outspoken in these cases, has come up with an interesting idea. If an individual is sanctioned, anyone who has dealt with that individual—whether it be an accountant, a solicitor or anyone else—should have to hand over their records in connection with that individual to the authorities, so that we can track down the money more effectively. I cannot see a good argument against that.

We have talked about freezing and seizing assets. That is difficult to do, because we have to prove that there was a crime, and we believe in property rights and the rule of law in the UK, so taking these assets off individual oligarchs is tough. One thing that seems like an open goal is the fact that we hold about £30 billion in Russian foreign currency reserves. It is clear that Russia is guilty of international crimes in its invasion of Ukraine. We could legislate to ensure that that money is not just frozen, as it is currently, but confiscated, seized and used to pay reparations to Ukraine.

There are many other things we could do, which I will talk about further during the later stages of the Bill. I may well table one or two amendments, which I know Ministers will continue to engage with and, I hope, will look kindly on, because all these measures will clamp down on economic crime, which is good for the UK and good for business. It is not bad for the economy—it is good for the economy—and it will drive out these heinous crimes all around the world, not just in the UK. We will then be able to point proudly at our record on tackling economic crime, and I hope the Minister will take credit for that as this legislation passes through the House.

2.2 pm

Valerie Vaz (Walsall South) (Lab): It is a pleasure to follow the hon. Member for Thirsk and Malton (Kevin Hollinrake), and I will pay tribute to him later. It is hard to be here on a Thursday without thinking of the late David Amess and remembering how he always used to come into business questions with a smile on his face. It has been a year, but it does not feel like a year; it has gone so quickly. We remember both David and Jo Cox. It is a very sad time.

I welcome the Minister to his position. I know that he has a lot of work to do. He is a talented author, and I bet he wishes he was reading his books, rather than the Bill. This is a wide-ranging Bill, and the main reforms are to Companies House. I am quite surprised that two Departments are covering this. It is a huge Bill, with six parts, 162 clauses and eight schedules. It is impossible to go through the whole Bill, but I have looked at certain sections of it, and it makes big reforms. I hope that this will all be teased out in Committee, and I want to highlight a few areas. I welcome what my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper) said: we welcome the Bill, but with reservations.

Reading the words “Companies House” took me back to when I started working as an articled clerk. I had to go down to Companies House, which was on Old Street then, and look through the microfiches of all the companies; that was the work we did at that time. Having qualified as a lawyer and worked in the Treasury Solicitor’s Department, I saw civil servants when they had the tools and the resources to go after companies,

[Valerie Vaz]

and they did that in the public interest—they understood those words, which they picked up over the years by osmosis and the way that departments worked, and they used to wind up companies in the public interest. The hon. Member for Thirsk and Malton mentioned going after directors and having that strict liability. There is the Company Directors Disqualification Act 1986, but I do not think it is used often, and certainly not to wind up companies in the public interest. I hope the Department will look at that, but that requires resources, and by the time I had left the Treasury Solicitor's Department, it had been outsourced to other companies.

I am not sure that there is a reference to this in the Bill, but it is possible to buy companies off the shelf and then transfer them to new ownership. What drew me to this issue, as well as my previous experience, is that a couple of constituents contacted me to say that their home address was being used as the registered address of a company, which they were getting mail for, and they could do nothing about it. They got in touch with Companies House. At the time, the Minister wrote a letter to say that there would be a new Bill and reforms, but these people were having to correct the information themselves and provide evidence that they lived at that address—they were the victims, but they had to rectify the register. I hope the Minister will confirm that these new powers will cover that situation, so that the onus will not fall on the victims to rectify the register, and that the registrar will deal with this under the ID verification scheme. There are some concerns about that new scheme. The regulations are still to be made, and it is not clear on the face of the Bill what the process will be and what will count as acceptable evidence; there is concern that it will just be biometrics.

The second case I want to come to is one that I have had three emails and lots of information about, and it is that of a constituent who I will refer to as Mr B—not because that is an expletive deleted or what I feel about him, but because that is his initial. He was going round setting up companies to defraud elderly people, and he was using false addresses. Even now, there are 16 companies registered to Mr B, of which five are active, and they are renewable energy companies. He is not only doing it here; apparently, he has a database of companies around the world—he has victims in India, the USA and Canada. My constituent went to the police and was told to go to Action Fraud, which told her to go to the National Fraud Intelligence Bureau, and nothing has been done. Will the Minister meet me to discuss that case? Can he confirm whether the new verification scheme will stop that?

The dynamic duo, my right hon. Friend the Member for Barking (Dame Margaret Hodge) and the hon. Member for Thirsk and Malton—what would we do without them?—both mentioned that funding is an issue. We may give Companies House powers, but it must have the tools to finish the job. It is more than just snagging. It only costs £12 to set up a company. In France it is £50, and in Germany it is £100. The APPGs chaired by this dynamic duo who are keeping us safe have both suggested a cost of £50, but as the hon. Member for Glasgow Central (Alison Thewliss) said, the Treasury Committee has suggested that it should be in the region of £100. At today's rate, someone could set

up eight companies—why would they want to?—for £100. If it would help with the costs of verification, the Government should look at the higher figure of £100, because the Treasury Committee has taken evidence on that. We know that over half a million companies are created each year. Transparency International UK found that, as the hon. Member for Strangford (Jim Shannon) mentioned, between 2000 and 2019 nearly £137 billion was lost in money laundering and corruption.

That leads me to my next concern, which is the method of identity verification. There seem to be two routes mentioned in the Bill—Companies House or an authorised corporate service provider. Again, there is nothing in the Bill about how this will be set up. I know there will be secondary legislation, but I think the House would like to see some of the processes and what exactly that will entail because I have a few questions. What are the transactional costs of using an authorised provider as compared with Companies House? Are we just outsourcing this process and will such providers be accountable to the registrar at Companies House? How many authorised corporate service providers will there be, because this Bill is quite rightly about corporate transparency?

This brings me to the register of overseas entities, which is operational, and as of 11 October 1,605 have registered. I logged on to the register, and the House of Commons Library helpfully took me through the process. I searched through the register and, lo and behold, companies with opaque beneficial owners can still register. I will mention just one: Merakino Ltd, which is registered in Jersey. When I clicked on the beneficial tab, it came up with East Fiduciary AG, with the registered office in Switzerland, and the only person named is the agent in the UK supervised by His Majesty's Revenue and Customs. A company expert has said that about 20% of registrations on that register have a beneficial owner that is a legal entity, not a human being, which shows, sadly, that the register is not working. I hope the Minister will look at this, and say whether he considers that a register in which for 20% of the entries the entity is a company is working.

I, too, agree with other colleagues who have said that this is a missed opportunity, because I feel that the Government have failed to close a huge gap that in effect amounts to economic crime against the British people. I know there will be mumbles about this not being the right vehicle and so on, but I think closure of the non-dom status is a vital area in fraud and in ensuring that money owed to the British people stays here. Those who choose to live, use our services and vote here do not pay their taxes on overseas income, and as my hon. Friend the shadow Chancellor has pointed out, this would raise £3.2 billion a year.

Sadly, in conclusion, I have several questions for the Minister. Will he consider raising the registration fee, as suggested by the Treasury Committee and the APPGs, in line with other countries? Will he look at that, and at an open and robust process for identity verification? Will he look again at closing the loopholes in the overseas register? Will our constituents be safeguarded from the use of their own home addresses? Will Mr B, using fake companies to defraud constituents, be exposed, caught and penalised? Looking through clause 96, one of my concerns is that the registrar can apply civil penalties, but using a civil burden of proof—the burden of proof is “beyond reasonable doubt”, but the penalties

are civil ones—so does the Minister, the Department or the Government know how many people will be caught by this, because it is quite a high bar? Our constituents are working hard and they pay their taxes, mostly through pay-as-you-earn, and it is right that we close loopholes and protect them against fraud so that we can continue with the entrepreneurial spirit this country is very good at.

2.14 pm

John Penrose (Weston-super-Mare) (Con): I guess the simplest way to greet this Bill is with a massive cheer of hooray. Many of us in this place today have been waiting and waiting for a very long time, and it is really good to see it arriving on the Floor of the House at last, and to see it being welcomed from both sides. There is cross-party agreement on the fact that it is due and, frankly, past due to plug some of those gaps, and it is great news that it is here.

Many of us have been pushing for a very long time to get such things as beneficial ownership transparency, so that if we want to find out who owns a particular company, we do not have to go through multiple layers of shells and other bits and pieces, and finally end up in a secrecy jurisdiction. We are, at least in theory, able to find somebody in charge or exercising effective control over that company who has a pulse, and that is the ultimate guarantee that we are getting somewhere.

We have already heard that many further steps will be required to make that actually bite properly, but in principle is it not great that we are here and is it not great that this stuff is happening? I am delighted to be able to welcome it along with everybody else here today. However, you can probably tell, Madam Deputy Speaker, that I am working up to a but at the end of that sentence. In fact, I am working up to two buts, if I may.

The first but is the point raised by my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) about the failure to prevent mechanism or indeed any other effective mechanism ensuring that for a corporate—I am using “corporate” in the broadest sense to mean not just companies, but all corporate vehicles, including things such as trusts—there is some sort of proper personal liability for the people running it if they allow things such as money laundering to happen. Failure to prevent is probably the most obvious way to do it, and it was blessed and agreed to for fraud, as an extension of where we are now, by the Law Commission in its recently published report. However, there is a whole range of other crime and economic crime that it does not cover, and the Law Commission said that there may be other mechanisms than failure to prevent.

It does not really matter what that the mechanism is, except that it has to be better than what we have at the moment, and we absolutely have to push forward on what is one of the biggest remaining holes in the coverage of our protections. My hon. Friend is quite right that until we do this—until we plug this particular gap—we will still end up with a huge opportunity for thieves, kleptocrats and organised criminals of all kinds to do what they do. I am afraid that they are incredibly entrepreneurial people, and they are very creative and stay ahead of whatever mechanisms we come up with. It is only by doing something like that that we will close the gap properly and get an all-encompassing roadblock to what they do.

It is therefore absolutely essential that, whether it is with failure to prevent or some other mechanism, we do not accept that the status quo is adequate in this area, and we must, all of us from all parts of the House, send a resounding message to Ministers and to law enforcement that this must not be allowed to persist. I may be being a little bit over-optimistic, but I think we heard from the Home Secretary earlier that the Government plan to come back to, look at and take forward—I think that was the phrase she used—the report from the Law Commission. I hope she will hear from all of us here that that is good news, but that we would like to take it forward briskly, promptly and with maximum energy, if we can.

The second but is the point about enforcement. It is all very well to have brilliant legal structures, brilliant laws passed and regulations in place saying, “Thou shalt do this” and “Thou shalt not do that”, but it is no flipping use at all if there is no one there to actually police it and enforce it. While there are an awful lot of people working extremely hard in all sorts of organisations—the National Crime Agency and others—to try to do this enforcement, we all know that there is an enforcement gap in this country compared with, for example, America, which is an awful lot better at it than we are, in this particular area at least.

Therefore, we are going to have to raise our game here. I wish there was a Home Office Minister sitting on the Bench alongside the excellent BEIS Minister at this moment, because the Home Office is the Department that will be under funding pressure to raise its game in order to make sure there are enough resources for these enforcement organisations to do their job, and to do it better, more effectively and more efficiently than they are at the moment. Until they do that, we are always going to be a weak link internationally. I do not think we should kid ourselves about where we are at the moment, because we are a bit of a weak link at the moment.

That brings me on to the other half of my point about enforcement, which is that the points made about whistleblowing by the APPG chair, my hon. Friend the Member for Cheadle (Mary Robinson), really matter. As I said to the shadow Home Secretary earlier, we can turbocharge and maximise the effectiveness of our existing enforcement organisations if we get our whistleblowing regime upgraded and improved very dramatically from where it is now, because whistleblowers are force multipliers for the police. They make the police’s life easier, bring them good, warm leads, blow open cases and provide the evidence that is needed to create effective prosecutions. Without them, the job is a great deal more expensive and less effective; with them, the police can do their job much faster and better. The kleptocrats, the oligarchs and the various different crime lords are a great deal more scared of the UK with a decent whistleblowing regime than they are without one.

That causes a problem because Ministers will say, “Ah yes, but there isn’t enough space in this Bill to provide upgrades to the whistleblowing regime.” Many of us asked that question before we got here today and we all had the same answer, which is, “Yes, it is very important, but not here, not now, and not just yet.” Frankly, that is not good enough or adequate.

I appreciate that the constraint on space is real and I am not trying to pretend it is not, but there are other things that Ministers could do that do not require this

[John Penrose]

Bill and that could be done through, for example, little bits of secondary legislation. If Ministers can commit to make those changes—ideally in the Minister’s summing up this afternoon or certainly in Committee—the pressure for primary legislation and, dare I say it, for endless rounds of proposed amendments, which people may be minded to table later in the Bill’s progress, either here or in the other place, will be greatly reduced. So it is in everybody’s interest for Ministers to say, “Yup, we are going to do that.” If the Minister is able to stand up later this afternoon and say, “Yes, we will do these four things during this parliamentary Session”, that will relieve an awful lot of pressure in this area, because we will all know that proper progress will be made.

The things that would reduce the pressure and the need for primary legislation in the Bill are very simple. First, we could extend the Public Interest Disclosure (Prescribed Persons) Order 2014 to include all the professional regulators. At the moment, that order includes some of them, but if all the professional regulators were included that would massively improve the protection available. It would mean that when somebody says, “I have seen something that is wrong that needs to be dealt with, and I am going to blow the whistle and provide the information,” they would not be the ones who end up as victims, unemployable or completely monstered, either by their former employer or the profession in which they work. Extending the prescribed persons order would mean that those professional regulators have a duty to look after them. At the moment there are big gaps in the list, but it would be relatively straightforward and would not require primary legislation to plug those gaps. Why on earth are we not doing that? Why can we not do that now? It would only take secondary legislation, so let us get on and do it.

Secondly, we could expand the definition of “a worker” under the existing regulations. At the moment, employees who blow the whistle are better protected than trainees, non-executive directors or suppliers. Those sorts of people are very well placed to see wrongdoing, may know what is going on and may have good audit trail evidence to provide, but woe betide them if they blow the whistle, because they ain’t protected as they should be and as they would be if they were an ordinary employee. That seems to me and an awful lot of people to be jolly silly and a massive gap, and it would be easy to fix.

Kevin Hollinrake: My hon. Friend is making a fantastic speech. On that point, I talked about my constituent, Ian Foxley, who was a contractor working overseas. Those sorts of people are not covered by the existing legislation. Had they been, he would have been able to seek redress through the company he worked for. As it is, he cannot.

John Penrose: That is absolutely right and a very good example. Again, it is relatively simple to fix. It would not require primary legislation, it would reduce the pressure on the Bill and the pressure from all of us here trying to shoehorn extra things into the Bill. In the interest of giving the Minister an easy time, which we all want to do, if he could make these commitments for some time in this parliamentary Session, that all goes away. We would end up with something an awful lot better and quicker.

Thirdly, there are a series of money laundering regulations that can be upgraded and improved. Again, that will not need primary legislation and, again, that will help dramatically.

Finally, we must improve the process for raising concerns. Lots of other countries have online systems, with websites that work easily and are centralised. People know that if they raise concerns through the centralised system, they are automatically engaged with the necessary protections and have the right degree of protection, so they are much more comfortable that they will not end up on the receiving end of victimisation from the people they are trying to blow the whistle about.

Those are the four items. They are easy for the Minister to say—nice and simple. Not only that, I am sure he will have the support of his Home Office counterparts, because they will be the ones whose budgets will be under pressure to improve and upgrade the resources available to the investigative organisations, such as the NCA. Such organisations will otherwise have to be paid more money in order to carry out investigations; they will still need a bit, but they will be able to use it much more effectively if we can make those four changes. I hope that is helpful. I look forward to the Minister’s comments. I will have my pen poised to tick these points off. I am hopeful that he will be able to be helpful.

2.26 pm

Layla Moran (Oxford West and Abingdon) (LD): It is a pleasure to follow the hon. Member for Weston-super-Mare (John Penrose), who has championed these matters for an incredibly long time, along with so many other hon. Members. It is always an honour to take part in such debates because it feels as if it is Parliament pushing Government to go faster, further and deeper.

I do not suspect that economic crime Bill 2 will be any different from economic crime Bill 1. We all welcome the fact that we are here, finally, but we all have a “but”, which is that we wish to do more. Certainly, the speeches so far indicate that the spirit with which we approached economic crime Bill 1 lives proudly within us. We achieved quite a lot in that and I hope that economic crime Bill 2 will be equally as fruitful.

In some ways, I hope it will be the last economic crime Bill, because I hope we can get it done properly this time. In economic crime Bill 1 we kept being told, “Well, don’t worry about that. We are going to put it to one side. It’s a bit complicated. We need to go away and look it, and then we will come back and sort it in economic crime Bill 2.” When we picked up our copies of economic crime Bill 2 and saw that it was nice and hefty, I thought, “This is good.” Then I looked at it and, I am afraid to say, I was quite disappointed. There was a lot that was mentioned, both from the Dispatch Box and in private with Ministers, that we thought we were going to tackle this time, and it simply is not there.

That frustration leads us all to want to push the Government to go further. There is also the deep frustration that it has taken a war to get to this point. I see bombing in Kyiv, Crimea and elsewhere, and I have a Ukrainian guest living with me who feels these things very deeply. Every time I see that, in the back of my mind I think, how much of the money that has gone into Putin’s coffers to help pay for what is being done to her and her family came through our economic system? How shameful that there is that direct link. We know

that link is there because that is what caused us to act as quickly as we did with economic crime Bill 1. I know there is that feeling of frustration in all parts of the House and that we want to tackle the issues as comprehensively and finally as we can, this time.

In common with other hon. Members, I welcome the measures in the Bill, in particular the reform of Companies House and Scottish limited partnerships, which are significant steps forward. We have not even had a framework to deal properly with many parts of economic crime. However, even if we have a legal framework for something, we still have to be realistic. We have a legal framework for burglary, muggings and all sorts, but there still needs to be adequate resourcing for the enforcement agency. In that case, the enforcement agency is the police but with economic crime there are 22 different agencies that are meant to do that, in particular the National Crime Agency. The funding for those agencies is falling, not increasing. If we are serious about tackling economic crime, there needs to be a commitment of money to the agencies that are the force behind those warm words from the Government. When the Home Secretary was questioned on that earlier, she gave very woolly answers.

As the Bill progresses through the House in the next few weeks, I am hoping to hear the Government say that they know how much money they need to do the job they have to do. The reasons for doing it are entirely in our self-interest. There is not just the geopolitical reason that I described—the shame that money flowing through our systems is in any way funding nefarious purposes—but the fact that HMRC has something to gain. If we can get our hands on some of that money and find ways to divert it, we can find ways to spend it better, away from the criminals. That is surely in the taxpayer's interest.

As was mentioned by the right hon. Member for Barking (Dame Margaret Hodge), if we want to be seen as a good place to do business, we cannot allow ourselves to be a country that accepts this money. It taints all businesses—the good ones with the bad—that are deciding to trade in our financial markets. It is in our gift to make this country the best and safest place in the world to do business. It is in our own self-interest to tackle corruption. It is not just about the war; there are more far-reaching consequences.

I want to draw the Minister's attention to a few areas now so that he has plenty of time to work on them before we get to Committee and the Bill goes through its next few stages before eventually reaching the other place. First, and most importantly, we need to start with the provisions of the first economic crime Act and look again the register of beneficial ownership. While it has now come into force, if I was an enabler wanting to make a mint from my oligarchs, it would be really easy for me to tell them how I would get around the new legislation. All I would have to do is transfer the entity into one of my relatives' names, or, instead of having four people registered as beneficial owners, I would just need a fifth, and all of a sudden the problem would disappear. Those are two simple examples of how people can get around that register. Everyone recognises that economic crime Act 1 happened quickly, but given the time that we have had to properly scrutinise and think about these matters, I ask the Minister to consider amendments that would improve it. There is a small

part of the Bill where the Government have started to do that for the register, so such amendments would be in scope. I therefore urge him to consider further amendments to that end.

My second question, which I posed to the Home Secretary, is about golden visas. We have heard absolutely nothing about them. It is not enough to say, "We've put a freeze on them and we're not giving out any more." The fact is, we did give them out. She clearly misspoke when she said that we sold them—that was rightly picked up on—but it is quite an interesting way of looking at it. Actually, many of the people who "bought" them will have seen it that way. There would have been an exchange. At the time, the idea was, "If you invest in this country, you get something back," and in this case it was citizenship. Other countries do that, too. However, we know that golden visas were being used as a way essentially to whitewash people who should never have been given the right to reside here, let alone passports or anything else, and unless we understand fully the extent to which they were used, how and by whom, this place cannot hold the Government to account for what they are trying to achieve with the Bill.

We are in a perverse situation. We understand that the Minister has access to that review—it has been done, it is finished, and it is sitting there on Ministers' desks—but Parliament has not seen it. That is unacceptable. At the Dispatch Box, the Minister should not say that he will look at it, as the Home Secretary did. I do not want her to look at it—I want to look at it. I want all hon. Members to be able to look at it. The Government should publish it so that we can see it. On economic crime, the slogan for all of us must now be "Better out than in".

The third thing that I want to raise, as several hon. Members have, is the Law Commission's look at the "failure to prevent" offence. While I was sat down I searched for that, because the pace has been so glacial that wanted to remind myself of the phases that it has already gone through. If I remember rightly, it was back in 2016, before I entered this place, that David Cameron mentioned it as part of his anti-corruption plan—in fact, I think he first mooted it in an article in *The Guardian*—and nothing happened. After having done a consultation announced in 2016, the Law Commission reported back in June. So we have been talking about the failure to prevent for five or six years.

