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OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

GREAT BRITISH ENERGY BILL

Fourth Sitting

Thursday 10 October 2024

(Afternoon)

CONTENTS

CLAUSE 5 agreed to.
Adjourned till Tuesday 15 October at twenty-five minutes past
Nine o'clock.
Written evidence reported to the House.

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor’s Room, House of Commons,

not later than

Monday 14 October 2024

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The Committee consisted of the following Members:

Chairs: † SIR ROGER GALE, DR RUPA HUQ

Billington, Ms Polly (*East Thanet*) (Lab)

† Blake, Olivia (*Sheffield Hallam*) (Lab)

† Bowie, Andrew (*West Aberdeenshire and Kincardine*) (Con)

† Crichton, Torcuil (*Na h-Eileanan an Iar*) (Lab)

† Cross, Harriet (*Gordon and Buchan*) (Con)

† Flynn, Stephen (*Aberdeen South*) (SNP)

† Fookes, Catherine (*Monmouthshire*) (Lab)

† Heylings, Pippa (*South Cambridgeshire*) (LD)

† Hobhouse, Wera (*Bath*) (LD)

† Kumaran, Uma (*Stratford and Bow*) (Lab)

† MacAlister, Josh (*Whitehaven and Workington*) (Lab)

† McDonald, Chris (*Stockton North*) (Lab)

† Moon, Perran (*Camborne and Redruth*) (Lab)

† Morrissey, Joy (*Beaconsfield*) (Con)

† Pakes, Andrew (*Peterborough*) (Lab)

† Shanks, Michael (*Parliamentary Under-Secretary of State for Energy Security and Net Zero*)

† Turley, Anna (*Lord Commissioner of His Majesty's Treasury*)

Lucinda Maer, Sarah Thatcher, Chris Watson,
Committee Clerks

† **attended the Committee**

Public Bill Committee

Thursday 10 October 2024

(Afternoon)

[SIR ROGER GALE *in the Chair*]

Great British Energy Bill

2 pm

The Chair: Good afternoon, ladies and gentlemen. I assume that by now everyone is an expert in Standing Committees and knows how procedure works, but for the record, although I am sure this has been explained already, amendments are grouped in debating order, not sequential order, so you may find that something will be voted on much later than it is debated, because it appears in the Bill later. If you are worried, ask; otherwise, assume that we shall vote on the right things in the right place at the right time. Although I do not know what I am doing, the Clerks most certainly do. If in any doubt about that or anything in the way of procedure—I notice that one or two new Members are in Committee—please do not hesitate to ask. I shall not know the answers, but the Clerks will.

Because it is so warm, anyone who wants to take their coat off is welcome to do so. [*Interruption.*] I am tempted to say, “Run around to keep warm,” but unfortunately here you cannot.

Clause 5

STRATEGIC PRIORITIES AND PLANS

Andrew Bowie (West Aberdeenshire and Kincardine) (Con): That I beg to move amendment 13, in clause 5, page 3, line 8, at end insert—

“(1A) The statement of strategic priorities under subsection (1) must include ensuring that wholesale electricity prices must be lower in real terms on 1 July 2030 than the day on which this Act is passed.”

The Chair: With this it will be convenient to discuss the following:

Amendment 14, in clause 6, page 3, line 38, at end insert—

“(1A)

- (a) The Secretary of State must give a specific direction to Great British Energy that it must report to the Secretary of State on the progress made by Great British Energy towards the strategic priority of reducing wholesale electricity prices in the United Kingdom.
- (b) A report under paragraph (a) must include a projection of—
 - (i) how Great British Energy’s activities are likely to affect wholesale electricity prices in the United Kingdom, and
 - (ii) the likely effect of the projected wholesale electricity prices on consumer electricity bills over the following five years.
- (c) A report under paragraph (a) must be made within two years of the date of Royal Assent to this Act and annually thereafter.
- (d) The Secretary of State must lay a report made under paragraph (a) before Parliament.”

Amendment 19, in clause 6, page 3, line 38, at end insert—

“(1A)

- (a) The Secretary of State must give a specific direction to Great British Energy that it must report to the Secretary of State within three months of each investment it makes on the impact that the relevant investment is projected to have on wholesale electricity prices over the following ten years.
- (b) The Secretary of State must lay a report made under paragraph (a) before Parliament.”

Andrew Bowie: It is a pleasure to serve under your chairmanship, Sir Roger. The amendment would bring to the Bill a concrete objective for Great British Energy to reduce the wholesale price of electricity. I am pleased to move this amendment, which will introduce a specific strategic priority to reduce wholesale electricity prices and to require that an annual report is produced on how Great British Energy’s activities are affecting wholesale energy prices and therefore consumer electricity bills.

Further to the discussion earlier about the impact of Great British Energy on bills, notable by its absence, sadly, is a purpose for GB Energy to reduce wholesale electricity prices. As we noted earlier, the Bill states that the objects of GB Energy are only to facilitate, encourage and participate in the production of energy, the reduction of greenhouse gas emissions, improvements to energy efficiency, and measures for ensuring the security of supply. It would be remiss of the Government not to include the ambition to reduce the wholesale price of electricity as a strategic priority of the company.

Why is reducing wholesale electricity prices important? Wholesale costs account for about 60% of a customer’s energy bill and are a major consideration in suppliers’ retail pricing decisions. In the two years since Vladimir Putin’s invasion of Ukraine, we have seen the sizeable impact of the international energy crisis on bill payers in the United Kingdom. Tensions rising in the middle east could very much affect our domestic energy costs, so it is more significant than ever that we take into account the impact that Great British Energy could have on wholesale electricity prices to reduce consumer bills as much as possible.

It should be incumbent on Great British Energy, through its investments and its part and full ownership of projects, to drive down wholesale electricity prices to the benefit of UK bill payers and businesses. In winter 2022-23, the Conservative and Unionist Government paid half the country’s energy bills to protect households from the worst of the energy shocks triggered by that war in Ukraine. Energy bills, alongside the pressures of inflation, have been a consistent worry for all our constituents. We also have the highest energy costs for industry in Europe.

The Government have outlined that their plans to tackle future energy security, to reduce bills and to lower wholesale prices for electricity hinge on the creation of GB Energy. Therefore, it would be prudent to write into the Bill the strategic priority to reduce wholesale electricity prices. On Tuesday, we heard from the chair of GB Energy that

“Every megawatt and gigawatt of renewable energy that we put on the grid will help to bring bills and prices down.”—[*Official Report, Great British Energy Public Bill Committee, 8 October 2024; c. 6, Q5.*]

I agree. Therefore, it has been intimated that that is indeed a strategic priority for GB Energy, and the Bill ought to reflect that.

This group of amendments also introduces the requirement for the Secretary of State to give a specific direction to Great British Energy that it must report on its progress.

