

Monday
18 September 2023

Volume 737
No. 203



HOUSE OF COMMONS
OFFICIAL REPORT

PARLIAMENTARY
DEBATES

(HANSARD)

Monday 18 September 2023

House of Commons

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The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Speaker's Statement

Mr Speaker: I can now announce the arrangements for the election of the Chair of the Defence Committee. I declared the Chair vacant on Thursday. Nominations will close on Tuesday 24 October. Nomination forms will be available in the Vote Office, the Table Office and the Public Bill Office. Only Conservative Members may be candidates in this election. If there is more than one candidate, the ballot will take place in the Aye Lobby on Wednesday 25 October between 11 am and 2.30 pm. A briefing note with more information will be made available in the Vote Office.

Oral Answers to Questions

HOME DEPARTMENT

The Secretary of State was asked—

Refugee and Asylum Seeker Accommodation

1. **Kate Osamor** (Edmonton) (Lab/Co-op): What steps she is taking with Cabinet colleagues to ensure an adequate standard of accommodation for refugees and asylum seekers. [906413]

The Secretary of State for the Home Department (Suella Braverman): The asylum accommodation support contracts ensure the provision of safe, habitable, fit-for-purpose and correctly equipped accommodation for destitute asylum seekers. The contracts also require compliance with the law, local authority licensing and best practice guidance. We have been working with the Department for Levelling Up, Housing and Communities to minimise the potential impact on homelessness, and have agreed an asylum placement funding for local authorities.

Kate Osamor: We hear the Government talking about £6 million per day being wasted on hotels, but we do not hear about the billions being forked out on private companies such as Serco and Clearsprings Ready Homes, both of which have seen scores of complaints, including about unsanitary conditions, a lack of safeguarding, and sexual abuse. Does the Home Secretary think that it is appropriate to entrust those companies with taxpayers' money to run asylum accommodation in hotels and former Ministry of Defence sites?

Suella Braverman: The safety and wellbeing of asylum seekers in our care is of paramount importance at the Home Office. We expect high standards from all our providers, and we have robust governance frameworks in place to manage the service delivery of asylum accommodation. What we definitely do not do, and do not propose to do, is willingly accept thousands more illegal migrants into the UK from the EU, housed presumably in more hotels across the country, as Labour is proposing. I campaigned for Brexit to take back control of our borders, not for Labour to surrender our sovereignty to the EU.

Sir Edward Leigh (Gainsborough) (Con): One of the justifications for using service accommodation such as RAF Scampton was that it was supposed to be cheaper, but we now know the figures: it is more expensive over two years, and over three years the savings are absolutely derisory. The figures are, frankly, being fiddled by overcapitalising the value of the base, and are not based on surveys. The Home Secretary's officials are now ripping out services. The council has issued a stop order on it. I give notice that I will report the Home Office to the Comptroller and Auditor General for misapplying and wasting public money, because using the base will cost more than hotels. The base is Crown land, so the local authority cannot enter it. Does she accept that she would be acting illegally and is liable to be sued if her officials disobey the stop order?

Suella Braverman: I have had several discussions with my right hon. Friend about the proposed asylum accommodation at Scampton. I thank him for his very energetic campaigning on behalf of his constituents. I very much appreciate the challenges that this nationwide mission poses for us all. I do not agree with his assessment; we have assessed the proposal at Scampton to be value for money. Ultimately, it is not right that we continue to house tens of thousands of migrants in hotels, in towns and cities across the country, costing the taxpayer £6 million a day. That is why our work to roll out large sites is moving swiftly, and we propose to move asylum seekers on to them as soon as possible.

Mr Speaker: I call the shadow Minister.

Stephen Kinnoch (Aberavon) (Lab): It has been more than a month since all 39 asylum seekers were hauled off the 500-capacity Bibby Stockholm because of the detection of legionella, but the Home Secretary is yet to give a date for when the barge will actually be ready for use. We still do not know why she chose not to wait for the legionella results before ploughing ahead, and why her Minister was so slow to act once the results came in. We are still yet to hear a denial from the Home Secretary that it is one of the most lethal strains of the bacteria, as reported in the media. Today, will she set out her responses to those questions and confirm the exact cost of the barge? Half a million pounds per month to house zero asylum seekers on this floating symbol of failure feels utterly extortionate. Why is it that the only boat this Government have managed to stop is their own?

Suella Braverman: I am somewhat surprised by the hon. Gentleman's change of tune: he is on the record in the media as supporting our use of the barge, so a change of heart is welcome. We have assessed the barge—it

has been under constant scrutiny—and we will be re-embarking people on to that barge as soon as is practical and possible. What is clear is that the hon. Gentleman simply has no answers for how to solve the broader problem. The truth is that Labour’s policy has not survived contact with reality: it has been denounced by the EU, its shadow Ministers are making it up as they go along, and the leader has had to backtrack—and it has not even been a week. Only the Conservative party has a plan that is based on reality, deterrence and delivery, and it will stop the boats.

Mr Speaker: I call the SNP spokesperson.

Alison Thewliss (Glasgow Central) (SNP): OpenDemocracy recently revealed the extent of self-harm and suicide in immigration removal centres—in particular, Harmondsworth and Colnbrook, where 24 self-harm incidents occurred in March, which is more than over the three previous months combined. Emma Ginn, director of Medical Justice, has said:

“We are not confident that the Home Office considers the value of the lives of those in its care in detention as fully human.”

What is the Home Secretary doing to ensure that those in Home Office immigration removal centres do not face such desperate circumstances that they seek to take their own lives?

Suella Braverman: As I said, the safety of all of those in our care is a priority for the Home Office, and the standard of habitation—whether that is in our asylum accommodation estate more broadly, or specifically in our immigration removal centres—is one that always, as far as the law requires, meets high standards. Those standards are rigorously scrutinised and monitored, and those who have concerns have avenues to make complaints via the migrant helpline.

Police Resources

2. **Paul Howell** (Sedgefield) (Con): What steps she is taking to increase police resources. [906414]

4. **Steve Tuckwell** (Uxbridge and South Ruislip) (Con): What steps she is taking to increase police resources. [906416]

The Minister for Crime, Policing and Fire (Chris Philp): I am sure that the whole House will join me in sending our very sincere condolences to the family of Sergeant Graham Saville, who a week or two ago so tragically lost his life in the line of duty, saving another in the constituency of my right hon. Friend the Member for Newark (Robert Jenrick). Our thoughts and prayers are with his family. He made the ultimate sacrifice, and we are grateful to him.

To answer my hon. Friends’ questions, total police funding this year stands at £17.2 billion, a record level. Frontline policing received an extra £550 million this year compared with last year, and I am pleased to report once again that we have a record number of police officers across England and Wales: 149,566, which is 3,500 more than we ever had under the last Labour Government.

Paul Howell: As always, the devil is in the detail. In Durham, we see funding pressure on both police and fire services, which is not helped by our local tax base being so low: we have A to C in most regions. The fire

service has a coherent—albeit very challenged—programme, but the Labour police and crime commissioner knew 10 years ago that Newton Aycliffe police station was going to be moved away from the fire station, and she is still scrambling around. Does the Minister agree that good plans help cost-effective delivery, and will he meet me to discuss funding and programme delivery for the police and fire services in Durham that cover my Sedgefield constituency? Does he also agree that electing Robert Potts, the Conservative candidate for the next PCC elections in May, would be a far better outcome for the police in Durham?

Chris Philp: I will certainly meet with my hon. Friend, and yes, I do agree. I am very disappointed to hear what he has to say about his Labour PCC’s performance, which contrasts with what Conservative PCCs have done. Only today, PCC Donna Jones in Hampshire announced that she would be opening 10 new police counters, an example of what happens when we have sound Conservative policies in operation.

Steve Tuckwell: My right hon. Friend will recall his recent visit to Uxbridge. Will he join me in calling for the Mayor of London to guarantee the future of Uxbridge police station as fully operational, including a full custody suite and a 24/7 front counter for my constituents?

Chris Philp: I welcome my hon. Friend to his very well-deserved place. Of course, the Mayor of London, Sadiq Khan, had planned to close down Uxbridge police station, along with many others, until my hon. Friend forced him into a humiliating U-turn before he was even elected—that is more than most of us achieved prior to coming to Parliament. I join him in calling on the Mayor of London to keep Uxbridge police station open and to add that custody suite, but also to confirm the future of all those other police stations around London that he had threatened to close just a few years ago.

Holly Lynch (Halifax) (Lab): In my constituency, we have experienced a real escalation in antisocial behaviour and quite violent disorder in recent years, particularly around bonfire night. Last year, police had to deploy 100 officers to just one area of my constituency where local communities were being terrorised. What consideration has the Minister made of additional powers or resources for areas up and down the country that are anticipating further unacceptable disorder ahead of this year’s bonfire night?

Chris Philp: The hon. Lady is quite right to raise this issue. Antisocial behaviour concerns everyone. There are a number of powers available to local police, such as community protection notices, and to local authorities—I am thinking in particular of public space protection orders—so I strongly urge her to work with her local authority and, if she is concerned about a particular area, to put in place a public space protection order ahead of bonfire night. Our antisocial behaviour plan envisages strengthening various antisocial behaviour powers. As of next April, we will also be funding every single police force in the country to have antisocial behaviour hotspot patrols. I am not sure whether her force is one of the 10 pilot areas, but every force will

have that funding from next April, and the sort of situation that she describes sounds like the ideal use for those ASB hotspot patrols.

Tulip Siddiq (Hampstead and Kilburn) (Lab): The same shops and newsagents on Kilburn High Road in my constituency are constantly targeted by criminals, who shoplift but also intimidate staff. When I raised the issue with the police, they said they receive 1,000 calls a day from central north London alone, limiting their ability to deal with it. What plans does the Minister have to increase the resources to deal with this sort of crime, especially retail theft?

Chris Philp: I strongly sympathise with those affected by shoplifting on Kilburn High Road. I was the prospective parliamentary candidate in that constituency in 2010, and I remember walking down Kilburn High Road with Dominic Grieve when a shoplifter ran out of Poundland and straight into our arms. It is a serious issue. The Metropolitan police has a record number of police officers—about 35,000—and I have recently been in discussions with Amanda Blakeman, the National Police Chiefs' Council lead, to increase patrolling in shoplifting hotspot areas and to have a more comprehensive response from the police in terms of investigation, such as always following up CCTV footage where it is available. This is an issue not just on Kilburn High Road but around the country. As I say, we will shortly announce further action, in partnership with police.

Drugs Policy: Scotland

3. **Patrick Grady** (Glasgow North) (SNP): Whether she has had discussions with Cabinet colleagues and the Scottish Government on further devolution of drugs policy to Scotland. [906415]

The Minister for Crime, Policing and Fire (Chris Philp): I have not had discussions on the devolution of drugs policy, which is of course reserved to this Parliament, but I do have regular discussions about co-operating with colleagues in the Scottish Government. I had a discussion with the new Minister just a few weeks ago, and I think we are going to be meeting in Cardiff in just a few weeks' time with Ministers from the three devolved Administrations to discuss how we can work constructively and collaboratively together.

Patrick Grady: The Minister will know that the Lord Advocate in Scotland has issued a prosecution statement saying that she will not prosecute anyone in possession of controlled substances in any pilot safe consumption or overdose prevention facility that might be established in Scotland. Can he confirm what the Secretary of State for Scotland indicated in the House last week—that the UK Government will not seek to use any administrative or legislative means to frustrate or block the establishment of such a pilot facility?

Chris Philp: First, it is important to make it clear that the UK Government's position on drug consumption rooms in England and Wales is that we do not support them. We are concerned that they condone or even encourage illegal drug use. I want to put that on the record straightaway. Of course, we respect the independence of the Lord Advocate as Scotland's prosecutorial authority.

Providing that that power is exercised lawfully, of course we are not going to stand in the way of it, as my right hon. Friend the Scottish Secretary set out last week. I understand that plans may involve a strong integration with treatment and some consideration of each case on its individual merits, but we do not plan to interfere with the lawfully exercised prosecutorial independence of the Lord Advocate.

Mr Speaker: I call the SNP spokesperson.

Alison Thewliss (Glasgow Central) (SNP): I am glad to hear what the drugs Minister says. The Home Affairs Committee's report on drugs highlighted good practice in Scotland, in particular with the naloxone roll-out and the medication assisted treatment standards for same-day treatment. Academic evaluation has also found our enhanced drug treatment service, Scotland's only heroin-assisted treatment service, to have been successfully implemented, in particular with a group with very complex backgrounds. Will the Minister visit Glasgow to hear more about what Scotland is doing to reduce harm and save lives?

Chris Philp: As I said to the hon. Lady at the Bar of the House last week, I am due to be in Edinburgh in early December, so I would be delighted to accept her invitation to visit the facility in Glasgow.

Knife Crime

5. **Mr Louie French** (Old Bexley and Sidcup) (Con): What steps her Department is taking to reduce knife crime. [906417]

13. **Nicola Richards** (West Bromwich East) (Con): What steps her Department is taking to reduce knife crime. [906427]

The Minister for Crime, Policing and Fire (Chris Philp): This Government are determined to fight knife crime. We have invested over £110 million in 2023-24 to fight knife crime, including investing in 20 violence reduction units, and funding hotspot policing in the most seriously affected areas.

Mr French: I welcome the news that the Government are seeking to close the legal loopholes around the sale of so-called zombie knives, but does my right hon. Friend agree that stop and search and the like are powerful tools for the police to get knives off the street and to save lives? Will he also look closely at scan and search to help to detect such weapons?

Chris Philp: My hon. Friend is quite right that we are looking to tighten the law. The Offensive Weapons Act 2019 contains a loophole, essentially, which means zombie knives without threatening writing on the blade are not illegal. We are going to close that loophole. I agree with him that stop and search is a vital tactic to keep our streets safe when used, of course, respectfully. The Metropolitan Police Commissioner tells me that about 400 knives are taken off the streets every month using stop and search in London alone, so it is an important power. I also agree with my hon. Friend's second point. The use of scanning technology has the huge potential to enable officers to scan people for knives at a distance

without having to physically stop them and search them manually. The technology is not ready to deploy just yet, but I hope it will be in the relatively near future.

Nicola Richards: In 2021, two police officers were attacked with machetes in West Bromwich town centre. In the same year, a 19-year-old boy was stabbed and killed in Great Barr. In 2022, a teenager from my constituency was stabbed on his way to college in Birmingham. While the Minister said we have already banned the sale of zombie knives, that has not stopped people purchasing these dangerous weapons, so I thank the Government for taking the next steps to close the loophole. Will this change be brought forward as soon as possible?

Chris Philp: The change certainly will happen as soon as possible. Some of it requires primary legislation, but other elements require secondary legislation, and we are definitely going to do that as soon as we can. As for the sale of these knives, once the Online Safety Bill passes Parliament—I hope very soon—the sale of these knives via online marketplaces such as Facebook Marketplace and Amazon will also be prohibited, addressing my hon. Friend’s point about sales.

Andrew Gwynne (Denton and Reddish) (Lab): We absolutely do need to get a grip on knife crime, which is up by 70% since 2015 alone. Is the Minister content with the fact that only 5% of crimes of violence against the person actually make it to court? If he is not, what is he doing about it?

Chris Philp: On the crime statistics, the Crime Survey of England and Wales is the only long-term data series endorsed by the Office for National Statistics. Since the hon. Gentleman asked about data, since 2010—just to pick a date arbitrarily—violence is down by 46%. That is to say, violent crimes were double under the last Labour Government compared with now. Knife-enabled crime was 7% lower in the latest year compared with the year ending December 2019, according to police recorded crime. But we would like to do more, hence the “Grip” hotspot patrols, hence criminalising these remaining zombie knives.

To actually answer the hon. Gentleman’s question, I want that figure for prosecutions be higher, and that is why the Home Secretary and I, together with policing leads, the College of Policing and the National Police Chiefs’ Council, announced two or three weeks ago that the police are now committing to always follow all reasonable lines of inquiry where they exist.

Mr Speaker: Order. I love the full answers, but I am really struggling to get even part-way down the Order Paper.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): I draw the Minister’s attention to the sad fact that most MPs have had the tragedy of knife crime in our constituencies. We had a dreadful incident in Huddersfield. Is it not time that we understand more the culture that produces it? This is about the way in which young people communicate on the internet and the fact that we no longer have many youth clubs or youth services. We used to have wonderful police going into schools to talk about these issues. Can we have that back?

Chris Philp: I will try to be brief. We have violence reduction units designed to provide those activities. We are also funding research. We have a social media hub in the Met police that monitors social media—it is based in Lambeth, and I have been to it. The things that the hon. Gentleman asks for are being done, because it is essential that we tackle knife crime.

Mr Speaker: I call the shadow Minister.

Jess Phillips (Birmingham, Yardley) (Lab): Rapes at knifepoint are at a record high this year. The number of cases has more than doubled since 2015. I am currently supporting a case of a woman violently raped using weapons, and the detective on the case told me that he is the only detective in his team working on serious sexual violence. The Police Foundation describes the current number of detectives as a “chronic shortage”, highlighting a staggering 7,000 vacancies. Is it any wonder that there has been a 60% drop in the overall proportion of crimes being charged since 2015, including almost 1 million violent crimes and 36,000 rapes? The Labour party has proposed requiring all police forces to have a scheme that directly recruits detectives with relevant professional backgrounds, so what are the Government doing about this chronic shortage of detectives and the abysmal charge rate that they preside over?

Chris Philp: The rape charge rate is a serious matter, and Operation Soteria Bluestone, which the hon. Lady will be familiar with, has been rolled out around the country under the supervision of the safeguarding Minister, my hon. Friend the Member for Derbyshire Dales (Miss Dines). In the forces that adopted that measure early, rape charge rates dramatically increased by two to three times. As that rolls out around the country, those charge rates will increase, but we would like to go further.

On the question of specialist trained officers, now that we have record numbers of officers across England and Wales as a whole, we will be targeting individual forces with training and recruiting a specified number of specialist officers to make sure that those people are in place to properly investigate these issues, because we want to do a lot more in this area.

Police: Compensation

6. **Kate Hollern** (Blackburn) (Lab): What recent discussions she has had with the Secretary of State for Justice on the adequacy of compensation for police officers injured in the course of their duties. [906418]

16. **Ruth Jones** (Newport West) (Lab): What recent discussions she has had with the Secretary of State for Justice on the adequacy of compensation for police officers injured in the course of their duties. [906430]

The Minister for Crime, Policing and Fire (Chris Philp): The police injury benefit scheme provides ongoing and one-off payments to former police officers who have been injured or disabled in the line of duty.

Kate Hollern: I was recently shocked to discover that police officers are entitled to official compensation only if they are injured while taking an exceptional risk, and a risk is considered exceptional only if it would not

normally be expected. That sounds strange, does it not? With more than 40,000 assaults against police in the past year, and many officers ineligible for injury compensation because of that rule, does the Home Secretary agree that these guidelines effectively normalise violence against police and must be changed?

Chris Philp: We certainly do not want to see violence against police normalised. That is why we legislated to double the maximum sentence for assaults against emergency workers just a year or two ago. My understanding is that the payments under the police injury benefit scheme can go up to 85% of salary, but since the hon. Lady has raised the point, I will take a look at it.

Ruth Jones: Over recent years, a number of police officers have tragically died in the line of duty, and I acknowledge the service of PC Nicola Hughes, PC Fiona Bone and Sergeant Graham Saville. Labour has supported calls for a posthumous medal for fallen officers. Why will the Minister not do the right thing and acknowledge those who gave their lives to keep us safe?

Chris Philp: We do acknowledge that, and it may well be that posthumous awards are made. We obviously do not comment on individual cases and potential awards prior to their being made, but if I say that I strongly sympathise with what the hon. Lady just said, I think she will understand what I mean.

Crime Reduction

7. **Nick Fletcher** (Don Valley) (Con): What steps she is taking to reduce crime. [906419]

23. **Andy Carter** (Warrington South) (Con): What steps she is taking to reduce crime. [906437]

The Secretary of State for the Home Department (Suella Braverman): Our communities are safer than in 2010, with overall crime on a like-for-like basis down by 54%. We have put 20,000 more police officers on our streets—a record number—which is enabling us to take action across the board to bring more offenders to justice, to better protect victims and to equip our police with the powers they need to prevent crimes.

Nick Fletcher: The fall in crime is welcome, but does my right hon. and learned Friend agree that the police would deter and solve even more crimes, such as burglaries, the use of quad bikes and general antisocial behaviour in places such as Hatfield, Doncaster, Rossington and Thorne in my constituency, if they started putting more bobbies on the beat and stopped promoting unscientific ideologies?

Suella Braverman: My hon. Friend is quite right. We pay the police to fight crime. Whether that is to focus on the antisocial behaviour, the nuisance bikers or the burglaries he mentioned, they are there to keep people safe. We do not pay them to wave flags at parades, to dance with drag queens or to campaign. That is why I finally ended all association with Stonewall at the Home Office and why I expect all police and crime commissioners and chief constables to focus on cutting crime and rebuilding confidence, not playing politics.

Andy Carter: I thank the Home Secretary, who recently came to Warrington to meet the chief constable, Mark Roberts, and our police and crime commissioner, John Dwyer. We are now at record numbers of police officers, and alongside that we are at record numbers of arrests. Cheshire had the second-highest charge and summons rates in England and Wales for all crime in the last 12 months. One of the concerns raised by constituents at a recent surgery was the increase in cyber-crime. What steps is the Home Secretary taking to bolster action against fraud and online scams?

Suella Braverman: My hon. Friend has been an indefatigable champion for his community, and I very much enjoyed joining him at his local police station to meet his excellent chief constable, Mark Roberts, with the PCC. Cheshire is an example of common-sense policing and protecting the public. With those arrest rates and a focus on domestic abuse, on which Cheshire constabulary has achieved some excellence, it deserves all the praise that it gets.

When it comes to tackling online scams and online fraud, which are a feature of modern-day crime fighting, earlier this year, with the Prime Minister, I announced our fraud strategy. One hundred million pounds from the 2021 spending review has gone towards tackling fraud. A portion of that will fund a new national fraud squad of 400 specialist fraud officers across policing and the National Crime Agency, who will investigate the most harmful fraudsters targeting the UK public.

Clive Efford (Eltham) (Lab): Since 2015, the proportion of crimes that result in a perpetrator facing a punishment has gone down by two thirds. Is that because the Government had a policy of cutting 21,000 police officers?

Suella Braverman: I am incredibly proud of the increased resources for policing, the increased powers for policing, with the 20,000 new officers on the frontline that the Government have delivered for the British people—a record number; we are at historic levels—and the overall fall in crime since 2010. Yes, there is more to do, but on all those measures, how did Labour vote? It voted against them and against the British public.

Tim Farron (Westmorland and Lonsdale) (LD): The Home Secretary talks about tackling online and telephone scams, and she is right to do so. Age UK recently came out with research that showed that 43% of people aged over 65 have been victims of online or telephone scams of some kind. Will she talk about how she will use that research and extend the resource she gives to police authorities such as in Cumbria, as well as working with banks and other outfits, to ensure that more people are not victims of this outrageous uptick in scams?

Suella Braverman: The hon. Member is absolutely right—online crime and fraud has become a grave feature of today's criminality. That is why our fraud strategy is all about targeting this emerging threat. Whether that is through the national fraud squad that I just mentioned, banning SIM farms, increasing specialism on the frontline, or our police forces working with the National Crime Agency, other agencies and, importantly, the tech and banking sectors, we will prevent fraud from becoming a reality as well as detecting it and enforcing against it further down the line.

Mr Speaker: I call the shadow Minister.

Alex Norris (Nottingham North) (Lab/Co-op): The Home Secretary seeks to paint a rosy picture on crime. In reality, retail crime is, as described by the Co-op, “out of control”, and with 10,000 fewer neighbourhood police and police community support officers, that is no surprise. Across all retailers, there are more than 850 acts of violence or abuse every single day. The Co-op also reports that even when it detains someone suspected to have committed a crime, 80% of the time it has to let them go again because the police are stretched too thinly to come and make the arrest. When will the Home Secretary drop this pretence that things are going well and actually stand up for our shop workers?

Suella Braverman: We take these matters incredibly seriously. That is why my right hon. Friend the Policing Minister met the Co-op and other major retailers recently to discuss this issue in detail. Shoplifting and retail theft have become a challenge for retailers and our community, which is not right. That is why, a few weeks ago, we made a nationwide commitment whereby all police forces have agreed to follow every reasonable line of inquiry. That will mean that CCTV footage, online evidence of resale and other actionable evidence will be followed up by the police, leading the investigations and justice process.

Illegal Motorcyclists

8. **Andrew Selous** (South West Bedfordshire) (Con): What recent guidance she has issued to the police on apprehending illegal motorcyclists. [906420]

The Minister for Crime, Policing and Fire (Chris Philp): The illegal use of motorcycles can cause distress and be dangerous to the public. The police have all the powers they need to police that, and such use of motorcycles is illegal. The College of Policing’s authorised professional practice provides advice to the operationally independent chief constables, whom I urge to use their powers to the full.

Andrew Selous: Dangerous motorcyclists are out of control in my area. We have had one death and one life-threatening injury. We now have six year olds riding pillion on motorbikes, and people doing wheelies down roads, pavements and amenity areas, with not a helmet in sight. My police tell me that they need urgent guidance on safeguarding officers who try to apprehend them, and an urgent review of section 59 of the Police Reform Act 2022 on the requirement that officers be present in uniform at the time of offending. Would the Minister get on to those specific issues, please?

Chris Philp: I would be happy to look into those specific issues. The police have powers to pursue, even where the motorcycle rider is not wearing a helmet. We had similar issues with mopeds in London four or five years ago. For a time, the police did not pursue them, and moped crime shot through the roof. They now pursue them, and it has gone back down. I urge Bedfordshire police to use those powers, but I will certainly look into the questions that my hon. Friend has raised.

Children in Custody

9. **Janet Daby** (Lewisham East) (Lab): What recent guidance her Department has issued to the police on upholding the rights of children in custody. [906422]

The Parliamentary Under-Secretary of State for the Home Department (Miss Sarah Dines): Children should be detained only when necessary, and must be provided with an appropriate adult. The College of Policing provides operational guidance for police, and the concordat on children in custody supports police and local authorities to meet their statutory responsibilities. HM inspectorate of constabulary and fire and rescue services also sets expectations for the treatment of children in custody.

Janet Daby: When a child is arrested, they must choose if they wish receive legal advice, just like an adult. But children are not adults, and no one should expect a child aged 10 or above to decide whether to exercise their right to a solicitor. Will the Minister explain why the Government believe that children should be forced to make such a decision?

Miss Dines: I remind the hon. Lady that children are involved in crime. Children detained in police custody must have an appropriate adult—statistics shows that that happens in 99% of cases—who can be of assistance. I want that to be 100%. Police custody remains a core part of the criminal justice system. It is critical for maintaining police confidence, bringing offenders to justice and keeping the public safe. We must ensure that adults do not abuse children and are not attracted to making children get involved in criminal activity because the police are too scared to put them into custody if necessary.

Substance Misuse: Harm Reduction Model

10. **Rachael Maskell** (York Central) (Lab/Co-op): What recent discussions she has had with Cabinet colleagues on the potential merits of introducing a substance misuse harm reduction model to tackle acquisitive crime. [906423]

The Minister for Crime, Policing and Fire (Chris Philp): We have not had any specific discussions on that, but we have a 10-year drug strategy, which includes spending an extra £582 million over three years on 55,000 extra treatment places. We want to treat people who are addicted, particularly to opioids, to get them off drugs and fully recovered.

Rachael Maskell: A large number of people are being exploited into criminal activity, whether through drug gangs or acquisitive crime. They need help and support from the state. Will the Minister look at how to put a harm reduction model in place for those individuals, rather than criminalising them, so that they can get the support they need to change the direction of their lives?

Chris Philp: There is a twin-track approach. There is a comprehensive effort to ensure more addicted people get treatment, being diverted to it from police custody, from the court system and when they leave prison. As I say, there is an extra £582 million over three years. We are in the second of those three years at the moment.

But enforcement, particularly against drug gangs and organised criminal gangs, is important at the border and in the case of county lines. It is a twin-track approach: enforcement, together with treatment.

Antisocial Behaviour

11. **Anna Firth** (Southend West) (Con): What recent progress her Department has made on reducing antisocial behaviour. [906424]

14. **Robbie Moore** (Keighley) (Con): What recent progress her Department has made on reducing antisocial behaviour. [906428]

15. **Sarah Atherton** (Wrexham) (Con): What recent progress her Department has made on reducing antisocial behaviour. [906429]

21. **Katherine Fletcher** (South Ribble) (Con): What recent progress her Department has made on reducing antisocial behaviour. [906435]

The Secretary of State for the Home Department (Suella Braverman): On 27 March, the Government announced the antisocial behaviour action plan, backed by £160 million of new funding. Police and crime commissioners are being supported to increase hotspot policing and to run immediate justice pilots. In July, we announced round 5 of the safer streets funding to deliver a range of ASB and crime-prevention measures.

Anna Firth: I thank the Home Secretary very much for her recent visit to Southend, where she met the excellent police, fire and crime commissioner Roger Hirst and our excellent chief constable B-J. Harrington. She heard about how Southend's revolutionary Operation Union has driven down antisocial behaviour across our city by over 50%. That will be assisted by the Government's steps last week to tackle nitrous oxide—I thank her very much for tackling that menace. However, constituents are raising with me antisocial behaviour in and around pubs, including drug-related incidents, so can my right hon. and learned Friend tell me whether she has any specific plans to help local police deal with that particular problem?

Suella Braverman: I was very pleased to join my hon. Friend in Southend, and to meet her chief constable and the office of the PCC. She is right that the success of Operation Union has helped to drive down ASB, but there is more to do to tackle the ASB that blights communities. That is why I am pleased that her force, Essex, has the most police officers ever and is doing very well with its progress on the hotspot policing pilot.

My hon. Friend talks about drugs. Part of our plan on ASB is to expand drug testing on arrest, so that police can now test for more substances, class B and C, when they arrest someone on suspicion of drug possession.

Robbie Moore: Unfortunately, there are instances of antisocial behaviour in the centre of Keighley—mostly around the bus station, but of course there are other hotspot areas. The police and the local community are having to deal with this issue on an ongoing basis. I am very pleased that the Government made extra resources available to our West Yorkshire police via the antisocial

behaviour action plan, but will the Home Secretary join me in urging our Labour West Yorkshire Mayor, who is responsible for setting local police strategy and our crime reduction action plan in Keighley, to be more laser-focused on antisocial behaviour, so that we can all ensure that the issue is tackled once and for all?

Suella Braverman: I urge the PCC to take heed of my hon. Friend's warning and advice. The Government, through our safer streets fund, have awarded the South Yorkshire police area over £4 million in recent years—funding that has gone towards tackling ASB and reducing crime. It is up to the PCCs to apply in the next round for funding to put forward projects that can have a focus on reducing crime, protecting victims and securing safety for communities.

Sarah Atherton: On occasion, people using Wrexham bus station have been subject to antisocial behaviour perpetrated by a small band of disaffected youths. I would like to compliment Inspector Luke Hughes and the Wrexham city police team for their appropriate use of dispersal orders. Will the Home Secretary join me in praising North Wales police, despite being slowed down to 20 mph by the Welsh Labour Government, for their pragmatic and no-nonsense approach to upholding public safety?

Suella Braverman: I am afraid the litany of ridiculous policy announcements by Labour is reaching record levels. I mean, we only have to look at the last two days. A period of silence from the Labour party would be welcome. The 20 mph zone is ridiculous. My hon. Friend is absolutely right. Dispersal orders are a regrettable but necessary power that the police have at their disposal. We are going even further with our antisocial behaviour action plan by expanding police powers such as public space protection orders and community protection notices, enabling the police to take rapid and effective action to disperse people and to stop nuisance and criminal antisocial behaviour.

Katherine Fletcher: Over the summer, I have spoken to many people in Leyland who, although we have managed to get the police station reopened, are still reporting problems involving antisocial behaviour in Broadfield, Worden and Seven Stars. I have been out with the local bobbies, who are benefiting from the Government's police uplift, to see what is being done to tackle those problems. Operation Centurion—our police and crime commissioner's attempt to use money seized from criminals to boost local policing temporarily in order to address antisocial behaviour—is about to hit Leyland, but does the Home Secretary agree that we need a whole-agency approach, and that councils should use the powers at their disposal to issue community protection notices and work with the police to end this blight on the people of Leyland?

Suella Braverman: I am delighted that my hon. Friend has been able to work closely with her excellent police and crime commissioner, Andrew Snowden, who is another example of effective leadership at the police force in Lancashire and whom I have had the pleasure of meeting. It is also good that Lancashire is one of the pilot areas for hotspot policing: it is currently delivering 2,000 hours a month of additional patrolling in antisocial

behaviour hotpot areas, and that is set to increase. However, I urge the Labour council to listen to my hon. Friend's sensible words and ask the police and local authorities to use all the powers at their disposal to tackle antisocial behaviour through, for instance, public space protection orders and community protection notices.

Jessica Morden (Newport East) (Lab): Constituents, including pupils at Lliswerry High School, constantly raise with me the antisocial and dangerous use of e-scooters and e-bikes. I held a debate on this last December, but little has happened since, and legislation needs to catch up with the growth in their sales. Will the Home Secretary talk to Ministers at the Department for Transport to see what can be done to address the problem?

Suella Braverman: The behaviour of nuisance riders, or boy racers—whatever we want to call them—is antisocial behaviour plain and simple. It is criminal, it can be harassing, it can bring fear to communities, and it can cause criminal damage. The police, working with local authorities, have the necessary powers to end these problems, and forces around the country have organised pilots that have led to success. I encourage the hon. Lady's local police force to look at the good practice that is currently taking place around the country.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): Let us get this exactly right: over the next four years, police numbers in Scotland are due to fall by 2,000. The highlands and islands police chief has said that “something has to give.” I had thought that Barnett consequential would lead to an increase in Scotland's police numbers rather than a decrease. When it comes to antisocial behaviour, what a grim message this is for some of the most vulnerable in society.

Suella Braverman: Unfortunately—it is incredibly tragic—the Scottish National party's obsession with separatism has led to the highest number of alcohol and drug-related deaths in Europe on their watch. Falling police numbers in Scotland when numbers are rising in England and Wales—that is what the SNP brings us, and only good government from the Conservatives can stop crime and protect victims.

Irregular Migration: Channel Crossings

12. **Dame Andrea Leadsom** (South Northamptonshire) (Con): What steps her Department is taking to reduce the number of small boats transporting irregular migrants across the English channel. [906426]

The Secretary of State for the Home Department (**Suella Braverman**): We remain determined to stop the boats and deter people from making these dangerous journeys to the UK, and we are making progress. We have by no means reached the finishing line, but the number of arrivals is 20% down, the legacy backlog has nearly halved, and the number of Albanian arrivals has fallen by 90% this year. While Labour proposes to take thousands of illegal migrants from the EU every single year, letting Brussels decide who comes here, we are determined to stop the boats with our Rwanda plan and our Illegal Migration Act 2023, which Labour opposed.

Dame Andrea Leadsom: A hotel in my constituency is housing illegal migrants. They receive local NHS dentistry services and hospital access, and, of course, their living costs are met. Constituents write to me pointing out that they do not have access to all those services. What can my right hon. and learned Friend tell them about how soon the use of hotels for illegal migrants will end?

Suella Braverman: It is totally unacceptable that too many towns and cities around the country now house the 45,000 asylum seekers who are in hotels, costing the British taxpayer £6 million a day. That is why we are standing up large sites and vessels around the country. We are also maximising the use of hotels, so that we can open fewer hotels. It is not right that the British taxpayer is forking out the cost. What we are not doing is the ridiculous plan set out by Labour Members. They are either grotesquely naive about the problem or they have a betrayal plan to rejoin the EU. After all, most of them wanted a second referendum. Either way, we can all see it for what it is: a plan for open borders, unlimited migration and rejoining the European Union. It is the same old Labour on the wrong side of the argument.

Mr Speaker: I welcome the shadow Minister, Dan Jarvis.

Dan Jarvis (Barnsley Central) (Lab): It is good to be back, Mr Speaker. The number of people arriving on dangerous small boats is now 150 times higher than it was five years ago. Meanwhile, convictions of people smugglers are 30% down. Our border security is not working. The Home Office has already spent £140 million on a flawed Rwanda scheme, but would not taxpayers' money be better spent recruiting hundreds more police and investigators to defeat the criminal gang networks and prevent the dangerous boat crossings?

Suella Braverman: The reality is that we need a robust and honest approach to dealing with this problem. Opening our doors to thousands of migrants from the EU is not the solution. We need a deterrent, and that is why our agreement with Rwanda will work. It is based on what has worked in other countries such as Australia, and I am confident that we will be able to deliver our Rwanda plan as soon as possible. What is clear is that the Labour party does not even seem to know what its policy is on small boats. Previously, it had no plan; now it has tried to put a plan together, but half its shadow Ministers do not even know how it works. It is only this Government that have a plan, will deliver Rwanda, have delivered our groundbreaking legislation and will stop the boats.

Topical Questions

T1. [906438] **Stephen Hammond** (Wimbledon) (Con): If she will make a statement on her departmental responsibilities.

The Secretary of State for the Home Department (**Suella Braverman**): I will make a short topical statement. The range of threats our country faces is ever evolving, so I want to set out what we are doing to get ahead of it. We have refreshed our counter-terrorism strategy, especially by overhauling the Prevent strand so that it recognises and can counter the driving force of ideology. Our

counter-terrorism operations centre is truly world class and fit for the 21st century. However, the security threat is wider than terrorism, and that is why we have passed the National Security Act 2023, which also addresses the evolving nature of the threat and contains several measures to modernise counter-espionage laws. Our comprehensive economic crime plan and legislation have cracked down hard on the Russian oligarchs upon whom Putin relies. We will give our courageous and capable intelligence and security services all the powers they need to keep us safe.

Stephen Hammond: I thank my right hon. and learned Friend for that statement. She will know that there is continuing widespread concern about the threat to our national security from the whole-of-state approach that the Chinese are taking to espionage activities in our country. I urge her to ensure that our response will mirror that, and that China is in the enhanced tier of the foreign influence registration scheme.

Suella Braverman: National security is our overriding priority as a Government, particularly at the Home Office. As Home Secretary, it is my job to oversee the protection of the UK from all types of threats to our national security. As the Intelligence and Security Committee's report has said:

"The Chinese Intelligence Services target the UK and its overseas interests prolifically and aggressively."

I will not shy away from calling out the threats from China for what they are or from making it clear that its agencies regularly engage in hostile activity towards the UK. We are currently reviewing the countries that should go into the enhanced tier of FIRS. There is a strong case to be made for China being put into it, but I do not want to prejudice the process by which those determinations will be made, and—

Mr Speaker: Order. We really do have a problem, don't we? Home Secretary, I am talking to you. I am bothered, because these are topical questions and there are people here who want to catch my eye. You cannot carry on making statements to every question. Topical means topical. We are going to be here for some while, so I hope you understand. I call the shadow Home Secretary.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): On 7 March, the Home Secretary emailed Conservative supporters saying

"today we're changing our laws—and bringing the small boat crossings to an end."