The point made first by the hon. Member for Thirsk and Malton (Kevin Hollinrake) and then by the hon. Member for Weston-super-Mare (John Penrose) was that if we put the onus on the entities to prevent economic crime in the first place, that would be hugely powerful and speak to all of our concerns about the lack of resource for the National Crime Agency and the other agencies that are meant to enforce this area. That is really neat. Actually, it would be even better, because by putting the onus on the entities themselves, it would not have to cost the Government that much.

Peter Grant: What does it say about the Government's priorities if they have taken six years and not brought in failure to prevent legislation for economic crime but have managed to bring in failure to prevent legislation that fines companies tens of thousands of pounds if they unintentionally give a job to somebody who under immigration law is not entitled to be here? Is there a question of priorities that needs to be looked at?

Layla Moran: I agree with the hon. Member. It needs to be done for the cost to the economy alone, but also for the personal cost to families and individuals, which we have heard about. Economic crime sounds like something that is not personal and does not affect actual people, but that is not true. Every time that we turn a blind eye, look the other way or say “It is too difficult,” we are doing our constituents a disservice.

The final thing that we need to grapple with, which we have spoken about over and over again, is the enablers. Firms of accountants and lawyers are used to help those with the deepest pockets to circumvent the very heart of what we are trying to achieve in this place. We need only listen to what Catherine Belton said to the Foreign Affairs Committee about how she has been hounded. It is not just her; there are others as well. In fact, I know that parliamentarians across the House have faced lengthy letters from lawyers whenever we have tried to raise things. We are protected by privilege, but it should never be the case that someone is afraid to speak out on what is right because they are concerned that they will be hounded by lawyers being paid by oligarchs with the very nefarious money we are trying to prevent from getting into their hands in the first place.

There is very little in the Bill that tackles the enablers. I appreciate that that may need an economic crime Bill 3, but I have heard nothing about it at all so far. I remind the Minister, if he has not looked through *Hansard* to see what Ministers before him have said, that previous Ministers promised we would look at the issue in some depth in economic crime Bill 2. I am sorry to say that I see very little in this Bill that goes any way to tackling the concerns raised in the speeches on the first economic crime Bill.

To conclude, I am glad we are here and talking about this, as there is so much to say. There is huge good will in all parts of this place and the other place to tackle this matter once and for all. I urge the Government not to shy away from the difficult decisions. Parliament will support them if that is what they want to do. There is a will and there is a way. Now please, Government, get on with it.

2.39 pm

Andy Slaughter (Hammersmith) (Lab): To listen to the Home Secretary opening the debate, one would think the Government had a good record on tackling economic crime. As my right hon. Friend the Member for Barking (Dame Margaret Hodge) said, there has been not one prosecution of a Russian in the time that the Government have been in power. On the contrary, they have been welcomed into the heart of the establishment, buying their way into it. Only now, after the terrible events in Ukraine took place earlier this year, have we seen a response. The initial response, the first economic crime Bill, was clearly inadequate. We were promised that a second Bill would fill in the gaps and be more comprehensive. It is so far, frankly, a disappointment, for many of the reasons that we have heard.

Yes, the measures in the Bill are welcome, and I do not think anyone has said that they are not, but as has been asked—I do not want to repeat what has been said by people who have greater expertise on this matter than I do—where is the ability to carry this through and where is the funding for Companies House to actually police, rather than simply register? We heard from the

shadow Home Secretary, my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper), that the National Crime Agency is still—unless the Government correct this in today’s debate—facing cuts at a time when we know it has very limited resources.

The Bill has many, many omissions. We have heard about the lack of corporate liability and the lack of provisions on whistleblowers, but we can add to that. As the hon. Member for Oxford West and Abingdon (Layla Moran) said, we still have nothing on failure to prevent. I asked the Home Secretary about that earlier. Her colleague the Secretary of State for Wales, the right hon. and learned Member for South Swindon (Sir Robert Buckland), said in a speech earlier this week, if it was correctly reported by the *Law Society Gazette*:

“What isn’t in the Bill is as interesting as what is. I hope not to prejudice the Government’s position, but amendments”—

to create an offence of—

“failure to prevent economic crime...could be quite a dramatic move by Parliament.”

I think the right hon. and learned Gentleman has a history of supporting that. I asked the Home Secretary about that and she said, “Well, we’re always looking at that.” Surely the Government must know by now whether they are going to include those provisions in the Bill. Perhaps the Minister, in winding up, can enlighten us further.

Where is the anti-SLAPP—strategic lawsuits against public participation—legislation? I did not agree with the former Justice Secretary on much, but he did push forward that agenda. There was a response from the Government earlier this year and we were looking for legislation in the Queen’s Speech. It could have been included in the Bill, and it could still, but where is it? And where is the better organisation of supervisory bodies? The Government are not short of good advice on what to put in the Bill, but let me quote Spotlight on Corruption:

“Anti-money laundering supervision for professionals in the legal and accountancy sector is currently not fit for purpose, with 22 different professional bodies overseeing their compliance with anti-money laundering rules. Last year the Office for Professional Body Anti-Money Laundering Supervision”—

another body—

“found that only 15% of these supervisors were effective ‘in using predictable and proportionate supervisory action’ and that only 19% ‘had implemented an effective risk-based approach’ to supervision.”

That is not really going to intimidate those who wish to commit economic crime if the Government cannot get their tackle in order in that respect.

There are, therefore, many omissions, but in the short time I am going to speak for I want to concentrate on the lack of resources. The shadow Home Secretary, my right hon. Friend the Member for Normanton, Pontefract and Castleford, mentioned that she and my boss the shadow Attorney General, my right hon. Friend the Member for Islington South and Finsbury (Emily Thornberry), have been banging on about this for 10 years. Many of the measures that are still not in the Bill have been called for over that period, yet we are still waiting. We will see what happens in Committee. I do not hold out much hope on that, because it is relatively rare for the Government to introduce many major provisions in Committee, but I hope to be proved wrong.

Let us look at two areas in relation to enforcement: money and staffing. To give an example of another case, in July 2020 the NCA faced a claim for £1.5 million in costs following an adverse ruling in an unexplained wealth order. That was a quarter of its international corruption unit's annual budget for fighting corruption, whereas the Government had estimated, when they introduced UWOs, that law enforcement would face costs of up to £1.5 million over a 10-year period.

It is right that there is now a different format for cost orders for UWOs, which gives some cost protection. That is universal in the United States and it would be very useful in this respect. A trend in how the Government are legislating is the increased use of fixed recoverable costs. There are other areas of cost protection, but not unfortunately, in the area of Leveson, on which the Government seem to have a blind spot. However, this is a prime category in which we need some protection for the enforcement agencies. Although this does now apply to UWOs, it does not apply in any other economic crime cases.

That affects the behaviour of enforcement agencies in a number of ways. First, they tend to go after the small fry rather than the bigger fish, because they are worried that the bigger fish will be able to instruct lawyers who will run rings around them and bankrupt them, in the sense that they will use up their whole budget in the way I described. It makes them pusillanimous in their attitude and there is a vicious downward spiral, because when they lose cases—I think, for example, of the SFO in the Serco, Unaoil and ENRC cases—they can be at risk, effectively, for large pots of their budget. It is therefore understandable that they then have to go cap in hand to HMRC or the Government and ask for the money to be used to subsidise their overspends for that year. That is really no way to behave and it is not surprising that the inequality of arms means that the enforcement agencies have low morale and perhaps do not have the motivation to go after crooks in the way that we would like them to.

Another way to deal with the issue would be to fund the agencies better. As I think Spotlight on Corruption said, although enforcement agencies recover limited amounts—because of their limited remit and limited ability, and I do not believe that the enforcement agencies recover as much money as they could—most of that goes to the Treasury. If it went to them instead, their budgets would perhaps be double what they are now. That would be a virtuous circle, because they could then be rather bolder in the prosecutions they take—as the Department of Justice is in America—and achieve better results.

Whether we are talking about cost protection or better funding through the proceeds of crime that the enforcement agencies release, there has to be a way of making them more effective. If that does not happen, frankly, everything else that the Government are trying to do will be a waste of time.

Let me say a bit about staffing. There are a lot of very hard-working staff in the Serious Fraud Office and the National Crime Agency who are doing their best, but there is also a revolving door from the public to the private sector, because remuneration is so much higher in the private solicitor service and elsewhere. Essentially, therefore, the state is funding the training and development of individuals who will work for the SFO or the NCA, only for their expertise to be taken to law firms who

specialise in defending against white collar crime prosecution. That is a serious problem and a conflict of interest, and it is seemingly overlooked by the Government, particularly given the rather limited use of the Advisory Committee on Business Appointments guidelines by the SFO, in particular.

That is not the SFO's only problem with staffing. Over the past five years, the number of financial investigators, case progression officers, lawyers and case controllers has grown by just 11 officials, despite the massive increase in economic crime. When I asked the head of the SFO, I was told not only that the SFO is proud of the revolving door because it shows that its staff are attractive to other employers, but that it does not keep any records about the destinations of former staff.

In 10 minutes of research on LinkedIn, I managed to find out that since 2010 the former director Sir David Green, two former general counsel, four former heads or co-heads of the bribery and corruption division, two former heads of the fraud division, the former heads of the assurance division and the international assistance division, and at least 20 more junior staff, have moved on and are now working for legal firms that, on the whole, represent the people who are being prosecuted. The only one who was vetted by the Advisory Committee on Business Appointments was Sir David Green; the net effect was that a delay of six months rather than three months was imposed before he could take up his post, and that there were other restrictions on his use of knowledge gained at the SFO. It is a joke.

We are expecting agencies to do a job with one hand—and in some cases both hands—tied behind their back. I recommend that everybody read Oliver Bullough's excellent book "Butler to the World", which shows that this has been going on rather longer than we may think; it is not a recent event. In summing up a case that I referred to earlier, which the NCA completely lost on all levels—it lost even the ability to appeal—he writes:

"Reading the final judgment is like reading the report of a match between Manchester City and Hereford FC: the embattled non-league side did its best, but its players were swept aside by superior skills, fitness, knowledge and resources."

I want our enforcement agencies to have premier league status, rather than being where they are at the moment—no offence to Hereford, who I am sure are an excellent team. I mean no offence either to the people who are doing the best they can to deliver, but how can they deliver unless the Government give them the tools to do the job? I want to believe that the Government are sincere about tackling the issue and have seen the light, even belatedly, but the Bill simply does not deliver the goods.

2.52 pm

Peter Grant (Glenrothes) (SNP): Being a Scot, and in deference to the sensitivities of supporters of Celtic, Rangers and the Scottish women's football team, I will maybe not talk about football, if that is okay by everybody else. Hopefully we will still have somebody left in Europe after tonight.

I welcome this long overdue Bill, but let us not kid on that it was made necessary by the illegal war crimes that have been committed in Ukraine over the past year, or even by the illegal war crimes that started in 2014. This Bill was needed 20 years ago, if not earlier. I welcome it

[Peter Grant]

because it gives us the opportunity to turn Companies House into what most people probably thought it was: an effective regulator playing its part in the fight against fraud, rather than an innocent bystander that watches while companies on its register scam our constituents out of billions of pounds every year and enable some of the most evil regimes and criminal gangs on the planet. Companies House has become a spectator because this Government and generations of previous Governments could not be bothered to give it the powers to be anything else.

My criticism of the Bill, like that of most other hon. Members who have spoken today, is that in too many areas it does not go anywhere near far enough. As has been mentioned, it is completely silent about one of the biggest obstacles to tackling corporate fraud: the fact that literally any company can easily dodge the existing requirements, and the requirements in the Bill, just by making sure that its ultimate owner is not a human being but a brass nameplate on the door of a building, probably in some dodgy Crown dependency. And while we are talking about Crown dependencies, why is it that we still allow Crown dependencies and British overseas territories to be such willing enablers of the evil perpetrated by Putin and so many others? That has to stop.

A few hon. Members have reminded us that, as well as enabling large-scale acts of barbarity around the world, economic crime hits our constituents very hard. I do not apologise for bringing up Blackmore Bond again; I will keep bringing it up until Phillip Nunn and Patrick McCreesh have been properly brought to book. They were able to move on from the £1 million they had made on the fringes of the London Capital & Finance fraud to set up their very own £46 million scam called Blackmore Bond.

At about that time, Nunn and McCreesh were directors of 35 companies registered at Companies House. Last time I checked, those 35 companies had collected 59 formal notices of disciplinary action—59 formal notices of compulsory wind-up—because they were acting illegally. They were failing to comply even with the woefully weak requirements currently imposed by Companies House. There was no way of flagging up the fact that the same directors were in charge of all those defaulting companies. There was no way of totting up their offences, like bookings for a footballer or speeding points for a motorist. Indeed, it was as if the motorist were able to get off by arguing that his licence could not be taken away because each time he was caught speeding he was in a different car.

We need to tighten that up. We need to be able to identify those who are directors of several companies that are all in default. There must be an accumulation of culpability; there must be speedy action, which means not just closing down the companies—that is often exactly what the directors want to happen, and it was certainly what Nunn and McCreesh wanted to happen—but taking effective sanctions against the directors.

A year or two before Blackmore Bond finally collapsed, it said in the accounts that it submitted to Companies House that it was relying on incoming money from future investors to pay back what it had previously claimed was guaranteed money to previous investors. In other words, the directors sent a document to Companies

House, which put it on the website, saying, “We are a Ponzi scheme.” No one at Companies House noticed, because it was no one’s job to notice.

The auditors who signed off the accounts of one part of the group, which was a plc, were required to express a view on whether the company could be truly regarded as a going concern, but they were under no obligation to run up a red flag and say, “Not only can we not be sure that it is a going concern, but this company is designed to collapse, and it is going to collapse very soon.” Because they were under no obligation to tell anyone, client confidentiality meant that they were under an obligation to tell no one.

I commend to Members who have not seen it the BBC’s “Panorama” programme on Blackmore Bond—and not just because I am in it for about 10 seconds; the rest of it is very interesting as well. From that programme, I learned that Phillip Nunn—poor diddums—had been declared bankrupt. What a shame! I checked the Companies House records this morning, and found that he was still a registered director of two companies. I thought it was an offence for a bankrupt person to be a director of a company. Why has no one picked up on that? Perhaps we can at least find something for him to be charged with while the Serious Fraud Office and others are carrying out their checks.

However, you do not need to set up a company to get rich. Mr Nunn’s latest scheme is to set himself up on social media as some kind of lifestyle self-help guru. To be fair, helping himself is something that he seems to be quite good at. No one could fail to see what this is about. He is going online in order to reach a much wider audience. He comes across as very plausible and very personable, but he is grooming innocent victims, not just in the UK but all over the world, until he is ready to say to them, very confidentially, “Do not tell anyone else, but I have just found about a brilliant investment scheme: you are guaranteed to get money back.” It will be Blackmore Bond and LCF all over again, and at present there seems to be nothing anyone can do to stop it. They know it is going to happen, but they have to wait until it is too late and then try to console the victims.

Let me draw attention to one feature of many corporate scams and frauds. Instead of setting up one company, people set up a whole sequence of small companies. They run a company for about 18 months to two years, and just at the point when they have to publish a set of accounts, they close it down, shift what is left of the assets to a different company and start all over again. It is possible to run a business for 20 years without ever having to tell Companies House, or anyone else, anything about the money going into and out of the accounts. That should raise the reddest of red flags. If the same one or two directors are seen to be setting up a sequence of fairly small companies that never seem to do anything and are then wound up, Companies House should be looking at that, as should the fraud squad, because 90% of the time fraud will be the answer.

Between 2019 and 2022, a gentleman called Richard Philip Wells set up 24 such companies. Members who are interested in motor racing may recognise the name, because Richard Wells owns a motor racing team; he is not a poor man. Most of those 24 companies have never filed a set of accounts, and most have lasted for less than two years before being wound up. The few that

have filed accounts have filed them on the basis of being dormant: it is basically, “Nothing to report, Sir.” But just how dormant were those companies?

On 15 November 2020 two of his companies, SHP Litigation Ltd and SHP Security Trustee Ltd, were set up on the same day. Companies House knows that two weeks later, on 30 November 2020, SHP Litigation granted a charge—effectively, a mortgage—to SHP Security Trustee. The charge document was signed on behalf of one company by its only director, Richard Wells, and a wee bit further down the page Richard Wells signed on behalf of the other company to confirm that he agreed with the conditions of the money that he was lending to himself.

A few months later, the same Richard Wells certified on the accounts of both companies that they had not traded, that they had been dormant and that they had carried out no activities during the previous 12 months. One of the statements that he submitted to Companies House has to be a lie. We cannot possibly have money being lent back and forth between two companies and then say that the companies did nothing—unless a company that did not have money lent money it did not have, secured against the assets of another company that had no assets at all. There is clearly something very sinister going on in that network of companies. On 5 July 2022, he shut down both companies, because by that time they had achieved their purpose.

It is noticeable that a lot of Richard Wells’ more recent companies had SHP in their names. One of them, SHP Capital Holdings Ltd, he set up on 29 November 2019. He used that company to buy a funeral plan company called Safe Hands Plans Ltd, which we have all now heard of. Why would somebody buy a funeral plan company that would never be able to comply with the Financial Conduct Authority’s requirements for the running of a funeral plan company after July 2022? Why spend money buying a company when he knew it would be illegal to operate less than two years later? The reason was that he was not interested in the company; he was only interested in an associated company where its money lived.

That money was not the company’s, but the customers’. The previous directors had lied to the customers that the money was held securely in an independent trust, but it was held in an associated company, with the same shareholders and the same directors. One of Mr Wells’ first acts was to sack the fund manager and move the fund management to a different, newly set up company that was run by his best mate. Fast forward a couple of years, and the whole façade crumbles. Safe Hands Plans goes into administration, thousands of people discover that their funeral plan money has disappeared and nobody knows where it has gone. I know where it has gone, Madam Deputy Speaker, and so does the Serious Fraud Office. I hope that it can quickly establish that sufficiently to bring charges.

There is no legitimate, lawful business reason for Wells, Nunn, McCreesh or dozens of others to set up so many tiny companies for a relatively small-scale operation. Companies House records show all the hallmarks of the kind of company set-up that is a red flag for money laundering, but nobody at Companies House spotted it. Nobody looked more closely to see whether there was a legitimate reason for it or whether it was a scam in preparation, because nobody in this place had ever

made it the job of anybody at Companies House to prevent fraud, rather than to try to chase down the money afterwards.

I ask the Minister to confirm, in summing up, where in the Bill Companies House is given the responsibility, the legal powers and the resources to identify and investigate suspicious patterns of company formation and dissolution. If it is not in the Bill just now, will the Government undertake to bring forward an amendment in Committee to enable that?

I also ask the Government to consider some other amendments. HMRC has the power to look through the labyrinth of a company’s structure and tax the company based on what it does, rather than how it structures itself. Why do we not give the same powers to bodies such as Companies House? Why do we not extend the circumstances in which directors can be held personally and speedily liable in civil and criminal courts for their misconduct? Why do we not just outright ban the registration of any company whose ultimate owner is not a person with a pulse? The Minister may be able to explain why it is sometimes necessary to allow a computer bot to own a company that trades in the United Kingdom. I cannot think of an answer, but I hope he can enlighten me on that.

Why do we not base the reporting and audit requirements on the total size of the undertaking, rather than ignoring the fact that if we chop a big company into 30 bits, they all become so wee that they do not have to publish accounts and nobody is allowed to see what is going on? When the Financial Reporting Council publishes a sanction against a company’s auditors because of some flaw in the company’s accounts, why not also require that company to lodge the same document at Companies House so it appears on the front page of the record, rather than as a footnote on page 26 of the accounts in a couple of years’ time?

The Bill will make things better, but it will not make them anywhere near better enough. There is very little in the Bill that I am opposed to, but there is a lot that I am disappointed not to see in it. I became interested in this subject, as I suspect many Members did, after having people break down in my surgery because they had been cleaned out by people like Wells, Nunn, McCreesh and so many others. It became obvious to me quite quickly what changes needed to be made to legislation, first to stop these chancers scamming our constituents, and secondly to make sure that those who do it in the future and those who have done it in the past are brought speedily to a court of law, dealt with and locked up.

If I were the sort of person who broke into someone’s house and stole £1 million, no police force in these islands would rest until I was safely behind bars. If I set up a company and stole £20 million, the chances of me getting away scot-free would be very high indeed. The Bill makes it a wee bit more likely that I would get caught, but if I were criminally minded, it would still be a gamble worth taking. Until we make the law tight enough that economic crime never pays, our constituents will continue to pay the price of our failure.

3.6 pm

Kate Green (Stretford and Urmston) (Lab): It is a pleasure to speak in this debate, which has faced in two extreme directions at once. On the one hand, Members

[Kate Green]

have rightly talked about the potential of the Bill to address issues of serious organised crime and national security. On the other hand, we have heard again and again of constituents' experiences of crimes that are low level in the scheme of things but are significant abuses, frauds and criminal behaviour, facilitated by the weakness of our company law. Like others, I will concentrate on provisions in part 1 of the Bill, and my interest stems from experience in my constituency of conduct by unscrupulous directors and owners who misuse registration and dissolution processes to avoid their obligations to their creditors and others.

I am pleased that the Under-Secretary of State for Business, Energy and Industrial Strategy, the hon. Member for Watford (Dean Russell), has sat through the debate, and I am grateful to his colleague Lord Callanan and his officials for meeting me earlier this year to discuss my concerns. However, as we have heard repeatedly this afternoon, the Bill, while welcome as far as it goes, is a disappointment in terms of its reach and effect. Unless Companies House actually enforces the law and has the resources to do so, the Bill will simply fail to deter directors determined on misconduct from fraudulent and wrongful behaviour.

I turn first to provisions in relation to verification of identity and people with significant control. Clause 76 gives the registrar power to reject documents for inconsistencies, and clause 80 gives her the power to request additional information if inconsistencies are identified. As the Bill progresses, I hope we will get more clarity from Ministers on how inconsistencies in PSC statements will be identified by the registrar and how decisions will be taken regarding criminal proceedings. What processes will be followed? What information will be considered by the registrar? What resources will be available to enable her to carry out her task?