Wera Hobhouse (Bath) (LD): I have an honest question. Since energy is sold in a daily, 10-minute or whatever market, and that market operates, how can the Government ensure that the market behaves in the way they want it to behave? Is that question useful? I want to understand what the hon. Gentleman's amendment will actually do to guarantee the price, since British energy operates in a market.

Andrew Bowie: That is an important question. I think we all agree that the reason the United Kingdom was so exposed to the energy price shocks that the entire western world has experienced over the past two years was our overreliance on the highly volatile fossil fuel market. Building new technologies to drive us towards a cleaner future and lower bills is therefore important. Our exposure to the market to which the hon. Lady refers had an adverse impact here in the United Kingdom. Just as stating in the Bill that a reduction in bills is important, the reduction of wholesale electricity prices should also be a stated object in the Bill. If GB Energy is to do anything, alongside all its other strategic objects, surely it must be working towards a reduction in electricity prices. We would therefore like to see that on the face of the Bill.

Wera Hobhouse: The hon. Gentleman is being generous in giving way. Would that not be a clear state intervention in the market?

Andrew Bowie: I do not think so, but the creation of the company is a state intervention in the market. That is one reason we on the Conservative Benches disagree with the Bill. We think that we can drive up investment in renewables and new technologies in this country by allowing companies the freedom to invest and by creating the best environment for private investment in this country. That is what we did when we were in government. That is why we have the first to the fifth-largest offshore wind farms in the world, and that is why we cut emissions faster than any other country in the G7, at the same time as growing the economy. That is a record that I am very proud of, and I worry that this state intervention in the market will have a negative effect.

We are debating the creation of GB Energy and this Bill. As part of that, a reduction in electricity prices should be one of the strategic aims.

Perran Moon (Camborne and Redruth) (Lab): The Conservative party in government—I do not know whether opinion has changed—had little regard for private businesses. On Tuesday, however, we clearly heard expert witnesses from private businesses consistently testify that one of the Bill's key benefits is that it is not overly and unnecessarily prescriptive, so it allows the scope to develop the strategic priorities that focus on ensuring that we get this right. The amendment is completely

unnecessary, because it is yet another example of being overly prescriptive, which is not what businesses asked for on Tuesday.

Andrew Bowie: I completely agree that we should not be overly prescriptive of business, but one of the strategic objectives in setting up this company should be to work towards a reduction in wholesale electricity prices. The Bill sets out everything else that the company will seek to do, so why not add that to the Bill as an objective for the company in the long run? I do not know why there would be any disagreement with including that objective in the Bill, given that we all agree that electricity prices and the cost of doing business are far too high in this country. Surely, therefore, GB Energy should be working towards that objective—hence I think the amendment is necessary and we have moved it today.

On the requirement on the Secretary of State to give a specific direction to GB Energy, we think that it should report its progress on the priority of reducing wholesale electricity costs to Parliament. Amendment 19 would also introduce the requirement for GB Energy to report to the Secretary of State within three months of every investment on the projected impact on wholesale energy prices over the next 10 years. It is essential that we in Parliament, Government and Great British Energy take a sufficiently long-term view of the decisions and investments that will impact wholesale electricity prices and, therefore, consumer bills and the cost to industry in the years and decades to come. Those are the reasons for our amendments.

The Chair: I call the Minister.

The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Michael Shanks): It is a pleasure, Sir Roger, to serve in this Committee under you—

The Chair: Order. In case hon. Members are not fully aware, ordinarily we would call any Member on either side of the Committee before calling the Minister. It is not the same procedure as on the Floor of the House, where we would normally call, in this case, the Opposition and then the Government Front Bench. That is why I paused slightly to see whether anybody wanted to intervene.

Michael Shanks: I will take the amendments in turn, starting with amendment 13, tabled by the hon. Member for West Aberdeenshire and Kincardine. The creation of Great British Energy allows us to harness clean energy and have less reliance on volatile energy markets. I must resist the amendment for a number of reasons. Parts of the various amendments are linked, so I will deal with what they have in common.

First, a founding principle of Great British Energy is that it should be operationally independent. The Bill is clearly about making the minimum necessary provision to establish the company. Adding further unnecessary detail, as we have talked about with regard to various amendments today, risks restricting the company in carrying out its activities and going against our commitment to the British public. The hon. Gentleman will be familiar with this model of legislation, given his involvement with pieces of legislation such as on the UK Infrastructure

[Michael Shanks]

Bank. We heard from a number of witnesses on Tuesday that they want the Bill to be broad enough to allow Great British Energy to move into different opportunities as they arise but, clearly, the focus we have set out for it concerns the long-term energy security of the country and bringing down bills.

Secondly, the Secretary of State has the power—we will come on to this, I have no doubt—to set the strategic priorities. It is right that the statement of strategic priorities sets out what Great British Energy's objectives are. As the hon. Gentleman knows, because he and other hon. Members have referred to it at various points, we live in an increasingly unstable world. The last few years have brought that to the front of our consciousness. Our energy security and the protection we need to give to bill payers mean that we need to speed up the transition from fossil fuels to home-grown clean energy. We are unwavering in our commitment to that as a long-term project and a cornerstone of our sustainable plan to safeguard bill payers for good.

In speaking to these amendments, the hon. Gentleman referred to our witnesses on Tuesday and the fact that putting more green energy on the grid reduces overall costs. I agree with him on that, but it is therefore important to recognise that Great British Energy is a vehicle to speed up that process. Measures under the previous Government, of which he was of course part, made that more and more difficult—for example, the onshore wind ban, which one of his colleagues said was “always mad”. We need to recognise that this is a change of direction. If we agree that the only way to bring down bills and reduce the wholesale cost for good is to move to more secure home-grown green energy, we need to have the full commitment of Government to deliver that.

I will now turn to amendment 14, which would require the Secretary of State to give

“specific direction to Great British Energy that it must report...on the progress made by Great British Energy towards”

electricity prices. The report set out in the hon. Gentleman's amendment must be made within two years of Royal Assent. We will resist the amendment today, because we think it is unnecessary.

As I have already outlined, the shift to clean energy is about increasing home-grown power and accelerating the reduction of our exposure to international markets. Broader than Great British Energy, the Government are running a series of programmes and reforms to pass on cheaper renewables to consumers. For example, as we mentioned earlier, there is the review of electricity market arrangements.

As a publicly owned company, Great British Energy will be accountable through regular reporting to the Department for Energy Security and Net Zero. Furthermore, like other arm's length bodies of Government, it will be accountable to Parliament, but will operate independently, at arm's length, from Ministers. That is important, because the point of setting up a publicly owned energy company independent of Government is to bring in the skills and experience of an executive board and staff who will not be directed day to day by Government, but will, of course, work within the parameters that we have set it. As I have said in response to a number of

amendments today, adding further unnecessary detail risks restricting the company in carrying out its activities, and is against what we have said in setting out the Bill.