Since then, 20,000 more people have arrived. She is not applying her own law, because it does not work. The use of asylum hotels is up, with no date to end their use, and foreign criminal returns are down. The independent chief inspector of borders and immigration has said:

"This is no way to run a government department."

He is right, isn't he? Is that why the Home Secretary is getting rid of him?

Suella Braverman: I am incredibly proud of the landmark legislation passed by this House, which was opposed by the Labour party every step of the way. This will allow us to detain those who arrive here illegally and remove them to a safe country like Rwanda.

The point is that at least we have a policy. I am not sure that anyone on the Labour Front Bench knows what Labour's plan is for stopping the boats. Shadow Ministers certainly seem to be making it up as they go along. There were quotas and then no quotas. The EU has made it clear that we would be expected to take thousands more migrants from the EU. Will there be family reunion? We already have a scheme for family reunion. They are making it up because they do not have a plan. I think the British people can see exactly what Labour's plan is—

Mr Speaker: Order. I do not think the Home Secretary understands what "topical" means. Could the Whips please explain to their Front Benchers that we have to get through the Order Paper? You are not helping me, and I do not know why.

Yvette Cooper: What the Home Secretary said is total waffle. She has no answer on the inspector because she is afraid of scrutiny. There was no answer on her failure, just invented garbage about Labour. The Home Office's immigration director, asylum director, borders director and accommodation director are all going or gone because the only people she removes are the people she needs to do the job. There has been a 40% increase in the use of asylum hotels since she became Home Secretary. When will she end the use of asylum hotels? When will she deal with this shambles, stop the gimmicks and get a grip?

Suella Braverman: The right hon. Lady talks about a shambles, but the last four days have been a great example of a shambles. The EU has called her party "delusional" when it comes to its grand plan for stopping the boats. Labour disagrees with the National Crime Agency on how to solve the problem. The reality is that Labour is on another planet on how to stop the boats. It is not based in reality, it is not grappling with this challenge and it is not being honest with the British people.

T2. [906439] **Kelly Tolhurst** (Rochester and Strood) (Con): Constituents and businesses are being impacted by illegal car racing and meets. The Labour council is dragging its heels on implementing a public spaces protection order and Kent police have been working hard to tackle it, but resources are precious. Will my right hon. and learned Friend look at how Kent police are funded? They are having to deal with increasing activity in this area and, being so close to London, we are seeing increasing burdens from criminality.

The Minister for Crime, Policing and Fire (Chris Philp): I thank my right hon. Friend for her tireless campaigning on behalf of the people of Rochester and Strood. Kent has record police officer numbers at 4,261, which is about 10% more than it ever had under the last Labour Government. We intend to review the police funding formula. I strongly urge Medway Council to get on with putting that PSPO in place.

T3. [906440] **Amy Callaghan** (East Dunbartonshire) (SNP): Since we left the European Union, my constituent—a UK citizen from birth, as was confirmed by the British Nationality (Regularisation of Past Practice) Act 2023—has been repeatedly stopped by UK border guards and had

his citizenship questioned. Is this British Government satisfied that the customs and immigration system is so chaotic that their own citizens are being othered by the Department's officials, just because their parents were born in the EU?

The Minister for Immigration (Robert Jenrick): I have no idea what the hon. Lady is referring to, but I would be very happy to look into that individual case.

T6. [906443] **Andy Carter** (Warrington South) (Con): Over the summer, dozens of Traveller caravans have been illegally pitched in my Warrington South constituency, impacting playing fields in Appleton Thorn, Bewsey and Dallam, and costing thousands to clear up. Warrington's Labour council has avoided bringing forward proposals, despite having money in its budget. Does the Minister agree that local authorities need to play their full part so that the police can be effective in using the legislation passed by this House?

Chris Philp: Yes, I do agree; local councils should be robust in using the powers this House granted them, as should the police in terms of the Police, Crime, Sentencing and Courts Act 2022. The police do have strong powers

under the amended Criminal Justice and Public Order Act 1994, and I urge police forces up and down the country to use those powers.

Steve McCabe (Birmingham, Selly Oak) (Lab): We heard a little about retail crime earlier and it is a real issue in Birmingham, where a number of ugly, violent assaults on staff have taken place at Co-op stores in my constituency. I was pleased to hear the Minister's earlier response. However, with less than 4% of about 8 million crimes actually recorded by the police, when can we expect to see the tougher measures he hinted at earlier?

Chris Philp: I thank the hon. Gentleman for his question. I met representatives of the Co-op just a week or two ago and his chief constable, Amanda Blakeman, who leads on this for the National Police Chiefs' Council. At my request, the police are working up a plan to make sure that they always look into the CCTV footage to try to get a facial recognition match, in order to arrest and prosecute shoplifters, and that they patrol a lot more regularly in areas where shoplifting is a problem.

Several hon. Members *rose*—

Mr Speaker: That completes questions. Any complaints, please speak to those on the Front Bench.

High Speed 2

3.31 pm

Louise Haigh (Sheffield, Heeley) (Lab) (*Urgent Question*): To ask the Secretary of State for Transport if he will make a statement on the planned route and delivery of High Speed Rail 2.

The Parliamentary Under-Secretary of State for Transport (Mr Richard Holden): Before I begin, I would like to pay tribute to my hon. Friend and neighbour the Member for Bishop Auckland (Dehenna Davison) for her service in government, and to congratulate my hon. Friends the Members for Redcar (Jacob Young) and for South West Hertfordshire (Mr Mohindra) on their elevation.

Spades are already in the ground for HS2 and we remain focused on its delivery. The Minister for rail and HS2, the Minister of State, Department for Transport, my hon. Friend the Member for Bexhill and Battle (Huw Merriman), is in the Czech Republic today to sign a memorandum of understanding with the Czech Government and tomorrow he will be in Poland to attend TRAKO, supporting UK rail supply chain companies at a major European rail trade fair. For that reason, I am responding on behalf of the Government. Construction continues in earnest, with about 350 active construction sites, and we are getting on with delivery, with high-speed rail services between London and Birmingham Curzon Street due to commence in 2033, with the re-scoped stages following. This will specifically drive the regeneration of 1,600 acres, delivering 40,000 homes and supporting 65,000 jobs in outer London. The benefits of HS2 for Birmingham are already being realised; the area around Curzon Street station is already becoming a focal point for transformation, development and economic growth. The Government provide regular six-monthly reports on HS2 to the House, and we will continue to keep the House updated on the project.

Louise Haigh: Thank you very much, Mr Speaker, for granting the urgent question, but if the rail Minister is not available, you would think that the Secretary of State would be bothered to turn up to the House on an issue of this importance.

Here we are yet again: 13 years of gross mismanagement and chaos coming home to roost. First, the Government slashed Northern Powerhouse Rail; then they binned HS2 to Leeds; then they announced that the line would terminate at Old Oak Common for years to come; and now it looks as though they are considering cutting the north of England out in its entirety. If that is true, what are we left with? We are left with the Tories' flagship levelling-up project that reaches neither the north of England, nor central London: the most expensive railway track in the world, which, thanks to terminating in Acton, will mean a longer journey between Birmingham and central London than the one passengers currently enjoy. What started out as a modern infrastructure plan, left by the last Labour Government, linking our largest northern cities will, after 13 years of Tory incompetence, waste and broken promises, have turned into a humiliating Conservative failure; a great rail betrayal—£45 billion and the least possible economic

impact from the original plan, £45 billion and the north left with nothing. But frankly, what else would we expect from a Prime Minister who does not travel through the north of England on rail? He only ever flies over it. Today, communities and businesses do not need yet more speculation and rumour from the heart of this broken Government—they need answers.

Will the Minister urgently explain if the photograph leaked last Friday reflects his Government's position to slash phase 2 altogether? Will he confirm the commitment his boss made in this House just a few months ago that high-speed trains will reach Manchester by 2041? Are his Government planning for trains to terminate at Old Oak Common for good, detonating the business case and overwhelming the Elizabeth line? Having run our economy, our public services and our railways into the ground, will the country not now conclude that this is proof, once and for all, that the Tories can never be trusted to run our country again?

Mr Holden: In response to the hon. Lady's question, the Secretary of State is on urgent ministerial business with other Government Departments.

At the Department for Transport, we were delighted to see the hon. Lady survive the recent shadow Cabinet reshuffle, albeit she appears to be shadow Secretary of State for Transport in name only, as that job now appears to be covered by the right hon. Member for Wolverhampton South East (Mr McFadden). Even the Liberal Democrats caught the hon. Lady napping this morning by putting in their urgent question request before she did.

Only yesterday, the right hon. Member for Wolverhampton South East said on "Sunday with Laura Kuenssberg":

"I want to see what this costs and we'll make those decisions when it comes to the manifesto."

That came only two days after a leaked Labour party policy document said that the Opposition are committed to

"deliver Northern Powerhouse Rail and High Speed 2 in full".

There was no mention of how they will pay for that combined £140 billion spending commitment—same old Labour. While the shadow Chancellor tries to talk up Labour's "ironclad discipline", the hon. Member for Sheffield, Heeley (Louise Haigh) goes around the country, promising hundreds of billions of pounds of unfunded spending on rail alone.

We cannot trust a word they say on transport spending, immigration or housing. All have unravelled over the last week, as the Labour party says one thing and does another: on immigration, an open door for Europe's illegal immigration; on housing, backing the blockers not the builders. [*Interruption.*] This House will remember the report by the Institute for Fiscal Studies back in May—

Mr Speaker: Order. I granted the urgent question so we could hear the answer, so less shouting. Carry on, Minister.

Mr Holden: The House will remember the report by the IFS in May, when its director said that it was hard to see how the Labour party could bring forward any further policy without tax rises, and that Labour's plans

[Mr Holden]

would increase inflation and drive up interest rates. But this Government, under this Prime Minister, have made it a priority to halve inflation by the end of the year. That is why I am proud that buses have introduced a £2 fare to help hard-working families with the cost of living, which the Labour party has not done during the 25 years it has been in charge in Wales.

This Government are getting on with delivering on rail. We have delivered 1,200 miles of electrification over the last 13 years, compared to a pathetic 63 miles under the 13 years of the last Labour Government.

There is more to public transport than trains. Over the last 10 months, I have been around the country supporting new road schemes funded by this Government, from the A303 to the Preston western distributor road. Some £500 million has been invested to protect bus services across the country, while we have delivered on our commitment for 4,000 zero-emission buses. Last week, I announced new funding for HGV truck stops; meanwhile, Labour has expanded ULEZ in London and banned road building in Wales, as well as putting a 20-mile-an-hour speed limit right across that place. [Interruption.] I am proud that this Government are—

Mr Speaker: Order. The Minister could have made a statement. I did not have to grant the urgent question, so please bring statements forward—I will always support you.

Mr Holden: I am proud that this Government are unashamedly on the side of the taxpayer, checking the impact on the motorist, HGV drivers and bus passengers of every single policy that is put forward. Ministers will continue to keep the House updated regularly on HS2, as we have done today.

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

Iain Stewart (Milton Keynes South) (Con): While one should always take with a pinch of salt newspaper speculation in advance of budgets as to what may or may not be in them, may I put on record that if what has been reported is true, it would be an enormous false economy? Whether people support or oppose HS2 in principle, starting at Old Oak Common and finishing at Birmingham would not realise the full benefits of the line and communities will have been enormously impacted for no great benefit. Old Oak Common does not have the capacity to handle all the services and just a couple of weeks ago Network Rail, in its West Coast South strategic advice, noted that even with HS2 to Manchester, the west coast mainline will not have the capacity in the decades to come. Will my hon. Friend take the message to the Treasury to either do it properly or not to do it at all?

Mr Holden: I thank the Chair of the Transport Committee for his comments. I shall certainly take that message away with me.

Mr Speaker: I call the SNP spokesperson.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): I hope the Minister has had time to calm down and perhaps take a breath after that astonishing

performance. In attacking Labour on costs, he seems to be admitting what we all know, which is that phase 2 is an utter shambles—financially, operationally and politically. First, it was the north-east and Yorkshire that were let down by this Government on HS2. Now it seems to be the turn of the north-west, let alone Scotland and Wales. In a similar timeframe to that of HS2, Spain has managed to install 624 km of high speed rail for a fraction of the cost. This includes tunnels and bridges through far rougher terrain than that which HS2 passes through. Since June 2018, 233 kilometres of this track has come into operational use. What we have is a gold-plated commuter line of just 100 miles between two cities on the south of this island costing nearly £50 billion, while the rest of the country is expected to fight for scraps from the table. When Philip Hammond was Transport Secretary he gave commitments on HS2 infrastructure reaching Scotland, but that infrastructure is barely getting to the midlands. Can the Minister tell me in which decade HS2 infrastructure will actually get anywhere near Scotland? How does any further cancellation, postponement or watering down of HS2 commitments fit with the so-called levelling-up strategy and when will Wales receive its rightful share of Barnett consequentials?

Mr Holden: I thank the Member for his question. As he will know, this Government have delivered more than 1,200 miles of electrification—over 20 times the amount delivered in the 13 years of the last Labour Government. I would also say to him that, just last week, I met my third Scottish Transport Minister in 10 months and they did not mention HS2 at all.

Mr Speaker: I call the Chair of the High Speed Rail Bill Committee.

Andrew Percy (Brigg and Goole) (Con): It should not surprise people that building a high-speed railway line on a very small island through large, populated areas with lots of infrastructure was always going to be complex and expensive—that should be a surprise to nobody. If these decisions are taking place, may I ask my hon. Friend to remind his colleagues in the Treasury that HS2 also delivers important connectivity infrastructure for Northern Powerhouse Rail, connecting Liverpool, Manchester, Leeds, and, perhaps the greatest city of the north, Hull. I urge him to remind his colleagues who may be looking at this of that important fact.

Mr Holden: I thank my hon. Friend and other colleagues for the work that they did on the Select Committee. I will, of course, take that message back to Treasury colleagues.

Graham Stringer (Blackley and Broughton) (Lab): Will the Minister give an unambiguous answer to this question: is this Government still committed to building HS2 to Manchester from Euston? People in the north need to know whether they are being abandoned, because it looks like that to me from press reports, which have not been made up by journalists. Is it not the case that the Minister is fronting a Government who will not dare tell the electorate that they are abandoning the north?

Mr Holden: There is no question of this Government abandoning the north. We have put in huge amounts of funding, including on buses and new roads. I was in Preston a few weeks ago to open the new Preston Western Distributor road. The Government are hugely investing in the north of England—on rail, on roads, and indeed on our important bus network. As I said earlier, Ministers will continue to update the House regularly on HS2, as we have done throughout.

Greg Smith (Buckingham) (Con): Even when this project had arms and legs and eyebrows going across the whole country, it was always accepted that the business case was very weak and that, as a nation, we cannot really afford it. I hope the Government do scrap HS2 north of Birmingham and save many more communities from the human misery that my constituents endure every day of the week from the construction. If they do scrap it, it would leave the quite literally legless stump from outside central London to outside central Birmingham. Will my hon. Friend take the message back to his colleagues and to the Treasury that we cannot afford it and that what is left of phase 1 should be scrapped as well.

Mr Holden: I thank my hon. Friend for his question. Spades are already in the ground for HS2, with over 350 active construction sites, and with high-speed services between London and Birmingham Curzon Street due to start between 2029 and 2033. However, I will pass on his comments to Treasury colleagues, as always.

John Spellar (Warley) (Lab): Frankly, it is a real shame that we have to put up with an ill-prepared office junior instead of the boss, because these are really significant decisions. Let us be clear: the case for HS2 was always flawed, but ballooning construction costs and changing business travel patterns post covid now make it unsustainable. I understand that it would be hugely embarrassing for the Government, and for the Minister's Department, to write off somewhere between 10 billion and 15 billion quid, but surely that is better than spending £100 billion on this ill-fated project.

Mr Holden: I thank the right hon. Member for his thoughts; I will take them back to Government.

Dame Andrea Leadsom (South Northamptonshire) (Con): My constituents have been through absolute misery for 13 years now, ever since the hybrid Bill first started and they tried to defend their own area. Unfortunately, HS2 has not provided continuity of support, has not provided good customer liaison and has not provided proper compensation. People have been made miserable, and their mental health has been severely damaged by this project. They deserve the right answer: is this project going ahead or is it not? My constituency looks like an industrial site right now.

Mr Holden: I thank my right hon. Friend for her question. Spades are already in the ground for HS2, as she well knows, and we are focusing on its delivery. There are already over 350 active construction sites right across the country, including in her constituency. It is going ahead.

Wera Hobhouse (Bath) (LD): HS2 faces death by a thousand cuts. We Liberal Democrats are firmly behind HS2, but the Government's catastrophic handling of

the project's delivery has meant that the Infrastructure and Projects Authority now rates it as "unachievable". What will the Government do to fix this mess?

Mr Holden: I find it very interesting that the hon. Lady says that the Liberal Democrats are firmly behind HS2, because that is not what their candidate for Mid Bedfordshire said earlier today, or what the hon. Member for Chesham and Amersham (Sarah Green) said just a few months ago.

Sir William Cash (Stone) (Con): We had a meeting about HS2 with the Minister of State, my hon. Friend the Member for Bexhill and Battle (Huw Merriman), a few weeks ago. It was a very good meeting, led by myself and other Members of Parliament, and various options were put forward. I pay tribute to Trevor Parkin in my constituency for all his work on the matter.

Can we have a straight answer about this white elephant? Will there be a continuation of the line from Birmingham to Manchester, or not? Will the Minister be good enough to let us have a proper analysis, in line with all the reports that have come out showing that, unless the entire project is radically changed or scrapped, it will continue to be a white elephant? People in my constituency have been suffering for far too long, to no good purpose.

Mr Holden: I am glad that my hon. Friend has had great engagement on the issue from the Department and from the rail Minister. As I have said, Ministers will continue to keep the House updated regarding HS2, as they have been doing. I am sure that when the rail Minister returns he will be happy to have further such conversations with my hon. Friend.

Liam Byrne (Birmingham, Hodge Hill) (Lab): When will High Speed 2 arrive in Manchester?

Mr Holden: Ministers will continue to keep the House updated regularly regarding HS2, as they have done to date. As we all know, the first stages are set to be completed by 2033, linking London with Birmingham.

Martin Vickers (Cleethorpes) (Con): As a member of the Bill Committee, I have had the good fortune to visit a number of sites involved in the construction of HS2, so I appreciate what a major project it is and how many people are involved. Companies up and down the country are reliant on the project for the continuation of their business. The future of hundreds of jobs and businesses depends on it. Can the Minister give an assurance that that will be taken into full consideration in discussions with the Treasury?

Mr Holden: I can certainly give my hon. Friend that assurance. There are thousands of people working on site at the moment, with more than 350 construction sites up and down the country, and companies will be updated. Even from today this project will last well into the 2030s, if not beyond, so those construction jobs will be secure for a long time.

Dame Diana Johnson (Kingston upon Hull North) (Lab): The Minister said that the Government are hugely investing in the north. For Hull, the decade of northern powerhouse saw a privately financed scheme to electrify our railways blocked by Ministers in 2016 and, in the

[*Dame Diana Johnson*]

Government's 2021 integrated rail plan, blocked for the next 30 years. Funding apparently was needed for Northern Powerhouse Rail and HS2, which are now being cut. Levelling up is not just about being nice to northerners; it is about boosting an essential part of the UK economy. Am I right in thinking that in these ever-shrinking plans we are just seeing the economics of mismanaged decline and an inbuilt vicious circle of stagnation under this Government that is affecting the north?

Mr Holden: I remember using Northern Rail under the last Labour Government, which had a zero investment strategy for the railway network in the entire north of England. This Government have already delivered more than 1,200 miles of electrification, 20 times what the right hon. Lady's party did when they were in government. She should also look at the huge amount of investment we have put into bus networks right across the country, including in Yorkshire, over the past few months.

Michael Fabricant (Lichfield) (Con): May I remind the House, journalists and the Chairman of the Transport Committee that the area under discussion is beyond phase 1? It does not end in Birmingham—it goes beyond Birmingham and then joins the west coast main line at a place called Handsacre, just by Lichfield. If HS2 is abandoned at that point, high-speed trains can still run down from Manchester and join the high-speed line at Handsacre. Does that not make good economic sense? Will the Minister please pass that on to the Treasury?

Mr Holden: My hon. Friend is quite right; that is exactly what would happen in that scenario. I will pass on the point he makes to the Treasury.

Andy Slaughter (Hammersmith) (Lab): HS2 has just applied for planning permission for works to enable Old Oak Common station to serve as a temporary terminus. "Temporary" previously meant the 2040s, but now it means forever. The works proposed block the eastern access to the station—just one example of a total lack of coordination. Will the Minister commission a report on the implications for HS2 of Old Oak Common's being the London terminus?

Mr Holden: Old Oak Common itself will deliver regeneration of 1,600 acres of London, delivering more than 40,000 homes and supporting 65,000 jobs in outer London. The Government will continue to update the House if anything else changes with HS2.

Mary Robinson (Cheadle) (Con): In order to unlock economic growth and power up northern productivity, our region must have improved connectivity, both to our capital and through a Northern Powerhouse Rail connecting our cities across the North. Our country will only be truly levelled up with our connected northern region reaching its full potential. Uncertainty around phase 2 is unhelpful. I urge my hon. Friend to consider the importance of northern infrastructure commitments to businesses across the region.

Mr Holden: As a northerner myself, I certainly take note of my hon. Friend's comments and I am sure they will have been heard across Government as we reflect on the future.

Andrew Western (Stretford and Urmston) (Lab): Can the Minister tell my constituents when they will be able to board a high-speed train from Manchester to London?

Mr Holden: As I have outlined, the Government will update the House, as we have done consistently, on HS2. The hon. Gentleman should reflect on what is already being delivered, with 350 construction sites already across the country and thousands of jobs. There is a huge amount of transport investment going on, and it is not all about rail. Greater Manchester has received more than £1 billion of city region sustainable transport settlement, which includes potential rail investment.

Theo Clarke (Stafford) (Con): HS2 is behaving outrageously by not paying my Stafford constituents on time. It is unacceptable that affected residents are paying outstanding bills on behalf of HS2—for their agents' fees, for example—in order to have representation. Will the Secretary of State for Transport please write to me to clarify that HS2 will treat all my residents fairly, and that we expect compensation claims to be paid in a timely manner?

Mr Holden: I thank my hon. Friend for her comments. I will certainly pass on her request to the rail Minister and the Secretary of State, and I will raise it personally with HS2 Ltd.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): The Government's excuse for denying Wales our fair share of HS2 funding is that the phase 2 connection at Crewe would cut journey times between north Wales and London. We can now only conclude that the Government are planning to scrap the phase 2 connection altogether. Welsh taxpayers are funding this fiasco and getting nothing back. Will the Minister admit that HS2 is an England-only railway project and that his Government owe Wales money?

Mr Holden: I do not think the right hon. Lady is reflecting on what the Plaid-Labour Government are currently doing in Wales: costing taxpayers billions with their ridiculous across-the-board 20 mph scheme, and not delivering for the people of Wales. They are even banning any form of new road programme across all Wales.

Sir Jeremy Wright (Kenilworth and Southam) (Con): It is sometimes right to ask our constituents to take local pain for national gain, but does my hon. Friend agree that the national gain of HS2 has always been argued to result from its being a network of high-speed rail lines, not a single line? If it is a single line, are we not in danger of the national gain being extraordinarily limited, and the local pain, including to my constituents, being extraordinarily extensive and long lasting?

Mr Holden: A huge amount of work is already going on with HS2 at the moment, creating tens of thousands of jobs and supporting more than 1,700 apprenticeships. There is a huge amount of benefit, right across the country, to the investment going into HS2. I will pass on my right hon. and learned Friend's broader comments to Ministers in both my Department and the Treasury.

Jeremy Corbyn (Islington North) (Ind): Is this not an example of a very bad national planning process? HS2 does not link up with HS1; all the pain and disruption around Euston will have been for naught; and if it is completed as far as Birmingham, all it will do is join an already overcrowded rail network. Surely we have either a high-speed network or nothing at all. The Minister seems unable to answer any questions at all.

Mr Holden: I say to the right hon. Member that a huge amount of investment is already going into HS1, which will deliver transformation, particularly at Old Oak Common, as I have mentioned, where there will be a huge boost to economic growth in quite a deprived area of London as well as that massive investment. I do not know whether he has been down to Curzon Street and seen the transformation happening in central Birmingham. I would have thought that jobs, housing and general prosperity were outcomes that he would welcome.

Paul Howell (Sedgefield) (Con): Let me start by correcting the hon. Member for Sheffield, Heeley (Louise Haigh), who said that the Prime Minister only flies over the north. He does not; he is a regular user of the Hitachi Azuma on the east coast main line.

For rail and for HS2, it is all about capacity: we need to get capacity into the rail industry. Certainly, in my Sedgefield constituency there was no investment in rail by my predecessors. Whether it is HS2 or regional rail—as with the Leamside line and Ferryhill station—delivery and certainty are necessary for supply-chain businesses. This constant change is not helpful. Will the Minister go back to his Department and encourage certainty and clarity, whether about HS2 or Northern Powerhouse Rail? We need certainty for everybody.

Mr Holden: I thank my hon. Friend and constituency neighbour for his question. He is absolutely right: the Prime Minister uses those trains regularly—in fact, I think they are made in my hon. Friend's constituency, or very nearby—to travel right across the country. I welcome my hon. Friend's continued fighting for his constituents on rail and transport projects not just in his area but across the wider north and north-east of England. I shall take his comments back to colleagues.

Christian Wakeford (Bury South) (Lab): We have seen the Government give up on the eastern leg; we have seen them give up on connecting to central London; and we have seen the downgrading of Northern Powerhouse Rail. We are now seeing the Government give up on connecting to the north-west and Britain's second city of Manchester. Why are the Government giving up on the north?

Mr Holden: As I have said in answer to other hon. Members, this Government have put unprecedented investment into our transport infrastructure right across the country. I have no idea at all what Labour's policy in this area is: it seems to flip-flop from one thing to another daily, making hundreds of billions of pounds'

worth of unfunded spending commitments. We are a responsible Government who are going to make the right decisions in the long-term interests of the country, just as we have in supporting Greater Manchester and the Mayor's new upgraded bus network, which we have been delighted to invest in over the past few months.

Sir Robert Syms (Poole) (Con): Having chaired the Select Committee on the first phase for 20 months, I always privately had the view that Old Oak Common was a more sensible place to stop, because the Elizabeth line runs straight through Old Oak Common and can deposit people from Heathrow into the city. As for anything to do with Euston, it is a very small site and horrendously expensive. However, the logic of the railway is that it does have to go to Manchester and beyond, otherwise it was not worth starting.

Mr Holden: I thank my hon. Friend for his comments. I am sure that the Treasury, No. 10 and the Department will be listening to those wise words from somebody who served on the Select Committee.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Huddersfield is a proud railway town. Is the Minister telling my constituents and the rest of the country that this is an abysmal failure of the country—the country of Brunel and Stephenson, the pioneers of railway building? Is he telling us that the £100 billion was for nothing? Is that what he is saying today?

Mr Holden: No, I am not saying that.

Jackie Doyle-Price (Thurrock) (Con): As my hon. Friend knows, I am proud to host the UK's fastest-growing ports in my constituency, and one of the things that those ports are investing in is more freight connections to transport more containers by rail, rather than road. Achieving the full potential of those connections absolutely requires HS2 to free up capacity elsewhere on the rail network, so will the Minister assure me that all the implications of any changes to the timetable for HS2 will be considered? It impacts on net zero, the demand on our road infrastructure, and where things will arrive.

Mr Holden: I thank my hon. Friend for making that important point—I was delighted to visit some of those freight services in her constituency with her just last week. Getting freight on to rail is obviously an important objective of the Government, as is supporting those on the road network, and I will ensure that that is taken into consideration in any future decisions that the Government take.

Steve McCabe (Birmingham, Selly Oak) (Lab): What estimate has been made of the cost in contract litigation alone if the Chancellor were to conceive of scrapping phase 2 of HS2?

Mr Holden: What I would say is that the Government are putting a huge amount of money into stage 1 of the scheme. Thousands of jobs have already been created, as well as hundreds of apprenticeships, and it is going to deliver transformation to central Birmingham and to a deprived community in outer London. That is investment very well made in those areas.

Mr Mark Francois (Rayleigh and Wickford) (Con): For the record, the roads Minister is a very good one, who has had to swap lanes today at short notice. How many of the HS2 stations will have ticket offices? Last Thursday in Westminster Hall, there was a train crash of a debate in which not a single Back Bencher from any political party backed the Government's proposals. As many people have asked the Minister to pass on messages today, could I add one more, in all good faith? "You are under enough pressure on HS2 as it is. Do yourselves a favour and drop the bonkers proposals to get rid of our ticket offices."

Mr Holden: I thank my right hon. Friend for his comments—he has always been a champion of our road network, and now he is a champion of our rail network as well. I will certainly take his thoughts back to the Department.

Tonia Antoniazzi (Gower) (Lab): I used to live in Wigan in the north-west of England, and I am very disappointed for my family and friends who are still there that this project is not going ahead—disappointed, like the people in Swansea are disappointed that the electrification never got to Swansea. HS2 is an England-only project, so will the Minister stop talking down the Welsh Labour Government and give us what we are due?

Mr Holden: I do not need to talk down the Welsh Labour Government; they do it themselves. They talk down Wales constantly. They have introduced 20 mph speed limits costing tens of millions of pounds a year to the local economy. They are doing no road building—no M4, no Llanymynech bypass, nothing invested in the road network. The Welsh Labour Government have been in office for 25 years. They are not even delivering a "get around for £2" bus fare like we are doing in England.

Rob Butler (Aylesbury) (Con): HS2 is already being built in Buckinghamshire, unfortunately, and it is no exaggeration to say that it is a blight on the lives of my constituents in Aylesbury. Just last Saturday, residents in Walton Court told me that HS2's contractors are now working well outside their contracted hours. Normally, we would think that was a good thing, but it is causing massive disruption, especially from noise. Will the Minister make it abundantly clear to HS2 Ltd and its contractors that they must comply with the agreements they have made and minimise the harm and distress they are causing?

Mr Holden: My hon. Friend is a real champion for his constituents. I will certainly take the message back to HS2 Ltd and, if necessary, arrange a further meeting between him and the rail Minister to discuss the matter.

Jonathan Edwards (Carmarthen East and Dinefwr) (Ind): For over a decade, I have been highlighting in this House how the Welsh taxpayer is being fleeced as a result of HS2. The spurious response I receive from Ministers is that north Wales will be linked via Crewe. Considering that it is highly unlikely that the line will

make it north of Birmingham, is it not time for the British Government to ensure that Wales receives its fair funding for phase 1 of HS2?

Mr Holden: I just point out to the hon. Member that I think Welsh taxpayers will feel fleeced by the Welsh Labour Government, with the longest waiting lists in the country, no new road schemes and falling school standards right across the board. When it comes to it, the UK Government deliver better value for the Welsh taxpayer than the Plaid/Labour Welsh Government.

Tom Hunt (Ipswich) (Con): Of course it is right that we discuss investment in our rail network in the north and the midlands, but we also have to have a discussion about East Anglia. Time and again, Ely North junction and Haughley junction have been deprioritised. Both those projects would cost a fraction of the cost of HS2 but deliver transformative benefits to the east of England. Will the Minister have discussions with his colleagues and the Treasury to see how we can get those two key projects back at the top of the agenda?

Mr Holden: I certainly will. I was delighted to be in East Anglia just last week at the opening of the new A11 road, where there has been £65 million of investment, and I have been delighted to visit my hon. Friend's constituency on multiple occasions, including to see the investment that is going into his local bus network. I will certainly pass on his representations on behalf of his constituents regarding Ely junction.

Alexander Stafford (Rother Valley) (Con): We had great news a while ago when the Government said they would scrap the 2b arm of HS2, which would have devastated hundreds of homes across Rother Valley in Bramley, Wales and Aston, but many of those homes are still under safeguarding measures, meaning their owners are stuck in limbo. I know that the Government still want high-speed trains through the area, but the only financially viable way of HS2 getting to Leeds is by using existing track. Why is it taking so long to release the land when everyone knows and accepts that we will not be building a new track through Rother Valley to Leeds? Will the Minister release the safeguarding and release people's homes?

Mr Holden: I know that my hon. Friend has raised this issue multiple times with the rail Minister. I will certainly take it back to the Department and discuss what can be done.

Alun Cairns (Vale of Glamorgan) (Con): My hon. Friend has received a number of challenging questions from Opposition Members about Barnett consequential for HS2. Is he aware that the Leader of the Opposition does not support Barnett consequential for HS2?

Mr Holden: I thank my right hon. Friend for his question. It is sometimes difficult to know what the Leader of the Opposition supports or does not support. We have had a three-way flip-flop in just the last few days. It is interesting that the hon. Member for Sheffield, Heeley (Louise Haigh), from the Opposition Front Bench, raised the fact that I am here today rather than the Secretary of State, given that the shadow Chancellor

of the Duchy of Lancaster seems to have a very different opinion from the hon. Lady about what is going on with Labour policy.

Madam Deputy Speaker (Dame Rosie Winterton): I thank the Minister for answering the urgent question.

Tata Steel: Port Talbot

4.9 pm

The Minister for Industry and Economic Security (Ms Nusrat Ghani): With permission, Madam Deputy Speaker, I shall make a statement about Tata Steel's proposal, which has been agreed with Government, to invest in greener steel making at its Port Talbot site in south Wales.

I can confirm that the Government have agreed on a proposed joint investment package to provide £500 million to Tata Steel as part of its proposed £1.25 billion project to move to low-carbon steelmaking in Port Talbot, subject to the necessary information and consultation processes that will be led by the company. For me it was always about certainty, continuity and security, and through investment in a state of the art electric arc furnace at Port Talbot the deal will support the UK's efforts to meet increasing demand over the next decade and enable industry to take a significant step towards decarbonisation. It will strengthen our supply chain resilience as well as protect thousands of skilled jobs across south Wales and the UK for the long term.

The Conservative Government have been supporting the UK steel industry for many years. It will be no surprise that the industry has been acutely impacted by recent wider geopolitical and macroeconomic developments that have made traditional blast furnace steelmaking financially unviable. The global steel market has become saturated with heavily subsidised carbon-intensive steel, while Putin's invasion of Ukraine has dramatically increased energy costs. This Conservative Government will continue to stand by our steel industry and this deal is part of our long-term plan for steel.

This ambitious transformation is the culmination of several years of negotiations between the Government and Tata Steel and it has been backed by a majority investment by the company. The transition will secure continued production of steel at Port Talbot, enable the industry to take a significant step towards decarbonisation and provide a clear pathway towards a long-term financially and environmentally sustainable business model, removing the repeated need for Government intervention.

As well as investment, the Government are enabling the major transformation and modernisation of the steel sector through key policy changes, including delivering the British industry supercharger to make electricity prices competitive for energy-intensive industries, including steel, so that they are line with those charged across the world's major economies.

Steel is a strategically significant industry that plays a vital role in the UK economy. The sector supports tens of thousands of UK jobs and remains a key driver for local economic growth in regions with proud steelmaking histories, but it is also an industry in urgent need of modernisation. Decarbonising industry is a global challenge to meet the temperature goals of the 2015 Paris agreement. By replacing Port Talbot's existing coal-powered blast furnaces and assets nearing the end of their effective life with an electric arc furnace, this proposed project is expected to reduce the UK's entire business and industry carbon emissions by 7%, Wales's overall emissions by 22% and the Port Talbot site's emissions by 85%.

[Ms Nusrat Ghani]

As such, decarbonising UK industry is central to the Government's bold plans for tackling climate change and in doing so placing our country at the forefront of the growing global green economy. We are committed to seeing a low-emission production steel sector in the UK and are also working with global partners to support decarbonisation of steel production internationally.

This agreement with Tata represents the best offer and result for the UK and the people of south Wales. This package represents one of the largest support offers in recent history and will secure long-term jobs not just in Port Talbot but across all Tata Steel sites in England and Wales. It is a deal that not only safeguards jobs but will help to build better resilience in the UK economy and help to create new opportunities in our construction, automotive and energy sectors. We have been working closely with the Secretary of State for Wales and the Secretary of State for Levelling Up, Housing and Communities to establish a new transition board to help to capitalise on some of the opportunities that it will create. The UK Government will ensure a broad range of support for staff who are affected by the transition, working with the Welsh Government and Tata Steel to provide up to £100 million of funding for a dedicated workforce to support both affected employees and the local economy. We will continue to engage with local MPs and stakeholders in the area to ensure the project is a success.

Of course, any Government funding offered to a private company is subject to extensive scrutiny of detailed business plans, vigorous due diligence and subsidy control assessments. It will include strong conditions around financial probity, governance and delivery. With that in mind, we are delighted that we have reached this agreement on the Government's role in the proposed project. As part of the proposal, Tata Steel will also release land in Port Talbot for redevelopment and use for new industrial businesses. Alongside the UK Government's proposal for the Celtic freeport and the land at Port Talbot which Tata expects to release for transfer or sale following the transition from blast furnaces, this investment could help to unlock thousands of new jobs in both south Wales and the wider UK economy.

The landmark proposal builds on other major investments in UK green technology by Tata Group, including the July announcement of a £4 billion battery gigafactory creating 4,000 direct jobs, and represents a major vote of confidence in the UK. The Government are focused on working with business to get on with delivering key investments, creating opportunities across the UK. I commend this statement to the House.

Madam Deputy Speaker (Dame Rosie Winterton): I call the shadow Secretary of State.

4.14 pm

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): After 13 years of failure, expectations of this Government are not high, but even by their standards, spending half a billion pounds to make thousands of British steelworkers redundant is a truly remarkable feat. Last week, I went to Port Talbot to meet some of the workers affected by this announcement, and like us, they support green steel. They have actually been campaigning for green

steel for many years, and those workers were promised repeatedly that they would be a part of the process. They rightly feel betrayed by this announcement and the fact it is being done to them, rather than with them.

I know the Minister will come back to say that more jobs were at risk. I have heard the Government's line that all the jobs would have gone entirely, but she must be honest: it is absurd even to countenance the UK being the first major economy not to have a domestic steel industry. The UK steel sector is already much diminished compared with when the Conservatives came to power. The transition to green steel should be about more jobs, not less. It should be an optimistic, exciting moment for steel communities, but instead this has caused anxiety and anguish. I say genuinely to Government Ministers and to all on the Conservative Benches that if they allow decarbonisation to become associated with Thatcher-style job losses, it will risk the legitimacy and political support for net zero in a way that courts disaster. Is levelling up not a tacit admission by the Conservative party that the scars of the 1980s deindustrialisation cut so deep that we still feel them today?