By way of exemplifying my concerns, of a group of eight companies controlled by Mr Jason Alexander and operating in my constituency, only two appear to comply with PSC registration requirements. BEIS and Companies House have been aware of this situation since at least 2019, yet he continues to operate the companies with impunity. How can the new provisions in the Bill have credibility when there has been such a history of lax enforcement?

A particular issue arises where companies are owned and controlled via a network of trusts, for which there is of course no public register, and these trusts are used to obscure the identity of the true owners. In a letter to me in May, Lord Callanan told me that if a trust has any ownership or control over a company, the company must "consider" whether that trust would have met any of the control conditions if it were an individual. He confirmed that if it does meet such conditions, the trustees of the trust may be persons with significant control. A request for companies merely to "consider" the position does not seem to be a very stringent requirement, and the Bill does nothing to prevent shares from being held in trusts in order to obscure ownership and control.

I hope there will be an opportunity in Committee to ensure that the registrar follows up on non-registrable relevant legal entities and to require that those who control trusts are identified. In addition, I cannot see how the Bill will stop phoenixing. Again, I hope there

will be opportunities in Committee to consider how the Bill can be strengthened to make it easier for the victims of phoenixing to seek redress.

I turn now to the strike-off, dissolution and restoration of companies. The Government are well aware of concerns about compulsory strike-off. In their response to their consultation in 2018, they stated that

"where a company is insolvent, dissolution should not be used as an alternative to insolvency proceedings."

But compulsory strike-off continues to be used in that manner; 94% of strike-offs are due to a failure to file required information, and R3, the insolvency practitioners' group, says that it is that estimated 50% of those companies are insolvent. The compulsory strike-off process, in which the registrar contacts a company and if she hears nothing, can strike it off, suits directors who can use the simple device of ignoring the registrar's requests in order to take advantage of compulsory strike-off to avoid their obligations to creditors and others, and to avoid late-filing penalties—this is income forgone to the taxpayer. Even so, the process of strike-off is dilatory. Aura Business Centres Limited, another of Mr Alexander's companies, was finally dissolved by compulsory strike-off early this year, having never once filed accounts in the five-plus years since it was incorporated, and despite Companies House and the Insolvency Service being alerted to this in August 2019.

All that stands in stark contrast to the more onerous expectations placed on those who wish to object to strike-off. When a constituent of mine sought to object to compulsory strike-off in a recent case, she was told:

"We are unable to register your objection without documentary evidence to support your complaint.

Please provide evidence such as invoices, court documents, general correspondence or emails between you and the company, to show that you are actively pursuing them for an outstanding debt.

All evidence should be recent and dated within the last 6 months and must show the full company name, including the word 'Limited', or equivalent."

So a much more demanding burden is placed on an individual who has suffered wrong and seeks redress than the do-nothing approach that can be taken by a company that wishes to use strike-off as a means to avoid its obligations.

R3 has suggested tightening up the compulsory strike-off process by automatically placing a company that fails to comply with its obligations into liquidation, with the process overseen by the Government's official receiver. That would allow for earlier investigation into the conduct of directors and for the earlier recovery of misappropriated company assets for the benefit of all the company's creditors. Directors could be made liable for the costs of liquidation, which would be an additional deterrent to misconduct.

Finally, concerns also exist about the process of restoring companies to the register. Currently, that can require a costly court order, creating a clear asymmetry between those who wish to avoid their obligations and those such as creditors, or insolvency practitioners, who need to put things right. R3 has proposed a system of administrative restoration in all cases, which could be triggered by a company director or a creditor once suitable requirements have been met, such as producing evidence of an unpaid debt or a commitment to petition for the winding-up of the restored company.

The fee for doing so could be similar to the cost of dissolving a company. I really hope that the Minister will now carefully consider the provisions on compulsory strike-off and administrative restoration that are missing from the Bill.

I conclude where I began. The Bill is fine as far as it goes, but its modest provisions will not act as a deterrent to misconduct if the registrar lacks the will, powers and resources to enforce them. I welcome the intentions behind the Bill but hope that, as it continues its parliamentary passage, we will be able to make improvements to it to give them full effect.

3.15 pm

Margaret Ferrier (Rutherglen and Hamilton West) (Ind): I shall be brief. I welcome the Minister to his place and I welcome the Bill. I am glad to see Ministers deliver on the commitment to use the building blocks laid by fast-tracked legislation earlier this year. While the war in Ukraine continues, we have to utilise what we can to hit the Russian state where it hurts financially.

Although Russian aggression may have been the catalyst for economic crime prevention measures, the benefits of a better-regulated system are far more wide-reaching. According to the Cabinet Office, fraud accounts for 40% of all crime committed in the UK. Tackling that is crucial, and a monumental task. However, as we have heard, the legislation is not the powerhouse it needs to be. There are some very big limitations and gaps to be plugged. For the Bill to be effective there cannot be any gaps or loopholes. We must close them before the Bill finishes its passage, and get it right the first time.

I have concern about the resourcing and funding that will be available to public bodies such as Companies House to undertake their new responsibilities. The Government have been clear that they are keen to cut back departmental spending and reduce civil service numbers. How do those priorities align with pouring what will be very necessary resource into the organisations responsible for operationalising the Bill's measures?

Companies House will have to make a significant pivot to its new regulatory role, and that will require investment if it is to be effective in the long term. Some of the funding could, and should, be raised through increasing the registration costs for new companies. The Government have taken the power to do so through secondary legislation but have not yet committed to using that power. As we have heard, increases would not need to be astronomically high: industry has suggested an increase from £12 to £50 and the Treasury Committee has suggested £100. Those costs would still mean that the UK is one of the cheapest places in the world to set up a company.

What steps will the Government take to ensure the registrar's proactive querying power is effective in targeting a significant number of the companies that have submitted fraudulent information to the register? Are Ministers also looking at further reform to the strike-off process? That will inevitably require further resourcing but is a crucial gap in the Bill that needs some more attention. If companies continue to be struck from the register automatically, there are no checks to assess whether any fraud has occurred. That means that the directors of automatically struck-off companies can go on to commit further frauds—indeed, many do just that. Will the

Minister commit to putting such companies through an insolvency process to ensure that returns to creditors can be made?

The Bill will deliver significant changes for limited partnerships, which are at high risk of being “shell companies” that are used for fraudulent activity and crime. In its current form, the Bill does not adequately prevent limited partnerships, limited liability partnerships or Scottish limited partnerships from having corporate partners and members in secretive offshore jurisdictions. While such companies are controlled by offshore entities, we will continue to struggle to identify their real owners and verify that the information held by Companies House is accurate. Because limited partnerships operate differently and do not require directors, they could allow sanctioned individuals to continue to launder money through the UK. The Government must introduce measures to tackle that issue.

The last issue I wish to look at is communication and information sharing. I will give Ministers some leniency here—it is not easy to create an effective information-sharing gateway while protecting sensitive data—but information sharing will be key to the success of a new regime.

Regulated sector entities should be able to share information more easily—the new measures will be used reactively and miss the potential for proactivity in spotting fraudulent activity earlier. Regulated organisations need more clarity about the intent of the legislation and how it can be operationalised to its fullest potential.

The finance sector, for example, sees benefits in sharing information between firms on the same basis that they currently share information with the National Crime Agency. Although the legislative framework may exist for that, civil liability is a very real risk, particularly where firms are dealing with sophisticated, experienced and monied criminal individuals. We have already seen the risks of aggressive litigation in this area through the legal challenges mounted against the National Crime Agency when pursuing unexplained wealth orders.

I hope that Ministers will be looking closely at where the gaps are here. This is a piece of legislation that must be done right and must be watertight if it is to be effective. Rather than bringing forward multiple Bills over the next few years as issues are identified and further gaps need filling, I hope the Government will use the Bill as a legislative vehicle to reform the system and prevent these instances of money laundering and economic crime as soon as possible.

3.21 pm

Seema Malhotra (Feltham and Heston) (Lab/Co-op): It is indeed a pleasure to speak on Second Reading of this important Bill. But before I begin my remarks, let me just mention that, in the Public Gallery today, there are two young dancers from Ukraine, Yeva and Zakhar, who, yesterday, came second in the International Ballroom Dancing Championships. I am sure that we all want to pass on our congratulations to them.

I welcome the Minister to his new role. I very much look forward to working with him in the same spirit as I did with his predecessors. Today, he will have heard Members across the House express their concerns about the time that it has taken to introduce this legislation. Urgency is required not just to bring forward a Bill, but to bring forward the Bill that we need to close the gap between what we are doing now and what needs to happen to tackle the scale of economic crime that exists.

[*Seema Malhotra*]

As we heard today, action on economic crime was first promised in 2016 and then again in 2018 and 2019. Even in March, the Government blocked Labour's amendments, which would have introduced reforms to Companies House and left Russian oligarchs with nowhere to hide. It matters that we have had these delays, because, in six years, we have seen a significant increase in economic crime, much of which could have been prevented had the Government acted earlier.

I thank all the Members who have contributed today from all parts of the House, many of whom have been ahead of the Government in calling for action. I also thank the Minister and his team for our meeting earlier this week. It is also good to have heard about the work going on with the devolved Administrations, because we do indeed need to hear voices from across the nations.

Let me pay tribute to some of the contributions that we have heard today. The right hon. Member for East Hampshire (Damian Hinds) made the important connection between fraud and cyber-crime. He also mentioned the local nature of crime and its links with economic crime nationally. This is not just a debate about a grand scale matter. There is a very deep connection with the lives that we lead in our everyday economies. There is also a need for global action, and it is up to the UK to take the opportunity to lead that action.

The hon. Member for Glasgow Central (Alison Thewliss), with whom it is always an honour to debate from the Front Bench, made some very powerful comments including around false registration, the methods of verification and the need for resources. I commend her work on tackling the issue of Scottish limited partnerships. I also commend the hon. Member for Cheadle (Mary Robinson) on her work on the APPG for whistleblowing; I hope that as we go through Committee we will see more action taken in this Bill to tackle the challenges faced by whistleblowers, who do us a service.

My right hon. Friend the Member for Barking (Dame Margaret Hodge) spoke eloquently, as always, but what stood out for me was her articulation of the scale of the challenge and the fact that there is still just not enough determination or ambition. She was absolutely right to say that warm words need to give way to action—I will come back to some of her other comments.

I will also come back to the speech by the hon. Member for Thirsk and Malton (Kevin Hollinrake), but his comments about legislation with implementation stuck with me. He is right, because we cannot afford to sit on our laurels after passing this Bill, saying we are proud of it, if it does not achieve the change that is necessary and vital. I will also come back to his campaigning on the failure to prevent; his arguments have been heard across the House.

My right hon. Friend the Member for Walsall South (Valerie Vaz) articulated the problem of homes being used fraudulently for the registration of companies when people are not living there, and the lack of redress—an issue also raised by other hon. Members across the House. I want to highlight what that means for the vulnerability of elderly people: we know they are more likely to be victims of scams, but the ability to identify them, often on the electoral register, as people who might be living alone is another source of vulnerability for them and may lead to their being targeted and becoming victims of economic crime.

The hon. Member for Weston-super-Mare (John Penrose), who I also come across in many debates on this and other related topics, is right that the Bill was due, and past due—I think those were his words. I am sure that we will come back in Committee to the arguments he has made about the urgency of proper beneficial ownership transparency and many other points he has raised. I look forward to working with him on those matters.

The hon. Member for Oxford West and Abingdon (Layla Moran), who is not in her place, was right to say that we should get this done in economic crime Bill 2, because we do not want to be back for economic crime Bill 3. This is our chance. She made the point that it is worth taking a little longer to get this Bill through both Houses of Parliament to make sure that it is fit for purpose, and I support that.

My hon. Friend the Member for Hammersmith (Andy Slaughter), speaking from his own deep experience on issues of policing and enforcement, made the point extremely well about the need to ensure that we have the resources, motivation and morale for both policing and enforcement. We cannot have a revolving door. We must have the resources within our public sector to tackle these issues effectively. The hon. Members for Glenrothes (Peter Grant) and for Rutherglen and Hamilton West (Margaret Ferrier) and my hon. Friend the Member for Stretford and Urmston (Kate Green) also made similar and very effective comments in the debate.

I would like to give one final set of thanks, because it is right to pay particular tribute to my right hon. Friend the Member for Barking and the hon. Member for Thirsk and Malton for their leadership in the work of the APPGs on anti-corruption and responsible tax and on fair business banking. Their work serves this House and our nation extremely well on these difficult and complex issues.

I also recognise and thank for their steadfast advocacy the civil society groups that work tirelessly for action on economic crime, including Transparency International, Spotlight on Corruption, the Royal United Services Institute, Open Ownership and the Fair Tax Foundation. That is not an exhaustive list, and many others are worthy of our thanks for bringing insight and clarity to a complex area, which demands that we act in the interests of our national and international security and prosperity.

This Bill is an historic opportunity to put a stop to the UK's shameful role as a hub of illicit finance and a facilitator of economic crime. This debate is testament to the support of the House for the Government's going further in tackling money laundering and the illicit use of cryptocurrencies to enable crime.

I am sure the Minister has heard the arguments put forward today, and the motivations for doing so are so clear. Dirty money is a national security threat. It is the lifeblood of corruption, crime and war. Organised crime gangs profiteer from drug smuggling, people trafficking, arms dealing, fraud and environmental destruction. Parliament's Intelligence and Security Committee has criticised Russian influence in the UK and frankly, as long as Putin and his friends have a safe haven in London, we do a disservice to the brave people of Ukraine, who are fighting with their lives to defend their country and our shared values of democracy and freedom.

Dirty money also causes massive financial damage. In 2020, the National Crime Agency found that money laundering causes at least £100 billion of economic damage to the UK. We have heard other estimates today. Spotlight on Corruption estimates that fraud, now the most commonly experienced crime in the UK, costs us £190 billion annually, hitting businesses and tax receipts and damaging public services. As my right hon. Friend the Member for Barking said, we will never secure sustained growth on the back of dirty money. Every one of us is a victim of economic crime.

Dirty money is damaging the UK's reputation. The prevalence of economic crime jeopardises our status as a business destination of choice. The United States has designated us as "high risk" for money laundering, alongside Cyprus. That is embarrassing, frankly. Britain must not lose its status as a trusted jurisdiction. The warning signs are there and we need to act urgently.

Finally, dirty money undermines the rule of law and democratic institutions. It corrupts political and legal systems. Oligarchs are clogging up Britain's already overburdened legal system with vexatious lawsuits to muzzle legitimate critics and whistleblowers. My hon. Friend the Member for Hornsey and Wood Green (Catherine West) made that point extremely well. Democracy, free speech and the rule of law are under threat.

We welcome the Bill. Our argument is not about what is in it, but what is not in it. There are aspects of the Bill that we will want to strengthen and to work with the Government on doing so. Let me lay out some of the areas on which we want to see further action, some of which have also been touched on today. Money launderers use complex financial structures such as shell companies and offshore tax havens to provide the secrecy that allows them to move, hide and spend their money. We must lift the cloak of anonymity that protects criminals and the corrupt.

We are pleased that the Bill begins to tackle the abuse of limited partnerships, including Scottish limited partnerships, by strengthening transparency requirements and enabling them to be deregistered. New research by Transparency International has revealed that more than one in ten limited liability partnerships ever incorporated—over 21,000—have characteristics identical to those used in serious financial crimes, such as bribery, embezzlement of public funds and sanctions evasion. We will review the detail of changes in Committee. Given the mass use of LLPs and other UK legal structures in large-scale money laundering, those networks are ideal platforms for a variety of clients looking to move dirty money.

On Companies House, the Bill is a huge step forward in improving the integrity of our register. That is important as we move from Companies House being a register to being more of a regulator. For far too long, fraudsters have obscured their identities behind shell companies, relying on a lack of verification of the information they submit. It is right that the Bill will make failure to comply with new ID regulations a criminal offence. The identity verification introduced by the Bill can finally begin to close that door, but it needs to be strong and we need further details about how the new powers will be used to close down those fraudulent companies already registered with Companies House.

Experts such as Graham Barrow suggest that there have been a huge number of bogus incorporations over the past decade alone, which will take significant effort

and time to retrospectively verify. The Government have yet to clarify the period in which registered companies will be required to meet their new commitments, which, similarly to the Economic Crime (Transparency and Enforcement) Act 2022, will create a window in which those who have engaged in fraudulent activities can dissolve their entities or transfer interests. We do not want to see that happen. Has the Minister considered whether such verification should also be required to strike off and dissolve a company? That would help to prevent entities from dissolving and restructuring to avoid scrutiny under the new regime.

I urge the Minister to consider a mechanism by which parties affected by fraudulent entries—we have heard examples today—can apply to Companies House to have an entity or director struck off. They should not have to wait for Companies House to use its querying power, given the time that it takes. Public accountability is vital, so what plans does the Minister have for reports to Parliament on Companies House activity, which will bring public confidence?

Trust and company service providers are defined as being "of the highest risk" for money laundering by the National Crime Agency. A recent Treasury review found that HMRC, which is responsible for supervising TCSPs, continues to suffer from

"a lack of appropriate AML policies, control and procedures".

The AML supervisory regime, including of TCSPs, is under review, but the further consultation promised by the Treasury in June is yet to be published. Until this broken supervision is fixed, how can we rely on such third-party agents to effectively act as the gatekeepers of our financial system? Under the Bill as introduced, they can be authorised to carry out ID verification as an alternative to Companies House. Crooks and kleptocrats already rely on these enabling professionals to build and maintain whole systems of shell companies. New measures in the Bill requiring third-party agents who form companies on behalf of someone else to register with Companies House and be registered in the UK with an anti-money laundering supervisor are long overdue. However, unscrupulous TCSPs will simply add ID verification and, potentially, falsification to their menu of law-busting schemes. That must not become a loophole in the legislation.

Could the Minister outline how the legislation will have sufficient teeth to prevent rogue actors from setting up shell companies for money laundering? The detail of verification checks is yet to be defined, but as drafted, third-party agents will simply be able to state that they have verified information on behalf of clients. Will the registrar have sufficient powers to review the documentation of "know your customer" checks if there are concerns?

There are concerns from stakeholders, such as Transparency International, that the Bill does not commit to verifying shareholder data, which could reduce the level of trust in the accuracy of that data. Concerns have also been raised about information sharing. While the measures in the Bill are a step forward, information-sharing measures appear to be reactive, rather than to proactively spot problem areas. This is a complex issue, and I am sure that there will be detailed discussion of it in Committee.

Extending current asset recovery provisions into the realm of cryptoassets is a welcome step forward, with cryptoassets increasingly used to launder the profits of

[*Seema Malhotra*]

crime and to support terrorism. On seizing and recovering cryptoassets, we will want to work with the Government to ensure that powers in the Bill extend to introducing sanctions on crypto-marketplaces that enable criminal activity. However, we are concerned, as the UK Anti-Corruption Coalition is, that to be effective, any new provisions regarding crypto money laundering and asset seizure need to be executed by a fully trained workforce. What is the Government's economic crime people and skills strategy, and how is it changing in the light of the new threats we face?

Finally, I want to come back to a point raised by my right hon. Friend the Member for Normanton, Pontefract and Castleford (*Yvette Cooper*) and others. We very much believe that there is a missed opportunity in this Bill, which is extending corporate criminal liability for economic crimes. The powers that exist under the Bribery Act 2010 and in relation to tax evasion could and should be extended to other economic crimes. The Secretary of State for Wales said this week that he considers a new failure to prevent offence for fraud "likely". The Home Secretary said that the Government are looking at this, so why do they not just get on with it, and bring forward proposals or work with us on amendments to the legislation? I certainly believe, on the basis of the debate today, that there is support for such a move across the House, and we will continue to push for it.

There is much to welcome in this Bill, with long overdue powers for Companies House and law enforcement agencies, but those powers will make a real difference only if the Government provide the resources to use them—legislation with implementation, as the hon. Member for Thirsk and Malton said. We know that the Government committed £63 million in the 2021 spending review to Companies House, which was allocated for the transformation effort that, rightly, must take place. That is £63 million as against the billions that I have described economic crime as costing the UK each year.

The Government have included a new power to set Companies House incorporation fees. We know that the £12 cost of registration is the sixth lowest in the world, so what are the plans to resource those efforts? Does the Minister plan to increase the costs of incorporation to help pay for the effective operation of the new regime as part of the sustainable resourcing model, or to seek an increase in the economic crime levy, and what is the alternative? It would be helpful to understand that as the Bill goes on its passage through the House.

With the Bill's complexity, it would not be possible to touch on all the issues involved, but I am grateful to have had the opportunity to wind up for the Opposition. We have the power in this country to lead change, and for the sake of our citizens, our children and the international community we must do so now.

Madam Deputy Speaker (Dame Eleanor Laing): I call, to make his debut at the Dispatch Box, Minister Dean Russell.

3.42 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Dean Russell): Thank you, Madam Deputy Speaker. May I begin by sending my condolences to the family and friends of Sir Davis

Amess, who is deeply missed in this place? In fact, the very last speech I gave on the Back Benches was in the Sir Davis Amess summer Adjournment debate. During the time I knew him, he was a dear friend, and I know he is deeply missed.

It is a pleasure to follow the hon. Member for Feltham and Heston (*Seema Malhotra*). She has been incredibly kind in her engagement over the past week, and having our meeting was incredibly helpful in understanding her views on the Bill. I want to thank colleagues—on both sides of the House, in fact—who have spoken in this important debate for their well considered and eloquent contributions on such an important issue, and for the broad support for the objectives of the Bill, for which I am grateful. I should mention that the agreement is about the fact that they like the Bill and think it is the right thing, but some Members spent the debate more on the stuff that is not in it, which is always useful. I used to think when sitting on the Back Benches listening to Opposition Members—this not a criticism—that the argument was often to go faster and further, which is a great pitch for a personal trainer, so there are careers for them in the future. However, in this particular instance I understand where those arguments are coming from, and I will attempt to address them.