2.15 pm

I turn to amendment 19, which stands in the name of the hon. Gentleman. The amendment to clause 6 would require the Secretary of State to

“give a specific direction to Great British Energy that it must report to the Secretary of State within three months of each investment it makes”.

At the risk of repeating myself, the same argument applies here: the amendment risks adding more burdens on to the company. The power given to the company in clause 6 is a specific one, as it should be used only in urgent or unforeseen circumstances—for example, on a matter of national security. It is not a power that we want to use on a regular basis.

On this group of amendments more broadly, I assure hon. Members on both sides of the Committee that Great British Energy's work and investments will be held accountable to Parliament and to the Department for Energy Security and Net Zero and, as always, will be subject to HM Treasury's value for money guidelines. Furthermore, the investments will be subject to safeguards and risk assessments similar to established public finance institutions.

One of Great British Energy's five functions is to invest in projects alongside the private sector. An important point, which I will reiterate at a number of opportunities, is that Great British Energy is one tool that we want to use to deliver the mission for clean power by 2030, but critically it is about working alongside the other companies already operating in the UK that do fantastic work in delivering projects. It is about crowding in further investment, not crowding out investment.

As a publicly owned company, Great British Energy's investments will give the British people a stake in the energy transition, which we believe is critical. Although the previous Government supported the investment of publicly owned companies for many years—just not any company publicly owned by the British taxpayer—we believe in doing things differently and in public ownership. That is the aim of the Bill and why we will resist the amendments in this group.

Andrew Bowie: I have nothing to add, other than to inform the Committee that we will press the amendment to a vote.

Question put, That the amendment be made.

The Committee divided: Ayes 3, Noes 9.

Division No. 5]

AYES

Bowie, Andrew
Cross, Harriet

Morrissey, Joy

NOES

Blake, Olivia
Crichton, Torcuil
Fookes, Catherine
Kumaran, Uma
McDonald, Chris

Moon, Perran
Pakes, Andrew
Shanks, Michael
Turley, Anna

Question accordingly negatived.

The Chair: I am not sure whether Dr Huq referred to this in the morning, but before we proceed, I will say that ordinarily, at the end of a clause, there is a stand part debate on whether the clause, or the clause as amended, should stand part of the Bill. That debate is in the gift of the Chair. I am usually pretty relaxed about this, and I dare say that Dr Huq is as well. I understand that there was a fairly comprehensive debate on the first group of amendments this morning, so my impression is that we will probably not require a stand part debate.

The quid pro quo for that is a degree of flexibility when we come to talk about things, because very often matters overlap. I have always said that as far as I am concerned, you can have a stand part debate on the first group of amendments if you like, because very often the greater includes the lesser, but you cannot have your cake and eat it—you cannot do it twice. Hon. Members should bear in mind that if there are things that they want to say, it might be a good idea to say them, because they probably will not get the chance in a clause stand part debate. I hope that that is clear.

Andrew Bowie: I beg to move amendment 15, in clause 5, page 3, line 8, at end insert—

“(1A) The statement of strategic priorities under subsection (1) must include the creation of 650,000 new jobs in the United Kingdom by 2030 resulting directly or indirectly from Great British Energy’s pursuit of its objectives under section 3.”

The Chair: With this it will be convenient to discuss amendment 16, in clause 6, page 3, line 38, at end insert—

“(1A)

- (a) The Secretary of State must give a specific direction to Great British Energy that it must report to the Secretary of State on the progress made by Great British Energy towards the strategic priority of creating 650,000 new jobs in the United Kingdom by 2030.
- (b) A report under paragraph (a) must be made within two years of the date of Royal Assent to this Act and annually thereafter.
- (c) The Secretary of State must lay a report made under paragraph (a) before Parliament.”

Andrew Bowie: The amendments would create a specific strategic priority for Great British Energy to create 650,000 new jobs in the United Kingdom by 2030, and require the production of an annual report on the progress of meeting that strategic priority.

It is worth our while this afternoon to take some time to consider the achievements of the previous Conservative Government in driving towards a cleaner energy future. It was a Conservative Government, under Prime Minister Theresa May, who legislated for net zero in 2019. It was a Conservative Government who began and created the contract for difference process, which was looked at with awe by the world at that stage—

Torcuil Crichton (Na h-Eileanan an Iar) (Lab): Will the hon. Gentleman give way?

Andrew Bowie: I am mid-flow, but yes.

Torcuil Crichton: Was it not also a Conservative Government who refused to take the decision to give Harland & Wolff the funding that would have kept it

open and avoided administration and now sale, and who left that hard decision to the incoming Labour Government?

Andrew Bowie: As the hon. Gentleman knows, there are many hard decisions to be taken in government, and every decision that the Government have to take has to provide value for money for the British taxpayer. I know that this Government recognise that, given the decision they have taken to remove £300 from every pensioner in the country—something I think they will come to regret.

As I was saying before I was so rudely interrupted, the Conservative Government built the first to fifth largest offshore wind farms in the world, ended coal for power generation and halved emissions at the fastest rate of any G7 power. In that regard, I know that everybody in the room is proud of the record of the Conservative Government just gone and will champion it in our work as we move forward.

Nevertheless, the issue of skills, and the lack of the skilled workforce required to deliver the next phase of the transition, was always at the forefront of Ministers’ minds. Indeed, because of that we established the nuclear skills fund when I was the Minister responsible for nuclear.

Andrew Pakes (Peterborough) (Lab): The hon. Gentleman has forgotten to mention the onshore wind ban, which is really important. If he wants to celebrate his record, let us celebrate it in the full glare of light. Does he agree that one of our big challenges in this country is that we failed to make any progress on nuclear in the last 14 years? We talk about new jobs, but we are losing skilled engineering and nuclear jobs in this country today because they are going to other countries, because those countries are making the progress that we have failed to make.

Andrew Bowie: The hon. Gentleman draws me on to nuclear, which is a dangerous place for me to be drawn, as the Minister will know, because we could spend all afternoon talking about the Conservative Government’s legacy on nuclear—

The Chair: No, we could not.

Andrew Bowie: You might have other ideas, Sir Roger. The legacy is the creation of Great British Nuclear; the beginning of the small modular reactor down-selection programme; the development consent order move in respect of Sizewell C; £200 million invested into high-assay low-enriched uranium fuels to be developed here in the United Kingdom; moving forward at pace with Hinkley Point C; and a commitment to build a third gigawatt-scale reactor at Wylfa—something that this Government have abandoned. It is not the Conservative party that the nuclear industry has a problem with; the industry is now worried about the go-slow on nuclear being implemented in this country by the new Labour Government, because of their obsession with putting all their eggs in one basket of renewables and not looking to the wider benefits of investing in nuclear as well.