Why were the workforce not involved in this process? Why has only one technology—the electric arc furnace—been chosen? What consideration was given to hydrogen and carbon capture possibilities? We already know that this deal was not the company's opening proposal, so what other options have been considered? Crucially, what will happen to downstream facilities, such as Trostre and Llanwern, that provide packaging and automotive steels that cannot currently be served by an electric arc furnace? Will that steel be supplied from India, with a larger emissions profile than at present, which is what many of the workforce believe?

What is included in this package as regards ongoing industrial energy costs? Crucially, when will a grid connection for an arc furnace be provided? In addition, how will this £500 million of taxpayers' money be protected? In the absence of any clear and identifiable criteria, how do we know that it represents good value for money? Finally, what does this announcement mean for the rest of the UK steel industry and, in particular, Scunthorpe?

The plan that Labour put forward for green steel was industry-wide, comprehensive and transformative, and it was designed to secure major economic dividends for the UK. We cannot secure the future of UK steelmaking with sticking plasters. We cannot do it on a plant-by-plant basis, and we cannot do it without the workforce behind us. This should have been such a positive announcement. It should have been about creating jobs, strengthening national capabilities and showing that we can do decarbonisation in a way that works for working people. I say to every single steelworker out there that it is clear that they will only get the bright future that they know is out there when they get a Labour Government.

Ms Ghani: It is unfortunate that the hon. Member decided to politicise such an important sector. It was not me but Gareth Stace for UK Steel, the trade association for the UK steel industry—the voice of the country's steel manufacturers—who said:

“This is a really important day for our steel sector in the UK, with the Government showing a real commitment to the future of steel making here in the UK. We will get a true transformation of

our sector to create steel for the net-zero economy, something which our customers are asking us for. We have the ability to completely transform our sector and boost the net-zero economy in the UK. We can really seize the opportunity to increase production in the UK and increase exports. We all know that a net-zero economy will need more steel, not less.”

The hon. Member is putting on a very poor display over a serious decision that has been in discussion, I am told, for more than a decade. I have spoken to Ministers who have held the portfolio over many years before me, and they tell me that these matters are nothing new.

More importantly, the hon. Member knows that the blast furnaces were at the end of their life. The right decision is to provide certainty, security and continuity, and that is exactly what we are doing. The UK is a world leader in producing steel, but we need to decarbonise, and this is the best way of ensuring and guaranteeing jobs, of which there are 8,000 on the site and 12,000 in the supply chain.

As well as the £500 million, £100 million has been put together for a group to consult and work with the unions, the staff, the Welsh Government and the Secretary of State for Wales to ensure that the transition is as appropriate as it can be and not so challenging for the people who are impacted. The proposal is to go for electric because other energy sources are underdeveloped. If the hon. Member will reflect on what is happening in Europe on hydrogen, for example, he will see that nothing else can work at this scale and within the tight timeframe that we want to work in to ensure that the site continues to be viable not only for manufacturing steel in the UK and supporting all the jobs in the supply chain but to support Wales, too.

The proposal will also transform the Welsh community and the Welsh area. A huge amount of work is taking place with the freeport, and a huge number of businesses and jobs will be coming out of the transformation to green steel. It is unfortunate that the hon. Member cannot recognise that, without this decision, there would have been continued uncertainty, no security for the staff and definitely no security for the UK steel sector.

John Redwood (Wokingham) (Con): Have the Government ascertained that there is enough old steel and metal around for the recycling facility? Do their wider plans for steel in the United Kingdom include retaining capacity to produce new steel?

Ms Ghani: My right hon. Friend is always absolutely hot on these topics. There is enough steel, because we export so much of it and we can now use it on the site. Considering the age of the current furnaces, the reality is that electric arc furnaces are, within the timescale, the best way for us to transition. There is of course a supply chain in place that enabled Tata to put the business plan forward, for it to commit a substantial amount of money, and for us to support its plan.

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

Alan Brown (Kilmarnock and Loudoun) (SNP): Madam Deputy Speaker,

“I’m not going to shy away from the fact that this is still terrible news.”

Those are not my words but those of the Wales Secretary, who is sat next to the Minister. How did we get to a stage where £0.5 billion of UK-wide taxpayers’ money is being used to prop up a deal that is classed as “terrible news” by a Government Minister?

We know that we need to decarbonise, but with this level of taxpayer investment we should be looking at proper, green, virgin steel manufacturing and job creation, not the loss of 3,000 jobs, and not settling for lower-grade steel production from recycling. What will the lower-grade steel production mean for Port Talbot’s ability to supply key UK infrastructure programmes? What UK-based supply chain guarantees are being sought for the £1.25 billion of investment that the Government say is coming forward into the plant? Why were the unions not involved in the discussions? Why were the Welsh Government not involved? Is it not hypocritical to propose to involve the Welsh Government in the taskforce for job losses but not to have included them in the initial discussions on options for the plant going forward?

Not that long ago, the Tata Group also received a reported £0.5 billion for a proposed electric battery factory—another deal lacking in transparency at this stage. How can the Tata Group secure £1 billion so easily from the Government? It is the same with EDF, with more than £1 billion allocated to the development of the Sizewell C nuclear power station. Too many deals are done behind closed doors, based on who has got the Government’s ear and where the Government think there is some political capital. Does it not prove yet again that there needs to be a structured, coherent, long-term strategy to address the competition from the Inflation Reduction Act in the United States and the EU’s green industrial plan? Does it not also prove that in the current constitutional framework and fiscal straitjackets imposed on the Welsh and Scottish Governments, our communities will always be at the mercy of decisions made at Westminster?

Ms Ghani: There were so many questions, but I will do my best to address the most important ones. Conversations at Port Talbot have been going on for years—one could argue more than a decade. It is not news that the site needed financial support to ensure that it continued to be viable. Steel companies lose more than £1 million a day producing steel, and it is no longer viable without Government support. That is a route that many countries have taken.

The blast furnaces in Port Talbot can be operated for 15 to 20 years only before a major investment decision is reached, either to be relined or to be rebuilt. There was a very tight timeframe; it was important to find alternative energy—electric—to make sure that it would work with the timeframe of the new furnaces coming on site. That is why it is electric, not hydrogen—there are no hydrogen alternatives that can give us the steel that we need on the scale that we need. This is not only a £500 million investment. There is also £100 million to deal with the transition. As I said, the transition board will comprise union members, staffers, the Welsh Government and the Welsh Secretary of State. The conversation will take place, and consultation will occur. Those conversations have been happening for quite some time.

It is important to note that the sector is now secure. In a part of the UK that is incredibly important to us, thousands of jobs will be created—up to 16,000 jobs in

[Ms Ghani]

the Celtic freeport proposal, which is linked to the renewables at Port Talbot. That will create even more jobs. Any transition that requires a consultation on jobs is always sensitive, which is why it is important that the transition board will be stood up to provide the support needed. The site needed to make a decision. The best decision was for it to continue to make steel. That is what we will support it to do.

Holly Mumby-Croft (Scunthorpe) (Con): Tata in Port Talbot and British Steel in Scunthorpe are the last two steelworks in this country that have blast furnaces. There is a place for electric arc furnaces, but we need to remember that they melt scrap; they cannot make brand-new virgin steel from scratch; a blast furnace is needed to do that. My hon. Friend made the comment about steel being a strategic industry, and she is right. Does she agree that, for national security reasons alone, we must ensure that we retain the capability to make virgin steel in this country?

Ms Ghani: My hon. Friend is absolutely right on the importance of virgin steel production. She is the best champion for her constituency and her steel plant, which is now uniquely positioned as the blast furnace to make virgin steel. That will be important in line with our mantra of “continuity, certainty and security.” Conversations have been taking place with British Steel, the details of which are commercially confidential. My hon. Friend campaigns incredibly hard for the steel sector both in the constituency and across the UK. Those meetings will continue. She is right that, obviously, we need a place for virgin steel, and that is in her constituency.

Stephen Kinnock (Aberavon) (Lab): When all is said and done, the purpose of the deal should have been to protect the current order book and to prepare us for the opportunities of the future. All investment is welcome—I do thank the Minister for her work in this area—but I am afraid that the deal will fail to keep us competitive and to deliver a just transition for the thousands of my constituents whose dedication to our proud steel industry is second to none.

Could the Minister kindly address the following questions? Why have the Government put all their eggs into the electric arc furnace basket? Where is the investment in hydrogen, direct reduced iron and carbon capture technology so that we can continue to produce virgin steel, as the hon. Member for Scunthorpe (Holly Mumby-Croft) pointed out? Why were the steel unions not consulted in advance of the announcement? There are literally dozens of hydrogen-based steel projects ongoing across Europe. They are not necessarily ready to make steel but at least they are out of the traps, whereas we are still in the changing room putting our trainers on. Why have the Government not actually entered the hydrogen race?

Ms Ghani: The hon. Gentleman, who worked with me incredibly well as chair of the all-party parliamentary group for steel and metal related industries, answers his own question when he speaks about hydrogen. He knows very well the age of the blast furnaces in his constituency and the fact that we needed a transition

that enabled certainty to continue. There is no option other than electric to scale up within the time required. [Interruption.] My right hon. Friend the Member for Wokingham (John Redwood) knows that. We have spoken about this many times, so it is disappointing to see the hon. Member for Aberavon being so political about it now. The electric option was a commercial decision for Tata, but it was the only way to ensure certainty to continue. Another Member talked about supply chains and making sure that production continues, so that Tata can deliver the contracts it has in place. The only way to do that is with electric, and that is the way we are going forward.

Commercially sensitive conversations can take place in a much tighter circle, but the hon. Gentleman will know that discussions have been going on for years and years. There is now a transition board, and there will be a huge amount of consultation. The focus is on ensuring that the people impacted are provided with the support they need to transition into the jobs that they should. The fact is that we are securing the future of the steel sector in the hon. Gentleman’s constituency. Without this funding all 8,000 jobs would have been lost, along with 12,000 in the supply chain, and we are not seeing that. We are backing steel in his patch.

Alun Cairns (Vale of Glamorgan) (Con): The Minister is absolutely right when she says that steel is of strategic importance to the UK’s security interests and to our manufacturing base. We need to recognise the scale of this investment, which strictly speaking is a devolved responsibility. This is the UK Government coming in to support a UK national interest. Tata has long held an ambition to turn this into an electric arc furnace. What assessment has my hon. Friend made of suggestions that electric arc steel is inferior to virgin steel, which is made in blast furnaces?

Ms Ghani: My right hon. Friend, who spent a considerable amount of time as Welsh Secretary, knows very well how these relationships work. He is absolutely right: the negotiations and securing the £500 million investment have taken place via the Government here. It was important for us to make sure that the Secretary of State for Wales and everyone else involved were across this, too. He is absolutely right that there is a difference in the steel produced—my hon. Friend the Member for Scunthorpe (Holly Mumby-Croft), the hon. Lady for steel, pointed out the importance of virgin steel—but there is a growing circular economy for steel produced in electric arc furnaces. It utilises scrap metal that is in abundance in the UK—we export tonnes of it—so there is a huge amount of work to be done in electric arc furnaces. That is why the business model is so substantial and why Tata put in so much money, with our £500 million going into the £1.25 billion commitment in total.

Dame Nia Griffith (Llanelli) (Lab): The future viability of Tata’s tinsplate works at Trostre in Llanelli depends both on the proximity of Port Talbot and on the production there of the grade of steel that can currently only be produced in the blast furnace process. While I welcome the recognition of the need for increased electric arc furnace capacity in the UK, what assurances can the Minister give me that the Port Talbot blast furnace will

continue to supply steel to Trostre until such time as greener technologies are developed there? What will she do to support the development of those technologies in Port Talbot?

Ms Ghani: I am pleased that the hon. Lady recognises that whole new supply chains will be created and whole new businesses set up, with many more jobs in place too. There will now be a consultation in place. Tata has already put up its business plan for how it will continue to supply steel, but also for the work it will do with supply chains downstream. That work will continue to take place. As far as I am aware, there is no other change in any other sites. Now that the deal is out in public, work will continue at pace. I will continue to meet the chair of the steel APPG and the steel sector to ensure we are doing everything we can to back UK steel and UK manufacturing, and all the businesses in the supply chains too.

Mark Pawsey (Rugby) (Con): The Minister was a distinguished member of the Business, Energy and Industrial Strategy Committee. I cannot remember whether she was with us when we visited Port Talbot, but we saw a plant that had given great service over many years but was badly in need of updating. At a time when we send almost all our previously used steel, otherwise known as scrap, abroad, is this not the best option to provide a less carbon-intensive method of production and to secure UK manufacturing?

Ms Ghani: My hon. Friend is correct: I was a member of the BEIS Committee when we produced the report on steel. I think I said earlier that we export just shy of 9 million tonnes; it is actually eight point something, so forgive me, Madam Deputy Speaker, if my earlier figure was inaccurate. All that scrap metal can now be used within this site, which is extremely important. We know that a huge challenge is posed to the steel sector, for instance by countries that tend to dump their steel elsewhere, and we will work both nationally and internationally to do what we can to protect UK steel.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): Three thousand job losses at Tata Steel will be a huge blow to Wales. Just as happened under Thatcher, our industrial communities are being forced to pay the highest price, and it is being paid by those who can least afford it. This news comes just weeks after the Minister's Government failed to attract funding for offshore wind in the Celtic sea. The Tories have had more than 13 years in which to put in place a proper industrial strategy maximising Wales's green energy potential with a just transition from fossil fuel dependency, and with workers' futures at its heart. Is the Minister proud that her party's time in power will, once again, leave a toxic legacy in Wales?

Ms Ghani: It is unfortunate that the right hon. Member has taken such a narrow view. We are providing £500 million to ensure that the plant will continue to make steel, and to support the jobs in the industry. There are 8,000 direct jobs and 12,000 jobs in the supply chains which would disappear if there were no steel plant in Port Talbot. I should have thought that the right hon. Member, who has been so passionate about net zero, would appreciate the work that is being done in this regard. There is no

alternative energy source that can deliver net zero, at scale or within the timetable that is required, given the infrastructure that is in place.

In case the right hon. Member thinks that it is just the Conservatives who are saying this, I invite her to read what UK Steel has said about this decision. It has said that this is a really important day for the steel sector in the UK, and that the Government are showing a real commitment to the future of steelmaking here. It is not just a question of our ambitions for net zero; the UK steel sector itself has put together a road map to net zero, which this investment will enable it to reach.

The right hon. Member alluded to the Celtic freeport. That will create 16,000 jobs, and will also ensure that a supply chain in renewables continues in that part of the country. It is unfortunate that she cannot understand that the discussions that took place for so long could have continued the uncertainty, and, potentially, the age of the furnaces could have caused the site to close down. That would have been terrible, but we have ensured that we now have certainty, continuity and security.

Jessica Morden (Newport East) (Lab): We have seen years of inaction on steel from this Government while watching other countries around the world invest proactively, but the investment announced on Friday will lead to potential job losses that will be deeply felt in Port Talbot and across south Wales. Why was there no consultation with the unions and the Welsh Government, who should surely have had a voice in ensuring that there is a fair transition to decarbonisation? What will the Minister do to provide clarity for workers about, for instance, the impact on downstream plants such as Llanwern, and to address the point about the grades of steel needed?

Ms Ghani: Any change will be challenged by those potentially affected, which is why the transition board is being set up with a budget of £100 million to ensure that people who are impacted are given the support that they need. It is hard not to go on repeating that this has not come out of the blue, and that discussions have been taking place forever. I speak to the hon. Member regularly about this matter. I know that it is difficult for her to reflect on it in the Chamber, but we finally have some certainty. She mentioned that no decision had been made for what seemed like forever, but this is a really good decision: it is protecting jobs, it is protecting the industry next to her constituency, and it is ensuring that there is a future for steel at Port Talbot. It is good news, although we know that there is some difficulty, which is why, as I have said, we are establishing a transition board.

The hon. Lady also mentioned the unions. They were in Westminster recently, attending a huge event co-hosted by our fantastic iron lady, or rather steel lady, my hon. Friend the Member for Scunthorpe (Holly Mumby-Croft), as well as UK Steel. There was a presentation of the procurement policy note, but also a discussion about the road map to net zero. This is a route that was identified, and it is one that we have now taken to ensure the longevity of steelmaking in Port Talbot.

Helen Morgan (North Shropshire) (LD): The green transition should present exciting opportunities to build a fair, more prosperous economy for the benefit of

[Helen Morgan]

communities across the UK, but the job losses involved here highlight that, for some workers, when the industrial landscape shifts around them there might not be an opportunity to benefit from those opportunities. They need to be supported to train and retrain throughout their adult lives, so will the Minister take this opportunity to commit to the development of a national skills strategy?

Ms Ghani: That is a sensible point. There are skills strategies in lots of different portfolios within industry, and in these particular circumstances, as I mentioned, a transition board will be stood up with £100 million to do exactly that—to ensure that people are redeployed and reskilled so that they can continue to work in the sector.

Nick Smith (Blaenau Gwent) (Lab): The impact of the war in Ukraine has emphasised the importance of the UK's sovereign steelmaking capacity, yet an electric-only arc model means that we will have to import supplementary virgin steel and be unable to produce high-end automotive steel. Does the Minister accept that, under this deal, the self-sufficiency of our steel industry has been dealt a real blow and that our defence capabilities are badly undermined?

Ms Ghani: The answer is no. Under this deal we have protected jobs and ensured that we will continue to have a steelmaking facility in Port Talbot that supports the diversity in the supply chain. We also realise how uniquely important the blast furnaces in Scunthorpe are. We have talked about looking at hydrogen, but as I mentioned, it is untested at this scale to work within the timeframe that is needed. This deal is really good news for the UK steel sector, enabling it and us to reach our decarbonisation targets and ensuring that we are dealing not with virgin steel but with scrap steel in a way that can be recycled within UK industry. It ensures the longevity of the steel sector in Port Talbot.

Sammy Wilson (East Antrim) (DUP): No matter what gloss is put on this today, 3,000 jobs have been sacrificed on the Government's altar of net zero and decarbonisation. There can be no hiding from the fact that there are huge costs associated with this policy, and that they are becoming apparent week after week. Despite what the Opposition spokesperson said, the fact is that job losses are associated with this policy. We have seen it with steel, aluminium, oil and gas—we could go on and on. Will the Minister not accept that, as a result of this policy, we now have strategic industries under threat, we are losing jobs, we are putting greater pressure on taxpayers, we are pushing production overseas and we are making ourselves dependent on foreign producers?

Ms Ghani: The reality is that one of the furnaces in particular was coming to its end of life and the other was mature, so a decision had to be taken on whether the company would want to continue, considering the loss it was making every day in producing steel, or to transition to making cleaner steel. That was a commercial decision. It was important for us to ensure that steelmaking in Port Talbot would not disappear but continue, and this is the option that the company went for. It is the option that it has a supply chain for, and it was best that we supported it through this process and ensured that there were fewer job losses.

The reality is that any transition is going to impact jobs, which is why it is so important to ensure that support is available to enable people to skill up and transition. That is why the transition board has been set up with £100 million to help people on that journey. It is not fundamentally about achieving net zero; it is fundamentally about the age of the furnaces on the site, about the loss-making in the steel sector in the UK, particularly at this site, and about what decisions the company would take next. It was important for us to support the UK steel sector and provide it with £500 million—it has an overall envelope of £1.25 billion—to ensure that steelmaking continues in Port Talbot.

Kerry McCarthy (Bristol East) (Lab): I would have hoped to hear a rather more robust defence from the Minister of the need to reach net zero and of the massive job opportunities that will come from pursuing a green agenda, as we have seen from what is happening with the Inflation Reduction Act in the States.

I visited Port Talbot last month during the recess, and I echo what the constituency MP, my hon. Friend the Member for Aberavon (Stephen Kinnock), said about the importance of the site and of continuing to support jobs there. Concerns were raised with me about the availability of scrap and how difficult it is to recycle and retrieve scrap metal. There does not seem to be any strategy from the Government for dealing with that. Can the Minister tell us what she intends to do, working with her colleagues in other Departments, to achieve that?

Ms Ghani: As I mentioned, just shy of 9 million tonnes of scrap could potentially be used at the site. Tata has put together a substantial package, which shows that it has thought through its supply chains. A huge amount of work will continue to take place to ensure that more information is put in the public domain. No doubt there will be more public tenders, too. The scrap does exist and we recognise that electric arc furnaces produce a particular kind of steel, which is why it is important to have a virgin steel sector here in the UK as well.

I have spoken about the environmental impact and how it helps us to reduce our emissions, but it is not only about that. This site was reaching the end of its life, and these negotiations have been taking place forever. It is important that we made sure that we had the certainty and support to move on to the next conversation on how we best exploit the new site to produce cleaner, greener steel and how we make sure the contracts are in place.

Jonathan Edwards (Carmarthen East and Dinefwr) (Ind): Understandably, there has been much focus on the potential job losses at the Port Talbot plant, but the steelworks is an anchor operation supporting a vast supply chain across Wales and beyond. The Minister mentioned that Tata Steel is making an assessment, but what assessment have the UK Government made of the impact of the announcement on the wider supply chain?

Ms Ghani: The hon. Gentleman is right that the sector has a vast supply chain, and we know how important it is for UK manufacturing. Last week's data show that we are the world's eighth largest manufacturer, so supply chains are imperative.

I am also working on an import supply chain strategy to ensure that we are as resilient as possible when importing from countries that may not share our democratic values. Work has been done internally on the supply chain. To secure the money in this package, Tata had to ensure it had a business plan and sight of its supply chains. This work has been ongoing for quite some time, and a lot of it has been commercially sensitive. Now we are able to speak about it, I do not doubt that more will be made public. We will continue to work on the supply chains, and I hope to put forward the import supply chain strategy by the end of the year.

Bill Esterson (Sefton Central) (Lab): The UK is the only country in the G7 in which steelmaking is in decline. We need to be honest with ourselves that the job losses announced at Tata are a further continuation of that decline.

The Minister said there have been ongoing negotiations for a very long time on the switch to electric arc production, and she has been asked a number of times about the supply of scrap. Why is she not able to tell us that she has a plan to end the export of scrap steel and to secure its use for electric arc production in the UK, now that this decision has been announced?

Ms Ghani: The hon. Gentleman's opening comment is factually incorrect. He says we are the only country in decline, which is not true. French production has declined by 21%, German production has declined by 13% and Italian production has declined by 12%. It is appropriate to make sure we are accurate in setting the scene. His opening comment was wholly inaccurate.

These commercial decisions are based on business plans and Tata's relationship with its supply chain. The hon. Gentleman was with me at the event in Parliament last week or the week before, and we have put together a procurement policy note to ensure that we have more UK steel in our supply chains, and definitely in Government contracts. I will continue to do my best to ensure that the number goes on the opposite trajectory to steel produced in the rest of Europe.

Post Office Compensation

4.49 pm

The Parliamentary Under-Secretary of State for Business and Trade (Kevin Hollinrake): With permission, Madam Deputy Speaker, I will make a statement on the latest steps the Government are taking to ensure that swift and fair compensation is made available to postmasters whose Horizon-related convictions are overturned.

This House is aware of the distressing impact that problems with the Post Office's Horizon IT system have had on the lives and livelihoods of many postmasters. Starting in the late 1990s, the Post Office began installing Horizon accounting software, and over the years the Horizon accounting system recorded shortfalls in cash in branches. Between 1999 and 2015, those shortfalls were treated by the Post Office as caused by postmasters, and that led to dismissals, recovery of losses by the Post Office and, in some cases, criminal prosecutions. We now know that Horizon data was unreliable. I pay tribute to colleagues on both sides of this House, and in the other place, who have supported postmasters in their efforts to expose the truth and see justice done.

The Government have supported the Post Office to make significant interim payments up front—set at £163,000—to those with overturned Horizon convictions. We are also funding the Post Office to reach final settlements with these postmasters. To date, 86 convictions have been overturned. The Government and the Post Office have been clear that we want to see the victims receive swift and fair compensation. I have been monitoring the delivery of compensation to those with overturned convictions, and more than £21 million has been paid out to date. Although good progress has been made on personal damages, such as for mental distress and loss of liberty, thanks in large part to a successful early neutral evaluation process overseen by Lord Dyson, progress on full and final settlements has been slower.

That is why I can announce today that the Government have decided that postmasters who have their convictions on the basis of Horizon evidence overturned should have the opportunity, up front, to accept an offer of a fixed sum in full and final settlement of their claim—the sum will be £600,000. It will not be up to £600,000; it will be £600,000. There will be no requirement for evidence to support the claim, other than the ability to demonstrate that the individual has an overturned conviction. We have arrived at that figure by looking at existing claims that have been processed and applying a generous uplift. This will be delivered by the Post Office, with funding from the Government. To be clear, this up-front offer is available to those postmasters whose convictions have been overturned as they were reliant on Horizon evidence at the time. This payment will be made net of any sums already received, such as interim payments and partial settlements, to settle the claim fully.

Any postmaster who does not want to accept this offer can, of course, continue with the existing process. It will therefore be completely optional to accept the offer of £600,000, and the Government will continue to fund the legal costs of these postmasters to ensure that they receive independent advice ahead of making a decision. However, we hope that the change I am announcing today will provide more reassurance and

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quicker compensation to those postmasters who would prefer this option over going through the full assessment process. Almost certainly, there will be fewer people taking the option of the full assessment process. To be clear, any postmaster who had their conviction overturned as it was reliant on Horizon evidence and who has already reached a settlement with the Post Office for less than £600,000 will be paid the difference.

Postmasters who have been wrongfully convicted have some of the most severe circumstances, having lost clean records and, in some cases, their liberty, and having suffered significant financial losses and an overwhelming impact on their lives. The Government recognise that those postmasters have suffered gravely in relation to the Horizon scandal, and for too long, and so should be able to settle their claim swiftly if they wish. The Post Office is contacting the legal representatives of eligible postmasters with further information about this offer. I appreciate that some details will need to be worked through, such as how long the up-front offer remains open. I am committed to consulting the Horizon Compensation Advisory Board, which includes Members of this House, such as the right hon. Member for North Durham (Mr Jones), and Lord Arbuthnot, on this matter to make sure we get this right. However, we did not want to delay informing postmasters that there will be an optional quick and straightforward route to settlement. Postmasters may choose to have their claim fully assessed if they prefer, whereby each claim is assessed on the basis of its individual losses.

The Post Office will continue to process these claims as quickly as possible and we are encouraging it to continue to work actively with postmasters' legal representatives to make offers and payments as soon as possible. The Post Office has made offers to all 73 formerly convicted postmasters who have submitted a claim for non-pecuniary damages—non-financial personal losses. Awards for non-pecuniary damages are guided by Lord Dyson's early neutral evaluation. With regard to pecuniary damages—financial losses—only 21 claims have been submitted to date and the Post Office has made offers on 12 of these, five of which have been accepted.

The Post Office has been engaging with claimant advisers on pecuniary principles for assessing financial losses to support swifter formulation and assessment of claims. The Post Office plans to move to a remediation model of claim assessment, involving an independent assessor to facilitate settlements and resolve disputes. This remediation approach will bring greater transparency to the existing process.

We know that hundreds of postmasters were convicted during the period when Horizon was in use. The Post Office contacted over 600 postmasters to help them to appeal their conviction and that work was later taken over by the Criminal Cases Review Commission as an independent party. However, still only 86 convictions have been overturned to date and we recognise that there are a number of postmasters who have not yet sought to appeal their conviction. It is for the courts to decide whether a conviction is unsafe, but we encourage all postmasters who think their conviction may be unsafe to come forward and start the process. We hope

that being transparent about the level of compensation available via a straightforward route will encourage even more people to seek to overturn their conviction.

I am pleased to provide the House with an update on the other areas of Post Office compensation. To date, £79 million has been paid under the Horizon shortfall scheme, with offers made to 99% of the original cohort of applicants. The Post Office has made offers for 58% of eligible late claims.

Under the group litigation order scheme, the Department has paid £22 million to date. We also announced interim payments in June last year, and 99% of claimants have received the share of the £19.5 million to which they are entitled. The scheme opened for full applications in March this year. To date, 32 claims have been submitted and first settlements have been reached. I am pleased to inform the House that my Department will be publishing data online regularly on the progress of compensation delivery.

In addition to providing compensation, it is important that we learn lessons so that something similar can never happen again. That is why the Government have set up the Post Office Horizon IT inquiry and put it on a statutory footing to ensure it has all the powers it needs to investigate what happened, establish the facts and make recommendations for the future. The inquiry is progressing and we will continue to co-operate fully to ensure that the facts of what happened are established and lessons are learned. I commend this statement to the House.

Sarah Jones (Croydon Central) (Lab): I thank the Minister for his statement and for advance sight of it. This is, of course, an issue of great importance and I thank him and his Department's civil servants for the progress they have made and the work that has gone on to achieve it.

As this is my first time speaking on the matter from the Front Bench, may I put on record my tribute to the Justice for Subpostmasters Alliance and to all those who have campaigned for decades for compensation, justice and truth? I also recognise the efforts of Members across the House on behalf of their constituents, as well as the work done by colleagues in the other place. In particular, I thank my right hon. Friend the Member for North Durham (Mr Jones). As the Minister said, he is unable to be in the House today but he has played an instrumental role in helping to chart a route to justice for thousands of people and we wholeheartedly thank him for that.

The House is in unanimous agreement that the Horizon scandal has been a shocking injustice. Indeed, I think it is no exaggeration to say that it is one of the greatest scandals of modern times. While we continue to hear in the public inquiry the accounts of lives torn apart by the scandal we can never lose sight of how devastating its impact has been on those victims.

Labour will act in good faith on any announcements that aim to facilitate justice for those involved in the Horizon scandal. Having listened to the Minister, I understand the logic behind the approach that he has announced today, but I would be grateful if he answered some initial questions. First, how many people does his Department anticipate will take up this offer? Secondly, what assurances can he give the House that

the compensation being offered to those 86 individuals whose convictions have been overturned will be at a sufficient level? I have spoken to one MP today who has a case in which various accumulated costs amount to millions of pounds. What can the Government say in response to the question that, if people go through the full scheme, the compensation would be much higher? I would be grateful if he addressed what he thinks the balance is between his figure and what other people might expect to get.

Thirdly, while I welcome what the Minister has said, the wider issue, as he mentioned, is the much larger group of people whose convictions have still not been overturned. I know that there have been some proactive attempts to engage with them, but the Minister must share our frustration with the lack of progress. What more can he do to expedite this process of reaching out, contacting and talking to those people?

We understand the logic behind today's announcement, but we would appreciate the Minister's thoughts on those issues. As I said earlier, we are happy to work in good faith with the Government to get this right and take one of the many steps required if we are to make amends for what has been the most insidious of injustices.

Kevin Hollinrake: I am very grateful to the shadow Minister for her questions. First, may I welcome her to her place? I look forward to our exchanges across the Dispatch Box. I echo her comments in relation to the Justice for Subpostmasters Alliance. I met Alan Bates very early on in my tenure as a Post Office Minister. He has done an incredible job and we would not be as far on as we are without campaigners such as Alan and, as the shadow Minister said, people across this House who have worked so hard to ensure that the overall cases are heard and that people are treated fairly in terms of compensation.

I thank the shadow Minister for her support for today's initiative. Eighty six people have come forward so far. That is frustrating because we think that there should be about 600 in total who are reliant on Horizon evidence. We are frustrated, but we are keen to do what we can. We believe today's announcement will help. People can see that they will not have to go through months of claims assessments and that they will not have to engage with lawyers unless they wish to do so—and we will cover the costs of doing that—so it will be a quick and easy process for people. Anything that is said across this Dispatch Box that encourages people to come forward would be welcome. We will continue our efforts elsewhere, to make sure that the people concerned are contacted and are aware of this particular option for them.

On the levels of compensation, this will not take away from the original route. People can still go down the full assessment route. If somebody thinks they have a claim worth millions of pounds, they may well decide to go down the full route. However, I would also say that we know of about 60 people who have sadly passed away while awaiting compensation. Clearly, that is wrong and an injustice. For some people, it will be the right thing just to be able to take this money and draw a line under the whole sorry situation. If people feel they have a claim, which is at a much higher level, they can go down the same route, as that option is still available to them.

That is a judgment that they will have to make in conjunction with their legal advisers. I thank the shadow Minister for her comments.

Holly Mumby-Croft (Scunthorpe) (Con): Like many Members across the House, I have heard from people who have been truly badly affected by what has been done to them here, so I welcome today's statement. Will my hon. Friend confirm that the group litigation order postmasters will pay no income tax, capital gains tax, national insurance contributions, inheritance tax or VAT on these compensation payments, and that the process will be as smooth as possible for them?

Kevin Hollinrake: I thank my hon. Friend for her question and for her work in this area. As she knows, this is something that we dealt with following the concerns that were raised about the compensation schemes and their treatment of tax. It is also important to say that there is a benefit disregard as well. We have done some similar work to make sure that people who had access to the Horizon shortfall scheme were also treated in the same way. I think we have tried, wherever we can, to be fair and to move quickly when instances of concerns have been brought to us, and we will continue to take that approach.

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

Kirsty Blackman (Aberdeen North) (SNP): I echo the words of the hon. Member for Croydon Central (Sarah Jones) and the Minister about the campaigners who have fought so hard for justice. I thank the Minister for advance sight of the statement and for his conversations with my hon. Friend the Member for Motherwell and Wishaw (Marion Fellows) in advance of his announcement. *[Interruption.]* There have been some travel issues today.

The announcement is a welcome further move, but it cannot return the lost years, reunite families or bring back those who are gone. It is something, but it is not enough. Will those who opt to go through the full assessment process be guaranteed a minimum of £600,000, or will they possibly be offered a lower settlement as a result?

In his answer to the hon. Member for Croydon Central, the Minister mentioned the 60 individuals who have sadly passed away, at least four of whom took their own life as a result of this scandal. Can he give us more clarity on how the compensation offer will apply to those who have died? It was not set out in his statement. Will their families be offered the same £600,000? He sort of mentioned it in one of his answers, but if we could have absolute clarity for those who are watching, it would be incredibly helpful.

Kevin Hollinrake: I am grateful to the hon. Lady for her questions and her support for today's announcement. She is absolutely right: no amount of financial compensation can truly compensate people for what has happened. It is an horrendous set of circumstances and one of the biggest scandals that this nation has ever seen.

The hon. Lady is right, but as I say, it was important that we drew the line somewhere on what the compensation level would be. We looked at the average compensation claims that were coming through for overturned convictions,

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and we settled on a figure on the generous side of that. We think it is a fair figure, but of course people can still take the other option and go down the full assessment route.

The hon. Lady makes a very good point about whether people who have been awarded less through the full route would get the minimum level. That is something on which we are working with the advisory board. We are very keen to engage with the advisory board; I think it is very important that people who are looking for compensation have the reassurance that the advisory board is in place. Its parliamentary members have been very vocal campaigners on the issue for a long time.

For anybody who had an overturned conviction, but who has passed away: yes, if they had received a lower amount, it would be topped up to £600,000.

Mark Pawsey (Rugby) (Con): The Select Committee on Business and Trade heard some absolutely harrowing accounts of the impact on postmasters who were falsely accused. Is the Minister happy that we can now finally conclude this matter and get people back to living normally?

Kevin Hollinrake: I thank my hon. Friend for all his work, not least on the Select Committee, of which he has been a member for a long time; he does a fantastic job on it. He is exactly right: we want people to be able to draw a line under the devastating impact this has had on their lives and livelihoods, and move on. It is one thing establishing what went wrong, but a compensation scheme then has to be put in place. It invariably takes a lot of time to assess somebody's loss, because of the complexities around financial losses and the impact on people's personal lives. This is a way to draw a line under things very quickly, which is exactly the intention behind the scheme. We hope that people will step forward and then be able to move on with their lives.

Clive Efford (Eltham) (Lab): I pay tribute to the Minister for his handling of the matter. I also pay tribute to his predecessor, the hon. Member for Sutton and Cheam (Paul Scully), to Lord Arbutnot and to my right hon. Friend the Member for North Durham (Mr Jones): they have done an excellent job on what is an unbelievable scandal.

My constituent was convicted and went to prison under the Horizon scheme, but the Post Office has never accepted that it was Horizon evidence that sent him to prison. What position does that leave him in? Does the Minister agree that it would not be fair for the corrupt Post Office to be able to deny that person the compensation to which he is clearly entitled? The chances that Horizon had nothing to do with his conviction are minuscule. It should not be possible for the Post Office to prevent him from getting compensation. Can the Minister reassure me that my constituent will be able to access the scheme?

Kevin Hollinrake: I echo the hon. Gentleman's sentiments about my predecessors, not least my hon. Friend the Member for Sutton and Cheam (Paul Scully), who did a brilliant job and has been hugely supportive of the work I have done since taking over his responsibilities. I

also thank the hon. Gentleman, who I think has spoken in every statement and debate on the matter in which I have participated as a Back Bencher or as part of my ministerial duties. He does an excellent job representing his constituents and many others.

The hon. Gentleman makes a very interesting point about Horizon evidence. I am happy to meet him to discuss his concern about the case. Of course, we do not interfere with what the courts decide. That is the difficulty: the courts follow independent processes under the separation of powers, as he is aware, so a conviction cannot be overturned unless the court so decides. However, I am very happy to look at the case, perhaps in conjunction with his constituent. I am keen to help wherever we can.

Richard Foord (Tiverton and Honiton) (LD): My question is slightly related to the previous one, and I agree that our focus must be on ensuring that everyone who was caught up in this scandal is properly compensated. Some of the postmasters who were dismissed because of the scandal were not formally prosecuted, perhaps because they paid the cash difference for the alleged shortfall before prosecution happened. Nevertheless, they still faced dismissal and many of them were still dismissed. It has been incredibly difficult for those people to get compensation, and this whole ordeal continues to drag on. Can the Minister outline what steps have been taken to ensure that everybody receives swift and fair compensation, including those postmasters who were not prosecuted?

Kevin Hollinrake: The hon. Gentleman raises an important point. It is right that everyone is fairly compensated, and the detriment that people experienced will vary. As he rightly says, not all were prosecuted. That is why we have the historical shortfall scheme running, and 99% of those cases have been made offers. We also have the group litigation order scheme, which is about to be rolled out and is open for claims right now.

As I said in a previous answer, the process of assessing someone's claim is complex and difficult, and in every single compensation scheme I have been involved in, including some of the banking schemes, it has taken a long time to settle those losses. We are looking at every possible way to expedite not just the overturned convictions scheme, but the other schemes, and we have some other ideas on how we might do that. We share the hon. Gentleman's sentiment and we are working night and day to get those claims settled more quickly.