I aim to respond to as many points made by hon. and right hon. Members as I can given the time available, but I first want to remind the House what this Bill will achieve, and what signal it sends across the UK and around the world. As set out by my right hon. Friend the Home Secretary, the Economic Crime and Corporate Transparency Bill will bear down on the kleptocrats, criminals and terrorists who abuse our open economy, and it will strengthen the UK's reputation as a place where legitimate business can thrive while driving dirty money out of the UK.

This historic Bill contains a significant and coherent package of measures to help us crack down on economic crime and abuse of the UK's corporate structures. As the House has noted today, that includes the most significant reform to the UK's company registration framework in 170 years. There have been many Governments during that time, so it is good that this is happening now, and the importance and impact of these changes should not be underestimated.

This Bill will help tackle economic crime, including fraud and money laundering, by delivering greater protections for consumers and businesses. It will support our national security, by making it harder for kleptocrats, criminals and terrorists to abuse our open economy. It will support enterprise, by enabling Companies House to deliver a better service for over 4 million UK companies, supporting business transactions and lending decisions across our economy.

I am sure that everyone in the Chamber will agree that we must maintain the UK's status as one of the world's largest and most open economies, and that London must continue to be one of the world's most attractive destinations for overseas investors—but crucially, investors of the right kind.

I thank the right hon. Member for Barking (*Dame Margaret Hodge*) and my hon. Friend the Member for Thirsk and Malton (*Kevin Hollinrake*) for spearheading cross-party collaboration on these important issues through the all-party parliamentary groups that they chair, and for their learned contributions to today's debate. I have

listened to them talk about these issues in the Chamber many times before. Their wisdom is deep and is heard loudly. I look forward to working with them as the Bill progresses.

Before turning to the issues that hon. Members have raised, let me first share my sadness at the tragic deaths referred to by my hon. Friend the Member for Thirsk and Malton. They are tragic examples of why it is so important to crack down on organised crime groups and their business models. At its heart, this Bill is about real people, including children and families. We have to put these regulations in place to protect them because our citizens have to come first.

I will now respond as best I can to the comments and questions raised during the debate. I will start with verification by Companies House and by agents. I welcome the broad interest from across the House in the Companies House reforms, including on identity verification. I can confirm that the identity verification requirements will apply to all new and existing company directors, people with significant control and those delivering documents to the registrar.

The hon. Member for Glasgow Central (Alison Thewliss) and the right hon. Member for Walsall South (Valerie Vaz) asked about identity verification checks undertaken by authorised corporate service providers. I can confirm that these checks will achieve the same level of assurance of the stated identity as those undertaken through the direct verification route and in line with the cross-Government identity proofing framework. Agents will need to confirm they are supervised by a body that is subject to the UK's anti-money laundering regime and register with Companies House before they are allowed to form companies or registerable partnerships, or to file on their behalf.

Under anti-money laundering regulations, all agents are required to retain records and the registrar can request further information on identity verification checks if necessary. The agent will be committing an offence if they fail to carry out ID checks, and new powers will enable the registrar to suspend and deauthorise an authorised corporate service provider.

I can also reassure the right hon. Member for Walsall South that the measures in the Bill will help the registrar remove fraudulent information, including the addresses of innocent people, without burdening those people with so much process. We heard concerns from across the House about the challenges of the registration of false businesses and the problem of not being able to do anything about that; the Bill will solve these issues. She asked about the process for identity verification. We set that out in the White Paper earlier this year and operational design work continues. I also note her concerns about the newly implemented register of overseas entities. It is early days for that register but I will look into the quality of the filings being made.

Alison Thewliss: I thank the Minister for his explanation. To be clear, is the verification scheme through the existing UK Government Verify, which is used for passports and driving licences, or will a separate new scheme be built?

Dean Russell: I thank the hon. Member for her question. I will gladly respond to her in writing so that she has the full details.

I turn to Companies House fees and funding. A number of hon. Members from across the House, including the hon. Members for Stretford and Urmston (Kate Green) and for Rhondda (Chris Bryant)—he is not in his place, and if he were I am sure that he would be intervening right now—asked if Companies House will be properly resourced for its new role. Investment in new capabilities at Companies House is currently under way. Companies House was allocated £63 million across the spending review period to implement its transformation programme. That will include improvement of systems to detect suspicious activity. The Government are reviewing funding arrangements in the context of the reforms and are committed to ensuring that Companies House is fully resourced to perform its new role and functions.

The hon. Member for Glasgow Central asked whether the Bill will raise Companies House fees. The Bill gives the Government more flexibility to do so, broadening the range of functions that can be funded through Companies House fees. In particular, it enables us to use fees to cover the cost of investigative and enforcement activities. However, to maintain flexibility, we will not be setting the level of fees through the Bill. That will continue to be set via regulations and subject to future parliamentary scrutiny and approval. We must get the balance right, because we do not want to put off entrepreneurs, solopreneurs and businesspeople who want to set up a new business. The threshold must therefore be thrashed out in the right way, but that will come.

Alison Thewliss: I understand the Minister's point, but it seems incongruous that while Government Departments make people pay through the nose in the visa system, for example, where they pay way over and above production costs, Companies House is charging very little.

Dean Russell: I thank the hon. Member for her comments. The flexibility will be there, and that is something to be looked at. We are not setting the fee right now; that is the fair thing to do.

The hon. Member for Rhondda and the right hon. Member for Barking asked about the Government's response on asset freezing and seizing. The Government wholeheartedly support the people of Ukraine—it was wonderful to hear about those in the Gallery today—as do hon. Members across the House. We understand the wish to take ill-gotten funds and use them to support Ukraine in rebuilding its country. The UK, along with other countries, is examining further options to seize assets from sanctioned oligarchs and grappling with an array of complex issues. The aim of His Majesty's Government is to support the recovery and reconstruction of Ukraine.

This is a novel and exploratory area with extremely complex legal and operational considerations, and we are not aware that any other country has yet identified a definitive solution, despite commonality of policy intent, but I am keen to continue conversations and hear more from learned friends. The Government are continuing to work at pace to explore all options and will continue to engage with international partners, civil society and others on this topic.

I pay tribute to my right hon. Friend the Member for East Hampshire (Damian Hinds), who has worked hard on this issue over such a long period, for his

[*Dean Russell*]

involvement in the debate and for everything that he did to progress the reforms during his time as Security Minister. That is well recognised and much appreciated. I know that my right hon. Friend the current Security Minister would like to add his thanks to mine.

My right hon. Friend the Member for East Hampshire stressed that reforms to how payments are made are important to help identify and stop suspicious payments. I value his insights significantly. Many banks already delay and refuse payments when they suspect fraud. The Government, financial regulators and industry are working together to ensure that banks can intervene where necessary. The Government and the Financial Conduct Authority are engaging with the payments industry to understand what might support banks to take a more consistent risk-based approach to payments and prevent payment fraud. We will keep under review whether legislation is required to support a risk-based approach by banks.

I turn to whistleblowing, which came up many times and colleagues have asked me about in the past few weeks. I am grateful to my hon. Friends the Members for Weston-super-Mare (John Penrose) and for Cheadle (Mary Robinson) for their comments and concerns about the framework protecting whistleblowers, and for their ongoing constructive dialogue on this important issue. They are well known for their views on this point and do incredible work to lobby Government and others on it. An effective whistleblowing framework is an important aspect of the UK's ability to tackle corruption and all forms of economic crime and illicit finance. In recent weeks, I have noted with interest views on the whistleblowing framework and the proposals for reforms put forward by Members of this House and whistleblowing interest groups. I look forward to continuing those conversations.

The Government remain committed to reviewing the whistleblowing framework and it is only right that we take the time to do a proper review before considering legislative change. My officials are working on the proposals for the scope and timing of such a review. That work is complex, however, and will proceed over a longer timeframe than the Bill. Therefore, the Bill does not include measures on whistleblowing. However, we remain committed to discussion with all interested parties and parliamentarians as we progress that work, and we greatly appreciate the ongoing engagement on this important topic.

John Penrose: Is the Minister able—I am afraid his answer largely parallels a letter he already wrote to me, which was notably devoid of dates—to give the House any indication of when he will be able to come forward with either a fully developed plan with timetable attached, or alternatively just for the four much smaller elements that I mentioned in my speech, which would go an awfully long way to reducing the need for immediate action while he has a longer think about some of the broader, more complicated issues? Without those four immediate issues, we are letting the best be the enemy of the good.

Dean Russell: I thank my hon. Friend for his comments. I appreciate that he would love me to give a date. I cannot do that right now, but I promise that I will

continue with the engagement and discussion. I have spoken to officials many times about this issue over the past two weeks, and I would like to continue to meet and have conversations on that front. The key point is that there is a willingness and a framework already being discussed. It is about how and when, as he says.

Why are the Government not legislating for corporate criminal liability? That was a topic that came up throughout the debate. My hon. Friend the Member for Thirsk and Malton, the right hon. Member for Barking and my hon. Friend the Member for Weston-super-Mare raised concerns about the prosecution of corporate bodies for economic crime. I thank them for their work in this area.

As several Members referenced, the Government have taken steps to establish the case for change. We commissioned the Law Commission in 2020 to undertake a detailed review of how the legislative system could be improved to appropriately capture and punish criminal offences committed by corporations, with a particular focus on economic crime. The Law Commission, as was mentioned in the House earlier, published that paper on 10 June 2022, just a few months ago, with the two strongest options being reform of the identification doctrine and the creation of a new criminal offence of corporate criminal liability for fraud, also known as failure to prevent fraud. The Government are carefully assessing the options presented and are committed to working quickly to reform criminal corporate liability.

I will move on to a final few points. First, I will reference comments by the hon. Member for Glasgow Central—she mentioned a lot of things in her speech, so I want to ensure I cover them as best I can—and by the hon. Member for Oxford West and Abingdon (Layla Moran). On the reforms and whether they apply to limited partnerships, including Scottish limited partnerships, I reiterate that the reforms to limited partnerships will apply to all forms of limited partnership, including Scottish limited partnerships. The Bill will tighten registration requirements and require limited partnerships to demonstrate a firmer connection to the UK. They will increase requirements and enable the registrar to deregister from the register limited partnerships which are dissolved and are no longer carrying on business.

On SLAPP—strategic litigation against public participation—the Government are committed to protecting free speech. We often have debates in this place on the importance of free speech and the rule of law, which are cornerstones of our democracy. SLAPPs are an abuse of the legal system, involving the use of legal threats and litigation to silence journalists, campaigners and public bodies who investigate wrongdoing in the public interest. That is utterly wrong and should not happen.

The invasion of Ukraine heightened concerns about oligarchs abusing those laws and seeking to shut down reporting on their corruption or economic crime. The Government published a call for evidence on SLAPPs earlier this year to build a robust basis for reform. The Ministry of Justice ran a series of roundtable events with key stakeholders, including campaigning journalists, claimant and defendant lawyers, media groups and civil society organisations.

The Government's response to the call for evidence was published on 20 July 2022, and we are currently exploring opportunities to legislate to introduce a new

early dismissal mechanism in SLAPPs cases, as well as a targeted cost protection regime through secondary legislation.

I will conclude by addressing a couple of other key points that were raised—I know there were many. I note that the big folder I have here contains the original points I was going to make, so hon. Members will be glad to hear that we will finish this debate before the Committee proceedings start.

Madam Deputy Speaker (Dame Eleanor Laing): The Minister does actually have one hour and one minute left to speak. That is easy for me to say, as Mr Deputy Speaker is about to take the Chair.

Dean Russell: In that case, shall I start my new speech, Madam Deputy Speaker? I will not, because I am conscious that hon. Members have been incredibly gracious in their speeches and even more gracious in listening to mine. I will do my best to finish these last few points, so that the Adjournment debate can begin. *[Interruption.]* I can assure hon. Members that they will get weekends—I do not need to legislate for that.

Several Members, including the hon. Member for Hammersmith (Andy Slaughter), raised concerns about how the supervisory regime for professional enablers works and whether it is sufficiently robust. The UK's anti-money laundering and counter-terrorist financing supervisory schemes are comprehensive in their regulation and supervision of firms most at risk from money laundering and terrorist financing. In December 2018 the global standard setter for those organisations, the Financial Action Task Force—there are lots of acronyms, so for anyone watching who is not as understanding of the details, I will use the words involved, rather than FATF, AML and all the rest—recognised that the UK's regime is one of the strongest of more than 100 countries assessed by the Financial Action Task Force and its regional bodies to date.

In 2018 the Government established the Office for Professional Body Anti-Money Laundering Supervision to provide a greater degree of oversight and promote co-operation between the 22 professional body supervisors. That office has driven significant improvements in the supervision by professional body supervisors, and in 2019 only 9% of PBSs fully applied a risk-based approach. That rose to 86% by 2020. It has also developed platforms, such as the intelligence sharing expert working groups, to facilitate greater information and intelligence sharing. There is still work to be done to ensure consistency of approach and to improve information and intelligence sharing, as identified in the recent post-implementation review of the OPBAS regulations and the recent OPBAS report.

Seema Malhotra: I recognise that the Minister has made a huge set of comments on the issues that were raised, but I want to pick him up on one point relating to the Financial Action Task Force. He is right that we may be ahead in some areas, but the FATF and the IMF have highlighted that more needs to be done, including by the Financial Conduct Authority, to expand supervision. I hope that he can pick up some of that and make sure that we do not think that we have gone far enough—there is a lot further to go for confidence in the regime.

Dean Russell: I note the hon. Member's comments. I will look into that further and follow up with more detail if required.

I thank all those across the House who have spoken. If I did not mention them, I apologise; and if I did, I hope that I covered their responses as best I can. I want to collaborate and listen, and I think that it is important that we as parliamentarians work together as best we can. It has been great to see the best of the House today. When we debate based on knowledge, experience and the ability to work together, we get the best legislation and the best outcomes, so I thank all hon. Members for that.

I look forward, based on the support that has been pledged, to working with all the hon. Members on the Committee. We have had an excellent and informative debate and I look forward to further discussion in Committee. I commend the Bill to the House.

Question put and agreed to.

Bill accordingly read a Second time.

Mr Deputy Speaker (Mr Nigel Evans): Congratulations on your first outing, Minister.

ECONOMIC CRIME AND CORPORATE TRANSPARENCY BILL (PROGRAMME)

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

That the following provisions shall apply to the Economic Crime and Corporate Transparency Bill:

Committal

- (1) The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

- (2) Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 29 November 2022.
- (3) The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

- (4) Proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.
- (5) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.
- (6) Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and Third Reading.

Other proceedings

- (7) Any other proceedings on the Bill may be programmed.—*(Jacob Young.)*

Question agreed to.

ECONOMIC CRIME AND CORPORATE TRANSPARENCY BILL (MONEY)

King's recommendation signified.

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

That, for the purposes of any Act resulting from the Economic Crime and Corporate Transparency Bill, it is expedient to authorise the payment out of money provided by Parliament of any increase attributable to the Act in the sums payable under any other Act out of money so provided.—(*Jacob Young.*)

Question agreed to.

ECONOMIC CRIME AND CORPORATE TRANSPARENCY BILL (WAYS AND MEANS)

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

That, for the purposes of any Act resulting from the Economic Crime and Corporate Transparency Bill, it is expedient to authorise:

(1) the charging of fees under the Companies Act 2006 at a level that takes into account a broader range of functions; and

(2) the payment of sums into the Consolidated Fund.—(*Jacob Young.*)

Question agreed to.

Business without Debate

SITTING ON 17 OCTOBER

Ordered,

That, at the sitting on Monday 17 October—

(1) the House shall meet at 2.00pm;

(2) the only business to be taken before 2.30pm shall be the taking of the oath or making the affirmation by Members; and

(3) otherwise references to times in the Standing Orders of this House shall continue to apply as if the House had met at 2.30pm.—(*Jacob Young.*)

Persecution of the Rohingya: International Response

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

4.5 pm

Rushanara Ali (Bethnal Green and Bow) (Lab): May I extend my deepest condolences to Sir David Amess's family? He was a friend to us across the House.

In August, we marked the fifth anniversary of the Burmese military's genocide against the Rohingya people. For the Rohingya, it has been five long years of pain, trauma, grief and displacement in camps far from their homes, with their families destroyed. They have been robbed of their livelihoods, their education, their peace of mind and their future. For the perpetrators, the soldiers and the men who issued the orders—the heads of the Burmese military—it has been five years of evading justice for their crimes.

I thank colleagues across both Houses who have served on the all-party parliamentary groups on democracy in Burma—I am grateful for the support of my co-chair, the right hon. Member for South West Surrey (Jeremy Hunt)—and on the rights of the Rohingya. Both groups have the support of a number of parliamentarians in each House, including Baroness Cox. I am also grateful for the work of the former Member of Parliament for St Albans, Anne Main, who helped to set up the all-party group on the rights of the Rohingya after the genocide five years ago.

After years of campaigning with hundreds of parliamentarians across this House, I welcome the decision—a rather belated one, but I am grateful to Ministers for confirming it—that the UK will intervene to support international justice in the case of *The Gambia v. Myanmar* at the International Court of Justice. I would have liked that to happen sooner, as Britain is the penholder on Burma at the UN Security Council, but it is good to see the Government supporting the case, along with other countries.

I thank the Burma Campaign, which has given critical support to parliamentarians campaigning on this important issue, not only in this country but in the US and elsewhere. I must also thank a number of international non-governmental organisations. The list is extensive, but I want to name a few. The International Rescue Committee supported my visit to the camps at Cox's Bazar a few years ago. BRAC has thousands of staff who have been supporting people, along with other international and national NGOs in Bangladesh, after the displacement of 700,000 refugees during the genocide five years ago; the country now hosts 1 million Rohingya refugees. I also thank Save the Children, Refugees International, which supported my visit to Rakhine state in 2013, and other international NGOs that have supported subsequent visits to Cox's Bazar and Rakhine state in 2017.

It is also thanks to the Rohingya community organisations, both in this country and internationally, that the issue has been raised not only in the international media but in our Parliament and Parliaments across the world. However, keeping it on the agenda has been a challenge, given the many crises, sadly, that have been

happening around the world, not least the most recent challenge facing the Ukrainian people in the conflict perpetrated by Russia.

I am pleased that Ministers have announced that sanctions will be stepped up against the companies that are propping up the military dictatorship, including the Star Sapphire Group of Companies, the International Gateways Group of Companies Ltd, and Sky One Construction Company Ltd. I also welcome the Government's commitment, in principle, to bring the Burmese military to the International Criminal Court.

On 23 September, in answer to a written question from me, the Minister of State at the Foreign, Commonwealth and Development Office, the right hon. Member for Hereford and South Herefordshire (Jesse Norman), stated:

"The UK is clear that there must be accountability for the atrocities committed in Myanmar. We condemn the continuing grave human rights violations by the Myanmar Armed Forces, as well as historic atrocities against the Rohingya. The UK is supportive, in principle, of any attempts to bring these issues before the International Criminal Court...where they can be scrutinised."

Unfortunately, however, the Minister went on to say that the Government remained resistant to convening the Security Council to refer the case to the International Criminal Court because of

"insufficient support amongst Security Council members".

I understand the challenges, but that is not good enough. As I said earlier, Britain is the penholder at the UN Security Council when it is concerned with Burma/Myanmar. It is imperative for our Government to take a leadership role in the international community to build that alliance and consensus, so that a referral can be made and we can make further progress in seeking and achieving justice for the Rohingya people, who have faced genocide.

Even in the months since the military coup on 1 February 2021, the military has stepped up attacks in ethnic areas including Chin, Karenni and Karen state, including the torching of villages, the murder of children, and people being burned alive. The international community must speak out with one voice, and prove the strength of its collective institutions by bringing the Myanmar military regime to justice. There is more that we can do right now. That requires leadership from our Government, building on what has been achieved so far.

It is—unfortunately—shameful that the British Government have drastically reduced their aid to the Rohingya refugees over the last few years. For the 2021-22 financial year, British aid to the camps was reduced to 45% of the level of the previous financial year, and a reduction of 67% on the financial year before that. The need in the camps has not been reduced; it has grown.

Dame Margaret Hodge (Barking) (Lab): We can endlessly debate here the terrible iniquities that the Rohingya people have been experiencing for a number of years, and my hon. Friend and I worked together when we were in the Westminster Foundation for Democracy to try to further the support of the UK Government, but in the end it is money that counts. There have been enormous cuts in international aid, and hence an overall cut in support for the Rohingya refugees. Does my hon. Friend agree that that is simply not good enough, and that the Government ought to rectify it with urgency? They have said that they are not cutting their public expenditure, so let them put it where it is needed most.

Rushanara Ali: I could not agree more with my right hon. Friend. It is vital that the Government reverse those cuts in aid for the camps. It cannot be right that the country that is hosting the largest number of refugees, Bangladesh, is left to deal with the situation with much less funding. It also cannot be right that the internally displaced camps in Myanmar, where there is a desperate need for support, are receiving far less funding, and the non-governmental organisations that have access are struggling desperately to cope with and address the needs, demands and problems of the refugees.

I will never forget the experience of hearing the stories of what happened to the refugees I visited in 2013 and 2017 in Rakhine state, where there are heavy restrictions on aid agencies and how they operate. Despite that, the agencies have made heroic efforts to support those who have been forced into the camps by the denial of citizenship rights, by persecution and by the atrocities that the Burmese military committed over a number of years, including in 2012 and subsequently in the so-called clear-out operations.

Imran Hussain (Bradford East) (Lab): My hon. Friend is making an excellent speech. I am sure all will join me in congratulating her on her tireless efforts in not only raising the plight of the Rohingya, but continuing to seek justice for one of the most persecuted peoples of the last few decades. The reality is that five years on, we still have a million people in refugee camps, the international community is yet to give 58% of its overall commitment, and the Burmese military roam free from any consequences. Does she agree that the international community must come together, give the aid that they have pledged and bring justice to the Rohingya people?