On the hon. Gentleman’s point about the onshore wind ban, we delivered everything that I have listed while respecting the rights of communities in this country not to have the countryside where they live, and that

[Andrew Bowie]

they respect and enjoy, industrialised. That is why we had stipulations on communities having a right over what was built in them. I stand by that. It was a good policy and we still halved our emissions faster than any other G7 nation.

When we were in government, we established the nuclear skills taskforce to address the skills gap of 250,000 people that the nuclear industry alone would have were we to deliver all the projects we seek to deliver in defence and energy. We all know that clean energy technology brings employment with it. Estimates for job creation in the transition range from 136,000 jobs to 725,000 jobs by 2030. We all know how beneficial clean energy technology can be for local communities when it comes to employment. Projects such as Sizewell C drive investment—it will bring as many as 25,000 new jobs to Suffolk, and there are already 1,000 apprenticeships in the area. These are high-paid, high-skilled jobs that deliver for the community.

We have heard from the Labour Government that GB Energy will create 650,000 new jobs. On Tuesday, when I asked the chairman, Juergen Maier, about the number of jobs to be based in Aberdeen, he told us that it would be hundreds or even 1,000. I hope that Aberdeen will benefit significantly from being the base for the HQ of GB Energy and that that is not merely paying lip service to a community that is losing out in investment, prosperity and employment opportunities as a result of the energy profits levy increases, the lack of investment allowances, the disinclination to offer new licences in the North sea and the impact that that will have on investment in the transition.

I represent a constituency near Aberdeen, where a significant proportion of constituents are employed in the oil and gas industry directly, or indirectly in the supply chain. The potential for new jobs and the preservation of existing jobs are deeply personal to me and other MPs in the room. In fact, 65,000 people in Aberdeen and Aberdeenshire are employed in that industry and in the supply chain, so I know how impactful on communities those jobs are. I therefore move that we include the creation of 650,000 new jobs as a strategic priority for GB Energy, as well as including the requirement to report on the progress made towards that ambition. If we do not deliver the new jobs and do not ensure that as we move through the transition, those working in the oil and gas industry will have jobs secured into the future—as well as creating the new jobs by delivering the projects we were seeking to, as I know the Labour Government seek to—we will have failed in all our shared ambitions.

Olivia Blake (Sheffield Hallam) (Lab): The shadow Minister's amendment seems to be a bit of a fig leaf over the failure of the previous Government to secure good, high-quality, unionised jobs in the green energy sector. We need only look at offshore wind. I have cited these statistics before, but in 2010 some 70,000 jobs were promised from the UK offshore wind sector. Unfortunately, 10 years later, it had delivered only 11,900, which is only 5,600 more than were achieved by 2014.

The capacity of offshore wind went up by a huge percentage under the previous Government, for which they should be commended, but their strategy in the past 14 years meant that while they were building

offshore wind, they were also offshoring all the jobs that went with it. There was no strategy to cultivate labour-intensive sections of the supply chain; the majority of jobs went abroad. Not enough went into supporting the creation of servicing jobs in the UK. Furthermore, in another element of policy, the embarrassment and failure of the green homes grant truly laid bare the fact that we did not have the right industrial strategy—we had no industrial strategy to support the creation of jobs in those industries or to support a Government intervention such as the green homes grant.

A lot can be said about the opportunities that GB Energy offers. On Tuesday, the TUC agreed that GB Energy would be an enabler for a just transition for those currently working, but it is also my belief that this is a real opportunity for new jobs for the next generation. We have real potential to lever in a huge opportunity going forward to be a main player internationally in some of our emerging technologies.

I am proud to represent a constituency in Sheffield, where we have a lot of research capacity in many different areas related to energy, from battery storage to hydrogen and new nuclear. A lot of research is happening. Such innovation is important to allow for manufacturing jobs to spin off from the primary research.

The amendment is all well and good, but I think it is a little bit rich coming from the Conservative shadow Minister, given the abject failure to deliver on the jobs that we were promised under the previous Government.

Andrew Bowie: I have said publicly on the Floor of the House and in other places that we did not see the creation of the jobs that we wanted as a result of our revolution in energy production here in the United Kingdom. As I said, we have the first, second, third, fourth and fifth largest offshore wind farms in the world, which is a source of great pride, but the jobs onshore created as a result of that simply did not come about, hence why we were moving towards the creation of the sustainable industry rewards and were encouraging companies to invest and create the jobs. If the hon. Lady agrees that we should have done more to create jobs, surely she also agrees with the purpose of the amendment, which is to ensure that GB Energy will have as one of its stated aims the creation of 650,000 jobs in new and emerging technologies.

Olivia Blake: I would not want to limit the possibilities of GB Energy with a number. It is a big number that the hon. Gentleman has put here but, to be honest, there are huge opportunities in all the energy areas—especially in the supply chain within the UK, but also in the transition of jobs. It is really important that we take it in the round and allow GB Energy to play its role. Not all jobs will come from GB Energy; they will come from the much broader investments that we will see over the next decade. We have had a lost decade in this regard, and there is a lot of skills work that needs to come.

2.30 pm

I am sure that my Government will bring forward skills agendas that will prioritise high-quality apprenticeships, whether through university or not, and will train people to switch roles throughout their life and have the important skills passport that we discussed in our manifesto. It is

important to recognise that jobs are part and parcel of what the Bill is trying to achieve, but I disagree with the amendment. It is just a fig leaf, as I said at the beginning.

Michael Shanks: I will start where the brilliant speech of my hon. Friend the Member for Sheffield Hallam left off. It is a bit rich for the Opposition to talk about fixing the issue with jobs in the renewables sector that they failed to fix for 14 years. First, I take the issue that the hon. Member for West Aberdeenshire and Kincardine raised about jobs in Aberdeen, because it is an extremely important subject, but I think he confuses two things—I would suggest perhaps deliberately. Juergen Maier clearly said on Tuesday that the headquarters of Great British Energy in Aberdeen will have jobs in the hundreds, perhaps expanding in the years ahead, but that the jobs created by Great British Energy are much more than the headquarters. We have always said that it is the investments that Great British Energy makes that will invest in jobs in Aberdeen, in the north-east of Scotland and right across the UK, in the tens of thousands. That is important to separate out.

The hon. Gentleman's point about the transition is really important, both to the Bill and more broadly. He is right: long before this Labour Government were elected, there was a transition under way in the north-east of Scotland. It is a declining mature basin. It is important that we now take seriously what that transition looks like, and that will require tens of thousands of new, skilled and—crucially, for the north-east of Scotland in particular—well-paid jobs. That is what we are attempting to do with Great British Energy but, as my hon. Friend the Member for Sheffield Hallam says, Great British Energy is not the only vehicle for it. We have deliberately said that we will set out an industrial strategy, because we are not a Government who think that manufacturing jobs in this country and an industrial strategy are an irrelevance. Actually, they are critical to our economic future.