Seema Malhotra (Feltham and Heston) (Lab/Co-op): I thank the Minister for his statement today. Decent, honest people have had their lives torn apart. They have been put in prison, they have been made to wait years for justice and it has been a long, painful and arduous process to get convictions overturned and seek access to compensation. Could the Minister provide an estimate of the timescale for compensation completion for those he considers eligible and not yet fully compensated? Could he also update the House on the next phase of the public inquiry? That is critical, as representatives of the Post Office, the Government and the Japanese firm Fujitsu are due to give evidence. Why has it taken so long for evidence to be taken from those key stakeholders and for them to be held to account?

Kevin Hollinrake: I thank the hon. Lady for her work in this area, from both the Front Bench and the Back Benches. She is right to say that it has been a long and arduous process for those postmasters. That is one reason we brought forward this scheme, because we do not want the compensation process to be long and arduous. We hope to deliver all compensation by our August 2024 deadline, but we are keen to deliver compensation before that. This scheme will be a new way to try to accelerate the process. As I have said before from the Dispatch Box, we will not let an arbitrary date get in the way of paying somebody fair compensation. It is important to say that.

The public inquiry is independent; we do not put pressure on it to hear things within certain timescales, and Sir Wyn Williams is more than capable of making sure that people give evidence in good time. For me, and I think for others in this House, this is not just about lessons learned. If we can identify people who were responsible for this scandal, they should be held to account.

Andrew Bridgen (North West Leicestershire) (Reclaim): Within weeks of being elected to this House in 2010 I had a meeting with my constituents, Mr and Mrs Rudkin, and was told how they had been treated at the Post Office, and the huge miscarriage of justice. I was delighted when Mrs Rudkin was one of the first nine to have her criminal conviction overturned—back in December 2021, I think—but it is clear that hundreds have not had their convictions overturned yet and are not able to claim the compensation. For them, the misery will go on. To anyone in this House who thinks that they are guilty—they are not. The clear evidence is there in the paperwork. The Post Office relied on the fact that it maintained in court that no one could alter those sub-postmasters' computers remotely without them knowing about it, but we know from the evidence that Fujitsu was doing it day after day, fixing problems in the Horizon system. Therefore, all those convictions are unsafe. Let us get on, get them the compensation they deserve and bring this sorry episode to an end.

Kevin Hollinrake: We absolutely agree with the hon. Gentleman. I thank him for all his efforts on behalf of Mr and Mrs Rudkin and others. Clearly, his role in the campaign has brought the issue to light and got us towards a position where we will get justice quicker. Of course, we want to ensure that the convictions on the basis of Horizon evidence are overturned. Sadly, we cannot do that without people coming forward, so the united call from this House to the probably 520 people who have not yet come forward is this: please come forward; if your conviction is unsafe, it will be overturned, and compensation, which we are keen to pay out quickly, will be waiting for you.

Sammy Wilson (East Antrim) (DUP): I thank the Minister for the energy and dedication that he has put into trying to move this issue along, which I know will be

sincerely appreciated by those who have been affected. However, no compensation will ever reflect the financial losses, family disruption, social stigma and mental trauma that people were put through as a result of deliberate lying by the Post Office and Fujitsu about Horizon. I hope that he will ensure that those who are guilty of this gross miscarriage of justice do not escape the process unscathed.

Kevin Hollinrake: I am grateful to the right hon. Gentleman for his kind words and for his campaigning on this issue, about which he has spoken often. He describes some of the horrendous experiences that people have had following the prosecutions and dismissals, and he is absolutely right that no amount of compensation could really make up for the destruction of lives. He talks about people lying, or lying by omission. The biggest part of this scandal is that people in the Post Office realised what was going on 10 years ago but said nothing, despite the fact that some people were in jail and they must have known that those convictions were unsafe. It is absolutely unacceptable; it is scandalous; and I absolutely join his call for people, when identified as responsible, to be held to account.

Duncan Baker (North Norfolk) (Con): This whole episode has shown very clearly just how beloved the institution of our post office network is—I can say that as a former postmaster. The banks will not stop what they are doing; their trend is to remove as many branches as possible from our high streets up and down the land. Of course, that puts enormous pressure on the post office network, which has to pick up the slack—I have talked to the Minister about that before. Can he assure me that he will put every effort into ensuring that post offices are invested in properly so that they can be the future dealer of authorised financial services on our high streets, perhaps making them the pinnacle of banking hubs in the future?

Kevin Hollinrake: I thank my hon. Friend for all his work in this area. He, too, has been a consistent campaigner on this matter, and, as the only Member of Parliament who was previously a postmaster, he understands it well. I could not agree more with his comments: the post office network is held in such high regard across the country. This scandal has not in any shape or form affected the brand itself, which is still highly regarded around the country and has a very bright future as long as it is properly remunerated. He raises an interesting point—one that I have raised with banks, with UK Finance and others, and with fellow Ministers, including the Economic Secretary to the Treasury, who is on exactly the same page as me—that if banks want to save money by closing branches up and down the country, that is a commercial choice for them, but they have to leave behind provision for access to cash and deposits. If that means that they have to pay the Post Office and postmasters more for that service, so be it. I very much encourage the Post Office to take a robust line in negotiations to ensure that we get the best possible deal.

Points of Order

5.19 pm

Bridget Phillipson (Houghton and Sunderland South) (Lab): On a point of order, Madam Deputy Speaker. I am seeking your guidance and assistance on how I might ensure that I receive answers from the Secretary of State for Education to questions from me and a number of Members across this House about the growing crisis of reinforced autoclaved aerated concrete in our schools—questions which, in some cases, have remained unanswered for more than 10 days after the due date has passed. May I also ask whether you have received notice that an Education Minister proposes to update the House about the situation across our schools estate before the House rises tomorrow? In particular, have you received notice of whether Ministers intend to publish a new and accurate list of the affected school premises?

Madam Deputy Speaker (Dame Rosie Winterton): I thank the hon. Lady for her point of order, and for notice of it. Obviously, I am not responsible for the timing of answers to parliamentary questions, but I know Mr Speaker is very keen to remind Ministers of the importance of answering questions in a timely manner. The Procedure Committee also takes a close interest in this issue, and the hon. Lady might like to raise it with the Chair of that Committee, the right hon. Member for Staffordshire Moorlands (Karen Bradley).

To the hon. Lady's second point, I have had no notice from Ministers that they intend to make a further statement on the matter this week. However, the hon. Lady is lucky that not only are a number of Treasury Ministers present, but the Leader of the House is present and will, I am sure, have heard her point of order. As Mr Speaker said last week, he knows that Members would like an update before the conference recess. I am sure that that will all be conveyed.

Dame Diana Johnson (Kingston upon Hull North) (Lab): On a point of order, Madam Deputy Speaker. I was not able to raise this issue at Home Office questions this afternoon, due to the limited time available for Back Benchers. It relates to the role of the Home Affairs Select Committee. As part of our scrutiny function, the Committee has asked to accompany the independent chief inspector of borders and immigration on one of his inspections. The Home Office has refused that request, and I wanted to raise the matter with Ministers on the Floor of the House today. We have been told numerous

times that the Home Office welcomes scrutiny of its work, and we do not understand why our request would be refused. Is there anything that you can do to assist the Committee in carrying out its scrutiny?

Madam Deputy Speaker: I thank the right hon. Lady for her point of order and also for giving me notice of it. I think all Members of this House agree that it is incredibly important that Select Committees of the House have the access they need to facilitate effective scrutiny, and I am also very aware that this is not the first time that the right hon. Lady has raised this sort of issue. It is not a point of order for the Chair, but she has made an important point, and I know that her comments will have been noted by Treasury Ministers and will be fed back. Perhaps we might get a resolution that would be fitting, enabling the right hon. Lady's Committee to carry out its scrutiny.

Alison Thewliss (Glasgow Central) (SNP): On a point of order, Madam Deputy Speaker. At 12 noon tomorrow, we will see the publication of the long-awaited Brook House inquiry, and I wondered whether the Home Office had been in touch with your office to ask whether some time might be made tomorrow for a statement in the House on this issue. It will be some weeks before the House returns from conference recess, and given how long people have been waiting for the outcome of that inquiry, it would be useful to know whether something is coming to the House tomorrow on that.

Madam Deputy Speaker: I thank the hon. Lady for her point of order. I did not have prior notice of it, so I have not been able to make any investigations. I am not aware at this point that a statement is intended; however, the hon. Lady is a very experienced Member of the House, and I am sure she will be seeking ways to clarify whether a statement is intended and, if not, whether there are alternative ways in which the issue may be raised.

BUSINESS OF THE HOUSE (TODAY)

Ordered.

That, at this day's sitting, the Speaker shall put the Questions necessary to dispose of proceedings on the motion in the name of Penny Mordaunt relating to Private Members' Bills not later than one hour after the commencement of proceedings on the motion for this order; such Questions shall include the Questions on any Amendments selected by the Speaker which may then be moved; the business may be proceeded with, though opposed, after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.—(*Steve Double.*)

Private Members' Bills

Madam Deputy Speaker (Dame Rosie Winterton): The House will wish to know that the manuscript amendment in the name of Sir Christopher Chope has been selected. Copies are available in the Vote Office and a revised Order Paper is being posted online.

Motion made, and Question proposed,

That—

(1) notwithstanding the provisions of Standing Order No. 14(8), Private Members' bills shall have precedence over government business on Friday 20 October 2023;

(2) such bills shall be arranged on the order paper in accordance with Standing Order No. 14(9);

(3) Bills set down for second reading shall be arranged as follows—

- (a) the Order for Second Reading of any Bill set down for Friday 20 October 2023 is read and discharged;
- (b) notwithstanding the practice of the House, Bills set down for second reading on a day later than Friday 20 October 2023 may be set down for that date, provided that the Bill has been printed by today;
- (c) a Member may give notice in relation to no more than one Bill for Friday 20 October 2023 to the Public Bill Office only by email from their parliamentary account between 10 and 10.30am on Tuesday 19 September 2023;
- (d) after 10.30am on Tuesday 19 September, the Public Bill Office may accept any further notices relating to private Members' Bills;
- (e) valid notices given in accordance with sub-paragraphs (c) and (d) will be arranged according to the order in which they are received.—(*Penny Mordaunt.*)

5.25 pm

Sir Christopher Chope (Christchurch) (Con): I had understood that the Leader of the House was going to indicate that she is willing to accept the manuscript amendment. I would happily give way to her now to receive that confirmation, because it would enable me to keep my remarks much more brief than would otherwise be the case.

The Leader of the House of Commons (Penny Mordaunt): I am happy to intervene. The Government are minded to accept my hon. Friend's amendment. I will be happy to explain in closing the debate what we are going to do.

Sir Christopher Chope: That is very good news. I thank Mr Speaker for selecting the manuscript amendment.

It is a sad reflection that we are debating this motion, because on Thursday, when the Leader of the House gave the business for this week, she said:

"The business for the week commencing 18 September will be as follows",

and the business for Monday 18 September was

"General debate on the UK automotive industry, followed by general debate on UK export performance."—[*Official Report*, 14 September 2023; Vol. 737, c. 1016.]

There was no mention whatsoever of having a motion on the Order Paper relating to private Members' Bills, and in particular to trying to introduce some rather novel processes. That is why I tabled the amendment, which had to be a manuscript amendment, and I am delighted that Mr Speaker selected it.

Sir Edward Leigh (Gainsborough) (Con): My hon. Friend has done a service to the House, because I suspect that the Government just did not like the idea of an independent-minded hon. Member being able to produce and debate 17 Bills. What is the harm of that? The fact is that these time-honoured processes are there for a purpose. They are designed to protect Back Benchers, who have very few other rights. From this saga, the Government should learn a lesson not to interfere with what we have always done in this House. These processes are designed to ensure that Back Benchers are given a voice.

Sir Christopher Chope: I am grateful to my right hon. Friend for what he says. I would not be so harsh on the Government, because they have just indicated that they will accept my amendment, but the point he makes is that by deleting paragraphs (2) and (3) of the motion, the amendment will ensure that established practice and precedent continue to apply to the decision of the Government to provide another day this Session on which private Members' Bills shall have precedence over Government business.

By the time of Prorogation, this Session will have lasted more than 18 months, and I do not think that to have one additional day for private Members' Bills beyond the 13 normally allocated for a Session is particularly generous. The 2017-19 Session was similarly extended, and on 30 January 2019 the House agreed to three extra private Members' Bill Fridays. That was done in the normal process, with all the people who had already put their Bills down for those days given precedence according to the rules.

The amendment would also ensure that normal rules for business remain, as set out in Standing Order No. 14(9), and that the long-standing rule of practice that a Bill set down for a specific day cannot then be brought back to an earlier date will be preserved and honoured. Indeed, that practice was applied in this very Session, to the Pensions (Extension of Automatic Enrolment) Bill, which was introduced initially on 20 July 2022 but was put back by the Member in charge to 17 March 2023. The Government then took a liking to the Bill and wanted to bring it forward, but it was not possible to do that so a No. 2 Bill had to be introduced. That is standard practice: if somebody has put their Bill too far down the Order Paper and they wish to bring a similar Bill forward, they can always issue a No. 2 Bill. That is why I am very pleased that the Government have decided to honour precedent and good practice and accept my amendment.

5.30 pm

Lucy Powell (Manchester Central) (Lab/Co-op): I thank the Leader of the House for moving this motion.

While I welcome time for private Members' Bills, it is still entirely unclear why we need another sitting Friday to consider them. As I said last Thursday, the Government are putting forward not much at all for the parliamentary time they control. All we have had this week and most of last is general debates and statutory instrument debates on the Floor of the House. There have been so many Backbench Business Committee sittings that the Committee has run out of bids. Why can we not consider these last few private Members' Bills in the sitting days we have remaining?

[Lucy Powell]

I am interested in what the Leader of the House has to say about what I understand are the Bills the Government expect to be considered on 20 October. The Worker Protection (Amendment of Equality Act 2010) Bill and the Hunting Trophies (Import Prohibition) Bill, both Government handouts, have been gutted and delayed in the House of Lords. The hunting trophies Bill has broad support from across both Houses, but a small group in the Lords with clear personal interests are holding it up with dozens and dozens of amendments. It will take many more days for the Lords to consider all those amendments, so what does the Leader of the House think we will be discussing on 20 October and what is she doing to ensure that we have some Bills to discuss?

Does this not all serve as another embarrassing reminder that the Government have run out of ideas? Our zombie Parliament has no Government Bills to consider on most Mondays, Tuesdays and Wednesdays, yet the Government now want an extra Friday for private Members' Bills they have lost control of in the House of Lords.

5.32 pm

Wera Hobhouse (Bath) (LD): I am grateful that the Government are introducing an extra sitting Friday to conclude business that has cross-party support and has finally been put through the House of Lords. We in this House can now make a strong statement about what we really want to achieve on workers' protections. It is therefore important that all of us across the House support the introduction of this one extra private Member's Bill Friday sitting to conclude important business that I understand is very much the will of the House.

5.33 pm

The Leader of the House of Commons (Penny Mordaunt): I do not intend to detain the House for long, but I wish to bring colleagues up to speed and answer some of the points made.

The manuscript amendment in the name of my hon. Friend the Member for Christchurch (Sir Christopher Chope) would leave out paragraphs (2) and (3) of the motion, and the Government are content to accept it. I agree with the comments made in that respect.

Private Members' Bills are an invaluable opportunity for Members to promote legislation on the causes they support, and the Government have expressed support for a number of private Members' Bills in this Session. I pay tribute to Members for all the work they are doing on those Bills and for engaging in a constructive and cross-party way to secure their progress.

Some 16 private Members' Bills are on the statute book and more are making progress through the House of Lords. That is even more than in the last Session, which saw 13 private Members' Bills reach Royal Assent. In this Session, we are on track to have secured the most private Members' Bills becoming law in any Session. I hope the House approves this additional sitting Friday, and I look forward to seeing progress on further private Members' Bills in this Session.

Private Members' Bills and Backbench Business time are just as important as Government time and legislation. In addition to the private Members' Bills, we have put forward an enormous amount of legislation on a whole raft of issues, including strengthening our borders, protecting our citizens and guaranteeing them access to public services and public transport, and many other things. We are busy working on the programme for the fourth Session of this Parliament.

Finally, to reassure Members who are particularly concerned about the Worker Protection (Amendment of Equality Act 2010) Bill and the Hunting Trophies (Import Prohibition) Bill, those Bills are making progress and I expect them to return to this House.

Manuscript amendment made: Leave out paragraphs (2) and (3).—(Sir Christopher Chope.)

Main Question, as amended, put and agreed to.

Ordered,

That, notwithstanding the provisions of Standing Order No. 14(8), Private Members' bills shall have precedence over government business on Friday 20 October 2023.

UK Automotive Industry

5.35 pm

The Minister for Industry and Economic Security (Ms Nusrat Ghani): I beg to move,

That this House has considered the UK automotive industry.

It was only two months ago that I was standing in front of the House addressing a motion tabled by the Opposition on the UK risking losing the automotive industry. That is evidently not the case. With the Government's lead, the UK continues to be one of the best locations globally for the sector. Votes of confidence in our economy have been showcased by three major automotive announcements in recent months.

The automotive industry is a vital part of the UK economy and is integral to supporting growth by creating high value added jobs across the country, enhancing export opportunities and helping to deliver the Government's overarching goal of making the UK a global hub for innovation. In the span of just 10 weeks, the Government secured three major announcements on automotive, proving that the country is internationally competitive for vehicle manufacturing. These investments will secure green, high-quality jobs, strengthen our supply chains and boost economic growth. I am confident that more will follow.

The UK's competitive business environment and regulatory system, combined with the Government's targeted approach to support the enhancement of the innovation ecosystem, has attracted some of the most prestigious manufacturers to invest here. Last week, we celebrated BMW Group's announcement that it is investing £600 million, which will bring production of two new all-electric Mini models to Oxford from 2026. It will enable the site to fully transition to electric vehicle production from 2030.

As my hon. Friend the Member for North Swindon (Justin Tomlinson) and the hon. Member for Oxford East (Anneliese Dodds) will be aware, with the support of the Government, this investment will secure the future of the 4,000 staff employed at the Oxford manufacturing plant and at the body pressing facility in Swindon. BMW has been part of the UK auto manufacturing family since 2000, and by 2030 it will have invested more than £3 billion in our country. Our joint success story continues throughout the transition to electrification.

BMW's announcement builds on last week's good news that, following a £100 million investment, Stellantis has started electric van production in its Vauxhall plant in Ellesmere Port. This transformation is also historic, as it makes the plant the first all-electric vehicle facility in the UK and one of the first in Europe.

Rachel Hopkins (Luton South) (Lab): The Minister and I have had many conversations on electric vehicle production, as she knows, but in January 2024—just some three months away—UK car and van makers, such as Vauxhall in Luton South, are facing 10% tariffs on exports of electric vehicles if they cannot source enough home-made batteries. That is despite the Government having had more than two years to prepare for the introduction of these rules of origin, which they negotiated. The Minister is aware of this, as I have raised it many times. With just over three months to go, can she just admit that she is failing our motor manufacturers and is willing to chuck them under the bus?

Ms Ghani: The hon. Lady started off appropriately by talking about how we work collectively on this issue. The rules of origin and tariffs were not just negotiated by us—there was another party at the table. The tariffs, if they are implemented, will impact not only on the UK car manufacturing sector but on manufacturers in Europe. As there are more cars imported from Europe into the UK, the burden will be far greater on those countries. The negotiation took place pre-covid and before Russia's invasion of Ukraine. Of course, there is now a tight deadline, but negotiations with Brussels always go to the wire.

The important thing is this: we are negotiating hard for the UK automotive sector. Those manufacturers in Europe were also desperately trying to negotiate hard, because this impacts them just as much. Just as we have the Society of Motor Manufacturers and Traders—the automotive sector's umbrella group—campaigning, they have groups campaigning in Europe. Just last week, there was a huge amount of news coverage about how Europe is now incredibly concerned about the flood of cheaper electric vehicles into its market. The argument we are making should definitely be taken to the EU, because the tariffs would impact car manufacturing in mainland Europe, too.

Liam Byrne (Birmingham, Hodge Hill) (Lab): The truth is that while gigafactories are now being built right the way across Europe, we need at least eight gigafactories with about 15 GW of capacity in the UK—including, I might say, one in the heart of the west midlands, which is home to about a third of UK automotive production. In the last Metro Mayor election, both the Conservative Mayor, Andy Street, and I promised that we would get that gigafactory built; it is still a large open space. When does the Minister anticipate those eight gigafactories being built in the UK? When does she anticipate a gigafactory coming to the Coventry airport site? If we fail, our automotive industry will be hit with tariffs soon and we will put 114,000 jobs in jeopardy.

Ms Ghani: The Tata gigafactory announcement ensures that we are front-footed when it comes to gigafactories—it will be one of the largest factories in Europe. The right hon. Member and the Labour party are obsessed with us needing five or eight gigafactories, but it is about capacity. It has been noted that we need, I believe, 89 GW by 2030, and with both Tata and Envision we are two thirds of the way there. That is how we need to compare with the rest of Europe: it is not about the number of factories; it is about the level of capacity that they provide. Even though we have those two in place, we are not complacent and will continue to do everything we can to secure further investment.

The right hon. Member talked about a particular site. Obviously, that will have to go through two funds within my Department, but we will always look at solid investment for even more gigafactory capacity in the UK.

Liam Byrne: I am grateful for that reassurance, because this is one question on which both the Conservative Mayor and I would be happy to come and lobby on behalf of the west midlands. The point is that we are told that we need 130 GW of capacity in the UK by 2040. Now, that may be eight sites or it may be more or fewer, but the

[Liam Byrne]

key thing is that we cannot see a plan for the UK getting that capacity in place, unless the Minister gets up and tell us that there is a plan that she is about to reveal.

Ms Ghani: The right hon. Member and, of course, the Mayor for the West Midlands lobby incredibly hard—as they should, because they have fantastic sites for potential gigafactories—and those negotiations will continue. I always used to say at the Dispatch Box that we needed 100 GW of capacity, but the figure is now 89 GW. Envision and Tata provide us with a solid footing to get up to the capacity that we need, but we will not be complacent; we will continue our work.

As hon. Members will hear throughout my speech, over the summer we put in place a consultation on a battery strategy. I believe that, outside Norway, no other European country has such a strategy. We are working to produce a strategy to ensure that we have substantial capacity in the UK. The Tata commitment is huge, and I will allude to that as well. I mentioned Stellantis, which has started electric van production in its Vauxhall plant in Ellesmere Port. That transformation is also historic, as it makes the plant the first all-EV facility in the UK and one of the first in Europe.

I turn to gigafactories, the favourite topic of the right hon. Member for Birmingham, Hodge Hill (Liam Byrne). In the summer, we also helped to secure more than £4 billion of investment from Tata for a new gigafactory. At 40 GW, it will be one of the largest battery plants in Europe, equivalent to the size of almost 65 football pitches. It will create up to 4,000 highly skilled jobs as well as thousands of further jobs in the wider supply chain for battery materials and critical raw minerals. Most importantly, the investment helps to turbocharge our switch to zero-emission vehicles by providing almost half the battery production needed by 2030. It is not that we need 12, 15 or five; it is about the capacity we need. Tata takes us two thirds of the way there and Envision is on top of that.

The announcements are the most recent in a line of investment decisions over the last couple of years. In 2021, Nissan and Envision announced a £1 billion investment to create an EV manufacturing hub in Sunderland. Ford joined the line-up in 2021 with a £227 million investment in Halewood to make the company's first EV components site in Europe, and increased its investment in the plant to £380 million in 2022. Last year, we saw Bentley commit more than £2.5 billion to transition its Crewe plant to zero emission vehicles, with the first EV model to roll off the production lines around 2025.

Jaguar Land Rover has also announced that it will invest £15 billion over five years into its industrial footprint as part of its move towards electrification. That is great news for the west midlands and Halewood, where Jaguar Land Rover has production sites, research and development facilities and its headquarters. These investment decisions are votes of confidence from a highly productive and innovative sector, showcasing that the UK has the best to offer when it comes to green manufacturing and new and future technologies.

Paul Howell (Sedgefield) (Con): The Minister is listing some fantastic organisations and great businesses around the country, but their size is such that the businesses that supply them are massive organisations in their own

right. I have Gestamp in Newton Aycliffe, a supplier of subframes to all over the world, from Nissan in Sunderland to Volvo China. They are huge businesses. Does the Minister recognise the importance of the supply chain, not just the headline businesses?

Ms Ghani: My hon. Friend is right that the supply chain is critical to ensure that we continue to manufacture at pace. Just last week, we “leapfrogged”—I believe that is the quote—the French to become the eighth largest manufacturer globally, which shows how important our supply chain is. There are kinks in the supply chain and a lot of pressure—the Inflation Reduction Act on one side, covid on the other—while trying to get hold of critical minerals for the base products. I have been working with industry, and we will publish an import strategy-supply chain piece of work soon to make sure that we are shedding light and doing everything we can for our advanced manufacturing sector.

We have a strong and valued relationship with the sector, stemming from the UK's rich history in auto manufacturing.

Katherine Fletcher (South Ribble) (Con): I am grateful to the Minister for sharing the litany of successes in our proud automotive industry. I gently remind her that automotive includes trucks, not just cars. She mentioned the history of our production; Leyland has been making trucks since Victorian times and has a proud history—we still see the signs. It is now investing in making smaller electric trucks, reconfiguring its factory and taking on apprentices. It is a huge part of the Leyland industrial community. Can I make sure that my hon. Friend does not forget the Leyland DAF group's wonderful truck heritage?

Ms Ghani: My hon. Friend is a passionate advocate for Leyland. Even if I wanted to, I would not be able to forget the importance of Leyland and its history, and the truck sector. I hope she will forgive me for my reference to automotive, as we tend to bag everything in.

Katherine Fletcher: The Minister is very welcome to come and visit.

Ms Ghani: I would love to. More importantly, I was recently at a site where we saw trucks that used hydrogen, ensuring that construction sites achieve their net zero ambitions. Leyland will not be forgotten, due to my hon. Friend's hard work.

Although we are not reinventing the wheel, we are witnessing the biggest transformation this sector has gone through since the first Ford models came off the production line. New vehicle technologies are emerging and shaping our understanding of mobility daily.

In the transition, the UK's aim is to lead the future by creating it. Our primary objective is to boost private sector investment across the whole of the UK and create the right conditions for all businesses to innovate, by giving them the confidence to do so. That is why Government have created a comprehensive and long-standing programme of support, which includes the Advanced Propulsion Centre, the automotive transformation fund and the Faraday battery challenge—all tangible interventions that industry can access. We believe that, through those programmes, we can de-risk private investment in R&D,

fast-track the commercialisation of new technologies and unlock the industrialisation of our EV supply chains.

John Redwood (Wokingham) (Con): Would the Minister like to give us a few thoughts on what she thinks the opportunities are for synthetic fuels, sustainable fuels and hydrogen? How will they fit in around her battery vision?

Ms Ghani: My right hon. Friend's views on electric vehicles and zero emissions are well documented. As I mentioned, a hydrogen strategy is also in place. I have been to a number of projects where vehicles are using hydrogen to ensure that that technology is exploited and that there is supply and demand in the chain, too. We are looking at sustainable alternative fuels not only in the automotive sector but in the aviation sector, so it is not just in that space. All alternative fuels will be investigated.

The future of the auto sector is electric—although I know that my right hon. Friend would like it to be much wider—automated and connected. The UK is well placed to consolidate its position among global R&D leaders as these technologies begin to commercialise, creating jobs and valuable new services for our businesses and communities. Our flagship Commercialising Connected and Autonomous Mobility programme will bring benefits across the UK. The Centre for Connected and Autonomous Vehicle's recent £66 million Commercialising CAM programme 2025 aims to create an early commercial market that could be worth £42 billion by 2035. This innovation will save lives, create jobs, enable more efficient movement of people and goods, address chronic driver shortages, and better link under-served communities to vital services. As part of the programme, on 5 September, I was pleased to announce £18.5 million of public grants to 13 projects and 43 organisations across the UK to strengthen our capabilities in the CAM supply chain. I then had first-hand experience of a self-driving vehicle with Wayve, near King's Cross. These technologies are here. They are no longer something from science fiction. Today, we can take automated bus journeys in Didcot and Edinburgh, with more world-class automated passenger and freight services to follow in the coming months.

In addition, through Government policies, we are enabling future mobility in the UK. We launched the full local electric vehicle infrastructure fund in March 2023. Following a pilot, it provides a further £381 million over the next two financial years to deliver tens of thousands of local charge points across England. Furthermore, to enable long-distance journeys, the rapid charging fund will future-proof electrical capacity at strategic locations to prepare the network for a fully electric car and van fleet—not just cars.

Katherine Fletcher: Hear, hear.

Ms Ghani: I hear my hon. Friend. With up-to-date policymaking, we ensure that consumers and taxpayers get the best possible option of modern auto transportation.

As recent investment decisions suggest, our message—I keep reiterating it as co-chair of our industry-Government forum, the Automotive Council—that the Government have the automotive sector's back, was heard loud and

clear. In that regard, we do not shy away from the challenges the industry has been facing: rising costs because of Putin's horrific war in Ukraine; supply chains disrupted by covid aftershocks; and a fierce international competition for green manufacturing investment, rooted in an economic security concern, leading to countries choosing protectionist tools and consequently threatening the hugely important global supply chains that rely on cross-border collaboration. Those are all serious challenges for the UK automotive sector.

Those issues, however, are not unique to us. Countries across the globe face similar challenges and provide different responses. Some feel that the best way to reach pole position in the race to secure green manufacturing is to spend incredible, eye-watering amounts of their taxpayers' money. We have taken a different approach and concentrate on the best way to encourage investment with targeted support. We have more than a chequebook to attract companies to these shores. Our highly productive and skilled workforce, focus on innovation and ease of doing business are key factors in a company's decision to base itself in the UK. We do not need more evidence of that than the three recent announcements I mentioned earlier.

As co-chair of the Automotive Council, I consult regularly with representatives of auto companies and listen to their views on how the UK can raise its international competitiveness. Our competitive business environment and regulatory system evidently continues to stimulate investment in the UK, but that can only come from a fruitful exchange with industry and by addressing concerns raised. For example, in February, we announced the British Industry Supercharger, a range of targeted measures to ensure electricity prices for key energy-intensive industries, including battery manufacturing, are in line with major economies around the world. An issue raised by many colleagues on both sides of the House is skills. We understand automotive companies need highly skilled individuals across the entirety of their business. One reason the UK is attractive is our world-leading universities, with four UK institutions in the global top 10, according to the QS world university rankings. But that is not all. We support the auto sector through the apprenticeships levy, with £2.7 billion in funding by the 2024-25 financial year. That will support apprenticeships in non-levy employers, often small and medium-sized enterprises, where the Government will continue to pay 95% of apprentice training costs.

We also recognise the importance of a level playing field. That is why, at spring Budget, the Chancellor launched a new capital allowances offer. Businesses will now benefit from full expensing, which offers 100% first-year relief to companies on qualifying new main rate plant and machinery investments from April 2023 until March 2026; the 50% first-year allowance for expenditure by companies on new special rate, including long life assets until 31 March 2026; and the annual investment allowance, providing 100% first-year relief for plant and machinery investments up to £1 million.

One issue that has already been touched on is our relationship and tariffs with Europe. To support our industry through the transition, we must also address any and all barriers to trade with partners and markets all over the world. Our closest trading partner is the EU, with whom we share not only climate goals and a

[Ms Ghani]

trajectory towards electrification, but deeply integrated supply chains. Over 50% of cars manufactured in the UK and exported are destined for EU consumers.

For those reasons, we are working closely with industry to address its concerns about planned changes to the rules of origin for electric vehicles in the trade and co-operation agreement between the UK and the EU. Since signing a deal, unforeseen and shared supply chain shocks have hit the auto industry hard. That has driven up the cost of raw materials and battery components, making it harder to meet the changing rules. That risks industry in the UK and the EU facing tariffs on electric vehicles at a crucial time in the transition to electrification. I and the Government are determined to seek a solution to that shared problem and to work with the EU to fix it for 2024.

Liam Byrne: There are, of course, proposals by Chinese battery makers to consider investing in the UK. Can the Minister tell the House whether, if investments are made by those Chinese firms, the cars we make with those products will still be allowed to be exported tariff-free and will not get caught by new tariffs because of the amount of foreign content they might contain?

Ms Ghani: The right hon. Gentleman raises a valuable point. We need to ensure not only that we support UK manufacturers, but that new investors and entrants into the market are treated equitably. We know that, because of the negotiations taking place on rules of origin, there has been a consultation taking place in Europe on its anxiety about the market being flooded by cheaper EVs. Obviously, we need to allow customers to make a choice, but we have to ensure that UK manufacturers are not dealt a blow by any new Chinese entrants into the market. He knows my history when it comes to dealing with China and sanctioning. That is why I have been doing so much work not only to support our UK manufacturers, but to ensure our supply chain is resilient. I hope that will give him some confidence on this issue.

As I mentioned to the hon. Member for Luton South (Rachel Hopkins), this will impact EU manufacturers just as much as it impacts UK manufacturers; because they import more into our economy, it will be a heavier burden for them.

Rachel Hopkins: I thank the Minister for giving way again. On that point, given the impact on both the UK and EU automotive sectors, can she enlighten us any further on whether there would be any suspension of the ratcheting up of percentages in the rules of origin and a delay to implementation through those negotiations?

Ms Ghani: The hon. Member is asking me to comment on policy that is outside of my jurisdiction. It is led by the Foreign, Commonwealth and Development Office and the conversations will continue. The important thing to note is that we have to constantly and continually impress not on UK manufacturers, but on their sister representatives in Europe the impact it will have on European manufacturers as well. I think that, considering the issue will impact not only here but in mainland Europe, it will be resolved soon enough, while recognising that when dealing with the EU decisions tend to be taken very late in the day.

On supply chains and critical minerals, as I emphasised recently to the Business and Trade Committee, as part of our mission to secure a green and innovative future in UK automotive manufacturing, we need to ensure we develop key supply chains in Britain for battery manufacturing and electric vehicle production. I recognise that critical minerals are fundamental to producing batteries and anchoring the electric vehicle supply chain in the UK. We are accelerating our international collaboration, including recently signing partnerships with Canada, Australia, South Africa, Kazakhstan, Saudi Arabia, and Zambia, with more in the works, and engagement through the Minerals Security Partnership, the International Energy Agency and the G7.

We celebrated the announcement of the joint venture between British Lithium and Imerys—our UK-based lithium hub—on 29 June. By the end of the decade, it will supply enough lithium carbonate for 500,000 electric cars a year. We have also published “Critical Minerals Refresh: Delivering Resilience in a Changing Global Environment”, for which I was responsible. It highlights the progress to date and sets out our refreshed approach to delivering the strategy for UK businesses. As part of that approach, I have launched an independent task and finish group to investigate the critical mineral dependencies and vulnerabilities across UK industry sectors—including the automotive sector—and the opportunities for industry to promote resilience in its supply chains.

In plain numbers, the UK automotive industry employs 166,000 people, adds over £70 billion to the UK economy, and is our second largest exporter of goods. We are also home to more than 25 manufacturers—the role of the supply chains and small and medium-sized enterprises was mentioned earlier—which build more than 70 different vehicles in the UK, all of which are supported by 2,500 component providers and some of the world’s most skilled engineers. In 2022, we exported vehicles to more than 130 different countries and built more than three quarters of a million cars, with the onward trajectory rising year on year.

I am happy to add some more of those plain numbers: three, as in the three announcements I have made so far about recent investments in BMW, Stellantis and Tata; four, as in more than £4 billion of investment in a new gigafactory from the Tata Group; 40, as in 40 GWh, one of the largest gigafactories in Europe to be built in the UK—it is not about the number, but about the capacity; 4,000, as in up to 4,000 new jobs in addition to the existing 166,000; £600 million, as in the investment in its Oxford plant that BMW has just announced; and two, as in the two new fully electric Mini models being produced here in the UK. The Government are clearly not simply securing our world-class industry, but paving the way for the UK’s future in automotive manufacturing.

ROYAL ASSENT

Madam Deputy Speaker (Dame Rosie Winterton): Before I call the shadow Minister, I have to notify the House, in accordance with the Royal Assent Act 1967, that His Majesty has signified his Royal Assent to the following Acts:

Lifelong Learning (Higher Education Fee Limits) Act 2023

Northern Ireland Troubles (Legacy and Reconciliation) Act 2023

Powers of Attorney Act 2023

Northern Ireland Budget (No. 2) Act 2023

Pensions (Extension of Automatic Enrolment) Act 2023

Animals (Low-Welfare Activities Abroad) Act 2023

Workers (Predictable Terms and Conditions) Act 2023

Protection from Sex-based Harassment in Public Act 2023

Veterans Advisory and Pensions Committees Act 2023

Firearms Act 2023.

UK Automotive Industry

Debate resumed.

6.3 pm

Sarah Jones (Croydon Central) (Lab): It is a pleasure to take part in a debate on a sector whose past, present and future lie at the heart of British manufacturing. I know that many of my colleagues and their constituents will understand the vital importance of this issue; I also know that several colleagues sadly cannot be here today because they are attending a conference on the industry at the Queen Elizabeth II Centre.

I am new to this brief, so, as Members would expect, I have been speaking to people in the industry—including representatives of the Society of Motor Manufacturers and Traders, who do an excellent job—and I have to say that their picture of the reality is somewhat different from the Minister's. The Minister says that all is well in the world, everything is booming and everything is great. She has big numbers, and she speaks with great confidence and enthusiasm about a sector which, of course, we all cherish and want to build. The sector, however, is absolutely of one voice in crying out for certainty, clarity and a plan of action, as it has been doing for years. It provides hundreds of thousands of highly skilled jobs across the country, it brings pride to communities by putting them at the forefront of a world-leading sector, and its iconic British brands showcase the best of British innovation and craftsmanship on a global stage. It should, and could, be booming, but for the past 13 years we have had kid racers at the wheel. Industry is desperate for a plan, and I have heard that loud and clear. Motorists are crying out for direction, and jobs are at risk of being shipped overseas.

Mrs Paulette Hamilton (Birmingham, Erdington) (Lab): In communities such mine in Erdington, Kingstanding and Castle Vale, the automotive industry is our lifeblood, and it is no wonder that families are seriously worried about job decline. Does my hon. Friend agree that we need to prioritise not only job creation but upskilling, so that jobs can be created and sustained locally?

Sarah Jones: My hon. Friend is doing an excellent job on behalf of her constituents, as, of course, did her predecessor, in standing up for the sector in many debates in this place.

The Tories risk putting British motor manufacturers under the bus. According to analysis that I have seen, under the Conservatives we have lost more than a third of automotive manufacturing output since 2010, so it is little wonder that the UK is slipping down the international league tables when it comes to automotive manufacturing relative to GDP. It is said that people never remember the runner-up, but they certainly do not remember the one in 17th place. However, we know that the problem is not unique to the automotive industry; we know that the lack of a Government plan that people can understand, rely on and invest in is a problem across many sectors. When I was reading about this brief, I came across a reference to the former special adviser to the Secretary of State for Business and Trade, who said recently that the Government

“does not know, nor really care”

[Sarah Jones]

about business issues. This is someone who has worked at the heart of Government, seeing the decision making, seeing Ministers and seeing what happens.