Rushanara Ali: My hon. Friend makes important points about the need to provide support, as well as the need for justice. I am grateful to him and to colleagues across the House for all the support they have given over the years. The progress that has been made so far on the justice dimension could not have been achieved if parliamentarians had not mobilised, and we have shown our best side on this important campaign. I think the Minister will acknowledge that there has been considerable resistance over the years, and the UK Government's position has shifted as a result of the efforts of colleagues across both Houses. We were the first group of parliamentarians to call for the Burmese military to be referred to the International Criminal Court all those years ago, and I am pleased to see that President Biden's Administration has led the way in making it clear that they will support a referral to the International Criminal Court.

To return to the humanitarian situation, I will never forget the trauma described by women in the Cox's Bazar camp, which I have visited twice. They spoke of being raped in front of their fathers, and fathers described witnessing the killing of their sons. They have had to live with the trauma of that experience without any support. Our Government have reduced material support over the last few years, and there is very little psychological support. Where such support exists, it has been phenomenal in helping women, men and children.

I will never forget the trauma that girls and boys experienced during the genocide. They have faced the double catastrophe of having to live in camps in Rakhine

[*Rushanara Ali*]

state where their physical movement and access to food are limited. In those camps, access to resources is so limited that Muslim women have been unable even to find headscarves or access sanitary products and many other basic necessities, because of the shortage of food and other essential goods. I will never forget how teenage boys and girls were struggling because they did not have access to education in the camps, due to restrictions in both countries. I have seen at first hand the suffering in those camps. The pandemic made matters worse, ravaging camps despite the heroic efforts of non-governmental organisations, and putting even more strain on stretched resources.

The 1 February 2021 military coup in Myanmar has made it even more unlikely that the Rohingya people will return to their rightful home—Myanmar. When Rohingya people see the same men in charge in Myanmar, they see their torturers, their murderers, their rapists. The United Nations joint response plan for the Rohingya refugee camps is only 30% funded for 2022, yet there will be a need for support in years to come. I urge the Minister to revisit the UK Government's decision to cut funding to the Rohingya refugees and to ensure that the cuts that have been made are reversed. It cannot be right that they are put in an even more perilous position than the one they are already in.

Given the static situation the Rohingya face, with little hope of a speedy return to their country, what else can we do to help? I mentioned the generation of Rohingya denied an education. As I pointed out in a 2018 debate, over half of the Rohingya refugees in Bangladesh are children. For the children and teenagers in the camps, education has been disrupted and is sporadic, to say the least. Many do not have access to education at all; schools and lessons have been closed down. During the pandemic, they were set back even more. I urge all responsible parties—aid agencies, local authorities and the international community—to come together to support children and families in the camps, in particular the young people who need education as well as other resources to survive and cope with the ongoing situation there.

On my visit to Cox's Bazar earlier this year, I was amazed to see the tireless work of the NGOs but also of officials—British diplomats and those leading the way in supporting the distribution of aid. They are trying desperately to make ends meet, with very limited resources, to support people in the camps. It is profoundly clear that teenagers have the least resources, in terms of access to education and so on. That is potentially extremely dangerous. We need to make sure that the next generation of Rohingya people are able to get an education while they wait to eventually return home. I invite the Minister to address these issues, and I hope that he will continue to work with the relevant agencies and Governments to make sure that that happens.

I mentioned the welcome expansion of sanctions by the UK Government to choke off the supply of cash and materials to the military regime.

Jim Shannon (Strangford) (DUP): I commend the hon. Lady for bringing this matter to the House, and I congratulate her on her dogged perseverance on behalf of the Rohingyas, who face persecution and discrimination.

She mentioned sanctions. The military continues to make vast profits through the destruction of religious minorities and the crushing of political opposition. Land and assets have been seized from victims as the regime looks to hide the money abroad. Jade and rubies, which are exported in vast quantities, have become the new blood diamonds. Does the hon. Lady agree that more action is needed to prevent Myanmar's military from profiteering from human rights abuses and hiding the money on international markets? The Government and the Minister need to act directly.

Rushanara Ali: I could not agree more with the hon. Gentleman, because unless we have robust sanctions, building on what has been done so far, the Myanmar military will continue to act with impunity. That is very much what has happened. They will continue to profit from their abuses of power and be rewarded for the military coup that they instigated, where they successfully retook the country altogether, taking it away from its democratically elected leader, Aung San Suu Kyi.

A recent UN report on the implementation of the recommendations of the factfinding mission on Myanmar showed that there is so much more we can do on sanctions. I hope that the Minister will address the reasons why the Government have not fully implemented the recommendations in that report. We acted swiftly and resolutely against Putin's Russia in relation to the Ukrainian conflict; we have much to learn from the interventions that have been made, and the international co-ordination and co-operation that has gone on. Why are we not doing the same in relation to Myanmar, given what has happened in that country, with the appalling actions of the military against not only the Rohingya population, but other minorities and, in the light of the military coup, the entire population? Thousands have been killed in that country since the military coup.

The military have targeted minority groups and the Rohingya, and have committed genocide, but they have now targeted the entire nation. Many state-owned enterprises, such as the No. 2 Mining Enterprise, which has been mentioned and which gets profits from rare earths, have not yet been sanctioned by the Government. The important thing about sanctions is that they must be internationally co-ordinated, otherwise sanctions-busters will, like water, always find the cracks. This requires leadership, which is where our Governments can take the lead.

For the Rohingya who remain in Myanmar, life is unimaginably hard. They face an apartheid-like regime of ethnic separation; routine human rights abuses; and violence and murder. The UN Security Council must convene and pass a resolution under chapter VII that would establish targeted economic sanctions and establish an arms embargo. Those states supplying weapons used to kill civilians—Russia, Serbia and China—must be stopped now. That requires leadership by our Government and international co-operation. As Tom Andrews, the United Nations special rapporteur on human rights in Myanmar, reported in February:

“Stopping the junta's atrocity crimes begins with blocking their access to weapons. The more the world delays, the more innocent people, including children, will die in Myanmar.”

The longer the delay, the more graves the people of Myanmar will be digging.

So my last question to the Minister is this: what conversations has he had, or have his colleagues had, with our international partners in order to co-ordinate the sanctions effort, to make it genuinely supra-national and to hit the regime where it hurts? The Burmese military's genocide against the Rohingya stands as one of the greatest crimes against humanity in recent times, and it is not over. We have seen villages torched; children and babies killed; women raped and murdered; people set on fire; and a million people forced from their homes. All of that has been documented by the United Nations. This genocide was also fuelled by the use of modern technology and social media. As the UN factfinding mission pointed out, Facebook played a "determining role" in that genocide. Five years on, the Rohingya are no nearer justice and no closer to home. They have no hope of a settled, stable life, which is all they want. Will we be here in five years' time, still talking about aid to the camps and the need for sanctions? Surely the answer must be no.

4.28 pm

The Minister for Europe (Leo Docherty): I am pleased to be able to respond today. I thank the hon. Member for Bethnal Green and Bow (Rushanara Ali) for calling this debate and for speaking movingly of her experience, which is reflective of her long-standing interest in this issue, for which the House is grateful. I should say that in preparation for this debate, I have liaised with Lord Ahmad of Wimbledon, the Minister of State with responsibility for south Asia. Again, I wish to thank the hon. Lady and her colleagues on the all-party groups, as we acknowledge the importance of their work over a number of years in raising the prominence of this issue and correctly pushing for an active policy response. I am also grateful to the right hon. Member for Barking (Dame Margaret Hodge) and the hon. Member for Bradford East (Imran Hussain) for their contributions in the Chamber

It has been more than a year and a half since the Myanmar armed forces seized power in a coup in that country. We must be clear that they continue to inflict acute suffering on the people of Myanmar. The country is plunging ever deeper into political, economic and humanitarian crisis, and the consequences for regional stability and security are clear.

The Myanmar armed forces continue their brutal campaign of violence against civilians, with many of the same hallmarks of the atrocities committed against the Rohingya in 2016 and 2017. The recent airstrike on a school, which killed at least 11 children, was an abhorrent reminder of the nature of the military regime. At this point I should say, in response to the questions from the hon. Member for Bethnal Green and Bow, that we are targeting sanctions at the military's access to finance and arms. That includes targeted sanctions on gems and timber. We have worked and continue to work closely with partners in the US, Canada and the EU to tighten the sanctions regime to hit the military where it hurts.

More than 14 million people are now in need of humanitarian assistance—a staggering 13 million increase since the coup—which makes the situation in Myanmar one of the world's largest humanitarian crises. Over the past financial year, the UK Government have given more than £49 million in assistance to support humanitarian

needs, as well as for healthcare, education and civil society. More than half that money is being spent to tackle the humanitarian crisis, particularly in the border regions. That includes support to the Rohingya communities in Rakhine state. Approximately 600,000 Rohingya remain in Rakhine state, almost a quarter of whom have been confined to camps for the past decade.

We are now five years on from the horrific violence and trauma that the Rohingya communities suffered in 2017. Sadly, there continues to be no sign of a durable solution to the Rohingya refugee crisis. We are particularly concerned about the renewed violence in Rakhine state over the past month. Rohingya communities are caught up in fighting between the armed forces and the Arakan army, which is, as Members will know, an ethnic Rakhine armed organisation. Humanitarian access is blocked by the military regime, leaving nearly a quarter of a million people in need.

Rohingya communities, who have been stripped of their citizenship and denied freedom of movement, have been caught in the crossfire, with many trying to flee to safety. The UK Government are clear: the violence must stop immediately; all civilians must be protected; humanitarian access must be restored; and Rohingya communities must be enabled to return to Myanmar from neighbouring countries in a safe, voluntary and dignified way.

When it comes to our support, which has been mentioned, since 2017 the United Kingdom has provided £340 million-worth of support to the Rohingya and neighbouring communities in Bangladesh. We have also provided £25 million for the Rohingya and other Muslim communities in Rakhine state. This has paid for life-saving food, water, shelter, healthcare and protection. We continue to be a major global donor to the United Nations' humanitarian agencies, providing £108 million this year. That enables them to respond to this crisis, including when it affects young people and children. One of our key partners is UNICEF, which attends to children and young adults who are particularly in need.

Let me address directly one question from the hon. Lady. We remain committed to increasing the level of our humanitarian support back to 0.7% of GNI when fiscal constraints allow. We have been clear about that all along. We are of course operating under some constraints.

Overall, the UK Government's total portfolio of support makes us one of the largest bilateral humanitarian donors to the Rohingya response. We will continue to provide support until the Rohingya are able to return to Myanmar, as well as to local communities around the camps in Bangladesh. We will of course continue to work alongside the international community to improve conditions for the Rohingya in Myanmar and mitigate the risk of further atrocities. As I have mentioned, that work includes using targeted sanctions and building a global coalition of countries committed to tackling the flow of arms into Myanmar.

This year marked the fifth anniversary of the atrocities committed by the Myanmar armed forces against the Rohingya people. We marked it by pressing for accountability for the atrocities in Rakhine state. We have not forgotten what happened. Last month, as the hon. Lady mentioned, the United Kingdom announced a further round of sanctions to target businesses with close links to the Myanmar armed forces that funded

[Leo Docherty]

the clearance operation of 2017. We want to hold those responsible to account. We believe that that is crucial to ending the violence and the misery suffered by the Rohingya.

In August, the UK Government announced our intention to intervene in the International Court of Justice case—the case mentioned by the hon. Lady—which has been brought by the Gambia, regarding Myanmar's obligations under the genocide convention. We believe that that is the best form of holding those responsible to account. The hon. Lady also referred to the International Criminal Court. Of course, we support attempts to bring these issues before the ICC, but our judgment is that a referral from the Security Council would not at this stage be the most efficacious way of doing that, and it may inadvertently afford comfort to Myanmar's military. Our belief is that the best vehicle for holding the perpetrators of these terrible atrocities to account is through the International Court of Justice and the case brought by the Gambia, and we have been energetic in our intervention in support of that case.

Rushanara Ali: I thank the Minister for his response, but could he say a bit more about what is being done to build that international alliance to ensure that the ICC referral route is pursued at some point? The only way to do that is if the UK, as the lead, actually works to build that alliance. It will not happen without that effort. Furthermore, what exactly are the UK Government doing to support the ICJ case led by the Gambia? Having expressed support, can the Minister be specific about what exactly the Government are doing?

Leo Docherty: We certainly hope that the ICC will at some point be a forum for holding these crimes to account. We will continue to use our diplomatic network very energetically to build a foundation for one day arriving at that point. We think that, on that journey, our contribution to the ICJ case will be very significant. What we bring to that is tremendous legal firepower and an ability to add real strength to the case being brought by the Gambia. We hope that our alliance and

our legal firepower will be an effective and important intervention in that case, which may lay the foundation for further legal activity and, possibly in the longer term, some movement in the ICC.

To achieve true justice for the Rohingya, their citizenship in Myanmar must be restored, the systematic human rights violations they have suffered for decades must end and Rohingya people must be meaningfully included in future visions of Myanmar society. Humanitarian assistance cannot solve that political element of the crisis. We need to look to the future and work to create the conditions that will allow the Rohingya to return to Myanmar voluntarily, safely, and with dignity when the situation allows.

We therefore continue to engage with a range of partners, both globally and in the region, to encourage dialogue, to find a peaceful resolution to the crisis and fundamentally to support a return to democracy. We will use all available opportunities, including at the G7 and with our Association of Southeast Asian Nations partners, to push for a long-term solution to the crisis at its root cause. We will also use our role as penholder to keep the situation in Myanmar on the UN Security Council's agenda and explore all available council tools.

The Rohingya crisis remains a top priority for this Government. We will continue to do all we can to ensure the Rohingya can voluntarily, safely and sustainably return home when conditions allow, and to ensure that all people in Myanmar can live safely and in peace. I reiterate my thanks to the hon. Lady for calling this debate and to all parliamentarians for their efforts to engage and support this important issue.

Mr Deputy Speaker (Mr Nigel Evans): As somebody who has been to Cox's Bazar myself and seen the appalling consequences of the persecution of the Rohingya, I must say how privileged I am to have chaired today's Adjournment debate.

Question put and agreed to.

4.39 pm

House adjourned.

Westminster Hall

Thursday 13 October 2022

[DAVID MUNDELL *in the Chair*]

BACKBENCH BUSINESS

Post-Brexit Fisheries Management

1.30 pm

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

That this House has considered post-Brexit fisheries management.

It is a pleasure to serve with you in the Chair, Mr Mundell, and to welcome the new Fisheries Minister to his position. He and I have worked together in previous roles in the House, and I am delighted that we have the opportunity to continue working together. I have always found him to be a straightforward and decent man to deal with, and I hope he will continue to take that approach to his new responsibilities. It is not always the easiest or most attractive brief to take on in Government, but for communities such as mine in the north-east of Scotland and for many small coastal communities around our country, it is an enormously important one. I hope that he will find he gets good assistance and mature co-operation from around the House, as has generally been the practice over the years on fisheries matters.

I think it would be appropriate to pay tribute to the Minister's predecessor, the hon. Member for Banbury (Victoria Prentis), who took on the brief and managed it through, let us say, a tricky time. She did not always deliver everything we wanted—she would have been the first Fisheries Minister to have done so had that been the case—but she was sincere in her commitment and we were impressed by her engagement with the industry and by how generous she was with the time she gave to MPs with a fishing interest. We wish her well as she undertakes her new responsibilities.

If we look at the current prospects of the fishing industries, we will see that there is still some cause for optimism. The fundamental proposition of the UK fishing industries is a sound one, but it is also fragile at the same time. It has to be said that the industry is facing severe challenges. There is the rising cost of fuel. A lot of the boats, particularly in fleets such as mine in Shetland, are already subject to significant costs from interest payments on loans for their purchase, and if interest rates go up, that will be challenging. Of course, like every other industry, they have the challenges of wage increases and general inflation. While the prospects are good for an industry that is in a strong position and fundamentally sound, there is no room for complacency and it has to be accepted that these prospects are somewhat brittle.

In the medium to long term, some of which I will deal with today, the industry is increasingly concerned about a number of different threats, some of which will, if they are not addressed now, be existential for the industry or parts of it. I am thinking in particular of the pressures of spatial squeeze, with other industries having grown over the years. We have seen the coming of oil

and gas industry pipelines, electricity cables, fibre-optic cables and now the growth of offshore renewables, such as electricity generation. If nobody acts now and we do not find a proper strategic approach to this issue, all of those things will squeeze fishing to the margins.

The first challenge to which I want the Minister to apply his mind is more immediate—namely, the availability of crew from outside the United Kingdom. This is a matter on which I and others in this House have been fighting for years, and it sometimes feels like we get one step forward only to then go two steps back. There is no arguing with the proposition that we would like to see fishing boats in the United Kingdom crewed by local crew—this is an important source of employment for many fishing communities—but we have to be realistic about the fact that for decades many young people in our schools and colleges have been told that the industry has no future for them and have been gently discouraged from going into it. It will take a long time to turn that around, and to allow young people to see that it is an industry with great opportunities for them and in which they can have a future—a future that, in turn, will be there for their children when it comes to that time. In the meantime, however, we need a sensible immigration policy that will allow us to get the crew who are needed to keep the boats going, especially, but not exclusively, for the inshore fleet.

At the moment, the bigger boats that are able to operate outside the 12-mile limit can bring in non-European economic area nationals on transit visas. That route has been employed for years now. Frankly, it is an abuse of the transit visa system, although I do not say that as any sort of criticism, because, in fact, it has been the only route available to skippers wanting to bring in non-EEA nationals. The way in which transit visas work—they are usually intended for merchant ships to take on crew coming in through United Kingdom ports—leaves those who fish on UK vessels but only through the means of a transit visa without the protections of minimum wage, health and safety, and the general employment conditions that we would all expect of any other sector. There have been some well-documented abuses of crew who have been brought in this way, although that is by no means a universal. I would like to think that such cases are still the exception, rather than the rule, but we do need a working visa scheme.

We first did battle on the issue through the Migration Advisory Committee, which for years denied that it could deal with the matter, because the job was not listed as a high-skilled occupation. We eventually persuaded it to change the advice given to Ministers. As a consequence, the Home Office brought forward a scheme to allow a number of non-EEA nationals to work on UK vessels. In fact, however, the way in which immigration rules work is such that very few of those visas have been able to be taken up—principally because very few of those who would be coming to work under that visa scheme are able to meet the English language test requirements. It is a particularly narrow definition of what it is to be a skilled worker that says that someone has to obtain that level of English language skill. Surely it would not be beyond the wit of man for someone in the Home Office to design a scheme—the principle of which already seems to have been conceded and the advice on which is consistent with that of the Migration Advisory Committee—which would allow the industry to get the access to the crews they need.

[Mr Alistair Carmichael]

The shellfish boats in my constituency in particular—Orkney has a significant brown clam fleet, of which I will speak later—do not fish outside the 12-mile limit for the most part, so they are not able to use the transit visa route. As a consequence, those fishers are left unable to operate the boats that they have committed to and taken finance on, and ultimately they will not be able to make a living. If they go, the shoreside jobs in processing and exports go. The Government claim to care about growth, but who profits from that particularly unhelpful and narrow interpretation of what is required? I am sorry for labouring the point; it is the luxury of having the time to do it.

I know this is not the Minister's responsibility, but in addition to his direct ministerial responsibilities, the industry looks to him as its advocate in Government. I hope he will pursue that case as vigorously as he can with Home Office Ministers. It should have been sorted years ago, and it is nothing short of a scandal that it has not been.

The other issue of particular concern to me—I have spoken about it in the past, and it is of growing interest to my constituents—is the industrial-scale gill netting that we still see around so much of our waters. For us in Shetland, it is a particularly acute issue. Spanish boats, in particular, regardless of where they are flagged, come in with gill nets that run to several kilometres in some cases. They exclude local boats, especially whitefish boats, from grounds they have fished for generations. It is a particularly environmentally and ecologically unsustainable way of catching fish. It is also a major contributor to plastic pollution, because the nets are often just cut adrift and left on the bottom of the seabed to be caught up by others in the fullness of time.

My frustration is that we have nobody else to blame now. For years, we could look to Brussels and say, "We've got to let the Spaniards in because we are part of the European Union, and they can do this and that," but we no longer have anybody else to blame. It lies within our own control. It lies within the control of the Minister here and his colleagues in the devolved Administrations. The inability, or the lack of political will, to tackle something so fundamental is really frustrating the industry and the fishing communities that are most directly affected by it. There have been demonstrations in the streets in Shetland about gill netting.

Last week, the local newspaper, *The Shetland Times*, carried a comment that sums up the lack of urgency around tackling this issue. It states:

"The Scottish Government responded with an unattributed statement"

—not something that got anywhere near a Minister—
"which said: 'We take protection of the marine environment seriously and are clear that any form of dumping and other illegal activities is completely unacceptable.

Gill netting is a legitimate form of fishing activity permitted within Scottish waters.'"

Think about that for a second. An official Government spokesperson from the Government in Edinburgh describes gill netting as a legitimate form of fishing activity permitted within Scottish waters. I suppose that, legally, that is a justifiable statement, but in terms of displaying an understanding of what gill netting is about, and given the way in which it is used on an industrial scale

and the impact it has on our local fleets, I think that was a shockingly complacent thing to say. The statement goes on to say:

"As with all forms of sea fishing, gill net vessels must comply with all applicable rules, regulations, and technical standards, when carrying out their fishing operations."

We are also told:

"The safety of our fishers is of paramount importance and any allegations of behaviour that risks the lives of fishers and the safety of vessels are very serious."

We know that, because we have seen quite shocking examples of Spanish gill netters forcing Shetland boats off their fishing grounds, which has sometimes come very close to having tragic consequences.