Stephen Flynn (Aberdeen South) (SNP): The Minister has tempted me to have a look at what Juergen Maier said. I asked him very clearly how many jobs would be in Aberdeen. His response was quite clear:

“It will be in the hundreds; it may eventually be 1,000 or more in the HQ.”—[*Official Report, Great British Energy Public Bill Committee*, 8 October 2024; c. 6, Q4.]

The HQ is, of course, Aberdeen. That would run contrary to what the Minister has just said.

Michael Shanks: That is not what I said at all. What I said a moment ago is exactly the same, which is that in the short term—in the start-up phase of the company—there will be a few hundred people. That is exactly what Juergen Maier said. In future, our aim—particularly with the right hon. Gentleman's support, which I was not expecting at the start of today—is that it will grow even further, into a much bigger company. As a result, we expect that there could very well be thousands of jobs in the headquarters in Aberdeen. I am not ruling anything out or limiting the potential of Great British Energy, and I hope that the right hon. Gentleman is not either. I make this point again, for the benefit of the right hon. Gentleman: critically, that is not the limit of

the jobs that will be created by Great British Energy. It is important to recognise that the jobs potential will come from the investments and partnerships that it makes.

Harriet Cross (Gordon and Buchan) (Con): The second part of the amendment states that the jobs should be created by 2030. That timescale is really important, because it ensures that the expertise we have now can be retained to help build these jobs of the future. Even if the Government will not commit to the figure, will they look at the timescale, which will give the industry certainty?

Michael Shanks: For reasons I will come to in a moment, we will not agree to the amendment because we will not put timeframes and numbers in the Bill—we do not see those in any piece of legislation from the previous Government or any other Government, and for very good reason. However, the hon. Lady is right that this decade is absolutely critical for this issue. That is why I am taking it very seriously, and will happily have conversations with her about how we get these jobs as quickly as possible. The timeframe for that is important, but it is also important that we start with building things such as Great British Energy, which I hope she will support, and our broader policy around the office for clean energy jobs, our industrial strategy and our increased investment in things such as the renewables auction.

To come back to what the hon. Member for West Aberdeenshire and Kincardine said about offshore wind, he took some credit for it, but of course his Government have to take responsibility for the complete failure on offshore wind in the last auction. We have turned that around with some really successful projects and want to build considerably more in the future. He gave an absolute masterclass for a new Minister like me on how to speak to something—the onshore energy ban in England—that I know he does not believe in, because he is a smart guy.

The reality is that that was ideology over delivery of something critically important. Now, we have inherited not just a lack of projects that would help us towards clean power and deliver jobs right across the UK, but an empty pipeline of projects, given the length of time where wind in England was banned. It is a ridiculous policy that I do not believe for a second the hon. Gentleman supports, but it was a very good example for me on how to deliver a line.

As I said earlier, this clause is specifically about giving very particular, rare directions in urgent or unforeseen circumstances. It is not a clause we expect the Secretary of State to be using regularly. That is important, because I suspect that if it was phrased in any other way, the hon. Gentleman would quite rightly propose an amendment limiting the powers of the Secretary of State to doing exactly that. This clause is about ensuring that Great British Energy has the space to fulfil its strategic priorities. Amendment 16 would widen that intention by adding a long-term goal.

More broadly, and relevant to both the hon. Gentleman's amendments, I repeat that the aim of Great British Energy is to be operationally independent from Government. The Bill focuses solely on making the absolutely necessary provisions to establish the company. Adding further unnecessary detail—detail I know the Conservative party

[Michael Shanks]

would not dream of adding to any of its own legislation—risks restricting the company in carrying out its activities and goes against what we have said. That sentiment was supported by almost every witness, including on specific questions about this matter, where I think people were hoping for different answers. Every single witness confirmed that the Bill is in the right place here. For those reasons, and many others, we will not be supporting the amendments.

Andrew Bowie: In confirming that we will be putting the amendments to a vote, I put on the record my congratulations to the Minister, because he may have achieved what I thought was unachievable: getting the right hon. Member for Aberdeen South to welcome and support something with “Great British” in its title. That is a quite a significant achievement, if I may say so.

Question put, That the amendment be made.

The Committee divided: Ayes 3, Noes 11.

Division No. 6]

AYES

Bowie, Andrew
Cross, Harriet

Morrissey, Joy

NOES

Blake, Olivia
Crichton, Torcuil
Fookes, Catherine
Heylings, Pippa
Hobhouse, Wera
Kumaran, Uma

McDonald, Chris
Moon, Perran
Pakes, Andrew
Shanks, Michael
Turley, Anna

Question accordingly negated.

Andrew Bowie: I beg to move amendment 17, in clause 5, page 3, line 8, at end insert—

“(1A)

- (a) The statement of strategic priorities under subsection (1) must include developing supply chains within the United Kingdom in the pursuit of Great British Energy’s objects under section 3.
- (b) ‘supply chains’ means the network of individuals, organisations, resources, activities and technology involved in the creation and sale of a commodity connected with Great British Energy’s objects under section 3.”

The Chair: With this it will be convenient to discuss amendment 18, in clause 6, page 3, line 38, at end insert—

“(1A)

- (a) The Secretary of State must give a specific direction to Great British Energy that it must report to the Secretary of State on the progress made by Great British Energy towards the strategic priority of developing supply chains within the United Kingdom.
- (b) A report under paragraph (a) must be made within two years of the date of Royal Assent to this Act and annually thereafter.
- (c) The Secretary of State must lay a report made under paragraph (a) before Parliament.”

Andrew Bowie: Amendment 17 would introduce a specific strategic priority for Great British Energy to develop UK energy supply chains and require that an annual report be produced on the progress towards meeting that strategic priority.

We believe it is essential that our transition to net zero does not increase our reliance on foreign countries, foreign supply chains or, in particular, hostile foreign countries. We all want to see a “made in Britain” transition, where our offshore wind turbines are constructed by British manufacturing companies, are erected by highly skilled British workers and deliver clean, cheap energy for British homes and businesses. That is why I have tabled amendment 17, which would make establishing domestic supply chains a strategic priority for Great British Energy.

In the transition to net zero, we are presented with a great opportunity for investment and new jobs. As with employment, we must ensure that it is people in these islands and domestic companies that will benefit from the increase in investment that we hope to see in the new technologies in the coming years. We must not outsource our energy transition. In this transition, we will need steel for our turbines and oil for our turbines. The transition is one that spans the energy industry and incorporates the North sea.

Catherine Fookes (Monmouthshire) (Lab): The hon. Member mentions steel. While his party were in power for 14 years, they had the chance to intervene and support the workers at Llanwern and Port Talbot, many of whom live in my constituency. Does he not agree that if his party had done more during their 14 years in power to support those workers, we would have much greater capacity to produce our own steel and for the transfer to green steel, which would help us to have a stronger UK-based energy industry?