Listening to the speech made earlier today by the right hon. Member for South West Norfolk (Elizabeth Truss)—the Minister may well have heard it—was a timely reminder of the Conservatives' relentless economic incompetence. Last year they crashed the economy, and this year they are on track to gift British manufacturers the entirely avoidable introduction of 10% tariffs. Rather than co-operating with the EU to suspend a ratcheting up of rules of origin requirements until 2027, British and European manufacturers are facing a cliff edge of higher export costs from 1 January. An agreement with Europe would be a win-win for everyone. JLR, Stellantis and Vauxhall have all warned that failure to act will see jobs shipped overseas. When will the Conservatives heed Labour's calls for them to deal with this issue as a priority?

The Minister talked about some of the bright spots amid the clouds, and of course there are some. We were pleased to see the Government adopt Labour's approach of using public investment to leverage in much more private investment to prevent the relocation of an iconic British institution to China. The loss of the BMW Mini production plant in Oxford would have been an historic loss for the automotive industry in Britain. Labour will always welcome investment in Britain—we have not had enough of it under this Government—but we need a proper industrial strategy, giving certainty that investments of this kind can support British jobs and industry for the long term. Instead, industry faces that 1 January cliff edge on rules of origin, and another on the zero-emission vehicle mandate; the Department for Transport has still not clarified how that will be implemented.

Industry is facing Government Back Benchers who are miring the UK's commitment to electric vehicles in uncertainty by talking from the Back Benches about how we should scrap these targets. That is adding to the uncertainty that the industry feels. If Japan or the USA were considering investing in the UK and they heard what the former Prime Minister, the right hon. Member for South West Norfolk, said today about delaying our net zero commitments and what Back Benchers have said about getting rid of some of these targets, it would be hard for them to invest, given that backdrop. The Government need to get a grip and make a decision on which way they are going. Are they fixed on those dates and on giving industry the certainty it needs, or are they going to carry on heeding the calls from their Back Benches for delay?

The Government's industrial neglect has weakened Britain's international competitiveness to the extent that Tata was close to building its new gigafactory in Spain. The Government might congratulate themselves on their deal making, but in truth they have only narrowly avoided driving the country headfirst into a disaster. Without batteries being made here in the UK, it is unlikely that there will be a long-term future for automotive production in this country at all. Despite what the Minister says, Britain remains far behind where we need to be and far behind many of our international competitors. If Tata's factory makes it into operation, the UK will have 66 GW of capacity by 2030. At that point, Germany will have over 300 GW, Hungary over 200 GW and

China over 6,000 GW. The Minister said that she was working on the production of a strategy on this. I urge her to speed up. Working on the production of something does not give industry the certainty that it is desperately calling for.

The reality is that this Tory Government are asleep at the wheel and taking the future of the automotive industry along for the ride. They have no plan. They are lurching from crisis to crisis, unable to provide industry with the long-term view it desperately needs. They need to listen to Mike Hawes, the chief executive of the Society of Motor Manufacturers and Traders, who has implored that

“we just need a plan...and we need it urgently”.

He is right, but we do not just need a plan; we need Labour's plan to turbocharge electric vehicle manufacturing and put the UK's automotive industry back in the fast lane. With Labour's industrial strategy, industry leaders would not have to beg Ministers for action. First, in the face of impending tariffs, Labour would prioritise reaching an agreement with the European Union to ensure that manufacturers had time to prepare to meet the rules of origin requirements. We know the Tories love to talk about Brexit, but Labour would make it work.

Secondly, a Labour Government would end the era of sticking-plaster solutions in the automotive sector. While the Conservatives scramble around for last-minute deals, the next Labour Government would make the long-term investments that industry and workers are crying out for. That is why we would rapidly scale up battery-making capacity by part-funding gigafactories through our green prosperity plan and end this country's reliance on imported batteries. Our plan would create 80,000 jobs, power 2 million electric vehicles and add £30 billion to the UK's economy. What is more, three quarters of the economic benefit from that strategy would be felt in the midlands and the north. The Conservatives talk about levelling up; Labour would deliver it.

Thirdly, we know that transitioning to electric vehicles is vital to the UK hitting our net zero targets, but so far this year more public electric vehicle chargers have been installed in Westminster than in the entire north of England. Labour would give confidence to motorists to make that switch to electric by accelerating the roll-out of charging points with binding targets on Government. Today's press release from the Society of Motor Manufacturers and Traders talks about this very point. We have to do all we can to encourage people to make that switch, but we cannot do that without the chargers. We have all heard stories of people travelling from Scotland in electric cars and just not being able to charge them because the charging stations are not working or do not take the right payment type. That has to be fixed, otherwise people will quite understandably not be confident enough to make the switch.

Fourthly, Labour will make the UK a clean energy superpower. British businesses such as automotive manufacturers are being hammered by the highest energy costs in Europe. Our plan to make the UK a clean energy superpower by 2030 would bring down bills, support our vital manufacturing industries and turbocharge the UK's international competitiveness. With a plan like that, it is little wonder that a supermajority of investors say that a Labour Government would be the best election outcome for UK markets.

Labour understands that the automotive industry will flourish only through vision, leadership and partnership. The automotive industry is the jewel in the crown of British manufacturing. It can and should have a bright future creating good jobs for people across the UK. It is Labour's industrial strategy that will bring businesses, workers and unions together to safeguard the future of a sector that is the pride of communities across the country. It is Labour's plan that the sector is crying out for, because the industry deserves better, communities deserve better and Britain deserves better.

6.14 pm

John Redwood (Wokingham) (Con): I rise to urge the Government to be careful about rushing to close our factories making diesel and petrol cars before we have established the electrical revolution and are confident that we have created the capacity and the extra jobs in the alternative power system that the hon. Member for Croydon Central (Sarah Jones) is so passionately recommending. I would ask the Labour Opposition, who seem even keener to close our petrol and diesel capacity more quickly, to consider why Germany, with a far larger automotive industry than our own, has decided with the EU to delay the ban on the sale of new petrol and diesel vehicles to 2035 rather than 2030, and also why Germany thinks it needs to make provision for the possibility that it can make cars that work on synthetic fuels or some derivative of hydrogen as an alternative to the battery system as a way of getting to a low carbon output. Germany might not be wrong. I think that we will discover as a country that it is much easier to close factories and terminate the production of petrol and diesel cars than it is to get those much-wanted electrical factories into operation, with all the supply chain that that requires.

Wera Hobhouse (Bath) (LD): Is the right hon. Gentleman not making an important admission that although the EU has delayed ending the manufacture of combustion engines, there are important exemptions in that those cars should be run only on synthetic fuels and sustainable fuels?

John Redwood: I have said that the EU was keen to explore the synthetic fuel opportunity. In the meantime, it is not recommending the closure of traditional vehicle factories at pace. Indeed, the EU has recently required of its member states that they should not only speed up the roll-out of electrical charging points—which will clearly be needed if people are to buy more electric cars—but roll out the provision of hydrogen refuelling places, not synthetic fuels. It is probably easier to deal with synthetic fuels, because a good synthetic fuel that is liquid at normal temperatures can be used in the usual distribution system, using the sunk assets that already exist in the petrol and diesel system. Indeed, one of the ways to introduce synthetic fuels more easily would be to gradually increase the proportion of synthetic fuel mixed into traditional fuels, as we have with E10 petrol and as is being talked about for sustainable aviation fuels, where there are target percentages for the introduction of lower carbon ingredients in the fuels.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): I am very much a supporter of synthetic fuels. I think they will have a role to play in the years moving

forward. Can the right hon. Gentleman tell us what emissions synthetic fuels will emit from a combustion engine compared with the current fossil fuel equivalent?

John Redwood: That is to ask, “How long is a piece of string?” A variety of these fuels are being produced in trials in small quantities. They need to have all their characteristics explored, then people will decide which ones give the best green output for the lowest cost for scale-up.

The whole House needs to get better at carbon accounting. I hear from all sides that unless we go for battery cars, we will not meet our net zero targets. I am suggesting that there may be other ways of getting closer to net zero targets through other types of fuels. I also do not quite understand why so many people in the House think that getting people to buy electric battery cars today helps us with our net zero targets. Let us take the example of a well-off person who decides to replace their petrol or diesel car with an electric battery vehicle. They have enough money to be able to afford one—they are quite expensive—and they are also fortunate in that they have a driveway or personal garage and can pay to have a charger put in at home. They realise that they will always be able to get there and back for short and medium distances without having to rely on unpredictable and rather scarce public charging systems, so they are ready to go. When they get home and recharge their car on the first night, however, there is no extra renewable electricity to send to them. We use every bit of renewable electricity every day, whether or not the wind is blowing, because it is given priority so, when the car is plugged in overnight, a gas power station will probably have to up its output a little to supply the electricity. Far from helping us to meet our net zero target, that new electric car is probably increasing the amount of electricity that has to be generated from fossil fuels.

I have read a number of studies that attempt to get to the truth of how much of a contribution, or detriment, getting more people to switch to electric cars might make to reducing world CO₂, and there are rather different answers because the calculations are very complicated. I am more persuaded by the people who do total-life-of-vehicle calculations. We need to recognise that more CO₂ is generated in producing a typical electric car, including the battery, than in producing a petrol or diesel car. Mining all the metals and minerals needed for the battery and battery production is particularly intensive, and more CO₂ could be produced to deal with the waste when the battery reaches the end of its useful life and needs to be replaced, which is an expensive and complicated task.

To beat running a petrol or diesel car for a bit longer, a person running an electric car would need to do a very high mileage and would need to make sure that every unit of electricity used to charge the vehicle is generated from zero-carbon sources. At the moment, it is very clear that none of these requirements has been met. Although I can understand why we need to encourage people to go on this journey to build up the fleet of electric cars, against the day when we generate more zero-carbon electricity, we must accept that, in the short term, it is probably bad news for the world's CO₂.

I am worried that we may be in danger of not achieving our main green objective, at the same time that we are spending a lot of money on a subsidy war

[John Redwood]

with other countries that are similarly desperate to get battery production. I am also very worried that the UK, Europe and, to a lesser extent, the United States of America are so behind China in putting in battery manufacturing capability, and so behind China in doing deals with world suppliers of critical minerals and battery components, that it places us in a very vulnerable industrial position, which is why both the European Union and the United Kingdom are having difficulties ensuring enough value added in electric cars to meet our own criteria. That is a common and shared problem, and the solution is not easy because we need to leapfrog 10 years, or whatever, to get to the point at which we have control over the minerals, the raw materials and the production of batteries so we can meet those criteria.

I am also very worried about how customers are left out of most of these debates. They are taken for granted and, when they do not behave in quite the way that politicians would like, politicians invent taxes, subsidies and bans to say, “Well, we are going to make you choose a car you would not have chosen for yourself, because we do not think you are making the right choices.” I would rather live in a world in which the hugely talented motor industry, and all the skilled scientists and technologists who help it, work away at producing cars that are better, more affordable, safer, higher quality and meet our service requirements so that we willingly buy the electric or synthetic fuel alternative, rather than sticking to petrol or diesel vehicles. We are not there yet, as we can see. The proportion of people wanting to buy electric cars is still a minority, despite all the very aggressive advertising, promotion and political weight behind them. Part of that is affordability, part of it is range, part of it is the worry about refuelling and part of it is uncertainty about battery life and repair. There are many complicated decisions when trying to make such a big switch in product availability, and people have come to like their traditional petrol or diesel vehicle. They have the measure of those vehicles and think they provide a very good service. As a country, we should not get too far ahead of our electorates and consumers.

If we look at the fast growth of electric car sales, from a very low base, we will find that it is much more concentrated in the business fleet market than in the personal choice market, because companies feel under more of a moral imperative to buy into this idea, which I have just exposed as somewhat odd, that these are super-green vehicles, whereas individuals say, “But it is not affordable, it is not practical and it is not what I want.”

Gavin Newlands: Does the right hon. Gentleman accept that the reason why fleet purchases are now massively outstripping personal purchases is the tax incentives given to fleet purchases, whereas the incentives for private purchases have all but disappeared under this Government?

John Redwood: The hon. Gentleman makes a very good point, and it is an additional reinforcement, but I think fleet buyers are also very conscious of the environmental requirements.

I stress that, for this to work, it has to be a popular revolution. Millions of people have to decide for themselves, having listened to the arguments and seen the products, that green products are better than the old products, and in some cases they very clearly are and people will rush out to buy them. If we are still in a world in which people are not of that view, we can subsidise, tax and lecture all we like, but people will not change their mind.

One of the ways in which businesses and people could get around any attempt by this Government or a future Government to ban all sales of new petrol and diesel vehicles in 2030, when the rest of the world is not doing so, is that people will set up businesses to import nearly new petrol and diesel cars from places that still sell them and make them, to sell them as second-hand cars on the UK market. I do not believe anyone is suggesting that we ban the sale of second-hand diesel and petrol cars, as that would immediately remove all the value from our cars, meaning that we are prisoners—we either run the car until it falls to pieces or we lose its value and are unable to make the changes we would normally make.

There will have to be a definition of what is a new car, and it will presumably have something to do with how long ago it was made and/or how many miles it has on the clock. Whatever the definition, there will then be a good opportunity for people to sell cars that are four months old, rather than three months old, or that have 3,000 miles on the clock instead of 500 delivery miles. There would be a nearly new market, but the cars would all be imports, because people here would try to obey the law.

I urge all politicians to remember that they cannot just lecture, ban, tax or subsidise people into doing things unless the product has an underlying merit that people can see. Can we please work with the industry to prove that underlying merit? And do not ban things in the meantime, because Britain will lose jobs and factories. We cannot save the electric vehicle until the electric vehicle saves itself.

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

6.28 pm

Gavin Newlands (Paisley and Renfrewshire North) (SNP): It is a pleasure to follow the right hon. Member for Wokingham (John Redwood), who made a very interesting speech. He asked many of the right questions, and he even came up with one or two right answers. I disagree with many of his conclusions, but it was interesting none the less.

The right hon. Gentleman talks about the electricity that will charge these batteries at home, in terms of renewables versus gas, etc. Obviously, in Scotland we will have a massive excess of renewable electricity in the coming years to power our electric vehicles, and we have a couple of large hydrogen schemes ready to go that will be powered by excess renewable electricity. This will add additional baseload to the grid in Scotland.

I did agree, however, with what the right hon. Gentleman said about a stick approach to consumers, as I do not want to see the Government produce a large stick. I made the point in an intervention that they have withdrawn

many of the incentives to switch to electric vehicles. I prefer a much more balanced approach, where there is a carrot and a stick, particularly given that the price of EVs is still higher relatively than internal combustion engine cars. We want the switchover to electric cars and to our decarbonised future to be open to everyone, not just to people such as us in this Chamber, who can potentially afford it—I speak as an EV owner.

The Minister, like the Secretary of State today at the Society of Motor Manufacturers and Traders electrified event, which has been mentioned, was extremely bullish about the UK automotive industry, and recent announcements on the investments highlighted by the Minister and the Secretary of State earlier today are warmly welcomed. But right now they are a fig leaf to cover deeper issues—ones largely not caused by the sector itself. The UK automotive sector has a great many strings to its bow, but the challenges it faces are real and immediate. They include: the spectre of Brexit; slow and unresponsive UK Government policy, including the complete lack of an overall industry strategy, let alone a strategy for the sector; and an ongoing culture war within the Conservative party about the net zero agenda.

Of course, there is also the concerning pace of the Department for Transport's EV charging infrastructure roll-out to consider, which highlights the contrast between Scotland's rapid EV charging network and the shortcomings in England, particularly outside London. The disastrous decision to leave the European Union—one that was made for Scotland—has had profound consequences for many sectors, and the automotive industry is no exception. The intricate supply chains, just-in-time manufacturing processes and integrated regulatory frameworks that once underpinned our automotive sector have been disrupted, causing uncertainty and economic turbulence. Brexit has led to increased costs for manufacturers, who now face customs checks, tariffs, and regulatory divergence when exporting to our European neighbours. That has forced many manufacturers to reconsider their operations in the UK, leading to job losses and a loss of investment.

Dr Luke Evans (Bosworth) (Con): It is dangerous to have this doom-mongering. Triumph Motorcycles in my constituency, for example, has seen its exports across the world, in emerging markets such as Asia and America, go from 40,000 to 70,000 in the past three years. Is that not exactly what we want to see from a bold UK, one that is looking outwards and expanding across the world? Triumph, right in my constituency, is a prime example of it.

Gavin Newlands: I am grateful for the intervention and, obviously, that is a triumph for Triumph, but it is very much the exception that proves the rule, as I am about to go on to state. I congratulate Triumph on its export success, but Brexit has caused immense damage to our automotive sector, with real-world consequences for workers and communities. Since Brexit, car production in the UK has plummeted from about 1.7 million in 2017 to just 840,000 in the 12 months leading up to July this year. Factories produced just 775,014 cars during 2022, the lowest figure since 1956.

Despite the much more positive recent news on investment, which has been mentioned, the new post-Brexit rules of origin that come into effect in January, which

place tariffs of 10% on exports of electric cars between the UK and the EU if at least 45% of their value does not originate in the UK or EU, will be deeply damaging. The Minister mentioned Stellantis, the world's fourth largest car manufacturer, which has recently warned that a commitment to make EVs in Britain is in jeopardy unless the Government renegotiate their Brexit deal with the EU to maintain existing trade rules until 2027. Mike Hawes, the chief executive of SMMT, speaking at the very same conference as the Secretary of State, echoed similar sentiments. Of course, the dogs on the street know that Brexit has been a disaster and they also now know that Labour owns this Brexit every bit as much as the Tory party. There is no mitigating, fixing or polishing Brexit, and the sad thing is that the Leader of the Opposition and the vast majority of those behind him also know that to be true.

To compound that issue, the UK Government's approach to supporting both the industry and consumers during this period of upheaval has been less than ideal. We have witnessed unresponsive Government policy that lacks a comprehensive strategy for the sector's future. The industry, a cornerstone of our economy, deserves a clear vision and targeted support to ensure its competitiveness and sustainability in a rapidly evolving global landscape. The ZEV—zero emission vehicle—mandate is a case in point, because on paper it is a good thing and it has cross-party support, save from some Conservative Members, but it has been bungled from start to finish. I say “finish”, but we still do not know the final details of the policy, and how it will be enacted or enforced, even though it is scheduled to kick in next year. Mike Hawes said this morning that

“until we see the regulations, we can't plan, and if we cannot plan, we cannot deliver.”

Furthermore, the culture war within the Conservative party about the net zero agenda is sowing seeds of confusion and inaction. This morning, Mike Hawes had a message for the Conservatives, dressed up in a rhetorical reference they might understand:

“With respect, and I choose my words carefully—very carefully—where there is uncertainty may the Government bring certainty because on decarbonisation this industry is not for turning.”

We should all be united, not so much in quoting Margaret Thatcher—many in this Chamber might like me to do so, but it will not win me any votes—but in our efforts to combat climate change and achieve net zero emissions. We are instead witnessing political infighting that threatens to derail our progress. It is time for the Conservative party to put aside its internal divisions and focus on the pressing issue of climate change. One crucial aspect of that transition is the promotion of EVs.

The Scottish Government have taken decisive steps to support green transport, and we will continue to support the automotive industry to phase out the need for petrol and diesel cars by 2030. The most obvious example of this is on the charging infrastructure, particularly the rapid charging infrastructure, which I will come back to, but Scotland has also shone on incentives to drive switching from combustion engines to EVs. Over the past 10 years, Scottish Government grant funding has provided more than £165 million of interest-free loans to support the purchase of more than 6,100 vehicles, including my own—I have already declared that. If we look at that from a UK Government spending perspective, we see that that is the equivalent of £1.6 billion for

[Gavin Newlands]

61,000 vehicles. The Scottish Government have provided nearly £5 million to support the installation of more than 16,000 home charge points across Scotland, which is the equivalent of nearly £50 million for 160,000 home chargers—that is over and above the Office for Zero Emission Vehicles grant funding from the UK Government. The Scottish Government have also provided the equivalent of more than £100 million to deliver 15,000 charge points to businesses.

Jim Shannon (Strangford) (DUP) *rose*—

Gavin Newlands: I suspect I know what the hon. Gentleman is going to say about Northern Ireland, but I will give way to him.

Jim Shannon: The hon. Gentleman is setting out a good case for what the Scottish National party has done in Scotland, and it is much welcomed. In Northern Ireland, we have a real shortfall, because electric cars are being encouraged but there are not enough charging points. Has he taken into consideration the rural community, who depend upon their diesel cars in my area? It is not possible to have EV charging points in the rural community, where it is needed, just as it is in the urban areas.

Gavin Newlands: Praise for the SNP from the Democratic Unionist party might also not feature on my leaflets in the west of Scotland, as that might cause more problems than help. However, the hon. Gentleman makes a good point about rural chargers, as they are certainly part of the solution. Internal combustion engines and so on will clearly have to be part of the mix for some time to come for those in rural communities. That is where Scotland has taken a different approach over the past decade and more. Scotland has a comprehensive charging network, but the parts of it that are the most comprehensive are in the highlands, the Western Isles and Orkney—they are in the rural and island locations, where the private sector would not invest and so the Scottish Government invested to make sure that there was a charging infrastructure for the highlands and islands. However, I fully accept the general point he is making.

To come back to a point made in the speech by the right hon. Member for Wokingham, Orkney has the second highest rate of EV ownership in the UK, but that is hardly a surprise, as Orkney has the highest number of public EV chargers per capita in the UK outside London—this is four times the English rate outside of London. The lesson is clear: give drivers confidence in the charging network, combined with incentives, and people will switch to EVs. We still have a long way to go. In Norway, 20% of all cars on the road and 80% of all new cars are EVs. That is where we could be; in fact, that is where we should be.

Alexander Dennis Limited is a world leader in bus manufacturing and one of Scotland's key manufacturers and exporters of high-quality products around the world. Just this year, its Enviro200AV electric fleet was used as the vehicle of choice for the autonomous bus service across the iconic Forth Road bridge. As diesel and petrol buses are phased out and replaced with zero emission vehicles—at least, that should be the plan—ADL is innovating with new electric battery technology that

will ultimately benefit the environment and transport networks. However, that requires UK Government support and, so far, their record on buses leaves much to be desired.

There have been 558 zero emission buses ordered in Scotland through the Scottish Government's ScotZEB and SULEBS—the Scottish zero emission bus challenge fund and Scottish ultra-low emission bus scheme—which is the equivalent of around 5,600 buses in England. Let us bear in mind that the previous Prime Minister's target was 4,000 in England and that the vast majority of the zero emission buses ordered in Scotland are actually on the road. The figures equate to 10.1 buses per 100,000 people, compared with just 0.94 per 100,000 delivered through equivalent schemes in England, outside London. That is an extraordinary gulf in both ambition and delivery.

John Redwood: Does the hon. Gentleman have any thoughts on how the Government should go about replacing all the lost petrol and diesel taxes if electric vehicles take off?

Gavin Newlands: I am not sure I heard the right hon. Gentleman's question correctly. Would he mind repeating it?

John Redwood: My point is that if we achieve a big switch to electric cars, the United Kingdom will lose a huge amount of petrol and diesel tax. How should we replace that lost tax revenue?

Gavin Newlands: That is a very astute intervention. I did not pick up that he said the word "tax", so apologies for asking him to repeat the question. It is a fair point. I am a member of the Transport Committee and we worked on a report about that a while back. The elephant in the room is that we will have to look at something to replace the current form of taxation. The SNP does not have a policy on whether that is road pricing or whatever, but we have to have that conversation and we have to have it now. We all know that revenue at the Treasury is already an issue, and will become an ever-increasing issue every year, so we have to have that debate sooner rather than later. I rather suspect we will not hear much about it before the election, but after the election that debate will have to begin in earnest.

Of course, in an independent Scotland we would have control of the same fiscal and tax incentives that have encouraged those huge levels of electric vehicle uptake in countries such as Norway. The Department for Transport's poor record on EV charging is a glaring obstacle on our path to decarbonisation. When compared to some of our European counterparts, the deficiencies in our charging network are stark. We must acknowledge that reliable and widespread EV charging infrastructure is essential to encourage the adoption of electric vehicles and reduce carbon emissions from the transport sector.

Scotland's approach to rapid EV charging infrastructure is an example of what can be achieved. The SNP Scottish Government have made huge strides in expanding the EV charging infrastructure, with one hand tied behind their back. The network has grown from 55 charge points in 2013 to over 2,500 charge points in 2023. In fact, the latest figures, published in July by the DfT, show Scotland has 72.7 chargers per 100,000 people,

which is around 40% more per head than English regions outside London, and 19.2 rapid chargers per head, which is nearly double London's figure of 10.7.

The lack of rapid charging infrastructure in many English regions, and much of Northern Ireland, makes charging a postcode lottery and hampers the transition to EVs, leaving residents without reliable options for charging their cars. That imbalance is not only detrimental to our environmental goals, but exacerbates regional disparities. One would think addressing those imbalances would be a priority for a Government who have been talking about levelling up for quite some time.

The challenges facing the industry are multifaceted and require immediate attention and action. Brexit's disruptive influence, unresponsive Government policy and the internal strife within the Tory party are hindering our efforts to tackle climate change and transition to a sustainable future.

The Scottish Government have led the way on transport decarbonisation, from the EV incentives and charging infrastructure I have talked about and decarbonising our railways at twice the pace of the UK Government, to many times more electric buses per head, funded, bought and actually on the road, those 21 and under travelling free on those same buses, and the gulf—the chasm—in investment in active travel. We have shown what we can do despite the dead hand of Westminster, so just imagine what we can do when that hand is removed by independence.

6.44 pm

Mark Pawsey (Rugby) (Con): It is a great pleasure to take part in this debate on the UK automotive industry because I grew up in a village just outside the traditional heart of UK car manufacturing. One of my earliest memories, as I walked to primary school in the mornings, is workers returning home from the night shift at one of the many car factories that existed in Coventry at that time.

I am very much aware of the heritage of the automobile industry in my local area. In fact, we have two excellent local museums that display historic British cars: Coventry Transport Museum, in Coventry city centre, which includes Queen Mary's 1935 Daimler and the iconic Coventry-built 1975 Jaguar E-Type, and the British Motor Museum, in Gaydon, where there are over 400 classic British cars from major manufacturers such as Austin, Morris, Hillman and Triumph.

Over my lifetime, I have seen huge change in the origin of the cars on our roads. In my early years, they were mostly domestically manufactured. In the 1960s, I looked out for European cars, such as the Volkswagen Beetle, and then in the 1970s we saw the introduction of Japanese cars, such as the reliable, small Datsuns. In recent years, the majority of cars on our roads have been manufactured outside the UK.

However, it is two-way traffic. While the proportion of imports has risen, so has the proportion of our exports, as the automotive market has become international rather than national or even continental. Now some 80% of our production is exported, generating £77 billion in trade, as buyers across the world recognise the kudos of UK brands such as Land Rover, Range Rover, Jaguar and Mini. At the same time, overseas-based manufacturers, seeing the opportunities provided by the UK's membership

of the European single market, chose to manufacture their vehicles in Sunderland, Derbyshire and Swindon and, more recently, there has been investment in Ellesmere Port, Oxford and south Wales.

I have raised the issue of heritage and the impact of personal ownership of automobiles, as cars are not just another manufactured product. For most people, a car is the second most expensive item they will ever acquire and there are few other items where there is such an emotive personal connection. I do not know many people who could tell me what brand of fridge or washing machine they or their parents owned, but almost all will know what brand of car they drive and how they identify with it. We need to generate the maximum impact from our iconic brands.

There are not just emotional reasons for supporting UK manufacture; there are hard-nosed commercial ones as well, because automotive manufacture provides highly-paid skilled jobs. There are 160,000 jobs in the manufacture of automobiles, which is 0.6% of the UK total. That is even more significant in the west midlands, where 2.2% of all employees work in automobiles, including many in my constituency of Rugby. A large number of employees work at the London Electric Vehicle Company at Ansty Park, in my constituency, and at Jaguar Land Rover at Gaydon, and many more work in the supply chain, such as at Automotive Insulations on Central Park industrial estate in Rugby and Leno Engineering on Somers Road.

In 2022, the manufacturing of vehicles and parts contributed £13.3 billion to the UK economy—it was 0.6% of UK total output.

Jim Shannon: When it comes to telling good news stories—it is always good to tell them in this Chamber—Wrightbus in Ballymena would be one, encouraged by this Government and this Minister. One thousand jobs were created in Ballymena, with those buses being sold all over the United Kingdom but also across the world. Therefore, when there are good news stories to tell, let us tell them.

Mark Pawsey: I agree wholeheartedly. It is great to see Wrightbus's product on the streets in London.

Although important and significant, the sector has seen decline, particularly in the number of vehicles produced. We peaked at 1.5 million units in 2015; that dropped to 775,000. The Society of Motor Manufacturers and Traders is projecting 860,000 units this year and 1 million by 2028—still lower than the peak years, but we generally produce higher-value cars, which is a key point to remember. The challenge for us is to maintain our volumes as the sector undergoes massive change. That arises from the worldwide move to electrically powered vehicles as a consequence of the imperative to reduce CO₂ emissions.

I still sit on the Business and Trade Committee. In October 2018, we produced a report on the sector, decarbonisation and the introduction of electric vehicles. I had to reread that report to remind myself that it was almost five years ago. We looked at the opportunities that would present themselves as we effected the transition from internal combustion engine-powered cars. Many of the issues that we considered five years ago are still relevant, but in other areas we have made progress. In August, almost four in 10 new cars that were sold in the

[Mark Pawsey]

UK had some form of electric power, with 20% being purely battery electric, 7.7% plug-in hybrids and 6.8% hybrid, in a market that grew by 24.4% over the previous years.

My right hon. Friend the Member for Wokingham (John Redwood) spoke about the role of the consumer. Most car drivers know that electric vehicles are coming. Most people will know someone who drives one, or who speaks enthusiastically about it and is preparing for that change. Most people by now have already been driven in an electric vehicle and, often, that will be an electric London taxi, manufactured in my constituency. On that pathway, the London Electric Vehicle Company has a pioneering role in the sector. In many cases, the move to electric will be championed by the cabbie, because every cabbie who drives an electric vehicle will speak very highly of it, compared with the diesel alternative. However, there remain those who are not convinced by the need to decarbonise or to move to electric vehicles as the solution, and there will also be people who do not support the ambition to get to net zero by 2050.

Gavin Newlands: Does the hon. Member accept that there is another cohort of people, who are in fact the majority of our constituents, who may like to move to an electric vehicle, but simply cannot afford to do so?

Mark Pawsey: The hon. Gentleman makes a good point and I will make some remarks on that issue in just a second.

The view about the need to support our move to net zero, and the steps that we need to take, are very much mainstream. The environment is still a top issue, and a rising issue among people in the country more generally. It is in the top five when people are asked about issues facing the world. Climate change is consistently there above poverty, war and migration. Therefore, there is an increasing acceptance of the need for change, but the question is over the pace of change. Back in 2017, our date for ending the sale of conventional petrol and diesel-powered vehicles was 2040. In the BEIS Committee report, we called for all new cars and vans to be truly zero emission by 2032, bringing the target forward eight years. As a Member of Parliament with an interest in UK auto-manufacturing and close to businesses that were involved in it, at the time we prepared the report five years ago, I was concerned that bringing the target forward was too ambitious. I was really bothered that it would put our UK-based manufacturers at a disadvantage because I believed they would struggle to electrify the UK-manufactured heavier and larger cars. However, it soon became clear that manufacturers such as Jaguar Land Rover were willing to move faster, with Jaguar very soon to become an all-electric brand. We now have the date set at 2030.

Having set that date, and with the good news that we have had recently of BMW's investment in the Mini plant at Oxford, and the manufacture of all electric products at Ellesmere Port, it is vital that the Government stick to the 2030 date. There are voices making the case for relaxation, but Ministers and the Government should stand firm because what industry needs is some certainty.

To take up the point of the hon. Member for Paisley and Renfrewshire North (Gavin Newlands), I accept that there is a case about the high cost of electric

vehicles, compared with those powered by an internal combustion engine. In many cases, the new vehicle is something in the order of £10,000 more expensive on a like-for-like basis. Interestingly, many manufacturers—I have in mind Volkswagen—are bringing out new models, rather than electrifying the existing model range, to avoid a direct comparison. Of course, the higher purchase price can be offset by lower running costs. The electricity costs less than petrol or diesel where the price is inflated by the addition of fuel duty. There will be lower servicing costs on the electric vehicle as a consequence of their having fewer moving parts. However, I accept that, for some people, the higher cost is an obstacle.

As we have heard, some countries are further down the road in the manufacturing of EVs, with a range of new models ready to come into the UK. I have in mind China, which, according to many industry watchers, has up to 10 new brands to launch in the UK by the end of the decade. Although they will be less expensive than UK or European-produced products, they will not be as attractive to the consumer because they will not possess the brand and heritage, which is a big part of the value. UK manufacturers will have to take on this competition and, in many cases, that will mean, as they already are, focusing on higher-quality, more upmarket models. That means that, when we look at the performance in the UK, it will be as important to focus on revenue derived from sales as on units sold.

John Redwood: The danger is that China will try to acquire some of those brand attributes. After all, China owns MG, does it not?

Mark Pawsey: I accept that point, but Chinese manufacturers are intending to bring to the UK a load of brands that are anonymous and bland and they will not have the same attractiveness to the consumer.

On the incentives to acquire an electric vehicle, in recent years, there has been a cash grant to offset the extra cost of an EV. That now stands, I think, at £1,500 towards a vehicle costing less than £32,000. One way the Government could make a change and provide a reason for many private buyers to buy EVs is to level the playing field between private buyers and company car users. We have already heard that company drivers benefit from favourable benefit-in-kind rates, which means that they can save hundreds of pounds each month if they choose an EV over an internal combustion engine. One reason that employers are keen to encourage that is that they make savings on employers' national insurance contributions. That is why many of the EVs on our roads are company cars. An increasing number of companies are also offering salary sacrifice schemes as a method of getting staff to switch to an EV. It would be beneficial if the parliamentary authorities were to launch such a programme in Parliament as a way of getting MPs and staff here to consider making the change.

On electrical vehicle charging, in our Select Committee report, we spent a lot of time considering charging infrastructure. We know that, in addition to the higher capital cost, range anxiety is a key reason drivers will not switch. Frankly, I hope the Minister will accept that the picture here is less rosy, with public charging in particular failing to keep pace with increasing numbers of electric vehicles.

I got a sense of the challenges when the most recent motorway services opened at junction 1 of the M6 at Rugby in 2021. At one point, because of the lack of power infrastructure, it looked as though the site would open with only two charge points. It was a real challenge to get enough power but, fortunately, good work by the site operator and the power network enabled 24 charge points to be available at the opening. Thanks to additional provision since 2021, there are now 40 charge points at junction 1 of the M6 at Rugby. It is a great place for people to stop in the middle of a long journey across England.

Too often, chargers are busy or are not working. I happened to notice a letter in *The Times* today from a driver of an electric vehicle, who recounts that he restricts his round trips to his battery's limit of 240 miles and takes public transport for longer journeys. In fact, he questions—perhaps with tongue in cheek—whether that is the Government's intentional strategy. Clearly we will not achieve the transition we need if every electric vehicle has that issue.

I appeal to the Minister to intervene with my local authority. Warwickshire County Council is providing public charge points but is allowing anybody to park in front of them for as long as they like, so someone who has identified a vacant charger via the app may get to a site and find a diesel internal combustion engine-powered vehicle occupying it. That seems absolutely crazy. I ask the Minister to put pressure on local authorities to ensure that parking in front of public EV chargers is available only to electric vehicles, and that they move off once they have finished charging.

A further issue for many EV drivers is that charging at a public site has a higher cost than charging at home. I suspect most EV drivers expect to pay more for using the facility and for charging faster, but I do not know how many realise that they are paying 20% VAT, compared with just 5% at home. That is why I supported the campaign by the motoring journalist Quentin Willson to reform VAT and equalise the charge.

We spend a lot of time talking about battery manufacture; in fact, the Business and Trade Committee is conducting an inquiry into it. The conventional thinking is that because a battery represents 40% of the value and weight of an electric vehicle, assembly will migrate close to where the batteries are manufactured. West Midlands MPs, including me, have been calling for the development of a gigafactory at the Coventry airport site, adjacent to the traditional heart of UK automotive manufacture. I very much welcome the investment coming to Somerset from Tata Sons, with 40 GW of capability, but it is well accepted that we need 100 GW to keep business operating at the same level. To achieve that, we will need one more gigafactory, or maybe two. I very much hope that that will happen in the Midlands, at the Coventry airport site.

Five years on from our Select Committee report, automotive remains an important sector and a major contributor to the UK economy. The transition to EVs presents real opportunities for manufacturers, the supply chain and the associated sectors. The one thing I know from my business career is that businesses need certainty. Having embarked on change for all the right reasons, the Government must maintain their course and create the climate for further growth in future years.

7.3 pm

Wera Hobhouse (Bath) (LD): It is a pleasure to follow the hon. Member for Rugby (Mark Pawsey). I echo him in urging the Government to stick to the 2030 target—a point that I will make in my speech.

The climate emergency will not go away. Surface transport is responsible for nearly a third of the UK's carbon emissions, and more than half of surface transport emissions come from private cars and taxis. The electric vehicle transition is therefore vital. The 2030 target to end the sale of new petrol and diesel vehicles is an important tool to bring us towards decarbonisation. It gives the industry the certainty for which it so often asks, and it has worked: sales of EVs in the UK are exceeding expectations, according to Chris Stark of the Climate Change Committee. That gives us confidence that the 2030 target is achievable, proving all the naysayers wrong. Reports suggest, however, that the Government have been tempted to cut the “green crap” and that they will water down this important target. The permanent fear that the UK Government will go back on their word weakens our automotive industry. A tough target is better than persistent U-turns.

We Liberal Democrats have consistently encouraged the automotive industry to embrace the future and to transition from petrol and diesel to electric cars. We need a Government who are equally committed and who will not be derailed by their Back Benchers. I am very pleased that BMW will build the new electric Mini in Oxford; it is a significant investment that demonstrates the economic opportunities. I am even more excited that Somerset will host a new gigafactory for battery production. Those are important milestones on which we must build.

We now need a longer-term strategy to truly grow the industry. Transport & Environment UK is worried about how much of the more than £800 million in the automotive transformation fund has been spent. It is concerned that wider investment cannot be maintained without expensive subsidies. Uncertainty around the zero-emission vehicle mandate and the lack of an overall industrial strategy add to those concerns.