If we are talking about a form of sea fishing that must

"comply with all applicable rules, regulations, and technical standards, when carrying out their fishing operations",

why have we not introduced regulations that state simply that any boat carrying out gill netting—if we continue to allow it—has to declare the number of nets on board when it comes into our waters and the number of nets when going out? We could then see that there is no mismatch. We could control the fact that the nets are being left at the bottom of the sea. That is the very least that we should be doing, but even that seems to be beyond the political will of the Governments.

The Minister's predecessor, the hon. Member for Banbury, undertook a piece of work when I brought to her attention the situation faced by the skipper of the Alison Kay in Shetland. He very nearly came to grief as a consequence of the actions of a Spanish trawler, the *Pesorsa Dos*. The hon. Member for Banbury got together all the various parts of Government. There was quite an impressive number of civil servants and lawyers on the call, but it seemed that everybody was looking for an excuse—for why it was somebody else's problem. Everybody acknowledged that the situation should not be allowed to continue, but nobody was prepared to find a working solution to it.

I say to the Minister today that that piece of work remains live. If we do not do it, the situation experienced by a number of Shetland boats in recent years will only get worse. I can guarantee that eventually somebody will end up at the bottom of the sea. There will be a tragedy, and then there will be a rush to find a solution. Why not accept that this is a dangerous practice and that proper action is needed to deal with it now? Get the different devolved Administrations, the Department for Environment, Food and Rural Affairs, the Maritime and Coastguard Agency, and the Department for Transport around the table, and find a way to offer our fishing boats proper protection when they absolutely need it.

As I indicated earlier, spatial squeeze continues to cause great and growing concern in the fishing industry right around the coastline. If the Minister has not yet read the work done by the Scottish Fishermen's Federation and the National Federation of Fishermen's Organisations, I would certainly commend it to him. That work first tracks the position from 2000 to today, and then it looks forward to 2050. In 2000, fishing boats were excluded from less than 1% of UK waters. The SFF and the NFFO estimate that by 2050 we could see fishing effort excluded from no less than 49% of the exclusive economic zone around the UK as a whole. In Scotland, the figure could be as high as 56%, and that is before we know the

actual extent and meaning of HMPAs—highly protected marine areas. It seems inevitable that there will be further restriction.

It will be interesting to see how that all works. It is not that any individual source is particularly difficult; there is a cumulative effect. We have had the growth of aquaculture and offshore and gas activities. We now have the coming of offshore wind and floating wind. We have significant development to the west of Shetland, and I am keen to see that, but at some point somebody has to say, “There has to be a strategy for managing the marine area”, so that the salami slicing does not continue. As a consequence of the growth of offshore wind, vessels will be excluded from something like 4.28% of the area. In and of itself, that is not unmanageable, but it is 4.28% on top of all the other slices that have already been taken off the joint.

My plea to the Minister is for someone in Government to take control. The growth of offshore wind will result in more cabling on the seabed. Surely it is not beyond the wit of man to find a way to bring all those cables together instead of leaving them like a plate of spaghetti on the seabed. As things stand, nobody has taken charge and nobody is taking an overall, holistic view. As a consequence, we fear that the fishing industries will be excluded.

I will mention in passing a particular concern of ours in Orkney. Our brown crab fishery is very important to us, but the female brown crab is migratory. It goes from Orkney and around to the west coast of Scotland, but its behaviour is affected by the electromagnetic frequencies from some of the cables. The science is in its infancy and there is a lot that we do not understand. In every other respect, we proceed on a precautionary basis, and I hope that some effort will be made to ensure that there is a proper understanding of how these things fit into the wider seabed use.

The subject of scientific advice has long been of concern to the industry. For a number of years, the SFF, NFFO and the Scottish White Fish Producers Association have been calling for another body to sense-check the International Council of the Exploration of the Sea data and the conclusions drawn from it. ICES is the gold standard and we are not seeking anything that would undermine that, but, given its academic rigour, the ICES process is lengthy and the decisions informed by it are sometimes made two years after the data has been gathered.

The Minister’s predecessor set up the UK fisheries science advisory board, which brought together the chief scientists from the devolved Administrations and the UK Government. What is the status of that board? Is it still functioning and what scope is there to continue to build on its work? There is a wealth of expertise in the fishing industry, and it is willing to contribute financially to the scientific research.

The situation is remarkable. When I was first elected in 2001, I remember being shocked when I was told that monkfish was a data-deficient species. And, well, in 2022 it is still a data-deficient species. It is an enormously important species for the Scottish whitefish industry. It is our most valuable catch, with 12,600 tonnes of it, worth £34 million, landed in 2021, but the ICES regards it as data-deficient. The industry actually offered Marine Scotland and the Scottish Government a vessel and crew to go out and get the data to supplement what the

Marine Scotland vessel was getting, but unfortunately that offer was refused because of the covid protocols. In future, I hope that all Governments in the United Kingdom will be more willing to engage with, listen to and accept such offers.

There is a view out there, often expressed by non-governmental organisations and other campaign groups, that fishermen are all hunters who have no concern for the future ecology of the species. My experience is very much the opposite. Most people who work on fishing boats come from fishing families. They have inherited that business from their parents and want to hand it on to their children. They understand that if they are not responsible in their stewardship of it now, there will be nothing to hand on.

Fishermen are thwarted in a number of areas. We hear a lot spoken about bottom trawling and unsustainable fishing practices. I have some sympathy for some of those arguments, but others are occasionally exaggerated or inflated. Almost exclusively, where there is unsustainable practice, it is done by boats that are well away from their own home port. On scallop dredging and clam fishing, the Shetland Shellfish Management Organisation regulates those that fish for those species in the local waters.

The industry can take credit for what it is going to ask for from the year-end negotiations that the Minister is about to undertake. On blue whiting, for example, the ICES advice is for an 81% increase in the total allowable catch, but the Minister will find that the industry is taking a much more cautious approach. The industry’s view is that an increase of 20% to 25% is much more sustainable. To my mind, that demonstrates the industry’s willingness to say, “Actually, we’re not always pushing for more, bigger, faster and better,” and that it is motivated by sustainability.

Given that the Minister is coming into this job at a very important time of year for the industry, I ask of him only that, as he speaks to his EU counterparts—in Norway, the Faroes, Iceland, Greenland and elsewhere—he always has at his elbow somebody who can tell him what the industry is actually thinking. The industry might give him slightly different advice from that which he might get from his officials. He can choose to follow it or not, but he can only make an informed decision if he has access to the industry. In my experience, industry bodies are responsible and reasonable, and, if given the opportunity, they will offer unwary Ministers opportunities to avoid jumping into holes that they might otherwise find themselves in.

I have taken more time than I would usually have taken, but this is a three-hour debate and these issues are important. Given that the Backbench Business Committee allowed us three hours, it is unfortunate that Members were not able to be here today. This debate was held over from the middle of September, when I know there would have been a lot more Members here. However, given that the hon. Member for Strangford (Jim Shannon) is here, this is definitely and constitutionally a Westminster Hall debate—it could not be one without him. I am grateful to Members for their indulgence of the extra time that I have taken, and I look forward to hearing what the Minister has to say.

2 pm

Jim Shannon (Strangford) (DUP): Over the years, I do not think there has been a fishing debate in which I have not been sat alongside the right hon. Member for

[*Jim Shannon*]

Orkney and Shetland (Mr Carmichael). I feel strongly in my heart about the issues that he has referred to, so it is a pleasure to come to Westminster Hall—I am here most often than most, but that is not the point—to discuss where we are on the Brexit opportunities for fisheries. I congratulate the right hon. Gentleman for setting the scene in introducing the debate.

I am pleased to see the Minister in his place, and very much look forward to working alongside him. I put on the record my thanks to the previous Minister for Fisheries, the hon. Member for Banbury (Victoria Prentis), who was incredibly helpful. There was not a fishing issue that I asked her to look into that she was not responsive to. We may not always have got the answers, but we always got a response, and we always felt that she always went the extra mile in trying to get us a pertinent answer.

Portavogie in my constituency of Strangford is the second largest fishing village in the whole of Northern Ireland, second only to Kilkeel but slightly ahead of Ardglass, both of which are in the bordering constituency of South Down. The Anglo-North Irish Fish Producers Organisation and the Irish Fish Producers Organisation work closely together and represent people in those three villages, and when discussing something with them, we get the answers we need quickly and collectively.

I know that the Minister's portfolio is wide ranging, but not only is commercial fishing is one of the most challenging sectors; it can be—if he gets it right—one of the most rewarding. There would be a lot of satisfaction in helping fishing villages across Scotland, Wales and Northern Ireland, and across all of England as well. I am proud to be a member of this great United Kingdom of Great Britain and Northern Ireland, and to have a Minister who thinks likewise. When we talk about delivery, we mean delivery for us all. That is what I want to see.

Brexit provides us with an opportunity to grow the sector sustainably in remote parts of the United Kingdom. Our Northern Ireland fishing sector is eager to contribute to that growth and to the economy of the United Kingdom of Great Britain and Northern Ireland. I am pleased that my colleague and friend, the hon. Member for Perth and North Perthshire (Pete Wishart), is here to represent Scotland and the Scottish National party, and I look forward to his contribution. His colleague, the hon. Member for Na h-Eileanan an Iar (Angus Brendan MacNeil), the right hon. Member for Orkney and Shetland, the hon. Member for Banff and Buchan (David Duguid) and I have had a number of meetings on the very issue raised by the right hon. Gentleman, which I will speak about again.

I wish to speak about four themes in respect of the commercial fishing fleet in Northern Ireland, particularly in Portavogie in my constituency: how the fleet can continue to fish, where it can fish, what it can fish, and the cost of fishing. To be fair, the right hon. Member for Orkney and Shetland has referred to those four themes. The first is critical, and I know that the shadow Minister, the hon. Member for Cambridge (Daniel Zeichner), will reinforce that every bit as strongly as we will in our contributions.

How can the fleet continue to fish? Without a crew, a fishing vessel cannot harvest the seas. That seems obvious, but it is a matter of fact that crews are increasingly

difficult to secure, as the right hon. Member for Orkney and Shetland said in his introduction. We did not consult each other on what we were going to speak about, but he led on this matter and I intend to do likewise because it is a major issue for fishing fleets in mine and neighbouring constituencies.

Recruiting fishing crew is not a new issue. I have attended fishing debates over many years and have raised the point many times. I have met Immigration Ministers, who have always been incredibly helpful; I genuinely believe they wish to find a route through the process. The utopia we aim for—a domestic fishing fleet crewed by a domestic crew—regretfully remains some distance away. That is the nature of the economics of it all. There is not the same tradition of working on fishing boats as there was in Portavogie. My brother worked on a fishing boat many times. Dads passed on boats to their families, which is how the tradition continued, but there is less of a wish to do so that now. To be fair, there are also more job opportunities. Why would people go out fishing in a boat that is tossed about in the greatest of storms when they could work in an engineering firm up the road, where there are plenty of opportunities?

There are particular pressures on fishing, such as competition from other sectors, and quayside prices that mean that fishermen are, more often than not, price takers. This all contributes to a scenario where a career in a fishing fleet is no longer the choice. For a growing proportion of the UK's fleet, the option has been to recruit from overseas, and that has been pretty successful. In Portavogie, we have Ghanaians, Nigerians, many people from Estonia and Latvia, and even some from further east, such as Romania and Bulgaria.

The use of transit visas—the preferred route for bringing overseas crews to the UK—has become a grey area, and we need some clarification. I know it is not the Minister's responsibility, but we would all be pleased if we could have some encouragement from the Department to help us get the matter sorted with the immigration department. The Home Office has made it clear that it wishes to see the points-based system being developed by fishing vessel owners to sponsor overseas crews. However, the sponsorship route was not developed for marine-based careers. Concessions for workers involved in the construction of offshore energy projects, as well as the boats used to transport salmon smolt between fish farms in west of Scotland waters—both within the UK's 12-mile limit—are evidence of that. There is also evidence that where a sound case is made, the Home Office can facilitate short-term solutions as part of a longer-term plan. It would be encouraging to see a wee bit more of that.

At the same time, we should laud the majority of fishing vessels owners who do the right thing by their crews and are eager to develop a system that provides the necessary safeguards while assisting the Government to fulfil their immigration commitments. I understand that the Government have to control immigration flows, but we should be doing our best to help industries, sectors and parts of our economy in Northern Ireland, Scotland, Wales and across all of England that could do more to produce extra bonuses for the economy. The imminent launch of a pilot project in Northern Ireland that will deliver a grievance mechanism is an example of best practice, in compliance with international rules that Northern Ireland's fishermen are working up. I cannot

have the same knowledge of what is happening in Scotland and Wales, because my constituency is not in those areas, but I understand that all three regions are working together on these issues.

The fact is that the fishing fleet need to recruit new crews from overseas; that is a fact of life. There is manifest evidence of that. It is a matter of regret that DEFRA has to date excluded the fishing fleet from the independent review of labour shortages in the food supply chain—a review that includes fish processors. I invite the Minister to correct that anomaly. I am always more interested in trying to work constructively and move forwards collectively, so I would be grateful if the Minister could drive that for us. I applaud DEFRA and the Minister for their early intervention on this critical matter, which encouraged the Home Office to facilitate a breathing space to allow fishing vessel owners to resolve the matter. May I gently, kindly and with all respect suggest to the Minister and the Government that the breathing space be used wisely to meet and work with the industry and other stakeholders to devise a long-term resolution to the unique challenges for the fishing and marine sectors? We are all happy to work alongside the Minister to ensure that that happens.

Where can we fish? For fishermen, the marine space is increasingly squeezed. Crew transit visa rules mean that many fishing vessels have altered their fishing patterns to stay outside the UK's 12-mile territorial limit. The squeeze is associated with marine protection, the development of offshore wind and the hard border in the Irish sea. I will not say too much about that, but I wanted to make a point about where we are.

As the Government engage on issues around the Northern Ireland protocol, through either the preferred route of direct and sincere negotiation with the EU or the Northern Ireland Protocol Bill, I implore the Minister and Government not to ignore the fact that a hard sea border already exists in the Irish sea. That prevents fishermen from Northern Ireland and the Republic of Ireland fishing in their traditional waters on each side of the sea border, as they have always done. To be fair, we would like to see it continue. There must be a way in which that can be concluded.

For many, the situation was an oversight created by the trade and co-operation agreement. As fishing industry representatives have recently reminded us, even with its many flaws, 40-foot lorries with lots of paperwork and admin can still trade back and forth across the land border, yet 40-foot fishing vessels cannot cross the sea border. That seems to be an anomaly that needs to be addressed.

It is a unique situation for Northern Ireland's fishermen, and I invite the Minister to visit the fishing communities there to see for himself the impact that the measure is having. Unfortunately, because of the covid restrictions, the Minister's predecessor, the hon. Member for Banbury, was not able to find the time to visit Northern Ireland. I extend the invitation to the Minister; we would be very glad to host him in Northern Ireland. I extend that on the record, and I hope it can be taken up. That invitation will, of course, extend not only to my constituency of Strangford and Portavogie but to Ardglass and Kilkeel, since the two fishing organisations cover the three ports.

What can we fish? Brexit has developed additional fishing opportunities or quotas for our fishermen. It is not as much as had been promised; nevertheless, we

have had an increased share of the total allowable catches. Previous Ministers promised that no one would lose out from the Brexit quota dividend. However, what they did not say was that some would gain more than others, and Northern Ireland's fishermen firmly believe that they fall into the "others" category.

Northern Ireland has a small maritime zone. It is about 5% of the UK's but is equally important for the economic growth of Northern Ireland, and indeed of the United Kingdom as a whole. Our fishermen have traditionally been nomadic, fishing all around these islands. Yet, partly because of zonal attachment, Northern Ireland's fishermen were penalised when it came to the apportionment of the additional quota.

It is precisely because of that penalty that I hope the Minister understands how nervous Northern Ireland's fishermen are as a result of DEFRA's most recent consultation on apportioning additional quotas in 2023 and beyond. Those are issues that we discussed with the previous Minister, the hon. Member for Banbury. I cannot overemphasise the fear that our fishermen and this sector have around that issue. If the Minister increases the element of the zonal attachment used in the quota apportionment equation, there can only be one set of losers—I seek the Minister's help on this—and those are the fishermen from Northern Ireland.

With all the challenges in the Irish sea, including the hard sea border, any reduction in the share of the additional quota for Northern Ireland's fishermen will be regarded as unjustified punishment by London. I know that the Minister is not keen to see that, and I am certainly not, so can we work together to address that? Their ask is simple: even with its flaws, keep the system agreed in 2021. We need the Minister's help to ensure that happens. Again, we have thrown other things at him today, and I would love the opportunity to discuss them at length with him—or even for a short time; it does not have to be at length—to ensure that we get these things on record.

My last point is on the cost of fishing and fuel. The Government have announced help for businesses with energy costs. That is to be extended to Northern Ireland, and fishing businesses onshore should get some help. However, what about businesses that float? Fishing vessels incur a huge fuel bill. Fuel is second only to crew wages in a vessel's expenses. As well as fuel, other expenses around fishing have increased significantly over the past 12 months. Recent surveys indicate that, within the UK, marine diesel is most expensive in Northern Ireland, returning this week to levels not seen since the early days of the Russian aggression against Ukraine.

I applaud DEFRA and the regional funding in Northern Ireland designed to examine and implement fuel efficiency measures. Those include retrofitting trawlers with equipment such as the Kort nozzles around propellers and the use of new fishing gear, which, as well as being easier to tow or pull through the water—therefore saving fuel—can help reduce unwanted catches. There is an eagerness in the Northern Ireland fishing sector to work with energy efficiencies, new ideas and innovations to make fishing more productive and safer.

Our sector has also been proactive in seeking to secure higher quayside prices. However, as we enter the winter months and a time of reduced catches, none of those measures provides the silver bullet for fuel costs.

[*Jim Shannon*]

The Government have acknowledged the hardship for businesses based inland. I would urge the Minister to engage with industry representatives as soon as possible to extend that help to our fishing fleet. There have been a lot of asks today, and I ask that the Minister forgives me for that. However, it is important that we lay out the things with which we need the Minister's help.

To finish, I repeat my invitation for the Minister to visit Portavogie and Northern Ireland's other fishing communities in Ardglass and Kilkeel. Combined, Northern Ireland's fishing fleet might make up a small part of the UK industry, but dynamism, innovation and a wish to make fishing sustainable for the future have been shown by all of our sector. The Minister should be assured of a warm welcome in County Down. I look forward to his reply and I am sure others will extend the same invitation. County Down welcomes the Minister in advance.

David Mundell (in the Chair): Of course, Mr David Duguid, the Member for Banff and Buchan, whom the hon. Gentleman referenced in his contribution, has recently been made a Minister and therefore would not be able to participate in the debate as a Back-Bench Member.

2.16 pm

Pete Wishart (Perth and North Perthshire) (SNP): Thank you, Mr Mundell. I congratulate the hon. Member for Banff and Buchan (David Duguid) on his reappointment to the Scotland Office—I know for certain he would have liked to be here to contribute to proceedings. Mr Mundell, there is always something comforting when you are looking down at us from above as we are debating issues such as this. I congratulate the right hon. Member for Orkney and Shetland (Mr Carmichael) on securing this important debate. I know we are thin on the ground today, but we have managed to net enough Members and corral them into the Chamber to make a meaningful contribution to this ongoing debate. It is a really important one.

I welcome the Minister to his place. He and I seem to be forever bound to each other. We thought we had escaped the clutches of one another with the Leader of the House gig on a Thursday morning, but here we are on a Thursday afternoon discussing fisheries. I always enjoy working with the Minister, and I look forward to working with him as we go forward to consider the important issues that are now part of his brief.

I want to speak to what this debate is about: it is about Brexit. I want to discuss exactly where we are and where Brexit has left this important sector. I again pay tribute to the right hon. Member for Orkney and Shetland and his colleagues in the all-party parliamentary group. It was a fantastic report—it was excellent. It captured some of the key discussions, debates and issues around Brexit. I thought it made some really meaty and robust conclusions and recommendations, which, if implemented, would go a long way to addressing some of the problems we have. It was a report that found a sector experiencing financial difficulties as a result of Brexit and facing ongoing uncertainties regarding its future, with closures and reductions in operations affecting real businesses.

The fishing industry is a sector that has been utterly pummelled by the impacts and effects of Brexit—effects and issues that are still being played out and experienced

by real businesses and people who owe their living to the sea and to the catches that they bring in. I want to look at where we are. I want to assess what Brexit has done to the sector and where we go from here, because we have real difficulties and challenges. I remember the “sea of opportunity”. The one thing we were told about, again and again, was the opportunities there would be for the fishing industry.

We all looked hard for winners in Brexit, particularly those of us who were not all that sold on the idea. We all looked, across all the industries and sectors, for who would win from this situation. The one sector that was always presented to us as the beneficiary—the great winner—when it came to Brexit was the fishing sector. I do not think people are saying that any more. I think that the sea of opportunity has become an ocean of tears, with shipwrecks off a deflated and defeated industry, and other boats quickly bailing out the water just to stay afloat. That is the reality of the sector several years down the line, because of Brexit.

Of all the sectors that have been impacted and hurt by Brexit, the fishing industry must be ranked as one of the highest. Indeed, I would go as far as to suggest that the fishing industry has experienced probably the greatest betrayal when it comes to Brexit policy, in terms of where it has been left compared with its initial condition.

Pre-Brexit, things were not great; of course they were not. There were years and years of decline in the fishing sector, some of it due to the EU and the common fisheries policy. We have to acknowledge and accept that it was not a particularly great experience for the UK fishing sector, given some of the issues around the CFP. But by God, the way those Brexiteers so carefully designed a case around the frustrations felt by generations of fishermen was quite extraordinary and they managed to list them as their key champions when putting the case for Brexit.