Andrew Bowie: I am very proud of everything that we did in government to support our steelworkers and those communities around the country that depend on those jobs. It is desperately sad to see what has happened in Port Talbot recently. That is an example of what we must avoid moving forward, and something that we must avoid happening in the North sea, for example, where workers engaged in traditional industries are fearful about where their jobs sit in the forthcoming transition. Although I do not agree that we did not do everything we could to support steelmaking at Port Talbot, I do think that it is an example to learn from and one that we must avoid in the future.

Torcuil Crichton: What the shadow Minister is describing sounds like an industrial strategy—something that we have been missing for 14 years.

Andrew Bowie: Well, not quite. We did have an industrial strategy. We had a Department for Business, Energy and Industrial Strategy. It is not an industrial strategy. The amendment aims to establish within the strategic priorities of this company a commitment to deliver a UK-based supply chain, which is something that we sought to do while in Government, with the sustainable industry reward scheme that will launch next year with the auction round for the contracts for difference, and

through other programmes and investment opportunities that we were seeking to see come to fruition. I am very glad that this Government seem to be taking the challenge in this regard just as seriously as we did.

The transition we are in just now spans our entire energy industry and incorporates the North sea and our homegrown petroleum outputs. As noted by the Climate Change Committee, we will need oil and gas for decades to come, not just as an energy baseload but as a key component in the transition and in the technologies for the transition.

In our electric vehicles and our batteries, we will need lithium. In 2023, Cornish Lithium opened Britain's first lithium mine in Cornwall, with £53.6 million investment led by the UK Infrastructure Bank, which we established in 2021, to invest in our domestic supply chain, our clean technology supply chain and our energy future.

In our solar panels, we need silver, indium and copper. In our grid systems, we need kilometres and kilometres of copper. In fact, renewable energy will drive 45% of copper demand by 2030. Our reliance on China for low-cost, clean technology and minerals should worry us all. In 2022, we imported 64% of rare earth metals and 49% of lithium batteries from China.

Perran Moon: Will the hon. Gentleman give way?

Andrew Bowie: I would be delighted to give way to the hon. Member for Cornwall.

Perran Moon: The hon. Member for Camborne, Redruth and Hayle—but I take the shadow Minister's point. As he said, it is important to consider that an awful lot of our critical minerals are imported from the other side of the world, from Australasia and China, but that in Cornwall we have massive deposits of tin, lithium and tungsten. Does he agree that one opportunity that might come from GB Energy is to expand British jobs in Cornwall and areas that are extremely deprived? In that respect, might he support GB Energy?

2.45 pm

Andrew Bowie: The hon. Gentleman almost had me—I was almost there. We support creating new jobs in Cornwall. The opening of the mine last year was an incredibly positive step. It was delivered as a result of the UK Infrastructure Bank and the £53 million investment that we drove. The future for Cornwall is incredibly bright when it comes to critical minerals and its ability to supply UK projects and, moving forward, to export across the world. We have not even touched on the potential of geothermal in Cornwall, which is huge and extensive. Cornwall will match only Aberdeen in its importance on our energy journey—nearly match, but not quite.

We need to ensure the supply chains required. The building of clean energy infrastructure will benefit British companies with as much domestic involvement in supply and manufacture as possible. Not only does that safeguard our energy future against the impacts of disruption to the international system, such as we saw during the pandemic, but it reinvests the capital at Great British Energy's disposal into UK supply chains. Supply chains are a vital component of the employment opportunities here in the UK, as well as our energy security in future.

Harriet Cross: Does my hon. Friend agree that the supply chains that we have are used to delivering large-scale multimillion-pound projects? That is important not only for home-grown jobs, but for the success of GB Energy and any infrastructure and skills that will come out of it. We need our home-grown supply chain, which is world renowned, to help deliver this.

Andrew Bowie: My hon. Friend and constituency neighbour is absolutely right. I completely agree. She is a doughty champion for supply chain jobs based in her constituency, in mine, in that of the right hon. Member for Aberdeen South and in others across the country. One reason that we have been so critical of this Labour Government's North sea policies—the extension and increase of the energy profits levy, the removal of investment allowances, the removal of further licences in the North sea—is the impact on the domestic supply chain jobs that exist already and, by the way, on the high-skilled jobs that will deliver the cleaner energy future that we all want to get to.

That is why I and others in Committee have been so critical in the past—it is not that we do not want to see the transition; it is that we want the oil and gas industry, and those people in the supply chain who are employed by it now, to be a part of that transition. Without a successful domestic oil and gas industry or domestic supply chain, we will not deliver any of the projects that we are speaking so glowingly about in Committee and over the past few weeks, months and years. As my hon. Friend the Member for Gordon and Buchan says, it is critical for the supply chain to support net zero transition.

Security of supply chain is absolutely relevant to the objectives of GB Energy and should be included as a strategic priority, hence the amendment. I also tabled amendment 18, which would introduce the direction for GB Energy to report to the Secretary of State on the progress being made towards developing domestic supply chains.

Michael Shanks: I am enjoying this debate more and more. I feel that by the end of today, or Tuesday at a push, we may get the hon. Gentleman's support for Great British Energy. I look forward to that.

The very argument that the hon. Gentleman has put forward for both amendments emphasises the absolute failure of 14 years of his Government. The very fact that he is making those points emphasises how much they failed. I welcome the realisation, albeit somewhat late, that manufacturing in the UK and having jobs in this country delivering for the energy future are important. The Kincardine wind farm off the coast not far from his constituency—perhaps it is in his constituency—is a very good example. It was towed into place, with all the jobs offshored somewhere else. That example that shows why we need to do things differently. Great British Energy and our industrial strategy are part of that.

While I could spend this time criticising the previous Government, I will simply welcome the fact that the hon. Gentleman has showed up to the party at all. This is a key part of what Great British Energy will do. The supply chains are critical, because 80% of the jobs in the oil and gas industry are in the supply chains, and the good, well-paid jobs we need for the future will be there too. I think it might have been the witness from the GMB who made a very good point about jobs in

[Michael Shanks]

welding. That is a good example of where we can have real, well-paid jobs for the future if we invest in those skills now, and that is exactly what Great British Energy will do.

However, Great British Energy is not the only part that will deliver on those jobs. The Department for Business and Trade is also working at pace to develop an industrial strategy that will include detailed work on the supply chains, and we are working through the various taskforces launched under the previous Government and continued by this Government. For example, on the solar taskforce we have been looking clearly at how we can bring those jobs to the UK. The hon. Gentleman rightly talked about the security of where some of those manufacturing jobs are in the world—places in the world that we would rather they were not. Bringing some of that manufacturing capacity to the UK will be difficult in some of those industries, but it is important to do it so that we have resilient, diverse and sustainable supply chains.