The Government have a poor track record when it comes to building electric vehicle supply chains. The collapse of Britishvolt was a staggering blow. When he was Chancellor, the Prime Minister said that Britishvolt “will produce enough batteries for over 300,000 electric vehicles each year”.

Now Britishvolt will produce none. Mistakes were made at the company, but was there really nothing that the Government could have done to prevent the loss of such an important business?

If we are to build an EV industry in the UK, we must ensure that there is enough demand. The Government must support manufacturers as global players. As we have heard, a clause in the UK Government's Brexit deal means that at the end of this year, British-made EVs will face tariffs of up to 22% when exporting to the EU if they do not contain 40% local content. That puts UK manufacturers at a huge disadvantage. I would like to know what the Government, rather than overblowing the perceived Brexit benefits, are actually doing about an acute issue that is putting the future of motor manufacturing in the UK at great risk.

[Wera Hobhouse]

Although the sales targets for commercial EVs are very encouraging, private uptake of EVs is proving more difficult. We have heard many of the reasons for that, but the main barrier for potential private buyers, apart from cost, remains charging anxiety. So far, EVs are not a realistic option for householders who cannot park or charge their cars outside or near their homes. In last year's EV infrastructure strategy, the Government made no firm commitment that infrastructure roll-out would rise in line with EV market uptake. Recent Government statistics show that only 19% of all chargers are rapid chargers. That is a problem for long-distance travel: people cannot be expected to wait for hours to charge their car when they are on the go.

We Liberal Democrats would invest urgently to speed up the installation of rapid charging points throughout the country. Rapid chargers must be installed where people will use them. Motorway service stations must therefore be the No. 1 priority, but we must consider other locations, too.

John Redwood: Is the hon. Lady also worried that there is a lack of cable capacity under our streets and of grid capacity to get the power to those fast chargers? How long will that take to resolve and how will that be done?

Wera Hobhouse: I share the right hon. Gentleman's concerns, which is why we consistently make the case for upgrading the grid. That is one of the most important things for getting to net zero in the UK, not just for vehicle charging, but for the roll-out of all the electric infrastructure we need for our many renewable energy installations. I share his concern, but the solution is not to stop the roll-out of electric vehicles; it is to improve the grid and get things sped up as quickly as possible.

If, for example, electric charge points are installed in places where non-electric vehicles park, such as in lamp posts or bollards, valuable charging space will be lost. We Liberal Democrats would give grants to parish and town councils to install charging facilities where they will actually be used—for instance, at village and community halls.

It is important that the Government do not stop the incentives for EV uptake. They must stop penalising people who cannot charge their EVs at home. Drivers currently pay 20% value added tax to use a public charge point, compared with 5% VAT for home charging. That unjustifiable discrepancy must end and the VAT rate for all electric vehicle charges must be equalised at 5%.

Electric vehicles will drive us down the road to net zero. Infrastructure and incentives will be vital. What we need is a Government who are willing to fuel this transition, rather than being content to trundle along in the slow lane.

7.11 pm

Saqib Bhatti (Meriden) (Con): I refer the House to my entry in the Register of Members' Financial Interests. I am delighted to speak in this debate, because we cannot have a debate on this issue without consideration of the role of the west midlands. I am honoured to

follow my hon. Friend the Member for Rugby (Mark Pawsey), who has spoken passionately both in this debate and previously on this topic. We also cannot have this debate without talking about the role of my constituents in Meriden and in Solihull borough.

The automotive industry is more than just an employer in the west midlands; it is part of our DNA. The earliest reports of a car manufacturer stretch as far back as the late 19th century. We have been the home of a number of household names, most recently Jaguar Land Rover. Some of these stats have already been mentioned, but to give context to the power of the automotive industry in the west midlands, in 2019 we made more than £14 billion-worth of exports—double the total of any other region in the UK and about 36% of the UK total.

The UK automotive sector employs about 160,000 people across the country, a third of them in the west midlands. The Jaguar Land Rover plant in Solihull borough has 9,000 employees, many of them my constituents. The plant is responsible for some iconic cars, including the Range Rover, the Range Rover Sport, the Discovery and the Defender, and long may that continue.

However, like the rest of the country, the automotive sector is in a decade of transition, and it is the transition to electric vehicles that I want to focus on. As has been said, the one thing that businesses hate and despise is uncertainty. It undermines confidence, makes it impossible for them to plan and invest, and ultimately results in lost opportunities. While I understand the challenge of the 2030 transition, the decision has been made, and now it is our job to support the automotive sector to achieve its goals. I am pleased that the commitments from Government have continued to highlight that, and we must continue to do so.

To give an example, Jaguar Land Rover has already committed £15 billion to developing new electric models, and we already know about the £4 billion investment in the gigafactory in Somerset. In the west midlands over the past five years production has significantly ramped up and billions have been invested in the region. Despite the naysayers, the doom-mongers and all those talking down the automotive sector, the transition to fully electric vehicles has not scared off the industry—in fact, it has spurred it on. I also shared the concerns of my hon. Friend the Member for Rugby when the announcement was first made, but the opposite was true: Jaguar Land Rover has a seven-year investment plan and is already on its way. I think it will be fully electric in its vehicle production by 2025, way earlier than the 2030 deadline, and just last week we heard about BMW investing £600 million in Oxford to build the iconic Mini.

We have heard concerns about EV charging, but I take a different view. I think it is for the private sector to deliver it. Just two weeks ago, at the National Exhibition Centre in my constituency, my right hon. Friend the Chancellor, the Mayor of the West Midlands Andy Street, and I opened the UK's largest EV charging network, arguably the largest in Europe. I say arguably, because I think it is the largest in Europe, but others argue to the contrary. Certainly it is the largest in the UK, and it now has the capacity to charge 180 vehicles at the same time with fast charging. If you are ever in my part of the world in your EV, Madam Deputy Speaker, please do

stop over at the National Exhibition Centre. You will see the signs. The key thing is that that was all driven by private sector investment.

Wera Hobhouse: I hear what the hon. Gentleman says about private investment, but is he not worried, as I am, about how many different apps and different ways to charge their vehicles consumers will have to have? How does he propose that that could be unified to make things easier for consumers?

Saqib Bhatti: That is an interesting point; there was a conversation about that on the day. There is a recognition that there will be a variety of ways that charging can happen, and the industry itself says it will adapt. The opening of the car charging park, which as I said is the largest in the UK, with the industry committed to doing much more across the country, is a prime example of how the private sector will lead the way. The hon. Lady made a good point that charging networks have to be in a place where the cars can get to them, but I am confident and I have more optimism than she does. I think they will get there through pure necessity: the consumer will demand it and the market will supply it.

I was pleased to see my hon. Friend the new Member for Uxbridge and South Ruislip (Steve Tuckwell) join us in the House. I campaigned for him and I think the people of Uxbridge and South Ruislip made the right decision. However, after the campaign a parallel was drawn, wrongly in my opinion, between a deeply damaging ultra low emission zone policy imposed by the ideological Mayor of London, who as the Uxbridge result demonstrates is clearly out of touch with his residents, and the transition to EV.

As someone who is pro the EV transition, who understands that businesses need certainty to plan and that they are already on the way, I think we need to be able to welcome challenges from colleagues. This is probably one of the most transformative transitions the industry and the country—probably even the world—are going to go through, as transformative as the industrial revolution of the 18th and 19th centuries. We owe it to our constituents to ensure that, when the challenges come, we look at them over and over again, whether on EV charging, gigafactories or the cost of EVs themselves.

The transition has to be affordable. My right hon. Friend the Member for Wokingham (John Redwood) talked about putting the consumer at the heart of this, and he is right. We have to appeal to more than the heart; we have to make sure that it makes economic sense for households and hard-working families across Britain. As people who are pro the transition, we must respect the challenge from those who argue against it. We have a responsibility to come up with the answers and to show leadership in that way. The charging park that I referred to is a good example of that, and the investment by Jaguar Land Rover is a great example of its commitment to ensuring that EVs will be the future, something that we will not only use in the UK, but export across the world.

I think the debate on net zero and whether the journey to get there is correct is happening in the wrong terms. I know the Opposition have already spoken about their £28 billion a year net zero package, but I note that it is not yet clear how they will fund that. In reality, the only answer is that either they will borrow, or

they will tax hard-working families and businesses until their pips squeak and the industry falls to its knees. It is no wonder that they have aligned themselves with organisations such as Just Stop Oil that want to destroy the automotive sector, kill off jobs and ensure that their brand of socialism is the way forward. We can see that because, of course, the Labour party has taken a £1.5 million donation from organisations such as Just Stop Oil.

I understand why Labour wants to write big cheques, including the £28 billion plan: it is afraid of a market-driven approach, which would unleash our potential and power as a nation. A free market approach means a belief in freedom—the freedom to innovate; the freedom of the consumer to choose the product that they want to buy, driving up quality, which will be absolutely necessary as we get international competitors such as the Chinese; and, of course, freedom from the shackles of socialism. We know that that freedom will be necessary if we are to deliver the transition to net zero.

I welcome the debate. I am optimistic about the opportunities presented by the automotive sector. I will always fight for my constituents in Meriden and Solihull borough to be part of a thriving industry that will compete globally for many decades to come.

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

7.20 pm

Bill Esterson (Sefton Central) (Lab): Over the last few months, I have—high vis and hard hat at the ready—been blown away by the possibilities in our automotive industry, but I have also felt the force of the headwinds facing the sector, including EU rules of origin, high electricity prices in manufacturing, the slow roll-out of EV charge points, the shortage of gigafactory capacity, delays to the zero-emission vehicle mandate, and, of course, the continuing fallout from the way in which the Conservatives crashed the economy this time last year.

The fact is that it is only through a partnership with Government that our vehicle manufacturers can achieve lasting success in a world where new technologies offer opportunity, and competition from new participants such as China is more of a challenge than ever. That is what other countries are doing—other countries that are ahead of us in the low-carbon transport transition race.

I mentioned my recent visits. I saw the pride of the Stellantis workers at Ellesmere Port, where they produce electric vans for Peugeot, Citroën and Fiat, as well as for Vauxhall, and where they want to expand production to be able to export, as they told my hon. Friend the Member for Ellesmere Port and Neston (Justin Madders) and me just a few weeks ago. I saw the ingenuity on display at the Jaguar Land Rover research and development facility at Gaydon, and JLR's "Reimagine" project and commitment to all electric across a number of its brands. Then there is ULEMCo in my constituency—please look it up—which has pioneered the use of hydrogen as a drop-in fuel to existing internal combustion engines to cut emissions while full hydrogen options for combustion and fuel cells are being developed.

Those, and many more, are examples of the amazing potential in this country. However, they are all examples in which uncertainty must be addressed to ensure that

[Bill Esterson]

our automotive industry can thrive. The honest truth is that we are in danger of squandering the advantages that we have in vehicle manufacturing. UK motor vehicle production levels have fallen by 37% since the Conservatives came to office in 2010—one of the largest falls in vehicle production of any country. Eight in every 10 cars produced in the UK are exported, yet exports of cars manufactured in the UK fell by 14% in 2022. The Faraday Institute estimates that the UK will need 200 GWh of gigafactory supply by 2040. Other countries are on track, but we are off the pace. The news of a gigafactory from JLR is, of course, very welcome, but it does not address the demand from the rest of the industry.

We still have the cautionary tale of the failure at Britishvolt as a reminder of the precarious nature of gigafactory development. The problem of the lack of gigafactory capacity is repeated with EV charge points: the Government target of 300,000 charge points is set to be missed by at least a decade. Meanwhile, parking bays for vans are often inaccessible at charge points. The UK has no equivalent to the plans in Germany for dedicated commercial vehicle charging every 60 km to 100 km. Speaking of commercial vehicles, where are the plans for hydrogen refuelling for larger vehicles that will use hydrogen combustion or fuel-cell technology?

Reliance on imports of batteries is directly linked to the question of local content and how UK-produced vehicles will be able to compete in export markets. From next year, a 10% tariff will apply to cars and 22% to vans when rules of origin are exceeded. That will, during a cost of living crisis, also push up prices for consumers who buy imported vehicles. Stellantis wants to expand the electric van production that it showed my hon. Friend and me. It wants to employ more workers and export its new pride and joy to the EU, but to do so, it needs to qualify for local content rules, which will not be ready in time for the looming cliff-edge in a few months' time. Stellantis, Ford and JLR have all called for a delay in the implementation of new rules of origin to give them time to comply.

The Minister of State, Department for Transport, the right hon. Member for Hereford and South Herefordshire (Jesse Norman), who will wind up, said that he could not comment on negotiations. Indeed, the Minister for Industry and Economic Security, the hon. Member for Wealden (Ms Ghani), who introduced the debate, said the same thing. But industry is not asking Ministers for a running commentary; it is asking them to say that their objective is to support the request and ensure that it can continue to compete in its biggest export market.

Then, there is the ZEV mandate. The Government said that they would introduce the mandate by January next year. Decisions are taken many years in advance by investors, so regulatory certainty is critical to inform decision making. Motorists need to know whether they should buy another petrol or diesel car, or go hybrid or full electric. Is 2030 still the date for the end of the new petrol and diesel car production, as the hon. Member for Rugby (Mark Pawsey) quite rightly mentioned in his speech? I would like to hear about that from the Minister. Companies are having to second guess the Government, as are consumers.

The lack of a plan for ZEV, for rules of origin, for charge points and for commercial vehicles is an example of the indecision that characterises this Government. It

does not have to be this way. Our long-term approach, working as partners with businesses and unions through our industrial strategy, will give investors and consumers the certainty that they want. That is how our competitors operate, and it is how this country needs to work, too. Our clean energy plans and our green prosperity plan will deliver the cheap, clean energy that will help to lower the cost of motoring and unlock the capacity for electric vehicle charging. Our support for hydrogen is also essential for the transition to low carbon for road vehicles that need an alternative to electricity. Labour's new gigafactories will allow the UK's automotive industry to source components locally, avoiding tariffs for exports to the EU by addressing the challenge of rules of origin. And we will work with the EU on a plan that avoids the cliff edge of the Prime Minister's damaging export tariffs, which, with just 100 days to go, are looming large. We will also address the skills gap and the decline in apprenticeship starts—a decline of 170,000 a year since 2017—in part by moving to a growth and skills levy.

Labour's plan will deliver precisely because we have drawn it up in partnership with the sector.

John Redwood: Will the hon. Gentleman give way?

Bill Esterson: I will not, because Madam Deputy Speaker has, quite correctly, been very strict in the time she has allocated.

Labour's plan will lead to the creation of 80,000 jobs in our industrial heartlands. Our plan will power 2 million electric vehicles and add £30 billion to the UK's economy. We will accelerate the roll-out of charging points and give motorists the confidence to make the switch. We will have binding targets for electric vehicle chargers that will, like carbon budgets, be binding on the Government. We will ensure that local areas have the support and investment that they need.

Labour's plans for energy generation are inextricably linked to the transition to low-carbon road transport. Our plan to make the UK a clean-energy superpower by 2030, with net-zero carbon electricity, will deliver capacity and lower energy costs for UK manufacturing. Those costs, including electricity costs, which are 62% higher in the UK than in Germany, are a barrier to our competitiveness. The motor industry and motorists are being let down by this Government. They are being let down on the ZEV mandate; on rules of origin and local content; on the slow progress of gigafactories and EV charge points; and on energy prices. Above all, they have been let down because of the damage done by 13 years of Conservative mismanagement of the economy, which culminated in last year's disastrous mini-Budget. All of that has led to the further let-down of high interest rates, which are higher than in competitor countries.

The industry wants the roadblocks and the let-downs to be removed. I will leave the last word to Mike Hawes, chief executive of the Society of Motor Manufacturers and Traders, who just this morning wrote about the uncertainty around the ZEV mandate, charge points and gigafactory capacity. He said:

"A comprehensive package of measures would encourage households across the UK to go electric now, boosting an industry slowly recovering from the pandemic and delivering benefits for the Exchequer, society and the global environment."

I could not agree more. With Labour's industrial strategy, Labour's green prosperity plan and Labour's partnership with industry, our automotive sector will be turbocharged to deliver success.

7.31 pm

The Minister of State, Department for Transport (Jesse Norman): What an excellent debate it has been! I have been very interested to follow the contributions that have been made—very welcome they are too. You may recall, Madam Deputy Speaker, that this debate follows an urgent question that was tabled by the Labour party some months ago regarding the state of the automotive sector, at which Labour Members were mortified to discover that vast numbers of investments were already under way. It is unfortunate that the hon. Member for Sefton Central (Bill Esterson) talks about being let down. If this country, this economy and this industry are feeling let down, why is it that there has been this astonishing succession of investments? That speaks not to people feeling let down, but to confidence and investment in the future.

We celebrate BMW Group's announcement that it will invest £600 million in the production of two all-new electric Mini models, supporting the full transition to electric vehicle production by 2030. We welcome that, as do both Members of Parliament for Oxford, the hon. Member for Oxford West and Abingdon (Layla Moran) and the hon. Member for Oxford East (Anneliese Dodds). We are very pleased to have their support, as well as that of Members across this House. We welcome the fantastic investment that Stellantis has made in Ellesmere Port, as has the hon. Member for Ellesmere Port and Neston (Justin Madders), although he could not avoid being gloomy about that aspect of the tremendous investment that is taking place. That makes the plant the first all-EV facility in the UK, and one of the first in Europe.

As we heard the determination to be gloomy from the other side of the House, we were noticing at the same time the £4 billion-worth of new gigafactory investment from Tata Group; Nissan and Envision's announcement a couple of years ago of £1 billion to create an EV manufacturing hub in Sunderland; the £227 million invested in Halewood; Bentley committing £2.5 billion to make the transition to zero-emission vehicles at its Crewe plant; and JLR's investment of £15 billion over five years into its industrial footprint towards electrification. If everything is as disastrous as the Opposition suggest, how can there be this constant succession of new private-sector investments? That is the question. The truth of the matter is that over the past two years, the UK's automotive sector has been boosted by over £6 billion-worth of business investment that will drive the transition to zero-emission vehicles, with funding for manufacturing and crucial components as well. That investment reflects confidence.

We know that that transition is important. Cars and vans account for a huge proportion of domestic UK transport emissions, and it is therefore important to address that. Over £2 billion has been spent to support the transition, and the Government are continuing to invest. There are now more than 1.2 million plug-in vehicles in the UK—a 45% increase over the past year. Again, that does not speak to decline; it speaks to rapid growth and acceleration. Some 58% of those vehicles are battery electric vehicles; in August 2023, 20% of new cars in the UK were battery electric vehicles, so

again, that is a sign of confidence and growth, and rightly so. That puts the UK's automotive industry at the forefront of new low-carbon technology, creating thousands of new jobs and providing certainty among manufacturers and infrastructure investors. Some 65% of vehicle manufacturers in the UK car market have already committed to making the transition to zero-emission cars by 2030, and all major manufacturers have committed to selling 100% zero-emission vehicles by 2035.

Several Members have raised the question of EV infrastructure and charging roll-out. It is understood on all sides of this House that the roll-out of electric vehicles needs to be supported by a robust and widespread public charging network, and that network continues to grow. To date, the Government and the industry have supported the installation of over 48,000 publicly available charging devices—again, an increase of 43% over the past year—which includes nearly 9,000 rapid devices. My hon. Friend the Member for Rugby (Mark Pawsey) rightly highlighted service areas, and I was delighted to hear his excellent description of the very rapid scale-up of the motorway service area at junction 1 of the M6; that was a very interesting and important intervention. He will know that over 96% of service areas in England now have charging available, and there are hundreds of chargers across the motorway service area network. Of course, a lot of that comes through private investment. The Chancellor recently opened the UK's largest electric vehicle infrastructure charging site to date in Birmingham, which includes 180 charging devices.

My hon. Friend the Member for Meriden (Saqib Bhatti) and the hon. Member for Bath (Wera Hobhouse) both raised the question of standards, and rightly so. As they will know, the Government are investing £381 million through the local electric vehicle infrastructure fund to deliver tens of thousands of local charge points, and the rapid charging fund will do the same thing to future-proof electrical capacity at strategic locations. Alongside that, we have laid consumer regulations that will ensure that pricing information and payment methods are simplified, that charge points are reliable and that public charge point data is freely available, addressing many of the issues that have rightly been raised about standards, interconnection and transparency. The Government worked with the national disability charity Motability and the British Standards Institution in order to develop those standards, which has made an important difference to their quality.

We must not think just about cars, or even just about cars and vans, but about heavy goods vehicles as well. It is well understood that the UK is seeking to make a transition to zero emission in this area as well, as part of our wider ambition. To support that, there is an HGV and infrastructure demonstrators project that will showcase zero-emission hydrogen fuel cell and battery electric HGV technology at scale in UK fleets, and the Government have already tested such vehicles. Those demonstrators build on the £20 million investment made in 2021-22. In a slightly different context, I was absolutely delighted to welcome the first JCB hydrogen digger, a magnificent piece of kit that is emblematic of the innovation we have seen in the sector.

It is also important for me to mention, because we have touched on it, the work we are doing in the area of connected and automated mobility. Some £600 million of joint public and private investment has been placed in that sector since 2015.

John Redwood: At the moment, if a new EV is added to the charging system, it will be a gas power station that has to fire it up, so it is not a net zero product. When will we be in a position to have enough renewable power so that, if an electric car is added, it will be recharged with renewable power?

Jesse Norman: An economist of my right hon. Friend's distinction will know that it is futile to predict the activity of private markets, because they so often move faster than we would imagine. A classic example of that is the way in which electrification has moved up the range and weight curves over the past few years. It is certainly true that at the moment, electric vehicles rely on fossil fuels for part of their charge, meaning that they are less green than they will be when those fossil fuels are removed from our electrical charging system. Nevertheless, those vehicles remain significantly lower-emission over their life cycle than equivalent petrol and diesel vehicles, including the production and disposal of batteries.

Capacity-building projects for important areas of our connected and autonomous vehicle supply chain are already starting to take place. This country remains one of the first to explore the business case for connected and autonomous mobility as a mass-transit solution. Connected and autonomous mobility will be the future; it will be an electric future, a zero-emission future, and one that is powered by the investments and leadership being provided now, with the private sector, by this Government.

Question put and agreed to.

Resolved,

That this House has considered the UK automotive industry.

Madam Deputy Speaker (Dame Eleanor Laing): Yes, it would be impossible to manage an electric car without Moto Rugby.

UK Export Performance

7.40 pm

The Minister for International Trade (Nigel Huddleston): I beg to move,

That this House has considered UK export performance.

Back in January, the Prime Minister laid out his five priorities, high among which was to grow the UK economy, creating better-paid jobs and opportunity right across our country. To do that, he brought the Government's business expertise and world-class trade negotiators together under one roof at the new Department for Business and Trade, beefing up our teams, refocusing our energies and better targeting our resources to support businesses and drive growth. Indeed, growth is the key to unlocking everything we want for our country. It is at the very heart of everything that this Government are doing, and there is no better way of achieving it than by exporting.

Naysayers may try to claim otherwise, but we are already in a strong position. Last year, the UK was the world's fifth largest exporter, up from sixth the previous year. The value of the goods and services sold by our businesses overseas hit £849 billion in the 12 months to July, an increase of nearly 16% in current prices over the 12 months, and our trade deficit almost halved from September last year to this June. We also sell more services overseas than any other economy on the planet bar the USA, and those exports hit an all-time high in 2022.

Let us not forget that all these successes have come at a time of unique global challenges, from Putin's illegal war in Ukraine to the covid recovery. UK businesses have responded with incredible resilience in the face of persistent global trade shocks.

Aaron Bell (Newcastle-under-Lyme) (Con): The Minister mentioned the UK's performance in services. We are the third largest country in the world for artificial intelligence, behind only the US and China. Does he agree that investing in our services and exporting them will become only more important as we move towards the AI revolution?

Nigel Huddleston: I could not agree more. That is why in our trade deals we have such a laser focus on developing services. We need to play to our strengths. Our goods are world class, but it is in services, which account for more than 70% of our economy, where we see huge potential growth. As I travel around the world, I see great enthusiasm and recognition of incredible quality in our service sector that we have not yet fully exploited. That will be a key area of focus for the Government.

The past few years have been not only testament to British businesses' resilience and adaptability, but proof of the strong demand for UK goods and services around the world. As the UK's International Trade Minister, I have seen that appetite at first hand. Last month, I was in Vietnam. I saw how our service exporters are already providing valuable services to Vietnam's growing economy, from the British Council expanding education opportunities for Vietnamese students to UK architects and engineers transforming Ho Chi Minh City's skyline. I saw how, over the coming years, there will be even more opportunities for UK businesses to trade with a nation that is set to become the world's 20th biggest economy by 2050.

Jim Shannon (Strangford) (DUP): I noticed in the paper last week that very statement that the Minister made about a young, vibrant economy full of young people who wish to excel. I know that he always tries to respond positively to questions that I and others ask in the Chamber, so let me ask him this: can Northern Ireland be part of the exports success story? We want to be.

Nigel Huddleston: Absolutely. I can assure the hon. Gentleman that we are focused very much on supporting and enabling Northern Ireland exporters to be successful—as, indeed, they have been. No matter where we go in the world, there is huge enthusiasm for UK goods and services, and Northern Ireland has some outstanding products that the world wants to consume. That is why we are focusing not just on the EU but on the rest of the world, where there is an insatiable appetite for UK goods and services. We want to make sure that we deliver those and get benefits from trade deals for every nation and region of the UK.

The month before I visited Vietnam, I was in India, where I announced a package of partnerships on electric mobility and construction, positioning our businesses to sell into those fast-growing sectors. Everywhere I have visited, from Oman to Indonesia, I have heard the same story: “We want to buy British.”

My message to the House is that we are working flat out to help businesses grab these opportunities—and, best of all, we are succeeding. We are not scared of challenging ourselves to do more and to move faster. That is why we have set ourselves a target of reaching £1 trillion of exports by 2030, around five years earlier than previously expected. That is an ambitious target, but one that I feel is achievable with Government and business working together.

Trade deals are at the heart of our approach, and our programme of negotiations is one of the largest in the world. We are negotiating trade deals tailored to the modern UK economy and the opportunities of individual markets. Of course, each deal is different, but all of them remove barriers to trade so that we can create the right conditions for decades of future growth, security and innovation, to help the UK thrive in a changing world. We have already secured trade deals with 73 countries as well as the EU, turbocharging key areas such as services, food, drink, automotive and life sciences, creating new opportunities in forward-leaning areas such as data and digital—as my hon. Friend the Member for Newcastle-under-Lyme (Aaron Bell) mentioned—and enabling our businesses to sell into the economies of the future.

In July, we took a huge step forward in enhancing our presence in the Indo-Pacific when the Secretary of State signed the agreement on our accession to the comprehensive and progressive agreement for trans-Pacific partnership. That is a vast free trade area spanning from Asia to the Americas and now, with our accession, Europe. The deal will give businesses right across the UK access to a market of half a billion people—the 21st century’s middle class, with money in their pockets ready to spend on our goods and services. This is our biggest trade deal since Brexit and we are the only European member of this free trade family.

As the House will be aware, we also recently ratified our first from-scratch trade deals with Australia and New Zealand, sweeping away the majority of tariffs on

goods and services with those nations and creating even closer and warmer economic partnerships. The Secretary of State recently returned from India, where she met her counterpart, Minister Goyal, and advanced our free trade agreement negotiations, which are now in their final stages. Beyond that, we are working towards deals with a host of growing economies, including members of the Gulf Co-operation Council, Israel and Mexico—one of the world’s largest consumer markets, with its population projected to reach nearly 150 million by 2035.

We are using our trade policy to maintain our position as the world’s second largest services exporter. Having worked in that field prior to politics, I have seen at first hand our huge expertise in the sector, and I know that it is vital that we reinforce our reputation and make it easier for our service providers to sell around the world. That is why we should all be excited about our talks for a new, updated trade deal with Switzerland, for example. There is a huge prize on offer for both UK and Swiss companies in everything from finance and legal to accountancy and architecture. The current trade deal is almost 50 years old and really only covers goods. The modern British economy is over 70% services, which is why we are so active in upgrading and enhancing our trade deals to suit it.

Gareth Thomas (Harrow West) (Lab/Co-op): On modernising trade deals for the future, the Minister will be aware of the real difficulties our food, farming and fishing businesses face getting their products into the EU. Why will Ministers not contemplate negotiating a veterinary agreement to sort those trade barriers out?

Nigel Huddleston: The hon. Gentleman will be aware, first, that we are securing deals around the world. The EU, as I have repeatedly said, is important but we are also seeking deals around the world. The EU will continue to be important and of course the trade and co-operation agreement is an important part of that relationship, but we are continuing to have conversations both at EU level and one on one with individual countries to see how we can remove market access barriers, and I will come on to that in a moment.

We are also signing memorandums of understanding with US states, including Indiana, North Carolina, South Carolina, Oklahoma and Utah, with more to come. We are building closer transatlantic partnerships that will benefit our businesses over the long run, but of course brokering agreements and engaging in talks are just one aspect of our work. We know that many British businesses want to sell overseas but are hindered by obstacles in their trading partner’s rulebook. At the Department for Business and Trade, we have a set of teams focusing on overcoming those barriers. From lifting bans on British bacon to South Korea, to raising ownership caps on solar projects in the Philippines, we are removing the barriers holding British exporters back.

That is why the Department is leading a cross-Government effort to tackle a hitlist of about 100 obstacles standing in our businesses’ way in every part of the globe. Some of those barriers might seem small, some much larger, but each and every change will remove inhibitors to business to help our businesses to prosper, generate new jobs and pay higher wages. Indeed in the year to March, we have resolved 178 trade barriers

[Nigel Huddleston]

preventing businesses from selling their goods and services in over 70 countries, and removing just 46 barriers could boost UK exports by £6.5 billion over the next five years. In the Secretary of State's first 200 days in post, we resolved the equivalent of £11 million in barriers every day.

We also recognise that, although many businesses, particularly smaller ones, want to export, many do not feel confident to do so. My Department has therefore developed a new export strategy that includes measures to help businesses to sell overseas. They include better targeted and transformed export support services and cross-Government co-operation to get more businesses selling overseas. We have a network of on-the-ground experts around the globe who are helping UK companies to understand every market's unique opportunities and how to access them, while domestically thousands of small businesses are turning to our export support service, the first port of call for firms that want to begin their exporting journey. Since 2022, our trade advisers have handled 9,600 market inquiries. We are well aware that on-the-ground support is vital to encouraging businesses to export internationally, which is why we have a presence in over 100 international markets. Therefore, we are offering significant support to help exporters, including through trade advisers and the export academy, and we provide a wealth of information online as well. Over 400 export champions across the UK volunteer their time to share their experience and expertise, inspiring new and aspiring exporters to follow their lead. In addition, UK Export Finance, our award-winning export credit agency, is helping to support companies with export contracts around the world.

The achievements I have listed this afternoon did not happen by accident: they have only happened by creating the right environment for UK exports to flourish, and through an unrelenting focus on free and fair trade and promoting free markets. We will continue on this road, forging new deals, overcoming obstacles and creating opportunities so that UK businesses and the communities they serve can thrive.

7.53 pm

Gareth Thomas (Harrow West) (Lab/Co-op): This debate takes place 12 months on from the last Prime Minister's kamikaze Budget, which was cheered by so many Members on the Conservative Benches. It made the cost of living crisis much worse, biting into the pockets of every family in Britain, and made tough conditions to do business even tougher. That Budget was not a one-off; we have now had 13 years of economic failure, five Prime Ministers, seven Chancellors, each one worse than the last, with the business environment getting harder, barriers to trade going up, increasing red tape and the driving up of costs, and cuts in business support making it tougher for Britain's exporters. Indeed, the former exports Minister, the hon. Member for Finchley and Golders Green (Mike Freer), said just last summer that Ministers were not doing enough to help firms to send goods overseas.

In 2012, the Conservative party pledged to reach £1 trillion-worth of exports by 2020. It has not happened yet, and it does not look like it is going to happen in the

next five years either. Indeed the Office for Budget Responsibility thinks it will not happen until 2035, 15 years late.

As my right hon. and learned Friend the Leader of the Opposition has repeatedly underlined, growing our economy is crucial to ending one of the bleakest periods in our country's recent economic history and to delivering again the hope of a decent job and better prospects for all those wanting to work and their families. Exports are fundamental to that mission. Jobs linked to exports pay on average higher than average wages in the UK. So I welcome this debate, even if the analysis the Minister set out bears little resemblance to the frustrations countless business leaders have shared with us on this side of the House about the record of recent Ministers on exports.

The OBR, the Bank of England and the National Institute of Economic and Social Research have all predicted that exports will drop this year. I hope they are wrong because, when exports decline, jobs, investment and wages all decline too. If—Labour is determined to deliver this—we want the highest sustained growth in the G7, accelerating growth in our exports is fundamental. However, in the 13 years since 2010, British export performance has been outperformed by every member of the G7 apart from Japan. Figures from the House of Commons Library and from the United Nations—specifically, the United Nations Conference on Trade and Development—show that Canada saw a 10% growth in its exports of goods and services from 2012 to 2021, the last decade-worth of figures that are available, while the US saw growth in its exports over that period of almost 14%, Italy almost 16%, France over 16% and Germany almost 23%—but Britain, just 6%. Over the same decade, the EU as a whole saw growth in its exports of goods and services of almost 30%. Perhaps the Minister winding up this debate will tell the House why he thinks other countries of similar wealth and status have been doing better at exporting their goods and services than us. One of last year's Prime Ministers, Boris Johnson, thought poor export figures were down to a lack of ambition from businesses themselves; I hope the Minister does not share that view.

Hidden deep in the last White Paper on trade was the admission that, while the share of global goods exports has dropped for most G7 countries, the UK share appeared to have declined faster than most. What was striking about that admission is that Ministers offered no explanation for it, and the situation does not appear to have got any better. Figures compiled in the UK by our own Office for National Statistics reveal that, since just before the general election, UK goods exports to some of our biggest markets have dropped significantly: to Germany, our second biggest market, exports of goods have dropped by 7.5%; to France, our nearest neighbour—our fifth most important market—our goods exports are down over 6% since the election; goods exports to Spain have seen a 9% drop; and to Sweden a 5% drop. There certainly does not seem to have been any attempt across Government to understand why others are doing better than us at exporting.

International Monetary Fund data suggests that, since the last election, every other member of the G7, in sales to key export markets near to us, is performing better. British exports of goods and services to Germany are down by 17% since May 2019. To France, they are down by 14% since May 2019. American, Canadian

and Italian exports to France and Germany are all up by over 20%. Even Japan is doing better than we are at selling goods and services to France and Germany since the general election.

But it is trade with India that perhaps most tellingly lays bare the steady relative decline in Britain's trading performance. Despite better figures on services, our exports of goods to India actually declined over the last decade. This is a country where Britain has a long and deep history. There are many barriers to trade, but it is extraordinary that other countries have been able to increase their exports of goods while Britain has not.

These figures make it all the more surprising that Ministers cut support to help businesses get to trade shows, find new markets and win their first export contracts. The Government cut support in recent years to trade bodies wanting to run their own trade missions, and they cut direct support, too. The trade show access programme—the key support for businesses new to exporting—had its funding cut so much that only 10% of the number of businesses that were helped by the programme under the last Labour Government appear to be getting help from this Secretary of State's trade show access programme.

At the last general election, exporters and the wider British public were promised by the Conservatives that 80% of all trade would be conducted under the free trade agreements that Ministers would have signed by now, and that a trade deal with the US, our biggest market for goods and services, was going to happen by the end of last year. Neither has happened. We were promised a deal with India last year by Diwali. Will there be one by Diwali this year? Indeed, most of the deals that have been signed by Ministers were roll-over deals—cut-and-paste jobs. Ministers have routinely exaggerated the benefits of the trade deals they have negotiated for exporters.

While the deals that Britain has signed with Japan, Australia and New Zealand are welcome, particularly for geopolitical reasons, the quality of the negotiating effort by Ministers has hardly been inspirational. The deal with Japan, according to the impact assessment, appears set to benefit its exporters four times more than British exporters. The former Environment Secretary, the right hon. Member for Camborne and Redruth (George Eustice), admitted that he thought that Britain, when negotiating the trade deal with Australia,

“gave away far too much for far too little in return”.—[*Official Report*, 14 November 2022; Vol. 722, c. 424.]

While any increased opportunities for trade are welcome, at just 0.07%, 0.08% and 0.02%, the new trade deals with Japan, Australia and New Zealand will not lead to huge boosts to Britain's economic growth or to great surges in exports. Even the CPTPP will only boost exports enough to see a 0.08% increase in our GDP.

Talking to businesses and their representatives, there is widespread frustration with the trade deal that the Conservatives negotiated with the European Union. The Institute of Directors underlined that almost 50% of its members found the UK's trading relationship with the EU challenging. The British Chambers of Commerce, Make UK and the Federation of Small Businesses all highlight the real difficulties that their businesses are still having in getting their goods and services into European markets. Without changes, the

trading arrangement with Europe will continue to compound the challenges our exporters face and risk cementing further the Government's record of low growth and higher taxes. Ministers have been too slow to recognise the problems in the trade and co-operation agreement, and far too slow in trying to address them. The failure to sort the rules of origin issue for our car manufacturers, which the previous debate addressed, is just the most pressing example.

We on the Opposition Benches are determined to improve conditions for trade with Europe to make Brexit work. We will not rejoin the single market or the customs union, but we will use the 2025 review of the trade and co-operation agreement to push for better terms of trade.

Aaron Bell: I am interested to hear what the shadow Minister has to say about the Brexit situation and renegotiating with the EU, because in the *Financial Times* at the weekend, we see that “Keir Starmer pledges to seek major rewrite of Brexit deal”, when in 2020, *The Guardian's* headline was, “Labour will not seek major changes to UK's relationship with the EU”. Which is it? Why is the Leader of the Opposition proposing to extend further uncertainty on British businesses, who are busy getting on with exporting around the world?

Gareth Thomas: I am not sure whether that was one of the questions that the Whips gave out to the hon. Gentleman, but I have made it clear that we will not rejoin the single market or the customs union, but we will seek to use the 2025 review to push for better terms of trade. We will seek to negotiate a veterinary agreement with the EU to help in particular hard-pressed food, farming and fishing businesses. We will accelerate efforts to secure mutual recognition agreements to make it easier for our professionals to work in EU markets.

Specifically on Europe, many businesses are concerned by Ministers' plans to unilaterally extend a Windsor framework requirement for food and drink to be labelled “not for EU” this time next year when goods are sold across England, Scotland and Wales. They are particularly concerned because many say that they were not consulted. This measure will apply to a large share of food products in shops, including meat, dairy, pet food, fish and fruit and veg. Given that businesses are warning that this could increase costs, as they will not be able to supply identical products for sale in both EU markets and the UK, it would be good to know which businesses and business groups were consulted, and what their views were.