This is an industry that had been in decline for decades, which the Brexiteers grabbed on to so successfully and so profoundly. The Brexiteers were able, quite skilfully and carefully, to blame all the woes in the fishing sector on the EU; it was all the fault of the EU and the CFP. All of us will remember the glorious picture of a future with increased catches, doing away with regulation and red tape, and opportunities that they said were just waiting for us when we became an “independent coastal state”. Do people remember that phrase: the “independent coastal state”? They said we would be independent, when there are international waters, where arrangements and agreements have to be met. The illusion the Brexiteers sold to fishermen right across the United Kingdom will go down as one of the greatest deceptions and betrayals that any sector or industry has experienced during the past few decades.

Fishers and fishing communities have every right to be furious, as they increasingly now are, with this UK Government for what was sold to them. Like the worst snake-oil salesmen, the Brexiteers offered an elixir that they claimed would cure a condition; in fact, it only ended up making the patient much worse. This Brexit was, in fact, as rotten as the dead fish that Nigel Farage threw into the Thames in his attempt to mislead and enlist an industry and a sector to his particularly malign and malevolent cause, because it was all just rubbish—we know that now.

The fishing industry should have known what was in store, because it had been there before—it had been at the hands of a Conservative Government promising the earth to it. We need only go back to the days of our youth in the 1970s, Mr Mundell, to find that when we joined the Common Market, as it was then, the fishing industry was expendable; it was something that could easily be set aside for the greater ambitions of the UK Government's priorities and strategic intentions.

It continues to be expendable now. The Brexiteers could not care less about the fishing industry; it was a minor detail when it came to their greater ideological intention to take the UK out of the EU. That is exactly what it was to them; this is an industry that they really could not care about at all.

Mr Carmichael: The hon. Gentleman knows, because I have said it often enough, that I felt that the fishing industry was used in the course of the Brexit debate. I could understand the reasons why the industry wanted to believe the things that it was promised; he has touched upon some of those reasons. Nevertheless, we are where we are now and we do not have Brussels to blame any more; we have to look to our own resources.

Does the hon. Gentleman share my frustration that there are so many things that we could do better now for ourselves, but that we are not doing? I touched on one thing—gill netting. I will offer him another, which is Marine Scotland's practice of always picking the low-hanging fruit—that is, the Scottish vessels—while leaving Spanish vessels fishing in UK waters, relatively unscathed in terms of interruption and intervention. Why are we not doing more to protect our own fleet? We have nobody else to blame now.

Pete Wishart: I am really grateful to the right hon. Gentleman, because I want to come on to those points and to address some of the issues he raised. He is right: there is nobody to blame any more. For years and years, it was all the fault of Brussels, the EU and the CFP; now the Minister is exclusively in charge of the details of UK fisheries. But it is the right hon. Gentleman's debate—I did not call it "Brexit and the fishing industry"; he called it that. He did not spend all that much time discussing the impacts of Brexit on the fishing industry, so maybe I can fill that gap for him and explain a little about how we got here and where we are. He is right about what we do; it is really important that we get this right. We cannot compound misery on misery, because that is exactly what has happened just now.

The Minister of State, Department for Environment, Food and Rural Affairs (Mark Spencer): If the hon. Gentleman will indulge me, I will build on the point made by the right hon. Member for Orkney and Shetland (Mr Carmichael), who called the debate. Gill netting is something that lies with Marine Scotland; it is within the control of the Scottish Government. I wonder if the hon. Gentleman will explain whether that is something the Scottish Government may do. Will they use their powers and ban gill netting in Scottish waters?

Pete Wishart: I am grateful to the Minister for raising that point. I was going to reserve that for later in my speech, but I will address it now because it is important. The right hon. Member for Orkney and Shetland addressed

it and he deserves and requires an answer to that, which I am more than happy to give him. It was not a press release; I think it was a written question by his colleague in the Scottish Parliament to the Minister, Mairi Gougeon, about gill netting in Scotland—he will correct me if I am wrong. *[Interruption.]* He did not quite quote it all, which is all I will say ever so gently to the right hon. Gentleman. He was accurate in the way he gave it; as reported in the response he gave, gill netting is a legitimate business. However, the thing he did not mention in his contribution is that the Scottish Government are considering this. They are looking at exactly what is happening in their waters.

I am new to this role, but I am not new to my colleagues and their instincts. I say to the right hon. Gentleman: be patient. Wait until the consultation has concluded, because we are looking at this just now. I am pretty certain, if we come back in a few months once this has been considered and we have looked at all the evidence, he may be satisfied with the outcome of these considerations. Be patient. I know Green colleagues in Shetland are standing with Liberal Democrats in order to have this addressed; this is an all-party situation. He is right that it is the responsibility of the Scottish Government, but I know my colleagues, so we will wait and see what happens. Hopefully, we will be able to put a big smile on his face when he talks about these issues in the future.

I will get back to Brexit, because that is what the debate is about. I know there is lots of interest in other issues, in things to look forward to and things we could be doing, but the right hon. Gentleman rightly said that we should have a debate about Brexit and that is what we should do. I see the Minister nodding his head in agreement, so let's do it. Brexit has been an unmitigated disaster for UK fishing, just as it has been an unmitigated disaster for all the other sectors that have to operate in the real world of international markets, partnerships and the harsh reality of doing trade across borders.

We know this has been difficult; we have seen it in the report by the right hon. Member for Orkney and Shetland, which chronicles these issues only too well. We hear in the report of falling incomes as a result of increasing costs and the decreasing value of catches; we see reduced opportunities, increased paperwork and markets more or less closed. He is right that we can address the labour issues, and it is important that we do. I know it is not in the Minister's purview and remit, but the labour issues are acute, and they must certainly be addressed. I congratulate the right hon. Gentleman for raising the issue, just as my hon. Friend the Member for Na h-Eileanan an Iar (Angus Brendan MacNeil) consistently raises issues about crews in some of our island communities. This is absolutely pressing.

I do not know if the right hon. Member for Orkney and Shetland has detected this, but I am beginning to get a sense that the Government are a bit conflicted about this issue. They are beginning to realise that, for all this talk about growth zones, investment zones and growing the economy, they actually need people to do it. I think they are beginning to understand, "Right, if we're going to have a successful economy, and we have to protect and develop sectors such as fishing, we need people to come in and do it. We have not got them just now."

Perhaps I am just being naive, Mr Mundell, but I hope not. You will probably say, "Quite typically, you are, Mr Wishart." I hope I am not. Perhaps the Minister

[*Pete Wishart*]

will confirm this when he speaks, but I am detecting that they are getting it through their heads that people have to come in to do this work because we cannot find indigenous labour, particularly in constituencies like that of the right hon. Member for Orkney and Shetland and my own when it comes to things such as hospitality, hotels and farming. We need people to come to the UK to do the tasks that people living in our communities will no longer do. The only way to do that is to get people to come in from abroad.

Mr Carmichael: Actually, I find myself in agreement with the hon. Gentleman. I am sure he was as surprised as I was to hear the right hon. Member for Mid Bedfordshire (Ms Dorries) say that we needed people to come in to help with the broadband roll-out. The other sector that I should have touched on but did not—that was remiss of me—is the processing sector, which is absolutely desperate for labour to process the fish. We can catch every fish in the sea if we want, but it will not earn us any money if we do not have people to process it and sell it onwards. Through the hon. Gentleman, I might add to the question of labour for the processing sector to the list that the Minister has to take to the Home Office. It is a serious and pressing matter.

Pete Wishart: Again, I am grateful to the right hon. Gentleman for mentioning that. He is absolutely spot on. I have the great pleasure and privilege of chairing the Scottish Affairs Committee and one of our first inquiries in this Session of Parliament was on labour shortages. I think food processing was identified as one of the first sectors that started to experience real difficulties. It needs to be addressed. There is most definitely a problem there.

I am grateful to the right hon. Member for Orkney and Shetland for the all-party group's report. I know that people will be watching this afternoon's proceedings with great interest, and I recommend that they look at this very good report and its recommendations.

It is not just the all-party parliamentary fisheries group that is coming to the same conclusion after looking at the issues—it is everybody. The National Federation of Fishermen's Organisations has produced a report on the economics of the UK's trade and co-operation agreement with the EU for fishing industries. Its general conclusion is that there are very few winners and an awful lot of losers. The NFFO talks of a £64 million loss to the industry each year because of Brexit. In Scotland, we are trying to come to terms with that loss. We are trying to process it and see how we can start to address it with the limited powers we have in a funding envelope that is obviously not what we feel is required to deal with some of these issues. We have the bulk of the United Kingdom's fishing industry. It is an imperative, important and iconic industry for us in Scotland. It brings 15,000 high-value jobs to some of our more diverse and hard-pressed rural and coastal communities.

Our seafood industry is world renowned. When I was in Singapore a few years ago, Scottish salmon opened up a sector that was bringing in all this seafood from Scotland. They could not shift it fast enough. Such was the provenance, idea and suggestion of Scottish produce that people wanted it—they wanted to be part of it.

We now have a worldwide reputation as a renowned exporter of high-quality foodstuffs, in particular when it comes to our fish.

In 2021, fish and seafood exports were valued at £1 billion, which was 60% of all Scottish food exports. I know that trade has been dreadful with the EU, but prior to Brexit, things were relatively good between 2016 and 2019. We had annual exports of £618 million, with the bumper year for that in 2019—just before this disaster started to kick in. Now, Brexit trade barriers are expected to cause output in the fishing sector to be 30% lower than it was pre-Brexit. As well as the damage to EU markets, Brexit has ensured that the Scottish industry has access to fewer staple fish species than under the CFP.

We will wait to see what happens in 2026. I know we are in the transition period just now, but there is a great deal of unhappiness. The right hon. Member for Orkney and Shetland asked us to think about the future. As we move forward, we have to start thinking about what will happen in 2026, when the transitional arrangements are lifted. I hope the UK Government get up to speed with their negotiating position and are able to argue more adequately on behalf of Scottish fishing.

What are the UK Government doing in response? They are doing several things. The total funding envelope was about £100 million across the whole sector to try to mitigate some of the damage. That £100 million seems quite generous and will certainly assist a number of fishers and processors in the sector, but Ireland— independent, small Ireland, with a smaller population than Scotland—has just secured €335 million to be distributed across its whole seafood sector and coastal communities in order to meet some of the difficulties and challenges of Brexit. They have difficulties that are not even close to the difficulties that we have because of Brexit, but that is the funding they get. The irony of all ironies is that €225 million of that funding is coming from EU funding in the form of the Brexit adjustment reserve.

The hon. Member for Strangford (Jim Shannon), whom I always enjoy listening to, must recognise that if the EU can do that for small, independent Ireland, surely we should be doing better in the UK for our fishing sector, which has taken the majority of the hit. Yes, Mr Mundell, I will stray into the constitutional debate—you know me, I like to bring up this little point. Does this not say something about the relative positions and conditions of independent Ireland in the EU and dependent Scotland as part of the United Kingdom? Independent Ireland is supported to the hilt, backed by the EU and part of a partnership, whereas I do not even know what the figure would be for Scotland—perhaps the Minister could clarify that. I tried to find exactly how much Scotland got out of it, but it will be peanuts compared with what independent Ireland will get from the European Union, which his Government dragged us out of against our national collective will, for which we will have to endure the consequences years down the line.

With Scotland not being independent, being subject to a Brexit that we did not vote for and without the EU support that Ireland has, the Scottish Government do what they can, but they cannot do all that much. We have limited powers. We have powers over fisheries, and there are things we can do. Again, I hope the right hon. Member for Orkney and Shetland will be satisfied with some of the deliberations we will have on these issues.

We have put out a new fund to the seafood sector. We have the blue vision in Scotland and hope to do all we can for marine protection. We have given £37.75 million of funding to support our fishers. That is out of a budget that, again, is peanuts in comparison with Ireland, but we will do everything that we can.

I will come back to gill netting and some of the bigger issues around trawling. I do not know about everybody else, but my mailbag has been besieged by correspondence from people who are concerned by what they are observing, particularly the activities of supertrawlers in our marine protected areas. My constituents are upset and anxious about what they are observing and they are writing to me to raise this, which I am doing, because they want action. They want fast and decisive action because they do not like what they are observing. Our constituents have been concerned about the activities of supertrawlers for a number of years. We will have a consultation and we will take decisive action, and it is now up to the UK Government to try to do what they can. We are expanding the number of marine protected areas in Scotland. We will put another one in place over the next few years. People expect marine protected areas to do what they say on the tin: to protect the marine environment. They do not want to see supertrawlers operating in these areas, and I hope the UK Government get on top of this.

Where do we go from here? We are where we are. We have Brexit. The all-party parliamentary group report makes some reasonable suggestions about the way forward. The main UK parties—representatives of which are present today—often say that they are the parties of making Brexit work. I do not know how you make Brexit work, but one day somebody will tell me how something like this can be a positive. I have yet to see where that happens or how it comes down the line. Our ambition will always be to return to the European Union—to return, when it comes to fisheries, to a safe harbour with a set of consistent rules that apply across the EU.

I am terribly excited about my new role as the SNP spokesperson. Before I had it, I observed the disastrous negotiations and discussions that we have had as a new, independent coastal state. There were hours of inconclusive debate and negotiations with small nations such as Norway and the Faroe Islands. We now have to debate and negotiate with the EU, which comes prepared with all sorts of materials, background and experience. We come prepared to more or less give in before we even get anywhere.

I have no great idea that things are going to get better. The Minister may be able to convince me that there is some sort of future with Brexit, but I hope that in the next few years Scotland will make the decision to do these things on our own and start the process to get back into the European Union, where my nation belongs and where I know it will be properly supported.

David Mundell (in the Chair): It is reassuring that the hon. Gentleman can bring his unique style to his new role. I call the Opposition spokesman, Daniel Zeichner.

2.41 pm

Daniel Zeichner (Cambridge) (Lab): It is a pleasure to serve with you in the Chair once again, Mr Mundell. I congratulate the right hon. Member for Orkney and

Shetland (Mr Carmichael) on securing this debate, which is timely given the unrelenting challenges that the UK fishing industry is facing, and the public interest in protecting our marine environment. I associate myself with some of his comments, particularly those about transit visas and, as the hon. Member for Strangford (Jim Shannon) also pointed out, labour shortages. Those issues are clearly very pressing.

I welcome the Minister again. I have previously welcomed him in a farming capacity, and today I welcome him in a fishing capacity. I enjoyed his splendid piece in *Fishing News*, where he is pictured heroically holding what I am told is a large cod. I also associate myself with all the positive comments made about his predecessor, the hon. Member for Banbury (Victoria Prentis). She did a very good job and was always helpful. I wish her well in her new role.

I am interested that the Minister's first visit in his role was to Peterhead. When I started my tour—which is ongoing and has taken me north, south, east and west around the country—my first port of call was the hard-pressed fishers of West Mersea. That area has a different set of problems and challenges, which shows just how different the challenges are around the country. However, wherever I have been, similar concerns have been raised, and some of those will come up in my comments that follow.

I pay tribute to all the fishers who go out in all weathers, day after day. We know that it is still a dangerous job and the sea is unforgiving. Too many lives are still lost; too many life-changing injuries occur. All those who are out there working on our behalf deserve our thanks.

Post-Brexit fisheries management has to start with the experience of the last couple of years. Although I will not be quite as colourful in my language as the hon. Member for Perth and North Perthshire (Pete Wishart), there are elements of his ascription that I definitely recognise. The travails of the shellfish export sector, for instance, are well known. One of my early visits was to King's Lynn, which confirmed the huge amount of extra bureaucracy encountered by workers. I felt for them in those circumstances, although they were at pains to point out that they felt it would be worth it in the end. We have to make sure that we do our best to make the situation work.

The fishing industry, like so many UK sectors, was made a lot of promises in the run-up to 2016. It is fair to say that many feel that those promises are yet to bear fruit. I quote the opening lines of the recent report by the APPG, which has already been referenced:

“Since Brexit was fully brought about from the beginning of 2021, the fishing industry has seen a range of impacts, many of which industry members have reported to be unexpected and unwelcome.”

That is delicately put.

On top of that, the industry faces a range of other challenges; we have heard reference to many of them. It is fighting to keep afloat against the rising tide of rocketing fuel costs, rising interest rates that devalue the pound, new post-Brexit red tape, the labour shortage that I mentioned, the spatial squeeze, and pressure—rightly so—to maintain stocks while protecting and maintaining our precious marine environment. It is tough out there, and it is made tougher sometimes by the attitudes of our regulators. The catch app, the inshore vessel monitoring system and boat inspections by the Maritime and Coastguard Agency pile pressure on people, with the

[Daniel Zeichner]

consequence that too many are suffering stress and poor mental health. I hope the Minister will address the issues that are in his power; I urged his predecessor to do the same.

We need to start by establishing what we are trying to do on fisheries management. It is widely agreed that we are trying to balance food production, ensuring sustainable stocks, undoing damage to the marine environment and moving to a long-term, more sustainable approach. I recognise that there are difficult trade-offs, such as what the NFFO describes as the spatial squeeze. We hardly need telling that energy security is key at the moment—it should always have been key. In some ways, this is similar to the debates raging on food security, energy security and environmental sustainability on land. I am not sure whether the Minister would like to wade into that issue; I suspect he will not be drawn on it.

On land and sea, we need processes and structures to allow us to make these trade-offs in a fair and civilised way. What are those frameworks? Where are we exactly in terms of legislation and Government action? How are we helping our UK fleet of some 4,300 fishing vessels to provide work for some 11,000 people?

At the end of 2020, Parliament passed the Fisheries Act 2020, which gave the Government the authority to act for us as an independent coastal nation outside the EU and outside the common fisheries policy. It allowed us to embark on bilateral agreements with our closest neighbours and potentially negotiate much more favourable fish quotas for UK fishers. How has that gone? Under the terms agreed between the UK and the EU in the trade and co-operation agreement back in December 2020, the Government ceded access to fish in UK waters to EU vessels for six years and failed to establish an exclusive 12-mile limit—not exactly what had been hoped for. In July, Paul Gilson, chair of the National Federation of Fishermen's Organisations, said:

“The Trade and Cooperation Agreement laid bare the hollowness of the government's rhetoric as we left the EU and the Common Fisheries Policy. The gap between the promise and reality was spelt out in quota shares and access arrangements little changed from the Common Fisheries Policy and very far from what any self-respecting independent coastal state would expect.”

As so often, views on the financial benefits differ. We have touched on them in previous debates. The Commons Library brief tells us,

“The Marine Management Organisation estimated in September 2021 that the TCA delivered an average increase to the UK fishing fleet of £143.9 million a year”,

but the NFFO analysis challenged that. It details that the sector will see losses of £64 million or more a year, totalling more than £300 million by 2026 unless changes are secured through international fisheries negotiation.

Let us hope that the bilateral agreements made this year with Norway and the Faroe Islands, which the Government failed to reach last year, will result in changes to those figures for UK fishing fleets. Let us hope that Government negotiators get a better deal for our distant fleet. I echo some of the comments made about our negotiating capacity. The fate of the Kirkella, based in Hull, is well rehearsed, and there is something deeply troubling about our dependence on Russian fish for our much-beloved fish and chip sector. I hope the Minister will say something about that.

Maintaining stocks must be a prime goal for the fisheries management plans under negotiation. It hardly needs saying that, for the industry to flourish, it needs fish. In some areas, the basic lack of fish is the biggest challenge. That was certainly the strong message to me from West Mersea.

The next piece of the puzzle is the joint fisheries statement and the fisheries management plans. Those are the frameworks for the Government to deliver on their commitments in the Fisheries Act to ensure the UK develops a

“vibrant, modern and resilient fishing industry and a healthy marine environment.”

The objectives of the JFS and the FMPs are positive: planning to ensure we have a sustainable fishing industry while protecting our precious marine environment. I am grateful to the marine conservation organisations for their account of some of the challenges. As outlined by the report by the Blue Marine Foundation, stock levels of cod in the west of Scotland have declined by 97% since the 1980s, and trawlers continue to operate in 98% of offshore protected areas. As we know, bycatch remains a serious problem. The Future Fisheries Alliance highlights studies that show that bycatch is responsible for the catching and killing of around 1,000 harbour porpoises, 250 common dolphins, 475 seals, and 35 minke and humpback whales in gill nets and other fishing gears in UK waters every year.

We know that there is much to be done and that limits based on properly agreed scientific data will be required. It is disappointing that two thirds of UK fishing limits are currently above the scientific advice from the International Council for the Exploration of the Sea, according to the Government's own report.

I welcome the objectives of the JFS and the fisheries plan. They are a good basis on which to start, but there are significant question marks over some of the detail. The NFFO raised some key questions, which I hope the Minister will address. The NFFO seeks clarity on how UK fishing plans will interact with third countries. There are questions around the extent to which plans will be based on data, and around a potential lack of transparency on data exchange—similarly on quota and access exchanges.

The NFFO is concerned about the spatial squeeze. What can the Minister tell us about the potential displacement of fishing areas as more marine protected areas are, rightly, introduced, as well as about the need for offshore wind farms? How will the Minister ensure that fisheries management is simplified in future, and not made as complicated as under the CFP? Is there not a danger that Brussels red tape will simply be replaced with UK red tape?

I remain concerned about DEFRA and the devolved Administrations working together. I again ask the Minister: who speaks for England? The Scottish and Welsh Governments have their roles, but DEFRA has a dual role, and it seems that England all too easily loses out. Perhaps the Minister can explain how that conundrum is to be resolved. DEFRA will shortly release the final JFS following the consultation, and I am sure that we all look forward to reading it closely to see whether the concerns raised by the sector have been addressed and clarity delivered. Any early conclusions that the Minister can share with us today would be welcome.