My Department has also established an office for clean energy jobs, which will focus on developing the skills and the training for the workforce in core energy and net zero sectors around the transition, but also, critically, on bringing on the next generation of apprentices and workers in the skills and jobs that we did not know existed until the last few years. That will ensure the sustainability of our supply chains and meet our mission to make the UK a clean energy superpower.

Although it is welcome to hear the commitments from a Conservative party that has had something of a conversion on this issue, we do not think that amendments 17 and 18 are necessary to the Bill, because the Government are already committed to delivering our intentions.

Andrew Bowie: I do think that the amendments are necessary. If we are to go through the process of creating this company, we should set out as one of its objects the creation and sustainability of a UK-based supply chain, and indeed of the manufacturing jobs that come with that. For that reason, I will press amendment 17 to a vote.

Question put, That the amendment be made.

The Committee divided: Ayes 3, Noes 10.

Division No. 7]

AYES

Bowie, Andrew
Cross, Harriet

Morrissey, Joy

NOES

Blake, Olivia
Crichton, Torcuil
Fookes, Catherine
Kumaran, Uma
MacAlister, Josh

McDonald, Chris
Moon, Perran
Pakes, Andrew
Shanks, Michael
Turley, Anna

Question accordingly negatived.

Stephen Flynn: I beg to move amendment 4, in clause 5, page 3, line 10, leave out subsection (3) and insert—

“(3) A statement under subsection (1) or a revised or replacement statement under subsection (2) will not take effect unless a draft has been laid before and approved by a resolution of each House of Parliament.”

Before I begin my remarks, it is probably best that I correct the record on behalf of the shadow Minister. It is not just in relation to Great British Energy that I have expressed some positivity; I did once watch “The Great British Bake Off” as well.

That aside, it was put to me by some members of the Labour party back in Scotland that I was not supportive of GB Energy, because I did not go through the Lobby with the Government some weeks ago, as I think the Minister referred to in his remarks today. The reason I did not go through the Lobby with the Government that day was that I was not entirely sure what GB Energy was going to do.

In fact, based on the information before us in this Bill, I am still not entirely sure what GB Energy is going to do in practice; it seems to be all things to all people. In principle, perhaps that is not a bad thing, and those who gave evidence to us put forward a number of positive arguments of the necessity for that to be the case, whether in relation to production, generation, the supply of energy or the community projects that Members have spoken about at length.

The purpose of my amendment is to ensure that the House of Commons is fully apprised of exactly what the Secretary of State intends GB Energy to achieve. That will be hugely important, particularly in the context of Scotland, because much of what has been discussed in relation to GB Energy, and the opportunities that may or may not exist, will ultimately be intrinsically linked to the success of projects in Scotland, where the majority of the UK’s renewable energy resource sits. Indeed, I think the director of the Confederation of British Industry said that it is a “golden ticket” to economic growth for the entire UK. Imagine what an independent Scotland could achieve in that context.

The point of the amendment is to ensure that the House of Commons is able to fully appraise the direction that the Secretary of State wishes to take. That might cause Labour Members some consternation, because they have just been elected with a massive majority and may well be able to set out their strategic vision, but they need to remember that they will not be in government forever. They will at some point be replaced—I am not entirely sure who will replace them; there is a decent suggestion that it will probably be by the Lib Dems rather than by the Conservatives, based on the leadership candidates.

However, the amendment would ensure that future parliamentarians and future groups of politicians will be able to apply the same scrutiny that I expect of Government today. I think it is good practice. In years to come, should the Conservative party, the Lib Dems or perhaps some other nefarious party come to control the UK state, they should not be able to do anything contrary to the wishes of Parliament without its having the ability to shape the future of what will hopefully be a successful intervention into the energy market, albeit one with very small amounts of money to drive forward the multiple goals that it seeks to achieve.

Michael Shanks: The right hon. Gentleman tempts me into discussing both independence and the future of the Conservative party, but for your sake, Sir Roger, I will not go into either, although I hope there will be such opportunities in the future. I will make two points

in response to the amendment, and there is a broader point, which I will stay off for the moment, that we will return to in the next series of amendments around the role of the devolved Administrations—

Stephen Flynn: Governments.

Michael Shanks: The devolved Administrations in terms of the Governments—I thank the right hon. Gentleman.

The first thing to say is that the statement of strategic priorities cannot overrule the objectives in the Bill. If an incoming Government—I will not say “nefarious” or otherwise—were seeking to use Great British Energy for a whole other purpose, they would not be able to, because the legislation sets out exactly what it will be used for, and that will be in the articles of association. Those objects set the overarching framework for Great British Energy’s activities and it is right that this framework is in legislation passed by Parliament and debated here today in clause 3.

Were we to move to a point where we required parliamentary approval of the statement of strategic priorities, which is only designed to provide direction in the priorities that the Government sets for the company, we would create unnecessary burdens on the company. Going back to the points in the Lib Dem amendments from earlier, I am concerned that, rather than Great British Energy getting on with delivering, we would end up in a constant cycle in which people add various things—I think someone said “baubles” earlier on, but I am not sure that I will continue that metaphor—into the statement of strategic priorities that would take away from it actually delivering the objects that we will hopefully pass in this Bill.

Pippa Heylings (South Cambridgeshire) (LD): Taking away labels such as “nefarious” or “baubles” and moving to the serious intent of our interventions, this is about scrutiny, and I take the point from the right hon. Member for Aberdeen South in that respect. We heard from witnesses that if the objects remain broad, they are reassured that all their issues will be contained within the statement of priorities. Will the Minister reassure us about the engagement that will happen prior to the development of those priorities? If it will not happen through the House, what will the process be? Instead of baubles, we may find bits of home-made tinsel hanging on this majestic tree, which is not exactly what was bought in the shop, to continue the metaphor.

Andrew Bowie: A British-made tree.

Pippa Heylings: British-made and home-made. I think the serious issue is the extent to which there is reassurance that a statement of priorities, which everybody is accepting will be within the remit of the objects, will fulfil expectations and not steer into areas in which there will be duplication.

3 pm

Michael Shanks: I think my hon. Friend the Member for Peterborough has a lot to answer for, with the metaphors that have now started, but the hon. Lady makes a serious point. I would just gently challenge one point that she makes. The statement of strategic priorities is not about giving every detail on all the objects. The direction of the company is already very clear. The

reason that the objects have been left broad is so that the company can explore opportunities in all those areas without having to come back and get direction on every single point.

Wera Hobhouse: Will the Minister give way?

Michael Shanks: I will answer the previous intervention first. The point of having an independent company—this is why it is used as a mechanism by Governments of all types—is that it can have the flexibility to move. That flexibility is within the very strict parameters set by Government, but with a broad scope to move into opportunities as they arise.