The biggest challenge and opportunity that Britain faces is climate change. British businesses could be at the heart of the race to net zero. Indeed, the global transition to green technologies is projected to create new industries worth £1 trillion by the end of this decade alone. However, when the Secretary of State called net zero targets “arbitrary” and “unilateral economic disarmament” only last year and could not deliver even one new offshore wind farm in last week's energy auction, we are not exactly in the best place to take the climate science innovation of British businesses, universities and other innovators and export them to the rest of the world. We on the Opposition Benches would create a nationwide network of climate export hubs to support every region in the country to secure new skilled jobs

[Gareth Thomas]

and opportunities from green trade. In particular, we need to make sure of help for trade and exporters in every region of the UK. Only 1.4% of exporters are from the north-east and less than 5% are from the midlands.

There is remarkable talent in every part of our country, yet wages here no longer keep pace with the hopes and dreams of the British people. The Government are delivering one of the worst rates of economic growth of any country in the G7. Their own Ministers believe they are failing British exporters. It does not have to be this way. Our ambition on the Opposition Benches is for a dynamic trading Britain, where businesses are not held back by Government negotiating failure or a lack of support at key moments. There are exceptional businesses in this country, and they deserve better than what Ministers are offering. Instead of pushing up trade barriers and pushing away investment, and instead of cutting support to businesses to export, we on the Opposition Benches will back British exporters. We will have the back of British exporters.

8.7 pm

Aaron Bell (Newcastle-under-Lyme) (Con): It is a pleasure to follow the shadow Minister. I can assure him that I am quite capable of highlighting Labour's flip-flops and U-turns by myself, but I thank him for the insinuation, and for the suggestion that I might be up to writing questions for the Whips one day.

I start by thanking both Ministers on the Government Front Bench for their engagement with Newcastle-under-Lyme businesses in the past year. The Minister for International Trade, my hon. Friend the Member for Mid Worcestershire (Nigel Huddleston), who opened the debate, came to visit, I think, six constituencies in Staffordshire on a whirlwind tour earlier this summer. He visited Langley Alloys in my constituency, which has 70% of its turnover overseas, in countries ranging from Brazil to New Zealand—a country with which we have signed a genuinely revolutionary trade deal in recent months. The Under-Secretary of State for Business and Trade, my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) welcomed a number of impressive businesses from Newcastle-under-Lyme down here to Westminster for a business roundtable either towards the end of last year or early this year, and I thank him for his engagement on that.

The way that the Department for Business and Trade is working to support individual firms in areas across the country, including areas in need of levelling up such as Newcastle-under-Lyme, is testament to how this new Department is working across the entire country to support exports, and I welcome that. Exports are now back to pre-covid levels, and the Department's export strategy is working. It looks like we are target in the race to £1 trillion by 2030. It is a challenging target, but the rates we have seen in recent years suggest we will be able to reach it.

In dealing with the European Union, this Government under the Prime Minister's leadership have been smoothing over a number of the residual issues from the EU. I think we can all concede that, due to a little bit of bad faith on both sides, the process of getting the deal with

the EU was not as smooth as we would have liked. However, with the Windsor framework we are seeing an improvement in trade with Northern Ireland. The Horizon deal only two weeks ago was hugely welcomed by the scientific community with what it implies for our scientific and artificial intelligence industries, which I mentioned earlier, and our services in the future.

I was with the Science, Innovation and Technology Committee in America last week. We visited Boston and Washington DC to speak about artificial intelligence in the light of our current inquiry into the future governance of AI. When we were in DC, I met UK Research and Innovation, which has an office there. It is clear that it is doing a huge amount of work to prepare the ground for investments by Britain in America, and conversely investments by American firms in Britain—building links in the technologies of the future. Of course, the USA remains this country's single biggest destination for exports, with £168 billion of exports in 2022, the majority of which is in services.

I will touch a little more on what we heard last week. The Americans are very impressed with where we are on artificial intelligence and think that our proposed model of regulating by the use of AI—we are working through this from the White Paper—rather than, like the EU, trying to regulate the concept of AI, is the right way to go. We heard repeatedly from lawmakers, the Administration and businesses that they welcome the summit that the Prime Minister will host at Bletchley Park in November.

That brings me to the Minister's point about how important digital agreements are for the future. We have signed a digital agreement with Singapore and included significant digital chapters in the deals that we have done with Australia, New Zealand and Japan.

The free trade agreements that we have been proposing are possible only because of Brexit. As the Minister said, we have signed 73 of them—a number of them are roll-over agreements, but a number of them are new—and of course we have signed the deal with the EU. These free trade deals offer British businesses, including those in my constituency of Newcastle-under-Lyme, new opportunities. I know that the Department is working with businesses to help them both to understand the mechanics of the free trade agreements and to realise the opportunities of them. Although the numbers may start small, free trade agreements are additive, because each year more firms get into exporting, so their true benefits come in the long term. For example, we project more than £3 billion for the Australia and New Zealand deals by 2035. Of course, by signing up to the CPTPP, we have even more opportunities for businesses.

Although this is an export debate, we should highlight that trade deals are good for UK consumers too. By joining the CPTPP, we will see lower prices on imports of things such as fruit juices from Chile and Peru in South America, and chocolate from Mexico. Trade deals therefore work for British consumers as well as British exporters. The Government are delivering for businesses, resolving the issues we have seen with the EU and opening new markets.

However, as I suggested in my intervention on the shadow Minister earlier, I fear that Labour wants to return the country to all the uncertainty that we had from 2016 to 2019. It is pretty clear from reading the previous remarks of the Leader of the Opposition that

Labour's ambition is to unpick and ultimately reverse Brexit, as well as to sign up for hundreds of thousands of additional migrants from the EU, as we saw last week. I quoted those two headlines, with the *FT* saying, "Starmer pledges to seek major rewrite of Brexit deal". I think that is the last thing that businesses and politics need. We have come to a period of stability after the turmoil following the referendum in 2016; we do not need to go back to those times. Of course, he said in 2020 that Labour would not seek major changes to the UK's relationship with the EU.

That, I am afraid, is yet another flip-flop from the Leader of the Opposition, but given that he campaigned to remain and stood up at Labour conference calling for a second referendum with an option to remain, I do not think we should be surprised. How can anybody trust what he says? I have no sympathy politically with the people on the Labour left, but he has reneged on all the commitments he made to them when running for the Labour leadership. He stitched them up like he wants to stitch up the British people, and that gives him no credibility and no integrity when it comes to negotiating for Britain.

There have been many returnees to the shadow Cabinet in recent weeks—they refused to serve under the right hon. Member for Islington North (Jeremy Corbyn) because of the tolerance of antisemitism in the party at the time, but the Leader of the Opposition served willingly. He even said:

"I'm not going to rank Jeremy Corbyn. He's a colleague and a friend and he's led us through some really difficult times in the Labour party."

But the shadow Chancellor, the shadow Home Secretary, the shadow Health Secretary and the new shadow Work and Pensions Secretary refused to serve under the former leader. They did the right thing, but I am afraid that the Leader of the Opposition did the expedient thing. He has tried to pull the wool over people's eyes about that. He is trying to do that again on Brexit and for British businesses. We must not let him get away with it.

8.13 pm

Kirsty Blackman (Aberdeen North) (SNP): It is always a pleasure to follow the hon. Member for Newcastle-under-Lyme (Aaron Bell). I am not sure that I can be quite as animated as he was during his speech, but I will do my best.

The issue was clearly laid out by the shadow Minister, the hon. Member for Harrow West (Gareth Thomas), with the stats on exports. The Government are incredibly positive about how wonderful exports are, but the reality is, when we are compared to G7 partners, the stats tell a very sorry tale.

Of course, we are the only country in the world dealing with the hangover from covid—no, wait, that is not right. We are the only country in the world dealing with the impact of the war in Ukraine—no, that is not right, either. We are the only country in the world dealing with demographic challenges—no, that is not right, either. The thing is, we are the only country in the world dealing with removing ourselves from our largest trading partner. That is the differential. That is why we are not seeing the growth in trade.

The Minister talked about the fact that there are agreements in place with 73 countries. Fabulous. We left the EU, which has agreements in place with 72 countries.

So with all that work and all the running around that Government Ministers have been doing, we currently have one more country with which we have a trade agreement in place than the EU. It almost seems as if the immense amount of uncertainty that everybody—individuals and businesses—has been put through was not really worth it after all.

We could go back to 2016 and make different decisions about how to make Brexit work—six different leaders of Labour and Conservative colours have spoken about it—and how to make the best future for the economy, the wellbeing of people throughout these isles. What the Government should have done was ask, "What do we export the most? What is our trading relationship with the EU?" We exported a lot of services to the EU before Brexit. So, if it had been me taking decisions on this, I would have done everything I could to try to protect those services. I would also have done everything I could to protect those communities that would be decimated by the loss of something, such as fish processing—and whisky, which the Minister mentioned a moment ago. The Government should have been focusing on those things. Instead, they put forward that their No. 1 priority in negotiating Brexit was to end freedom of movement. They have had to suffer the economic losses that go along with that. So they have sacrificed the beneficial position we were in before Brexit, affecting a number of businesses and individuals as a result, not just because of the decision not to prioritise services but for the loss of freedom of movement. That has meant that our farmers, for example, are struggling to find people to work on their farms. It is the same issue in food processing and across some of our most rural communities, which are being decimated as a result of how much harder it is for people to come and live and work in the United Kingdom.

In the automotive debate, we heard comments about the rules of origin. I first raised the rules of origin in relation to the automotive industry in this House five or six years ago, and the problem has not been solved. That level of uncertainty has been hanging over the automotive industry since then, and there is no clear answer. The clock is ticking; there is a very short period of time before this kicks in, and decisions need to be made. At that point, I spoke about diagonal cumulation. We need to ensure that there is certainty or we will continue to see those large manufacturing companies with bases all over the world choosing to invest in improving their factories in European countries rather than those in the United Kingdom. It has been decimating for our manufacturing.

I was glad that the hon. Member for Newcastle-under-Lyme mentioned the numbers—£3 billion—in relation to the Australia and New Zealand trade deals. The Office for Budget Responsibility estimates that we will lose £100 billion as a result of Brexit—£3 billion does not touch the sides of that number and the 4% drop in GDP that we see as a result. Whenever trade deals like these are signed, we might see an improvement in exports. In fact, after the Japan trade deal was signed, we saw a reduction in exports to Japan, so the jury is out on whether they work. However, regardless of whether there is an increase in exports, throwing beef and lamb farmers under the bus is not the way to go.

According to the OBR, there is likely to be a 15% reduction in trade intensity. The OBR has those figures as a result of the Government's economic plans, the

[Kirsty Blackman]

deals signed and the proposals in place. Our food processors and producers, who are producing the best food in the world—as a Scottish MP, hon. Members would expect me to say that—are being massively undercut because the Government have the wrong priorities when signing trade deals. We have already seen beef exports go down by 22% since the deal was signed. The price of producing lamb in Australia has reduced again, which will undercut our farmers and make us less likely to become a nation self-sufficient in food production, because it will cost us more to rear the lamb. That is a problem. The Government have prioritised the wrong things.

The Government have missed the opportunity of renewables, and not just in terms of capitalising economically on climate change and the move towards a just transition. In fact, they have missed the opportunity to invest in amazing innovations in renewable technologies and to export them around the world. During the oil and gas boom, Aberdeen in north-east Scotland became known for exports. My constituency was top for the number of patents per head of population. There is an amazing amount of research and development as a result of the oil and gas industry. We are seeing declining amounts of oil and gas and an increase in the number of countries looking to capitalise on and use renewable technologies. Because we are not seeing investment in things such as carbon capture, utilisation and storage, we are not able to stay ahead of the curve and use that tech to assist other countries around the world in the way that we were able to do with oil and gas.

The Parliamentary Under-Secretary of State for Business and Trade (Kevin Hollinrake): I am slightly confused about the hon. Lady's policies and those of her party. I think she said that oil and gas production was coming down. Is it not her party's policy to prevent any new exploration of oil and gas in Scottish fields? Is her own policy in disagreement with that of her party? I am very confused on that matter.

Kirsty Blackman: The party's policy is that every new oil and gas licence should go through a rigorous environmental assessment. As much as the Conservatives try to paint it as something else, that is the party's policy. The vast majority of my constituents who contact me would like no new licences to be granted. Far more constituents contacted me to tell me that Cambo was a disaster and should not go ahead. I have a large university in my constituency, and a huge number of people from all around the world, who are massively concerned about the impacts of climate change. I urge the Minister to come and spend some time in my constituency, to see the passion on the ground for a just transition.

My constituents really like having jobs. Most people do. It is great to be able to take a salary home. My constituents, in the main, are not terribly fussed if the job that pays them lots of money is in oil and gas or in the renewables sector. When I talk to people, they tell me that they would like a good job. Those people in the oil and gas industry ask for their tickets to be transferable so that they can go to offshore wind just as easily as they can go to oil and gas platforms. The UK Government have failed to capitalise on that. They failed to invest in CCUS. In fact, back in 2015 the then Chancellor pulled

the plug on CCUS without even telling the industry. He stood at that Dispatch Box during the Budget and did that.

The UK Government have failed to prioritise improving our food exports. If they were serious about supporting our farmers, they would do everything they could to ensure them access to the labour that they need to pick the fruit, butcher the pork and export all that wonderful produce. If the UK Government were serious about supporting people and businesses in Scotland, they would have come forward far quicker with the decision on Horizon. They would have prioritised ensuring that our world-leading scientists across these islands, and particularly in my constituency, continue to have access to those research grants. They would have ensured that they could continue to work closely with European counterparts to develop the really cool tech of the future and to develop drugs for Alzheimer's and heart disease in my constituency. All those things would have been prioritised by the UK Government if they cared about supporting individuals and businesses. They would have taken these things seriously, and they would have prioritised those industries rather than simply prioritising the removal of freedom of movement.

A number of Members have mentioned making Brexit work. It is not possible to make Brexit work. We cannot make Brexit work, because Brexit does not work. Various Conservative leaders have stood there saying, "Make Brexit work." The Labour party has stood there saying "Make Brexit work." It cannot work. It is not the positive economic future that we want. The Scottish National party will continue to stand for being in the single market. We will continue to support being members of that single market and, yes, having freedom of movement. Freedom of movement is great for economic benefit. In nine out of the last 10 years—and eight years running—Scotland has had the highest levels of foreign direct investment of any area, country or region in the United Kingdom other than London. That is because the Scottish Government are doing everything they can to ensure that we continue to trade and export, and continue to have a great relationship with as many countries in the world as we possibly can.

The UK Government do not even have a published trade strategy document that pulls everything together. If they had an internal trade strategy document, it would be great if they would publish it, so that we can all see their strategy. Conservative Members say that there are missed opportunities in international trade because they are not prioritising work on selling renewables around the world. Clearly, something is missing. It would be great to see that strategy so that we can provide the appropriate scrutiny. If they continue to hide it, no one can scrutinise it. We do not know what they are trying to do because they are not willing to tell us and share the strategy with us, if they have one.

The only way to ensure that trade with the EU continues to go up and to bring back freedom of movement is for Scotland to free itself from Westminster and take its own decisions on immigration and trade, ensuring we have as close a relationship with the EU as possible, not by making Brexit work but by being back as a member of the EU and the single market. That will protect our economy and our freedom of movement, and ensure our scientists have the best possible access to collaboration. That will ensure our farmers have a level

of protection they do not currently have in being able to export food without whatever is going to happen with the Windsor framework, which could be disastrous for our farmers. The United Kingdom Internal Market Act 2020 continues to go over the top of what the Scottish Government would like for our future, our farmers and our food producers. I recommend that everybody looks very closely at the SNP's next manifesto, in which we will lay out those policies even more clearly than I have this evening.

Mr Deputy Speaker (Mr Nigel Evans): Mr Shannon, it is so lovely to have you on so early in the debate. *[Laughter.]*

8.29 pm

Jim Shannon (Strangford) (DUP): Thank you very much for that, Mr Deputy Speaker. I thank all right hon. and hon. Members, including the shadow Minister, for their contributions, and especially the Minister for setting the scene so well, as he often does.

I do not want to put a dampener on proceedings, but I have to put on record my concerns about the Northern Ireland protocol. I say that gently, because I believe we are at a stage in negotiations where we are trying to find a way forward and I hope they will be successful. The hon. Member for Newcastle-under-Lyme (Aaron Bell) spoke of his hopes that the Northern Ireland protocol would move forward. There is nothing wrong in hoping that, but the reality is very, very different. I say that very gently to him and he knows where I am coming from. I am very pleased to learn of the export rates and I also note that Members believe we can improve on them. From a Northern Ireland perspective, the notion of export performance is intrinsically linked with the Windsor framework. It is important that I give an honest Northern Ireland perspective in a gentle way to the House. I always try to be constructive in my comments. I do not try to be aggressive or nasty, or say things that are unhelpful to the debate, because we hope that things will work out.

A House of Lords Select Committee report, released in the summer, shows the depth of the problems with our exports caused by EU interference, something we were keen to shake off with Brexit. As a Brexiteer, I want the same Brexit as England, Scotland and Wales, and we do not have that for Northern Ireland. The report highlights a number of significant issues. Just last week, Lord Dodds, the speaker at our association annual general meeting, outlined where we are very clearly. One key conclusion is that the Windsor framework makes things worse for many businesses compared with what they have experienced up to now. Honestly, that is the situation for many of the businesses in my constituency. There is a way forward, which my party has outlined through our seven-point plan. With the Prime Minister, the Secretary of State and all the other Ministers involved, we are seeking to find that way forward.

The original protocol was unworkable and could not be implemented without major damage to our economy. That led to the grace periods and easements. Now those are to be done away with and replaced with the more onerous and burdensome Windsor framework provisions. The Windsor framework renders Northern Ireland worse off in terms of the Irish sea border, and creates greater checks and barriers to trade with the rest of the UK

compared to what we experienced thus far, even if it theoretically improves on the original version of the protocol, which was unworkable in any case. Some may believe that that has no effect on UK exports, but Northern Ireland is an integral part of the supply chain. The Minister, in response to my intervention, made that very clear and I welcome that. He stated very clearly that we want Northern Ireland to have all the advantages England, Wales and Scotland have in export trade. That would be really good news, if only that was where we were.

If we cannot, in pharmaceuticals for instance—engineering is a second one—source our medical ingredients, we cannot produce the vaccines or veterinary products and supply the global market as we currently do. That affects our global output, never mind the fact that without a permanent solution, the supply of over 50% of veterinary medicines to Northern Ireland may be discontinued, posing a risk to both animal and human health, and the agri-food supply chains and the resulting transfer to exportation. My hon. Friend the Member for North Antrim (Ian Paisley) has spoken at some length in different questions to different Ministers, including the Prime Minister, on the problems for veterinary health.

If we cannot source steel and parts to carry out our engineering, which delivers parts in many industries from aerospace to boats, to defence weapons and any number of other chains in which we have been, to date, an integral part of the UK machine for export, and if we have divergence in regulation between Great Britain and Northern Ireland, or between Northern Ireland and Ireland, there is a valid underlying fear that Northern Ireland will find itself in a no man's land between Great Britain and the EU, placing the competitiveness of Northern Ireland firms and their complex supply chains in jeopardy.

I welcome the fact that the Minister of State, Northern Ireland Office, the hon. Member for Wycombe (Mr Baker), has undertaken to highlight our global potential with investment in Invest Northern Ireland's new offices in Seoul—the Minister for International Trade, who opened the debate, referred to the potential for trade with South Korea; that is good news, and we hope to be part of it—to learn how Government funding is boosting Northern Ireland's profile in the Asia-Pacific region and helping to connect Northern Ireland businesses to the world. He announced back in December that £8 million of funding from the New Deal for Northern Ireland would enable Invest Northern Ireland to expand Northern Ireland's presence on the international stage as it supports Northern Ireland businesses in new locations from Paris to Toronto, as well as providing additional trade advisory support in their Belfast offices.

I know that this is not this Minister's responsibility, but let me just say that I am keen to see a trade deal with India—with one proviso. I will mention, in a Westminster Hall debate on religious persecution which starts at 9.30 am tomorrow, what has been happening recently in the Indian district of Manipur. I consider it imperative for any trade deal with India to enshrine the preservation of human rights, the equality of rights, and freedom of religious belief. Some 60,000 people have been displaced, and some 360 Christian churches have been damaged. I want a trade deal with India; everyone wants one; but if we are to have one, it must be conditional. It is disappointing

[Jim Shannon]

that, as I understand it—although I will not pose this question to the relevant Minister in Westminster Hall tomorrow morning—our Prime Minister never once raised the issue of freedom of religious belief, even after all that violence, destruction and displacement.

By and large, we should welcome the Government's UK export performance, but I do want to make the case for Northern Ireland. I ask our Minister to implore his colleagues in the Cabinet to act, and to ensure that Northern Ireland can play her full and functioning part in the story of UK global exports, from which we are currently precluded. We have the potential to become so much more in a post-Brexit UK, but we have a great deal to do, and in my opinion that should start with our ending the strong-arming of Europe, embracing true global trade and allowing Northern Ireland to play her part. We deserve that, as loyal British subjects. I love telling people that I am a member of the United Kingdom of Great Britain and Northern Ireland—I am a British citizen, and I am proud to be British—but I want to be proud to be British and have the same equal rights. That is my request.

Mr Deputy Speaker (Mr Nigel Evans): I call the shadow Minister.

8.37 pm

Afzal Khan (Manchester, Gorton) (Lab): I thank the committed colleagues on both sides of the House who are here on a quiet Monday evening for their contributions to the debate. It has provided an important opportunity for us to recognise that, for all the Government's talk about signing free trade agreements across the world and bringing British businesses a step closer to selling to new markets with fewer hurdles, the UK's export performance is not actually looking very promising. I ask Conservative Members who are advocates of trade and exports to look carefully at their own leadership. If they did so, they would realise how much Britain and British industry have been let down.

Let us look at the facts. The Office for Budget Responsibility predicts that exports will fall this year and again next year, and that over the next three years, with more of the same Tory failure in our economy, the UK's growth will be weak at best. Tory Governments are quick to claim that they are the "the party of business", but when I talk to businesses in the city of Manchester and across Great Britain, that is not what I hear. The Prime Minister and his Government, and all those Prime Ministers of the last few years who came before him, promised "growth, growth, growth", but what do exporting businesses see? They see out-of-control inflation, no progress on trade deals, and a Government who not only do not take their concerns seriously, but sometimes cannot even be bothered to meet them to hear those concerns. They see failure after failure, and because of all that, Britain is set to be 15 years late in achieving its £1 trillion export target.

The Government claim to believe that only trade can create jobs, drive growth and deliver the long-term prosperity that communities across the UK have been crying out for, but when it comes to delivering it, they are nowhere to be seen. It is true that the UK has started negotiations for trade agreements with some of

the world's largest and growing economies such as the US, India, Canada, Mexico, the Gulf Co-operation Council, Israel and Switzerland. We left the European Union in 2020. How many of these trade deals have been concluded? None.

The fact that we have been unable to conclude a deal with one of our closest allies, the United States, is frankly embarrassing, yet the Prime Minister freely admitted on his way to meeting President Biden that a trade deal with the world's largest economy was not "a priority". That says it all, doesn't it? Despite the UK's deep and historic ties to India, the Prime Minister failed to make any progress on a trade deal there last week. I guess that was not a priority either. And in Europe, our next-door neighbour and largest trading partner, UK businesses are far less competitive and swamped in red tape because the Government failed to get a decent Brexit deal. Again, not a priority. So long as trade and exports are treated as unimportant by the Government, there will be no new markets, goods exports will continue to fall and UK businesses will suffer. The last time more than 30% of businesses saw increased export sales was at the end of 2018, almost five years ago.

Aaron Bell: I am grateful to the hon. Gentleman for giving way. I very much enjoyed our trip to the United States earlier this summer as part of the British-American Parliamentary Group exchange. He will know that the reason there is not a trade deal with America is because of the state of American politics and the protectionism we have seen from the Democratic Administration through the Inflation Reduction Act. Also, America is unlikely to negotiate a free trade deal in the run-up to the presidential election next autumn, but that does not mean that this Government are not ambitious for that deal in the longer term. I welcome the hon. Gentleman to his new role, but he has to appreciate that trade deals take two to tango. This country has always prioritised free trade and we will do as many deals as we can with like-minded countries.

Afzal Khan: I thank the Member for his intervention. I too enjoyed our trip together—I learned so much about the American system—but can I remind him that that trade deal was in his manifesto?

The truth is that British exporters are at the end of their tether with this Government, and with the meagre support services that our Department for Business and Trade is providing. They find themselves unable to access up-to-date information and they are struggling to find guidance on how best to get their goods out into the world. It is worth noting that trade and export are not about big businesses. They are about the small and medium enterprises that make up 99.9% of UK private sector businesses. These businesses bear the biggest brunt of the Tories' hopeless approach to improving export performance. Between April and June of this year, over half of all SME exporters saw no change in overseas sales, and almost a quarter reported a fall in sales. That is 16 million people employed in SMEs who are being failed by the Tories, but as my hon. Friend the Member for Harrow West (Gareth Thomas) set out at the beginning of the debate, it does not need to be this way.

Businesses of all sizes should be able to have faith in a Government who work for them, who are pro-trade, pro-business and pro-workers and, crucially, who take

a leading role in driving exports from towns and cities across the UK. A Labour Government would not only introduce a binding duty on trade negotiators to help deliver economic opportunities across the whole of the UK; we would also ensure that each new trade deal was accompanied by a regional strategy with support for businesses, maximising the benefits from trade deals across our nations. Sadly, this is not the Tory Government's priority.

So much needs to be done to restore the faith of British businesses in our trade and export capabilities, and to show the world that the UK is open for business. I am afraid that, once again, the Tory party has shown that it is just not up to it.

8.44 pm

The Parliamentary Under-Secretary of State for Business and Trade (Kevin Hollinrake): It is a pleasure to respond to this important debate. I thank all the Members who have contributed.

Obviously, the House is united on the importance of exports to our economy, but it differs somewhat on how we go about it. I was interested in the remarks of the shadow Minister, the hon. Member for Harrow West (Gareth Thomas). He talked about 13 years of economic failure. He can choose his own opinions, but he cannot choose his own facts. May I give him some facts? We are now the eighth largest manufacturer in the world; we have moved from ninth. We have just overtaken France, which is a bit of a double-win. We are the fifth largest global trader in the world, up from sixth in 2021. We are the third fastest growing economy in the G7 since the pandemic. Since 2016, we have grown faster than Germany and France and, since 2010, we have grown the third fastest in the G7. The only countries ahead of us since the pandemic are the US and Canada. Of all the major economies in the European Union, we have a great story on growth. Those are three things we have achieved on growth. Those are the facts.

The hon. Gentleman may want to depress the nation. I have met many pessimists in my life. I have never yet met a happy pessimist or a successful pessimist. The same goes when trying to get elected. The public want a dealer in hope, not these Jeremiahs who are determined to talk this country down. That is deeply unhelpful and deeply incorrect.

I have some more facts. The hon. Gentleman talks about export performance since 2010—he said there have been 13 years of failure—but it is 31% up in real terms. How is that a failure? I have a great deal of time for him away from the knockabout of politics, but his quotes were all about goods. He never touched on services. He will recognise that 80% of our economy is not goods but services, which is hugely important. It is why our export performance, in real terms, is growing.

The hon. Gentleman said that exports are down this year. In the 12 months to July 2023—these are facts, not projections—there were £849 billion of exports, up 16% on the previous year. In this debate, we should focus on the facts.

Kirsty Blackman: The UN figures are actually for goods and services, so the UK is sixth in the G7, at 6% growth, behind Canada, the US, Italy, France and Germany, on 22%. Those are UN figures on goods and services.

Kevin Hollinrake: Again, the hon. Lady is picking out certain figures. May I give her a figure? Does she know the UK's largest export in the food and drink sector? It is whisky, at £6.3 billion. Fifty-three bottles of whisky are exported every single second. It is a huge success story and one that we are determined to mirror across the economy, and this is the strategy we are employing to do it.

As the Minister for International Trade so eloquently laid out, we are pursuing a trade policy that is unrelentingly focused on growth. I am proud that this Government have such high ambitions in this area but, to borrow an analogy from the Secretary of State, free trade agreements are like motorways—they work only if we get cars driving up and down them. That is why our Department is focusing on how to create the environment that exporters need to succeed. We must also ensure that the right support is in place.

I have seen at first hand the appetite for export growth in the UK, both in my work before I entered Parliament and today as Minister for enterprise, markets and small business. That is why the Department for Business and Trade has established a dedicated free trade agreement utilisation team to help to improve FTA awareness and take-up. The team's first major project has been to develop new business guidance resources for the UK-Australia FTA, working with businesses and business representative organisations to ensure it captures everything businesses want and need to know, and in business-friendly language. Similar work is under way to prepare for the entry into force of the comprehensive and progressive agreement for trans-Pacific partnership—TPP is far snappier—to ensure that businesses are equipped with the knowledge they need on fast-growing markets and the benefits of that deal for them.

We understand that taking a business global can be a daunting prospect—if you've never exported before, where do you start? You start where Wold Top Brewery, in my constituency, started. It is run by the wonderful Mellor family, a farming family from near Hunmanby. They started making their own beer because they had grain on their farm and an artesian well. They make some fantastic beer, including Wold Gold, which I heartily recommend. It has been in the Strangers Bar and I will tell you when it will be again, Mr Deputy Speaker. They used our trade advisers to start exporting to Italy very early on in their business growth—they did not wait until they had conquered the UK market—and they have been hugely successful, so much so that they are expanding now into Filey Bay whisky, a wonderful whisky, which, again, is exported around the world. That is the kind of export strategy we want and it is supported by the Government's export strategy, "Made in the UK, Sold to the World", which is built around a 12-point plan to give firms of any size the support they need on their exporting journey, be it practical, promotional or financial.

Our newly expanded Export Support Service is a one-stop shop for exporting advice. As well as an online library of resources available 24/7, our expert trade advisers are on hand with free and impartial advice. Since April 2022, they have handled 9,600 market inquiries. They work closely with our network of in-market specialists across 100 countries globally to share market insights, identify opportunities and connect businesses with buyers.

[Kevin Hollinrake]

We have also rolled out our export academy across the country, offering SMEs a programme of masterclasses, roundtables and networking events.

A special mention must go to our fantastic community of export champions for all they do. I have had the great pleasure of meeting some of them in person, such as those from Briggs Automotive Company, in Liverpool, and we are very grateful for all they do. As the Minister for International Trade mentioned, this is all underpinned by the important work of the Government's award-winning export credit agency, UK Export Finance, which provided £6.5 billion to support 532 UK companies win exports and trade internationally. Eighty-four per cent of those companies were SMEs, and 82% were based in constituencies such as mine and yours, Mr Deputy Speaker. Of course, the Government have also backed the British Business Bank to provide more than £12.2 billion of finance to more than 96,000 small businesses, including more than 100,000 start-up loans since 2012.

I wish briefly to pick up on some of the points made in the debate. The shadow Minister, the hon. Member for Harrow West, said, "Why not enter into a veterinary agreement?" If he wants to become a rule taker again, he can do that, but it would rule out things such as gene editing, which was a fantastic opportunity for this nation. That is what he has to try to square the circle of, rather than just playing both ends against the middle.

As for the difficulties of trading with the EU, there is no doubt that those are abating. Eurotunnel said earlier this year that trade between the EU and the UK is back to where it was pre-Brexit in terms of the speed of processing lorries. Of course this is not all within our gift and the EU negotiates in its interests. Apparently, he is going to take a completely new approach. He says they are not going to join the single market or the customs union, yet he is going to wave a magic wand and all these problems will disappear. As my hon. Friend the Member for Newcastle-under-Lyme (Aaron Bell) pointed out beautifully, the Labour party's approach is to see which way the wind is blowing. First, the Leader of the Opposition was a remainer, then he wanted a second referendum, then he made the case for free movement of people, and now he wants a complete renegotiation of the trade and co-operation agreement, even though earlier he said he did not.

The approach is simply all over the place—all at sea—despite the fact that we have made huge progress since the trade and co-operation agreement, not least because of the Windsor framework. I understand the concerns raised by the hon. Member for Strangford (Jim Shannon) about that, but it is a good basis for co-operation in future and it is very popular with businesses. There have been other steps forward, including the inclusion of the UK in the Horizon programme. There are a variety of issues that we need to work through and the Department is working hard on those. In terms of the trade agreement with India, we are very keen, but it is about the deal, not the date, as we have said many times, and getting that deal right. We have just completed the 12th round of negotiations, so I hope there will soon be some positive news about getting that deal together.

The hon. Member for Aberdeen North (Kirsty Blackman) made some interesting points. She made a point about the EU agreement and how wonderful it

was, and then talked about services. Well, the EU agreement did not even cover services, or not to any extent, and the Swiss-EU deal did not cover services at all—a 50-year-old agreement. The UK is 80% services, so it is important to look at the issue in the round and do what is right for the UK, not what is right for Germany. Such a deal might suit Germany but it does not suit the UK—we stand up for what is right for the UK.

The hon. Lady talked about oil and gas as a failing industry, and then would not commit to any new licences, which seems very strange. She talked about farming and said people would be better off inside the EU, but when we discussed the potential for Brexit, that was not the perspective of my farmers. She completely ignored fishing. Is the SNP's perspective that we should rejoin the common fisheries policy? That would be highly unpopular with the fishing industry in Scotland.

Our export strategy is working. We hit £815 billion of exports in 2022 and we plan to go further this year. Our ranking as second in the world for exports of services in 2022 highlights that further. We want businesses to be ambitious in their exporting. The strategy laid a challenge for businesses and Government to "race to a trillion" exports per year by 2030. We need the support of all types of businesses, in all parts of the UK, to make that happen. Unlocking the UK's exporting potential will help to level up the country and boost the UK's economy, and I look forward to seeing how much further we can go.

Question put and agreed to.

Resolved,

That this House has considered UK export performance.

Business without Debate

SCOTTISH AFFAIRS COMMITTEE

Sir Bill Wiggins (North Herefordshire) (Con): I know you have been thoroughly looking forward to this major event, Mr Deputy Speaker. It gives me great pleasure to say that the Committee of Selection has deliberated and to put forward the motion, which I beg to move.

Ordered,

That Deidre Brock and Dr Philippa Whitford be discharged from the Scottish Affairs Committee and Alan Brown and Ms Anum Qaisar be added.—(*Sir Bill Wiggins, on behalf of the Committee of Selection.*)

PETITION

NICE Enhertu Cancer Treatment

8.58 pm

Saqib Bhatti (Meriden) (Con): Further to the similar change.org petition that received over 166,000 signatures, I formerly present this petition on behalf of my constituent, Elaine Lynch. It calls on the National Institute for Health Care and Excellence to authorise the use of the drug Enhertu for NHS cancer treatment among patients with the HER2 mutation, given that the drug currently holds approval exclusively for breast cancer treatment.

The petition states:

The petition of Elaine Lynch,

The petitioner declares that the National Institute for Health Care and Excellence (NICE), should take steps to approve the further use of Enhertu in NHS cancer treatments in patients that have the HER2 mutation; notes that NICE has currently only approved the use of Enhertu in the treatment of breast cancer; further notes that Enhertu has been approved in the United States for patients with the HER2 mutation.

And the petitioners remain, etc.

[P002858]

Sites of Special Scientific Interest

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

8.59 pm

Derek Thomas (St Ives) (Con): May I start by thanking Mr Speaker for permitting me to bring this debate to the House?

Sites of special scientific interest make an important contribution to the Government's statutory targets and international commitments to halt biodiversity decline by 2030, and to meeting the goal of the 25-year environment plan to be the

“first generation to leave that environment in a better state than we found it”.

These commitments are made easier to achieve because British farmers are passionate about protecting and enhancing our great British countryside. Farmers manage more than 70% of all land in the UK, which is why they are the most critical partner the Government have in the commitment to reverse nature decline by 2030.

However, there is an elephant in the room, which is Natural England. My experience is that Natural England fails to engage, convince and partner with our farmers and landowners. It is my view that the Government's ambition in this area is at risk because of Natural England.

I turn my attention to West Penwith moors and downs, which was formally designated as an SSSI in July this year. It was no surprise that Penwith moors was identified as a candidate for SSSI designation. The principle of the West Penwith SSSI presented farmers with no real cause for concern. After all, it is these landowners who have cared for the environment for generations. They understood—and understand—how precious it is.

Let me set out the context. West Penwith is a manmade landscape with the oldest continuously used manmade features in the world. There is a long history of agriculture and livestock grazing, with many of the 4,000-year-old field systems still used for their original purpose. To reinforce this point, during the hearing of the Natural England board, which took place on 28 June, one of the most recent members to join the board was critical during the hearing, stating that she

“was surprised that the area had not been formally designated before now”.

It was clear that her mind was made up before the hearing, which came as a surprise to me, but, essentially, she was not wrong in her assessment. What justifies such a significant designation is the careful management of this countryside by farmers whose families have farmed over multiple generations, and it is their sons and daughters who hope to follow in their footsteps, if allowed.

Why am I asking the House to consider SSSIs? In October 2022, SSSI notification packs landed on the doormats of landowners and farmers, and, contrary to our expectation, close to 1,000 acres of clean land—pastures, paddocks and land on which crops or even animal feed could be grown—was included. It also became very clear that Natural England's case relied on scientific evidence that was not much more than desktop studies and old survey data. The risk to the viability of these farms and small holdings by Natural England's approach

[Derek Thomas]

was clear for all to see. For example, the notification documents that the landowners received did not include clear evidence or reasons why their clean land had been included.

From that day forward, the way that Natural England approached the designation to many of these farming businesses came across as high-handed and paid no, or scant, regard to these businesses' long custodianship of the land. This has caused huge resentment within the farming community and undermined future landscape recovery ambitions, which I shall come on to later.

Everyone in the House recognises that viable farms and careful land management demand an important ingredient: confidence. It was confidence that took a severe beating in the months between October 2022 and 28 June 2023—the date of the hearing to confirm, amend or reject the SSSI. Any scrap of confidence left was truly and utterly obliterated for those who attended the full day's hearing, and I include myself in that. The Minister should be aware that, when challenges were made by objectors on the day, little responsibility or ownership was accepted. Instead the chair, the legal team and senior officials sought to blame Government policy, and we were repeatedly told that it was the Government's commitment to halting biodiversity decline that drove the actions of Natural England.

The Minister might find it helpful if I highlight some of our significant concerns following the hearing on 28 June. First, when pressed, specialists admitted that they did not have robust data or evidence to include the 700-plus acres of good pasture farm land—by that time, more than 200 acres had been successfully challenged by landowners and removed from the SSSI area. The only reason that Natural England gave, when pressed, for including that good pasture land was, "There is potential for pollution."