There has been plenty of law making. The Fisheries Act set the structure. The inshore fisheries and conservation authorities are busy setting rules, even if in some places there is clear unhappiness with the way they are operating. Fisheries management plans will play an important role. However, the big overall questions about the future of our fishing industry remain. To me, everything seems piecemeal. I do not see a vision for the next 25 years. The Conservative approach to trade deals and negotiations with countries in distant waters is too often naive and amateurish compared with our long-experienced and wily competitors. What is the plan? Where is the vision? Maybe the Minister can enlighten us now, or perhaps, as the previous Secretary of State, the right hon. Member for Camborne and Redruth (George Eustice), tellingly revealed in recent evidence to a Lords Committee, there is no land use framework because he did not put too much store by plans.

The Labour party takes a different view. We think that knowing our destination makes it more likely that we will get there. A Labour Government would guarantee action on three priorities for the fishing sector. A Labour Government will back our British fishing industry and work together to see them get a fairer share of the quota in our waters: more fish caught in British waters and landed in British ports, supporting British processing jobs. We will work directly with fishers themselves to deliver improvements in safety standards. We will ensure that foreign boats that are allowed to fish in our waters follow the same rules as British boats. We will use the many frameworks and conventions already in place to ensure that we have a sustainable marine environment that is safeguarded for future generations, while ensuring that our food security needs are met. There is always more to be said, but that is our goal, and we are determined to deliver on it.

2.53 pm

The Minister of State, Department for Environment, Food and Rural Affairs (Mark Spencer): It is a pleasure to serve under your chairmanship, Mr Mundell. Let me reflect, before I get going, on the kind words said about me and my new role. Hon. Members spent about 30 seconds praising me and celebrating my appointment before they started attacking me, and I was grateful for those 30 seconds at the beginning. I also join colleagues in paying tribute to my hon. Friend the Member for Banbury (Victoria Prentis) and to my right hon. Friend the Member for Camborne and Redruth (George Eustice), who as Secretary of State did an awful lot of work on the fishing sector.

There were a number of references to how dangerous it is out there on the seas. Before I respond formally, it is worth reflecting on the Guiding Star, which sank just off Shetland only last week. Fortunately, nobody was killed in that disaster, but it demonstrates just how dangerous it is on our seas.

We heard a lot today about the challenges that we face. I do not think we have heard many solutions from colleagues, but we have certainly had the challenges identified. I recognise those challenges. I pay tribute to the right hon. Member for Orkney and Shetland (Mr Carmichael) for securing this debate and setting out the challenges facing us, but I am up for the challenge. I want to help and support our industry to try and get us through these choppy waters and to make the most of Brexit and take back control of our waters and our industry.

As we have heard today, there is a huge challenge out there. I am conscious of the experience that we have in the room here today and in the industry, but I have confidence in the team at DEFRA. My experience, as the new Fisheries Minister, is that there is huge enthusiasm and experience among members of the team at the Department. They understand the challenges and are working very hard to navigate their way through them. They work closely with the fishing industry and other stakeholders, and that should give us confidence moving forward.

Turning to the comments that have been made, I will start with the spatial challenge. Clearly, there is huge pressure on our oceans. We heard from various people in the debate who had demands for marine protected areas and more wind turbines. All of that adds to the pressure. We cannot stack the ocean with all of these things. We cannot have our cake and eat it, so we have to find a way through that. I recognise the growing spatial tensions between sea users, including fishermen, and offshore wind, as well as the need to conserve and enhance our marine environment. We are considering the cumulative impacts of fisheries displacement, because when we move people aside or move them further, that has a cost implication. It means that people have to steam further to get to the fish stocks that they want to catch, and of course that means moving people from their traditional fishing areas, but we will get through that. We will consider the future vision and the uses of our seas in due course.

In the meantime, protecting and improving the health of the marine environment will help support a diverse, profitable and sustainable UK fishing industry. In the marine plan proposals, given the significant adverse impacts on fishing or fish habitats, we must make sure that fishing industries are helped, supported, protected and able to continue to trade.

Much reference was made to staff and access to employees—not only in the processing industry, but on the boats. One of the first things that I did when I took on this role was to engage with the Home Office to make sure that it understood the challenges we face. To that end, DEFRA continues to run its access to labour working group, with the aims of supporting recruitment, industry uptake of skilled workers and visas; improving the understanding of regulations around migrant workers; and exploring further options for automation, technology and support for domestic recruitment and retention. In English, that means we continue to work with the industry and engage with the Home Office, and it is open to that conversation. That is not a promise to deliver lots more visas, but it is a promise to work robustly with the Home Office to help support the industry.

Mr Carmichael: I do not think anyone is looking for “lots more visas”, to use the Minister’s words. We are looking for a visa regime that matches the skills that are needed for the crew that we are looking for. It is as simple as that.

Mark Spencer: I understand that. It is a skilled occupation. It is certainly something that I could not do. To work at sea I would need sea legs, and I am not sure I have those. People need skills to process fish on a boat and the resilience to work in a fridge, in effect, while bobbing up and down on the ocean.

Jim Shannon: It is clearly a skilled job. The number that is needed to sustain the crews of the boats for the whole of the United Kingdom is not more than 600 or 650 people, so it is a small number, but it would be key to enabling the fishing sector to move forward in a positive way. It is always good to understand what the numbers are.

Mark Spencer: That is very helpful. The hon. Gentleman also mentioned fuel prices and I recognise that challenge. The pressure on fishermen to go further adds to the cost of fuel, but I hope he recognises that there is support from the Treasury in reducing those fuel costs. They get tax rebates for the fuel that they are allowed to use and I hope that helps to reduce some of the costs. I think there is 100% relief on fuel duty. There is also wider investment to help make vessels more efficient and research into how they can be more efficient in respect of the size of their propellers and the types of engines they use.

Lots of challenges have been identified, not least when the hon. Member for Perth and North Perthshire (Pete Wishart) made reference to Brexit, which is actually the topic of today's debate. It struck me as a little ironic that we have heard lots about the challenges. The one solution we heard today was around gill netting. Now that we have left the European Union, it is within our gift to ban the use of gill netting if we choose to.

I think there was an indication that the Scottish Government are considering doing that in Scottish waters, as we speak. The ironic thing is that, if we followed the hon. Gentleman's advice and plunged Scottish fishermen back into the EU, we would pass the power to ban gill nets back to Brussels; it could then reintroduce gill nets if the Scottish Government decided to ban them. We would hand all of that control back to the European Union to send its fleets of Spanish trawlers back into Scottish waters to use gill nets. The one thing Brexit has given us is the ability to control that ourselves.

It is a huge challenge, but at least it is our challenge to control and we have the ability to influence it. We have the ability to manage the spatial challenges and decide what goes where and how to support our fisherman. The £100 million of funding that the Government have offered is an example of our investment in those fisheries and those futures to make sure that we have a thriving sector moving forward. The first round of bidding is taking place at the moment and we will hear soon who has been successful.

Lots of challenges are on the way, but we have a Government who are up for the fight. We have a fishing industry that wants to engage with us. During my first month in the role, I visited Fraserburgh and Peterhead and heard at first hand how those in the Scottish fishing industry feel. I look forward to meeting more of the industry as I continue in this role. Of course, if I get the opportunity to visit Northern Ireland, nothing would give me more pleasure than getting over there to meet our Ulstermen as well.

As has been noted in the debate, there are significant challenges. Between Government regulators, scientists and the industry, we must continue to meet those challenges, but we must not talk our fishing industry down. We have come through the covid pandemic. We have new trading conditions and together we can find a way through this. Sometimes we can talk ourselves down

and make ourselves feel negative; let us talk ourselves up a bit and be optimistic about the future. Let us co-operate across the parties and across the nations with all sectors and with those in the fishing industry.

Mr Carmichael: I had a sense that the Minister was coming to his peroration, so I wanted to bring him back to the point I made about co-operation with the industry in relation to scientific advice. The industry is very keen to work with the Government to ensure that there is the best possible advice—based on sound science, but available in a timely manner—to inform the decision-making process. It is not easy. If it were, it would have been done years ago. Will the Minister undertake to talk to the fishing organisations to get that workstream working properly?

Mark Spencer: Of course I will, and I have done so already, to be honest. There have been some challenges for Marine Scotland, and covid brought its own challenges. I think the right hon. Gentleman referred to monkfish in particular. They are bottom trawling fish that like to hide and are quite difficult to spot. Getting that data is quite a challenge. There has also been an issue with the Scottish boats getting out there to collect the data. Of course, we commit to working with the industry and finding a way through that.

Science is our friend in these circumstances. I think data and science will lead us to the right conclusions. As the right hon. Gentleman identified, there is a recommendation to increase whiting quotas by 80-odd per cent. I recognise that the industry does not think that is sustainable. We have some very skilled negotiators. There was a bit of criticism, shall we say, about our negotiating skills. That is not my experience, and it is not what I have heard. We enter into negotiations from a very informed perspective and with a clear plan, but of course so does the other side. We cannot get everything we want, but we have to find a way through. We will do our best.

Daniel Zeichner: I hear what the Minister says, but could he say something about the prospects for the distant fleet? They seem to have suffered out of this process.

Mark Spencer: I do not want to jinx us. That is the last thing I want to do going into these negotiations. I do not want to identify our red lines or what we want to achieve, because that makes our negotiating position weaker. We enter these negotiations in good faith. We recognise the fleet that the hon. Member mentioned as well as our inshore fleet. We want to do the best we can. Not only do we want to secure a sustainable quota, but we want to secure our access to the market so we can actually sell the fish we catch. That is a delicate balance, but we are very much up for the negotiation and the fight. We will be in there punching very hard for our industry.

Jim Shannon: The Minister is being incredibly generous in giving way, and his responses are very knowledgeable. In my contribution, I made the comment that the Northern Ireland fishing sector had not in reality received its full quota or the advantages of the quota. Probably from a different perspective, to be fair, but the hon. Member for Perth and North Perthshire (Pete Wishart) made a point about how the quotas are distributed.

Northern Ireland's fisheries sector has felt the girth—not the girth, I mean the dearth—of the advantage that we thought and hoped we should have got through the Brexit agreement. I am happy for the Minister to come back to me on this if he is not able to answer today, but could he address that issue as well?

Mark Spencer: I am more than happy to come back to the hon. Gentleman with more detail on that. Let us not kid ourselves here. We could have all the quota if we wanted. We could have all the quota tomorrow, but we have to make sure we get the balance right between what we can catch in our own waters, working with our international colleagues in a sustainable way, and ensuring that we protect access to the markets to sell that fish. Reaching a balance with the market share has always been the challenge, right back to the '70s. Colleagues will be aware that lots of the fish we catch we tend to sell, not eat, and lots of the fish we eat we tend to import. That is just because of the species we find within our own waters and the historical routes to market. We are trying to balance all those things at the same time. That is a huge, huge challenge. We are up for the fight, and we are going to deliver for the industry.

Pete Wishart: I expected that when the Minister got to his feet, we would hear about all the benefits of Brexit—given that this is what the debate is about—and about how he was working to ensure that we are able to assert ourself as an independent coastal community. The all-party parliamentary group on fisheries has gone to the trouble of asking people in the industry about their Brexit experience. One thing kept coming up in the report: a fisherman, when asked if the impacts he had experienced because of Brexit had been unexpected, said, “All of them,” because we were told that we would be getting the independence of our sovereign waters back, and that has not happened. What would the Minister say to that fisher?

Mark Spencer: I would simply say that that is not true. We have got control of our own waters and it is our choice to work with our international neighbours and friends to secure market access and the ability to sell the fish that we are catching. But at least we are in control of it; it is our right and ability to give away some of that quota to secure market access. It is also our right not to do that. That is exactly what the process that we are about to undertake—again—is about; it is ongoing.

I understand the frustration that that causes for some people in the industry, and as part of my role there is no doubt that I will upset people on that journey, because we will not get everything we want. There will also be French fishermen and Spanish fishermen who are equally grumpy about not getting all that they wanted, simply because there are not enough fish in the sea to satisfy demand.

We have to work together across an international coalition to make sure that what we do is sustainable, to make sure that our fishing fleets are sustainable, not only for this generation but for many generations to come, to make sure that we get access to the marketplace, and to make sure that we protect our marine environment at the same time. That is a very delicate balance that the

Government are trying to achieve. That is what we will deliver, and I look forward to working with colleagues and keeping them informed on that challenging journey.

3.11 pm

Mr Carmichael: Thank you very much indeed, Mr Mundell, for calling me to wind up the debate.

When I spoke to the Minister about this debate yesterday, I expressed concern that we were seeing people dropping out of the debate, but I said, “Don't worry. I can do the whole three hours on my own if necessary.” The Minister normally has a very good poker face, but I must say that he lost a bit of colour in his face when I said that. However, I can assure the House that I will not use the remainder of the time allocated for this debate to reprise the outstanding issues.

Of course this debate comes, as the hon. Member for Perth and North Perthshire (Pete Wishart) said, in succession to the piece of work that we did in the APPG, which itself came after a debate on fishing in July last year. I will give fair notice to the House that I intend to keep coming back to this subject. It is very important that the House has time available for fisheries to be debated. In terms of the whole GDP of the United Kingdom, fishing is not a massive industry, but for those communities for which fishing matters, it matters a great deal.

Next year, though, I think that I will just talk about fisheries management instead of the post-Brexit situation. I always tend to assume a degree of classical education among Members of Parliament; I may be a wee bit old-fashioned in that regard. Of course, “post-Brexit” means after Brexit, so I really want the focus of these debates to be about how we manage things now that we are in the position that we are in, however much I may have wished not to be here, because that is what the industry is looking for us to do.

The Minister has a number of substantial tasks on his plate between now and the end of the year. The EU-UK-Norway talks have taken the place that arguably they always did had, rather than the December Fisheries Council, which we all tended to obsess about. Those talks are the focus of what will be on his agenda. We wish him well in that regard, because it is in everybody's interests that he is successful and gets the best possible deal.

If the Minister goes away with no other message from today's debate, I ask him to take this away: his chances of getting the best possible deal for our fishing industry will always be increased the more he talks to and listens to the industry itself. I do not know how many Fisheries Ministers I have seen come and go over the years, but the difference between a good one and a bad one has always been their willingness to engage with the industry. There is good will and there is an enormous amount—a wealth, indeed—of expertise there, but it has to be asked for.

Question put and agreed to.

Resolved,

That this House has considered post-Brexit fisheries management.

3.15 pm

Sitting adjourned.

Written Statements

Thursday 13 October 2022

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Boston Alternative Energy Facility: Deadline for Planning Decision

The Secretary of State for Business, Energy and Industrial Strategy (Mr Jacob Rees-Mogg): This statement concerns an application for development consent made under the Planning Act 2008 by Alternative Use Boston Projects Ltd for the construction and operation of an energy from waste facility at Boston in Lincolnshire.

Under section 107(1) of the Planning Act 2008, the Secretary of State must make a decision on an application within three months of the receipt of the examining authority's report unless exercising the power under section 107(3) of the Act to set a new deadline. Where a new deadline is set, the Secretary of State must make a statement to Parliament to announce it. The current statutory deadline for the decision on the Boston alternative energy facility application was 7 October 2022.

I have decided to set a new deadline of no later than 10 January 2023 for deciding this application. This is to ensure there is sufficient time to allow for further consultation on the proposal.

The decision to set the new deadline for this application is without prejudice to the decision on whether to grant or refuse development consent.

[HCWS323]

DIGITAL, CULTURE, MEDIA AND SPORT

Correction to a Written Parliamentary Question

The Minister of State, Department for Digital, Culture, Media and Sport (Julia Lopez): I would like to inform the House that I wish to correct the formal record in relation to PQ 156485, which was tabled in the 2021-22 Session of Parliament. On 25 April 2022, I issued a response to this written parliamentary question from the right hon. Member for Ashton-under-Lyne (Angela Rayner):

“To ask the Secretary of State for Digital, Culture, Media and Sport, how much her Department spent on (a) focus groups and (b) polling services in 2021”.

It was stated that the Department spent £51,455 (excluding VAT) on distinct focus groups and, more broadly, £403,688.37 (excluding VAT) on research and evaluation services which encompassed the use of focus groups and polling services to some degree in 2021.

However, this information was not comprehensive. The Department spent £110,875 (excluding VAT) on distinct focus groups commissioned to an external supplier in 2021. More broadly, the Department spent £1,259,396.63 (excluding VAT) on specific research and evaluation services, which encompassed the use of focus groups and polling services to some degree, in 2021. There

could be other spending on opinion research in the Department, but this is attached to other types of services, such as wider programme spend, and it is not possible to proportion this out.

The Department uses opinion-based research as a key tool to improve our evidence base and inform policy development. It can provide insights into how businesses and households engage with our sectors and the potential barriers that they may face. It is also a useful method for understanding the impact of our policies by collecting views on what works. Notably, focus groups have been utilised as one tool to inform a trustworthy approach to AI and data governance, including for the UK's algorithmic transparency standard, developed by the Department's Centre for Data Ethics and Innovation alongside the Central Digital and Data Office. Focus groups and polling services have also been utilised, as part of wider research and evaluation, to support the evaluation of the Birmingham 2022 Commonwealth games and the VCSE—voluntary, community and social enterprise—support package.

This was an unfortunate error when assessing the Department's financial data and I am confident it will not be repeated.

[HCWS322]

5G Network: Removal of Huawei Equipment

The Secretary of State for Digital, Culture, Media and Sport (Michelle Donelan): Public telecommunications networks and services are critical to the future prosperity of the UK. 5G offers new technical capabilities through higher data rates, reliable and low latency communications, and machine-to-machine communications. This gives 5G the potential to generate significant economic and social benefits across the digital economy. However, it brings risks as our national infrastructure becomes more dependent on these networks and services.

To manage the risks to UK national security, the Government have issued a designation notice to Huawei and designated vendor directions to 35 public telecommunications providers.

The directions place restrictions on the use of Huawei goods and services by those telecommunications providers. This follows long-standing advice from the National Cyber Security Centre (NCSC) and the Government on the use of Huawei equipment in UK public telecommunication networks. The Government have concluded a targeted consultation with telecommunications providers and Huawei and is now, following the passage of the Telecommunications (Security) Act 2021, placing legal controls on the use of Huawei goods and services for the first time.

I have set dates by which telecommunications providers should meet the requirements in the direction. Having fully considered consultation responses, and following close consultation with the NCSC, the key deadline to remove all Huawei equipment in the UK's 5G network by 2027 remains unchanged, as do eight other requirements.

For a small number of operators, the interim milestones initially proposed before the coronavirus (covid-19) pandemic could have led to network outages and significant disruption for millions of customers, with delays caused by covid-19 restrictions and global supply chain issues.

In light of this, while I am asking providers to continue to meet the original target dates for the removal of Huawei from network cores and the capping of Huawei in the access network to 35% wherever possible (January and July 2023 respectively), I am setting the legally required date for compliance to December and October 2023 respectively to avoid customer disruption. Providers also now have a legal requirement to report to me on progress in January and July 2023, so I can keep Parliament informed of progress. Providers will also work closely with NCSC through this period, who have confirmed that the adjustments represent a sensible balance between network disruption and network security.

[HCWS321]

INTERNATIONAL TRADE

UK-Gulf Co-operation Council Free Trade Agreement Negotiations

The Secretary of State for International Trade (Kemi Badenoch): The first round of negotiations for a free trade agreement (FTA) between the United Kingdom (UK) and Gulf Co-operation Council (GCC) took place between 22 August and 29 September. The negotiations were conducted virtually.

In this round of negotiations the UK and GCC discussed their objectives for the FTA, and exchanged technical information. Technical discussions were held across 29 policy areas over 33 sessions. In total, more than 100 UK negotiators from across Government took part in this round of negotiations.

An FTA will be a substantial economic opportunity, and a significant moment in the UK-GCC relationship. Government analysis shows that, in the long-run, a deal with the GCC is expected to increase trade by at least 16%, add at least £1.6 billion a year to the UK economy and contribute an additional £600 million or more to UK workers' annual wages.

Both sides have committed to secure an ambitious, comprehensive and modern agreement fit for the 21st century.

The Government remain clear that any deal will be in the best interests of the British people and the UK economy. We will not compromise on our high environmental and labour protections, public health, animal welfare and food standards, and we will maintain our right to regulate in the public interest. We are also clear that during these negotiations, the NHS and the services it provides is not on the table.

The Government will keep Parliament updated as these negotiations progress.

[HCWS320]

Ministerial Corrections

Thursday 13 October 2022

HEALTH AND SOCIAL CARE

Procurement of Evusheld

The following are extracts from the Westminster Hall debate on the Procurement of Evusheld on 12 October 2022.

Robert Jenrick: The evidence has now been published and is available on gov.uk; any emerging evidence will continue to be kept under review. That includes the Crick data that the hon. Member for St Albans mentioned, which was published in May and in August and is now being reviewed by RAPID C-19, and also the Lancet study that she referenced, which was published on 6 October, relatively recently.

[Official Report, 12 October 2022, Vol. 720, c. 107WH.]

Letter of correction from the Minister of State, Department of Health and Social Care, the right hon. Member for Newark (Robert Jenrick):

An error has been identified in my response to the debate.

The correct information should have been:

Robert Jenrick: The evidence has now been published and is available on gov.uk; any emerging evidence will continue to be kept under review. That includes the Crick data that the hon. Member for St Albans mentioned, which was published **in October** and is now being reviewed by RAPID C-19, and also the Lancet study that she referenced, which was published on 6 October, relatively recently.

Robert Jenrick: I am holding a meeting for Members of this House with our expert advisers tomorrow at 11 am. It will give Members the opportunity to ask our experts, including those who have been part of RAPID C-19, any questions and seek further assurances.

[Official Report, 12 October 2022, Vol. 720, c. 109WH.]

Letter of correction from the Minister of State, Department of Health and Social Care:

A further error has been identified in my response to the debate.

The correct information should have been:

Robert Jenrick: I am holding a meeting for Members of this House with our expert advisers **next Thursday, 20 October**, at 11 am. It will give Members the opportunity to ask our experts, including those who have been part of RAPID C-19, any questions and seek further assurances.

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**not later than
Thursday 20 October 2022**

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