Preventing excess nitrate in surface water from reaching valley mires was Natural England's primary justification for the SSSI. It believes that that would lead to excess nutrient in the mires, to the detriment of the special fauna and flora present. Such environmental damage was highlighted as likely by Farmscoper, a desktop tool that offers generic assessment. Critically, however, the first thing that the Farmscoper tool offers is a disclaimer saying that the general results it generates should not be applied directly on any specific farm. Instead, it says that the results should be checked by on-site testing. On-site testing had not happened before designation and, as far as I am aware, Natural England has no plan to carry it out.

Other concerning aspects of the day included Natural England's failure to assess the land properly; its failure to understand the hydrological implications of past mining, right across the Penwith moors area; its failure to communicate properly, to the extent that some landowners never received the notification and some still do not know what part of their land is under restriction; and its failure to follow Natural England's own guidelines. The quango admitted that its own data was several years old and that officers had frequently diverged from SSSI selection guidelines. Bird surveys were undertaken for a year, not for the three to five years specified by Natural England's own rulebook. Invertebrate surveys relied on a single year, rather than three years as the guidance specifies.

Why does this matter? Because now, following confirmation of the SSSI, farmers are subject to the same Natural England staff dictating how they operate their farms. That includes its telling farmers to stop milking cows and its imposing an arbitrary reduction in livestock, making some farming businesses unsustainable and impacting the rural economy and food security, while delivering no meaningful benefit to the environment. Farmers are already selling their businesses. It also includes refusing consent for the maintenance of utilities such as telegraph poles, and giving only time-limited consent for water abstraction and repair to the infrastructure of boreholes.

Jim Shannon (Strangford) (DUP): The hon. Gentleman's point about utilities ties in with an issue in my constituency. I understand very well what he says about Natural England's oversight of farmers and the impact on their businesses. There are also concerns about flexibility. I live in an area of outstanding natural beauty, with a site of special scientific interest. It is important that we retain that, but it is also important that there be flexibility within the Department. However, there is not that flexibility, and it is quite clearly not there in Natural England either.

Back home in Northern Ireland, in my constituency of Strangford, we are after two things: better safety at the SSSI at Kircubbin, and better safety at Portaferry Road. Both those things have been objected to by the Department. When it comes to sites of special scientific interest, it does not matter what is safe or what is right; all that matters is the Department's point of view. That is exactly what I think the hon. Gentleman is saying.

Derek Thomas: I thank the hon. Gentleman for his intervention, which I welcome. To be clear, the West Penwith moors SSSI was and is welcome; the problem is how Natural England has gone about it by including good farming land that risks the viability of farms without robust evidence of any real harm to the rough land, as we would describe the moorland. My experience from engaging with the Department is that it fully understands the concerns that I have raised; it is Natural England that seems to have ridden roughshod across farmers' interests and their understanding of how to care for their natural environment. Everything has been determined by how Natural England officers would like it to be done.

Returning to water, the water supply on the farms is not just for livestock; as is often the case in rural areas such as mine where we are off grid, it is for the farmers' homes and all the properties around them. At the moment, consent is being given for those farms to abstract water from the boreholes for a very limited time only.

I will give an example of the impact on a farm not far from where I live. I happen to live right on the edge of the moors, and it is the most beautiful part of the world; I would welcome a visit from the Minister, both to see West Penwith moors and to visit the farms and businesses impacted by the designation. This farm has two fields that have a mixture of acid pasture, ferns and heather, and grassland, which Natural England included in the SSSI with the rest of the farmland, which is already in Natural England's higher level stewardship scheme.

The farmers objected to the inclusion of the two fields, as they were not part of the HLS scheme and were used as sacrifice ground for winter feeding of yearling Red Ruby Devon heifers that were out-wintered. Red Ruby Devons cope with the winters outside, as do many of the cattle we rear in west Cornwall, but they need supplementary food, such as bales of haylage in a trailer that is moved around every so often to avoid poaching. Visits by Natural England staff seemed to offer comfort, because of the 25 years of history that the farm has with the environmental sensitive area scheme and then the higher level stewardship scheme. Natural England acknowledged that the farm had been doing everything that the Department for Environment, Food and Rural Affairs and Natural England wanted, but as there was not a boundary between the rough land and the main grass pasture, all of it was in the SSSI and hence under restriction.

Natural England would only consider allowing the current winter grazing practice to continue if a fence, priced at £2,100, was erected to divide the two areas. What was the outcome? The farm decided not to squander hard-earned cash on a pointless fence, but to reduce stocking levels, as it will not be able to keep as many cattle out this winter. That leads to reduced cattle grazing on the moorland, making way for brambles and rhododendrons to invade. We have seen that already close to where I live. If hon. Members know anything about brambles and rhododendrons, they will know that, when an area is not grazed, it is extremely difficult to get rid of those invasive species—rhododendrons in particular. It will cost the state and the council enormous sums of money to clear them away.

Given the impact on this farm and many more besides, you will understand, Mr Deputy Speaker, why I stress that the science has to be right, and not just enough to get it through to become a SSSI. It needs to be right and done over a period of time to prove its efficacy. Natural England needs scientific rigour in its actions, but it has proved incapable of functioning to that level of detail. As I have said, its officers have not even tested the water, but have simply relied on a desktop survey.

I was disappointed after the hearing, as it was evident that the entire board, including the chair, demonstrated a failure to understand the landscape from both a historical and ecological perspective. More importantly, they failed to recognise that the existing designations and safeguards, which are already there to protect the very countryside I am talking about, offered an opportunity to pause the whole process in order to properly gather the evidence and scientific data that such a significant designation demands. That option was theirs for the taking, but they refused to take it.

I personally raised two queries affecting my constituents at the hearing and was promised a written response within weeks. Instead, the only time Natural England staff have made contact with me—that is, without my initiating the conversation—since the hearing was late last week, when they suggested that I might wish for an update. I can only conclude that that was triggered by my securing this debate. However, I know what is going on, because I have kept in close contact with Farm Cornwall, the National Farmers Union, the Country Land and Business Association and the farmers themselves. It is those hard-pressed independent organisations and farmers who have been communicating, not the publicly-funded quango whose job it is to do so.

The two issues which must be clarified are as follows. First, under the Wildlife and Countryside Act 1981 under which the designation took place, if Natural England amends or withdraws a consent, and in doing so causes a loss, it should compensate. I was told by several farmers that Natural England advised that consent would be given if the applicant amended the application to a five-year consent period. I am advised that should a time-limited consent expire and a new more restrictive consent be issued, that provision does not kick in, so any loss is not subject to compensation. It appears that Natural England may be deliberately using the five-year time limit to obviate its obligation to compensate for loss if further restrictions are deemed necessary. I pressed the chair of the board to clarify that that is not the case, and I received assurances that I would receive clarification.

The second issue is the removal of clean land—the pasture land that I referred to earlier—from the designation. Some landowners expended vast amounts of money and were successful in demonstrating that their clean land should not have been included—hundreds of acres were removed prior to the public hearing. That was not the case for landowners who did not have the wherewithal or funds to pursue such measures. I cannot see how any of us can be confident that the clean land that remains in the designation deserves to remain so. The conclusion has to be that landowners who did not challenge in that way, who find their clean land within the SSSI, and have the restrictions and requirements to secure consent that go with it, may have received a different outcome if they had, like others, spent tens of thousands of pounds.

I raised both concerns at the hearing. I was promised clarification, but, as far as I am aware, neither the landowners nor I have received it. I am not alone in believing that Natural England is unfit for purpose: it has no relationship with the land and no farmers on the board—all board members are political appointees—it makes no reference to socio economic reasoning, and it has no plan for the land or for positive management of the SSSI. What is more concerning to me and, I suspect, to the Minister, is the poor state of the nation's SSSIs. Natural England's own recent reporting states that only 37.1% of SSSIs are in a favourable condition.

However, we are where we are, and I want to move forward to mend some of these challenges. Prior to the confirmation of the SSSI, Cornwall Wildlife Trust, Farm Cornwall and I began to engage with landowners to rally support for a landscape recovery scheme. We met the Minister for Food, Farming and Fisheries, my right hon. Friend the Member for Sherwood (Mark Spencer), to propose it, and a small number of meetings have taken place to bring farmers on board. That is still moving forward, and I understand that an application will be lodged on 21 September, later this week. However, trust in Natural England has been so undermined that some farmers understandably refuse to engage.

For years, we have managed Penwith moors through a nature partnership using funds such as countryside stewardship schemes. The only way that I can see to bring those landowners back on board is for DEFRA to agree that responsibility for managing a West Penwith moors and downs landscape recovery scheme is taken away from Natural England and placed with a local partnership, such as the Penwith Landscape Partnership, which was formed in 2014 to support the understanding,

[Derek Thomas]

conservation and enhancement of the Penwith landscape as a sustainable living, working landscape—the very landscape that we are discussing today.

I believe that the Government must go further: the Wildlife and Countryside Act 1981 should be reviewed to see whether it is fit for purpose now that we have the Environment Act 2021 and many other tools to ensure nature recovery. The Act gives powers to an unaccountable body that, if recent examples across England are anything to go by, threatens our ability to reverse nature decline. Natural England is driving away the very people who understand and care about the issue. Nature recovery is not a desktop exercise for quangos to pursue but the lived experience of thousands of people who depend on the natural environment for their livelihood and to feed the nation. Nor can it be that, in its consideration of SSSI notification, Natural England has regard only to the environment; surely, it must recognise the social, cultural and economic impacts in its consideration. That is clearly a weak aspect of the law that the Minister must consider in her response.

DEFRA should also review how Natural England goes about executing its responsibilities. West Cornwall is not the only part of England where serious tensions exist between Natural England and organisations and individuals who care passionately about their environment and landscape. Natural England needs to be told in no uncertain terms that any restriction placed on those who own and farm land in the West Penwith moor and downs SSSI must be backed by robust and reliable evidence, such as recent datasets and a transparent and accurate water and soil testing regime. Farmers and landowners must be informed of their rights and their opportunities to support or object to the designation; be given adequate time to review the evidence relating to their land; and be given clear guidance on applying for operations requiring Natural England's consent.

However, the Country Land and Business Association argues—rightly, in my view—for a bespoke SSSI transition fund to provide funding for the costs incurred when a new designation is introduced or Natural England prescribes management changes. Land managers in SSSIs face potentially dramatic changes to their enterprise, with no compensatory funding available for their loss of assets, or for the need to retain staff or invest in new equipment. Also, given the grave concern expressed by so many respected bodies and the columns that have been written on the subject, I implore the Minister to set up an independent review in relation to Natural England and the West Penwith moors and downs SSSI, as has been established for Dartmoor.

In conclusion, Mr Deputy Speaker—I do not wish to keep you longer than necessary—I express my sincere thanks to the landowners and farmers who, despite being under extraordinary pressure and stress during the process of designating the SSSI, engaged constructively and in good faith, hoping that common sense with a little respect for the way they had cared for, protected and enhanced the area for years would prevail. I also thank the NFU, Farm Cornwall, the Country Land and Business Association, Cornwall Wildlife Trust and the Campaign for Rural England's Cornwall branch for the time, effort and expertise they have expended to try to bring Natural England to a place where much of the

damage that has been done could have been avoided. I look forward to hearing the Minister address as many of the points I have raised as possible, and invite her to come to my constituency to see this wonderful part of the country for herself.

Mr Deputy Speaker (Mr Nigel Evans): The Minister has already been to my constituency.

9.21 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Trudy Harrison): Yes, Mr Deputy Speaker—you have given me the opportunity to thank you for your hospitality at the wonderful South Lancashire show in your Ribbles Valley constituency, which I attended. I know that you have first-hand knowledge of the farming community, because I was able to meet them during my visit.

I start by thanking my hon. Friend the Member for St Ives (Derek Thomas) for securing the debate. It is, of course, disappointing to hear his account, but I thank him for his continuous championing of the environment: this is not the first time that I have had the pleasure of speaking with him about the environmental qualities of Cornwall. I join him in recognising the excellent work of Cornwall Wildlife Trust, Farm Cornwall and the Campaign for Rural England, and I know that the NFU and CLA—along with many others—have also been involved and instrumental in working with my hon. Friend's local farmers.

Most importantly, I place on record our appreciation of, and gratitude to, the farmers for their dedication and hard work. We are grateful for the unique and specialised knowledge of my hon. Friend's farmers, who have cared for Penwith moors for some 4,000 years. I understand that the designation of 3,152 hectares of land as an SSSI, including 260 acres of perhaps more intensively farmed land, will have been very difficult. The fact that such a large area of land became of interest to Natural England, and was designated as an SSSI by its board on 28 June, is testament to my hon. Friend's farming community and their ingrained knowledge—their deep understanding of the soil, the water, the topography, the geology and the flora and fauna, whether that be wild, farmed or native.

I would like to explain to the House part of the process for the designation of sites, and the importance of SSSIs and of our environmental improvement plan. We have committed to protecting 30% of our land and oceans, and creating or restoring 500,000 hectares of land. We need to do so because we need to halt the decline of nature. Sites of special scientific interest are our areas for nature, providing a place within which species can thrive and from which they can disperse into the wider countryside. My hon. Friend has clearly set out his disappointment and that of his constituents about the way in which the process has been undertaken, and I will take great care to review the specific points that he made.

On the point about Natural England having regard only to scientific evidence, and not to the social, cultural or economic implications of such a decision, my hon. Friend is correct in his description of the Wildlife and Countryside Act 1981. I am from a farming family, I live in a farming community in the Lake district, and I

have many constituents who farm in upland and lowland areas, often on SSSIs and other protected landscapes, so I have first-hand knowledge of the difficulties involved. It is high time that we looked at how those protections impact the economy and the social and cultural side of farming, and we will be doing just that. If we are to truly halt the decline of nature, we need our farmers to do all they can for environmental stewardship.

As my hon. Friend explained, 70% of our land in this country is farmed. We really need to make sure that our farmers can work hand in glove to provide the high-quality food we have become dependent on, as well as environmental stewardship. I accept his very kind invitation to visit him and, I hope, speak to some of his farmers and environmental groups in St Ives. I will endeavour to get there in the next few weeks to have that conversation.

Natural England has a legal duty to designate any area of land that has been assessed to be of special interest for its wildlife and geology under the Wildlife and Countryside Act. Designations are based on Natural England's assessment of the scientific evidence and informed by Joint Nature Conservation Committee selection guidelines. The Act means that Natural England can only consider scientific evidence when designating a new SSSI. That is the subject of the conversation I would like to have with my hon. Friend's farmers. If we do not succeed in enabling farmers to engage in our landmark environmental land management schemes, countryside stewardship, the sustainable farming incentive and landscape recovery—I am delighted that some of my hon. Friend's farmers were, and still are, looking forward to engaging in that—we will fail on our apex target to improve nature.

To that end, we have accelerated work to tackle on and off-site pressures, from nutrient pollution to invasive species. The EIP sets out across 262 pages—unless, Mr Deputy Speaker, you have the handbag version—all

the actions that we are taking in collaboration, especially with farmers, to restore our environment. So much of that will be relevant to SSSIs.

The meeting of the board that confirmed the designation was held in public session—I believe that my hon. Friend attended—to allow objectors and supporters to make their representations in person, and it took place over a full day in my hon. Friend's St Ives constituency. In response to the public consultation, the site boundaries were amended. I am pleased that, with extra information, some changes were made to the initial designation, as I think he referenced. A five-year plan was agreed to support farmers to transition to a more sustainable farming practice. They farm 70% of our land, and it is due to their management that many of these places are considered special for their beauty and heritage value and their ecological importance.

To protect 30% of our land and water by 2030, to restore or create 500,000 hectares of wildlife-rich habitats, and to increase the tree canopy from 14% to 16.5% are all targets we have published in our EIP. To achieve that we must work with farmers. We want to improve the condition of SSSIs and marine protected areas. Through the scientific community, including Natural England, and supported by environmental land management schemes and other initiatives, I am confident we can do that. But no scientific insight in isolation and no Government policies or indeed financial incentives, public or private, can match the thousands of years of built up, deep, ingrained, inherited, unique knowledge and understanding that only lived experience provides. Perhaps it is a nigh-on indigenous knowledge, and that must be respected.

Question put and agreed to.

9.30 pm

House adjourned.

Written Statements

Monday 18 September 2023

BUSINESS AND TRADE

Tata Steel: Port Talbot

The Minister for Industry and Economic Security (Ms Nusrat Ghani): The Government have agreed on a proposed joint investment package to provide £500 million to Tata Steel as part of their proposed £1.25 billion project to move to low carbon steel making in Port Talbot, subject to the necessary information and consultation processes that will be led by the company.

Through investment in a state-of-the-art Electric Arc Furnace at Port Talbot, this deal will support the UK's efforts to meet increasing demand over the next decade and enable industry to take a significant step towards decarbonisation. It will strengthen our supply chain resilience, as well as protect thousands of skilled jobs across South Wales and the UK for the long term.

The Conservative Government have been supporting the UK steel industry for many years. The industry has been acutely impacted by recent wider geopolitical and macro-economic developments that have made traditional, blast-furnace steelmaking financially unviable. The global steel market has become saturated with heavily subsidised, carbon-intensive steel, while Putin's invasion of Ukraine has dramatically increased energy costs. This Conservative Government will continue to stand by our steel industry, and this deal is part of our long-term plan for UK steel.

This ambitious transformation is the culmination of several years of negotiations between the Government and Tata Steel, and is one that has been backed by a majority investment by the company.

This transition will:

- Secure continued production of steel at Port Talbot;
- enable the industry to take a significant step towards decarbonising; and
- provide a clear pathway towards a long-term financially and environmentally sustainable business model, removing the repeated need for Government intervention.

The Government are also enabling this major transformation and modernisation of the steel sector through key policy changes, including delivering the British Industry Supercharger to make electricity prices competitive for energy intensive industries.

Steel is a strategically significant industry which plays a vital role in the UK economy. The sector supports tens of thousands of UK jobs and remains a key driver for local economic growth in regions with proud steelmaking histories. It is also an industry in urgent need of modernisation. Decarbonising industry is a global challenge to meet the temperature goals of the 2015 Paris Agreement.

By replacing Port Talbot's existing coal-powered blast furnaces, and assets nearing the end of their effective life, with an Electric Arc Furnace, this proposed project is expected to reduce the UK's entire business and industry carbon emissions by 7%, Wales's overall emissions by 22% and the Port Talbot site's emissions by 85%.

This agreement with Tata represents the best offer and result for the UK and the people of South Wales. This package represents one of the largest support offers in recent history and will secure long term jobs, not just in Port Talbot, but across all of Tata Steel's sites in England and Wales. It is a deal that not only safeguards jobs, but one that will help build greater resilience in the UK economy and will help create new opportunities in our construction, automotive and energy sectors.

During this transition, the UK Government will also ensure a broad range of support for staff who are affected by the transition, working with the Welsh Government and Tata Steel to provide up to £100 million of funding—in addition to the transformation investment—for a dedicated taskforce to support both employees and the local economy.

As part of the proposal Tata Steel will also release land in Port Talbot for redevelopment and use for new industrial businesses. Alongside the UK Government's proposal for the Celtic Freeport and the land at Port Talbot which Tata expects to release for transfer or sale following the transition from blast furnaces, the investment could help unlock thousands of new jobs in both the South Wales and wider UK economy.

The funding proposal is subject to extensive scrutiny of detailed business plans, vigorous due diligence and subsidy control assessments. It will include strong conditions around financial probity, governance and delivery.

The landmark proposal builds on other major investments in UK green technology by Tata Group, including the July announcement of a £4 billion battery gigafactory creating 4,000 direct jobs, and represents a major vote of confidence in the UK.

[HCWS1039]

CABINET OFFICE

Covid Commemoration

The Parliamentary Secretary, Cabinet Office (Alex Burghart): The Minister of State, Baroness Neville-Rolfe DBE CMG, has today made the following statement:

I am today publishing the final report of the UK Commission on Covid Commemoration. The Commission was established in July 2022 to secure a broad consensus across our whole United Kingdom on how we mark and commemorate this very distinctive period in our history.

The Chair of the Commission, the right hon. Baroness Morgan of Cotes, submitted the report to the Prime Minister following a series of meetings with stakeholders across the UK and a UK-wide public consultation.

Communities across the UK have already started to find ways of commemorating our country's experience of the pandemic and the Government are keen to support their efforts. The Department for Culture, Media and Sport will work with the devolved administrations to consider carefully the Commission's wide-ranging recommendations and will respond in due course. I would like to thank all those who have engaged with the Commission, particularly the bereaved family members who took the time to share their difficult experiences.

I would also like to thank the right hon. Baroness Morgan of Cotes and the 10 members of the Commission for their work.

I have requested that a copy of the Commission's report be deposited in the Libraries of the Houses of Parliament. A copy will also be published on www.gov.uk.

[HCWS1033]

ENERGY SECURITY AND NET ZERO

Nuclear Energy: Sizewell C

The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Andrew Bowie): Britain needs a nuclear renaissance to help deliver a low cost, clean and secure electricity system. New nuclear will result in reliable, abundant energy, while driving down consumers' bills and boosting economic growth.

Sizewell C is a crucial project for delivering against these objectives. As a near replica of the Hinkley Point C project under construction in Somerset, Sizewell C is our country's next most mature new nuclear project under development, which can benefit from the design certainty and construction learnings that have been developed at Hinkley Point C.

Sizewell C would generate reliable, low-carbon power for 6 million homes—equivalent to 7% of the UK's electricity—for six decades or more. Beyond keeping the lights on, in each year of operations it could avoid nine million tonnes of CO₂ emissions, moving the UK forward on our path to Net Zero.

It would also act as a vehicle for levelling up nationwide, through the huge opportunities for jobs and skills provided by nuclear projects. Sizewell C Ltd—"the company"—has plans for 70% of the construction value to go to UK businesses, and to bring £4.4 billion of investment to the east of England economy during construction. As well as creating and supporting thousands of jobs in Suffolk and nationwide, the company also plans to create 1,500 apprenticeships, helping to build Britain's nuclear workforce of the future.

In short, Sizewell C represents the next step in meeting our longer-term ambition to provide up to a quarter of the UK's electricity from homegrown nuclear energy by 2050.

That is why this Government made a historic investment of c.£700 million in Sizewell C (Holding) Ltd—"SZC HoldCo"—last November, joining EDF—our valued partner as the operator of the UK's existing nuclear fleet, and the lead developer of Hinkley Point C—as a co-shareholder.

Since then, the Government has worked with EDF and the Company to continue the project's development, and to establish the best conditions for successful delivery. As a shareholder in SZC HoldCo, this summer we have made available £511m of further funding, supporting site preparation and investing in the local community.

We are now seeking to progress to the next stage.

As highlighted in my predecessor's written ministerial statement in November 2022, we intend to use the regulated asset base (RAB) model to enable a private equity raise, with the aim of bringing new expertise and experience into the company. In our assessment, this approach has true potential to result in a good value for money outcome for consumers and taxpayers, with the

RAB structure incentivising the company and private investors to drive efficient construction on schedule, and, in due course, ensure efficiency in operations.

This summer, the Government and the company undertook a market testing process, with a cross-section of potential investors, in order to understand their views on the project, financing approach and how they could assist in project delivery.

Having received positive feedback from this market testing process, and following agreement with our co-shareholder EDF, the Government and the Company are commencing pre-qualification for potential investors, as the first stage of an equity raise process.

To ensure that investment benefits the company, consumers and taxpayers, the intention is to secure investment from qualified organisations able to take a meaningful ownership stake, such that new investors' incentives are aligned with other shareholders and, importantly, they are able to substantively and positively influence company governance and delivery over the construction period.

Investment is being sought from those with significant experience in the delivery of major infrastructure projects, especially in large-scale nuclear or other complex energy or infrastructure projects. Drawing from this experience would ensure Sizewell C benefits from expertise in areas such as project risk management, cost control, and instilling projects with a culture of commercial focus.

In taking this stake, at the time of a positive final investment decision, investors would be expected to make a commitment to their share of the Company's equity requirement. This would provide confidence to the Government, EDF and the company that new investors would fulfil their shareholder obligations as Sizewell C moves into the full construction phase.

Any prospective investor interested in participating in the equity raise process will need to complete a pre-qualification questionnaire. My officials, together with SZC GenCo's management, will assess investors' suitability against pre-determined criteria and confirm investors' eligibility for inclusion in the equity raise process. Details of how to access the questionnaire will be available and signposted on www.gov.uk.

I wish to assure the House that the interests of consumers and taxpayers are central as we progress the project. The Government will only accept private investment if it is likely to result in value for money. We will continue to assess and consider our approach over the coming months and will take the time needed to reach a deal which satisfies this objective. As committed to during the passage of the Nuclear Energy (Financing) Act 2022, the Government will publish a full value for money assessment of the company and the project at the point of any final investment decision.

I also want to be clear that the equity sought at this stage does not represent the limit of potential private investment in the company, and that following the outcome of this process there may be further opportunities for private investment during construction and operations.

Finally, as well as value for money, I want to assure the House—as well as British consumers and taxpayers—that should any investments reach the relevant statutory thresholds, investors will be required to pass through the process set out in the National Security and Investments Act 2021, allowing scrutiny of any risks posed with

respect to this legislation. The Government will also hold a special share in the company, enabling us to require investors to take certain actions in respect of their shareholdings should future risks appear, including on national security or public policy grounds.

I will continue to update the House on Sizewell C more broadly over the coming months.

[HCWS1036]

ENVIRONMENT, FOOD AND RURAL AFFAIRS

Dangerous Dogs

The Secretary of State for Environment, Food and Rural Affairs (Dr Thérèse Coffey): The Government are taking urgent action to bring forward a ban on XL bully dog types following a concerning rise in attacks and fatalities, which appear to be driven by this type of dog.

Under the Dangerous Dogs Act 1991, a definition of the “American XL bully” breed type needs to be specified in order to impose a ban. The Environment Secretary and the Home Secretary will convene experts to define the “American XL bully” breed type. This group will include police, canine and veterinary experts, and animal welfare stakeholders. This is a vital first step towards adding it to the list of dogs banned under the Dangerous Dogs Act. We will engage with the relevant devolved Administrations about adopting a UK-wide approach.

The Government will then legislate to add it to the list of dogs banned under the Act. I intend to have the legislation in place to deliver this ban by the end of the year. This will make it an offence to own an unregistered XL bully, or to breed, gift or sell one. We need to safely manage the existing population of these dogs. Therefore, there will be a transition period. Further details on how this period will work will be provided ahead of the tabling of the legislation later this year. Dog owners do not need to take any action at this stage.

We have been working hard with the police, local authorities and animal welfare groups to help prevent attacks by encouraging responsible dog ownership, to ensure dog control issues are addressed before they escalate and to make sure the full force of the law is applied. Owners whose dogs are dangerously out of control are already breaking the law, and we already have a full range of powers to apply penalties to them. Under the Dangerous Dogs Act, any dog that is dangerously out of control can be euthanised and their owners put in prison for up to 14 years and banned from ever owning a dog.

While the courts have the power to allow people to keep banned breeds with certain conditions, like being muzzled and neutered, the number of so-called exempted dogs is higher than a decade ago. That was not the intention of the legislation passed over 30 years ago. Therefore, we will also review our guidance to enforcers of the law.

[HCWS1040]

Water Resource Infrastructure

The Secretary of State for Environment, Food and Rural Affairs (Dr Thérèse Coffey): Following the approval of the House, I am pleased to inform the House that I am today—18 September 2023—designating the national policy statement (NPS) for water resources infrastructure under section 5(1) of the Planning Act 2008, and have arranged for publication as required by section 5(9)(a) of that Act.

The national policy statement for water resources infrastructure provides a clear framework for those making development consent applications for water resources infrastructure, in particular by setting out the need for infrastructure providing assessment principles against which an application should be examined and determined. The NPS gives water companies clarity regarding the Government’s planning expectations, and added certainty about the areas planning inspectors might consider at a planning inquiry. This also supports the implementation of the Government’s “Plan for Water” and securing our water supplies by enhancing the resilience of water infrastructure.

The next step is for applicants to develop their plans, and then carry out further public consultation as required under the Act. Any application for development consent will of course be considered carefully and with an open mind based on the evidence provided, including through a public examination by the independent Planning Inspectorate, before a final decision is made.

[HCWS1037]

HEALTH AND SOCIAL CARE

Clinical Negligence Claims

The Parliamentary Under-Secretary of State for Health and Social Care (Maria Caulfield): On 15 September, the Government response to the consultation on fixed recoverable costs in lower damages clinical negligence claims was published on www.gov.uk.

The rising costs of clinical negligence claims are of great concern to the Government. Costs have more than quadrupled in the last 16 years, with legal costs comprising a notable proportion of this rise. Claimant legal costs have risen sharply in lower damages claims—claims valued up to and including £25,000—and are often disproportionate to the value of those claims. These costs are funded from the core NHS budget and use resources that could otherwise have been spent on patient care.

The length of the legal process can also be disproportionate given the relative straightforwardness of many claims at this level, meaning that people who have been harmed are waiting longer to receive compensation.

The consultation response sets out a way forward for these lower damages claims: a set of fixed legal costs and a new streamlined process. Our aim is to facilitate faster resolution for claimants and defendants at a lower, more proportionate cost than under the current

system for these claims. The scheme would only affect the amount of legal costs that claimant lawyers can recover from defendants following a successful claim, not the compensation that a claimant could receive.

We also believe that these reforms will achieve significant cost savings and make an important contribution towards addressing the overall rise in clinical negligence costs. The Department's modelling indicates that introducing these reforms could realise cashflow savings to the NHS in England of around £500 million over a decade. These reforms would apply to care provided by NHS, non-profit and private healthcare providers in England and Wales, but would not apply in Scotland or Northern Ireland.

The responses to our 2022 consultation on introducing fixed costs in 'lower value' clinical negligence claims have been vital in helping us shape these reforms and informed some changes to the original proposals, in particular around strengthening the safeguards we have in place to protect claimants' access to justice.

Alongside the response, I have launched a further consultation focusing on the specific issue of disbursements under the fixed recoverable costs scheme, inviting views on a proposed way forward on disbursements for all claims in the scheme. That further consultation will run for six weeks, ending on 27 October 2023. I welcome views from all interested parties on those proposals.

We will work with the Civil Procedure Rule Committee to ensure the smooth delivery of these reforms. Subject to agreement, the Government expect that legislation will be in place to implement the reforms by April 2024.

[HCWS1031]

Tissue and Cell Donation

The Parliamentary Under-Secretary of State for Health and Social Care (Neil O'Brien): The findings of the Government commissioned review into donor selection policies, that was carried out by the 'For Assessment of Individualised Risk' (FAIR) Steering Group, led to the implementation of changes in summer 2021 to address inequalities in blood donation. These changes mean that anyone who attends a blood donation centre regardless of sex or sexuality will be assessed for eligibility according to individual risk.

It is almost two years since the implementation of the changes for blood donation and I am pleased to announce today the publication of recommendations in the FAIR III report for tissue and cell donation. The report highlights an individualised risk-based approach for living tissue and cell donation—surgical bone, amnion, stem cells and cord blood—and deceased tissue donation. The Government have now reviewed the evidence presented by the FAIR III Steering Group, together with the advice of the Advisory Committee on the Safety of Blood, Tissues and Organs, and has accepted this recommendation.

This change will provide equity in access to donation for men who have sex with men across the UK, aligning with changes to blood donor selection related to sexual behaviours and the Government's commitment to address health inequalities, as set out in the Levelling Up White Paper and the NHS Long Term Plan.

The Government wish to pay tribute to the tissue and organ donation experts and the patient and donor family representatives on the Steering Group, as well as

health and academic colleagues whose valuable engagement led to the development of this important evidence-based report.

The Government are also grateful to the Joint United Kingdom Blood Transfusion and Tissue Transplantation Services Professional Advisory Committee, the Advisory Committee on the Safety of Blood, Tissues and Organs and NHS Blood and Transplant for their work in developing recommendations that are based on robust evidence from epidemiology, behaviour and psychosocial data and engaging with service users and providers.

The Department of Health and Social Care is working with NHS Blood and Transplant and the Devolved Governments to implement this change. We will have monitoring mechanisms in place to ensure the safety of donors and patients, including continued monitoring of infections. The changes will be reviewed in 12 months.

[HCWS1032]

HOME DEPARTMENT

Unexplained Wealth Orders: 2022-23 Report

The Secretary of State for the Home Department (Suella Braverman): Today I lay before Parliament the unexplained wealth order report for the period 2022-2023. The UWO report details the number of UWOs made by the High Court in England and Wales during that period, and the number of applications made to that Court by enforcement authorities for such an order during that period.

In total, one UWO was applied for during the reporting period. This was obtained in June 2023. One other UWO was applied for since Royal Assent of the Economic Crime Transparency and Enforcement Act 2022 but before the reporting period began. This case has been adjourned to a date outside of this reporting period.

The number of UWOs applied for and obtained for the period is low but this must be understood within the wider context of the UK's asset recovery system. Enforcement authorities have a number of powers available to them to investigate, search for and seize assets. Even a single UWO may have a high impact. A UWO used in one investigation resulted in civil recovery proceedings that led to the recovery of almost £10 million.

While law enforcement agencies remain committed to using UWOs where they will add value to an investigation, they are operationally independent from Government and cannot be tasked to use UWOs. We will continue to keep the UWO regime under review.

Copies of the report will be available in the Vote Office.

[HCWS1034]

Police Integrity

The Secretary of State for the Home Department (Suella Braverman): The vast majority of officers are brave and hard-working individuals but serious concerns persist regarding standards and culture in policing, particularly in light of recent cases and the concerning

findings of Baroness Casey's review into culture and standards in the Metropolitan Police Service (MPS). The Government are committed to ensuring the police discipline system is fair and effective at removing those officers who fall seriously below the high standards we rightly expect of them.

It is for this reason that we launched a review into the police dismissals process in January of this year. The review considered evidence from stakeholders, as well as the results of a national data collection. The core recommendations from this review were announced on 31 August and today we are publishing the report of the review, setting out the evidence collected and full list of proposals we intend to take forward. These proposals include:—

Creating a presumption for dismissal where gross misconduct is proven. This change will ensure that—unless exceptional circumstances apply—officers found guilty of gross misconduct can expect to be dismissed.

Ensuring officers who fail vetting can be dismissed. We intend to make it a statutory requirement for officers to hold vetting—and support a legislative routeway to dismiss those who are unable to do so.

Specifying that certain criminal offences automatically amount to gross misconduct. We intend to introduce a list of barred offences, meaning that conviction of certain criminal offences—including sexual offences—automatically constitutes gross misconduct.

Returning responsibility for chairing misconduct hearings to senior officers. To ensure chief constables are afforded a stronger role in the system—while retaining necessary independence—the responsibility for chairing hearings will now sit with senior officers. A legally qualified person (LQP) and independent panel member (IPM) will sit alongside the senior officer.

Streamlining of the unsatisfactory performance procedures (UPP). We intend to streamline the current statutory performance system for police officers to make it easier to use—identifying under-performing officers and, where there is no improvement in their performance, effectively dismissing them.

A number of other changes are expected to improve the efficiency of the system and ensure greater transparency.

The Government are committed to delivering these important reforms, the majority of which require changes to secondary legislation, and will work with stakeholders to deliver these as soon as practicable.

The review report will be placed in the Libraries of both Houses and published on www.gov.uk.

[HCWS1035]

WORK AND PENSIONS

National Disability Strategy

The Minister for Disabled People, Health and Work (Tom Pursglove): In my written statement of 12 July, I informed the House of the judgment handed down by the Court of Appeal on 11 July 2023 regarding the national disability strategy judicial review. In that ministerial

statement, I was pleased to inform the House that the Court of Appeal found in favour of the Government. This meant that both the UK disability survey and the national disability strategy have now been found to be lawful by the Court of Appeal, and we are able to continue with the important work of implementing this long-term strategy to transform disabled people's everyday lives for the better.

I further committed to providing the House with an update in September on how this Government will take forward work on the strategy now that it has been found to be lawful.

The Government's intention has always been to create more opportunities for disabled people to participate and thrive; to protect and promote the rights of disabled people; and to tackle the barriers that prevent disabled people from fully benefiting from, and contributing fully to, every aspect of our society.

The vast majority of departmental commitments outlined in the national disability strategy 2021 were not impacted by the High Court's initial judgment. The Government have progressed well on delivering these and other commitments, as can be seen by all the Government's achievements, as set out in my letter placed in the Library of the House in July.

I will place a note in the Library of the House to provide an update:

on how the Government now propose to take this the 14 commitments that were paused to comply with the High Court's declaration; and

on all departmental commitments in the national disability strategy. This includes details as to whether the individual commitments have been delivered or are in progress. There are 47 commitments that have been "completed", 54 commitments "in progress", one that is currently "paused", and two that are no longer being taken forward.

In parallel with taking forward the commitments in the national disability strategy, the Government are also pressing ahead with our disability action plan, focused on concrete actions to improve disabled people's lives in 2023 and 2024.

I am pleased to confirm that on 18 July 2023 we published the disability action plan consultation. The disability action plan consultation is open for 12 weeks and responses can be submitted until 6 October. The consultation document sets out a number of proposals and consultation questions—informed by the experiences of disabled people, research and the current policy landscape—as an initial step to make sure policy development direction is correct. The findings of this consultation will inform the final published disability action plan.

Taken together, the national disability strategy and the disability action plan set out a complementary, ambitious programme of work across Government to improve disabled people's lives in the short, medium and long term. I will continue to work with my ministerial disability champion colleagues across Government to drive progress against these commitments and to make the greatest possible positive impact for disabled people.

[HCWS1038]

Ministerial Correction

Monday 18 September 2023

EDUCATION

Reinforced Autoclaved Aerated Concrete in Education Settings

The following is an extract from the statement on reinforced autoclaved aerated concrete in education settings on 4 September 2023.

John Redwood (Wokingham) (Con): Will individual schools have direct access to the money and the temporary accommodation, if they need it? And will every local education authority make an urgent statement about their role in commissioning the schools in the first place and about maintenance, where they are responsible?

Gillian Keegan: We have put a caseworker in place so that each school can work with that caseworker, as well as having access to the temporary accommodation and

the company that can do the propping work, which we have already secured, or to additional surveying, if required. We are working closely with local authorities, but I urge the 5% of local authorities that have not responded to the questionnaire to respond—that is more important than ever.

[Official Report, 4 September 2023, Vol. 737, c. 60.]

Letter of correction from the Secretary of State for Education, the right hon. Member for Chichester (Gillian Keegan).

An error has been identified in my response to my right hon. Friend the Member for Wokingham (John Redwood). The correct response should have been:

Gillian Keegan: We have put a caseworker in place so that each school can work with that caseworker, as well as having access to the temporary accommodation and the company that can do the propping work, which we have already secured, or to additional surveying, if required. We are working closely with local authorities, but I urge the 5% of **responsible bodies** that have not responded to the questionnaire to respond—that is more important than ever.

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**not later than
Monday 25 September 2023**

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