Wera Hobhouse: I thank the Minister for giving way. The second part of his reply answered what I am worried about, and what we as a Committee have been worried about all along, which is parliamentary scrutiny. Will the Minister advise at what point that parliamentary scrutiny can be exercised?

Michael Shanks: The hon. Lady is well versed in how Parliament works, and there are a number of mechanisms already open to Parliament to scrutinise the work of the Department and the Secretary of State. Indeed, the transparency around clause 5 is that this will be laid before Parliament in the same way that the priorities for the UK Infrastructure Bank and various other independent companies are laid before Parliament.

On the hon. Member for South Cambridgeshire’s second point, which I did not get to and is a very fair point, we are not seeking to design something behind closed doors that has no engagement. I have taken a lot of meetings in the three months that I have been a Minister, and I am very happy to take many more. We want to hear a broad range of views on this and we are happy to discuss it, but there is a balance between having an open approach to how we create, draft and bring ideas together, and ending up with a document—in the end, it will not be a huge document—that just goes round a process for months on end and stops the company from getting on with what we want it to do.

We heard from all the witnesses on Tuesday that speed is important; we do not want to waste any time, and I think that the Liberal Democrats support that approach. We want to get on and do it, and that is important. As I said earlier, I will come on to the point about the devolved Governments and the engagement that we plan with them in due course.

Furthermore, in setting up a company, the company is subject to all the requirements that other companies are, in terms of Companies House and having to produce annual accounts and an annual report. The activities of the board will also, of course, be available so that people can see what decisions the company is making. It is important that this company is at arm’s length from Government but has all the benefits of being publicly owned, in that it is required to manage the stewardship of public funds in a careful and accountable way.

In my view, the amendment is unnecessary, as the processes are already in place to scrutinise the work of Great British Energy and the work of the Department more generally. We will not be accepting the amendment today.

Stephen Flynn: I thank the Minister for his reply. I gently suggest that, if he were still sitting on the Opposition Benches, his view would be slightly different. I simply remind him in that context that he will not always be sitting on the Government side. If a future Secretary of State decides to change the strategic priorities of Great British Energy, then I am sure, at that point, he and his colleagues would like to have the ability to review, revise and discuss that within the democratic structures that we have. On that basis, I will press the amendment to a vote.

Question put, That the amendment be made.

Stephen Flynn: Aye.

Several hon. Members: No.

The Chair: I think that we can safely say that the Noes have it.

Question accordingly negatived.

Stephen Flynn: I beg to move amendment 5, in clause 5, page 3, line 12, leave out “consult” and insert “seek and gain consent of”.

The Chair: With this it will be convenient to discuss the following:

Amendment 7, in clause 5, page 3, line 28, leave out “(4) to (6)” and insert

“(5) and (6) or to gain consent imposed by subsection (4)”.

This amendment is consequential on Amendment 5.

Amendment 6, in clause 5, page 3, line 29, at end insert—

“(7A) The Secretary of State must by regulations provide for a process by which consent can be signified under subsection (4).”

This amendment is consequential on Amendment 5.

Stephen Flynn: These amendments are hopefully self-explanatory to Members. I am extremely keen to hear the Minister’s thoughts on them. As I referred to in my initial remarks, much of the success of the UK’s energy sector will be derived from the success of renewables projects in Scotland, whether that is the continuation of onshore wind, further development of fixed-bottom offshore wind, floating offshore wind, pumped storage hydro, green hydrogen, blue hydrogen, tidal, wave, and so on. The sun sometimes shines as well, so we might get some solar panels in there too—perhaps just in Na h-Eileanan an Iar, though, as opposed to Aberdeen.

I know that the Minister has been engaging proactively with my colleagues in Scotland, that there have been a lot of positive discussions, and that Mr Maier was up with the First Minister in recent weeks to discuss the future outlook for GB Energy. If the respect agenda that the new Labour Government appear to have put in place is to mean something, it is important that they are willing and confident enough in their arguments to seek the fulsome consent of the Scottish Parliament—not just the Scottish National party, because I am conscious, as I said earlier, that it may not always be the Scottish National party that is there.

Torcuil Crichton: I rise not just to reassure the right hon. Gentleman that the sun does shine in the Western Isles, but to note that these amendments seem quite complex—blocking amendments, actually, that would

prevent the business and progress of GB Energy. They read a bit like last year’s script because, as he mentioned, the Scottish Government and the UK Government work hand in hand now. My friend the Secretary of State for Scotland, and the Deputy First Minister of Scotland, who is a frenemy, speak on a regular—daily or at most weekly—basis. The Governments work together, rendering these clauses unnecessary.

Stephen Flynn: I thank the hon. Gentleman for his intervention, although I am a bit disappointed that he regards seeking the consent of Scotland’s nationally elected Parliament as a blocking amendment. That is quite a Westminster mentality that he has adopted already in the few short weeks that he has been here—perhaps that is an indication of where his party intends to go in the months and years to come. Notwithstanding that, because I do not believe it was a necessary or helpful intervention in that context, I would be very keen to hear from the Minister on why he does not believe he should seek the consent of Scotland’s Parliament.

Michael Shanks: These are very important amendments, as I alluded to when discussing the last group of amendments. Since I became a Minister, I have worked very hard to reset the relationship. Indeed, the Prime Minister’s first official visit was, deliberately, to Scotland. He has set a clear expectation that all Ministers should be engaging with not just the Scottish Government but the Welsh Government and the Administration in Northern Ireland. That is particularly important in the energy space, because our priorities are broadly aligned. There are slight differences in targets and projects, but we all want to move in the same direction across all Governments of the United Kingdom, which is beneficial.

Andrew Bowie: I must take issue with some of the language about this reset—the normalisation of relations and the new respect agenda. We had an incredibly constructive working relationship with the Scottish Government while we were in government. Indeed, had we not, none of the projects that we see established now—we have talked about having the first to the fifth-largest offshore wind farms—and none of the discussions we are having about new technologies would actually have gotten off the ground.

A lot is made of the fact that the new Prime Minister’s first visit in office was to Scotland, but it was also the first visit of Prime Ministers Theresa May, Boris Johnson and my right hon. Friend the Member for Richmond and Northallerton (Rishi Sunak). Our commitment to working with the Scottish Government was demonstrated by what we delivered in our time in office. I very much hope that the Minister continues to enjoy his relationship with the Scottish Government, although I worry that as we move towards 2026 and the devolved election, this new warm relationship between the Labour party and the Scottish National party may become somewhat chillier.

Michael Shanks: I would have stopped short of the hon. Gentleman’s final point, which I will not repeat; I think that was more to salve his own conscience than to add any value to the debate. He may want to speak to the other side about some of those discussions to get a sense of whether the joyous relationship that he described was reciprocated. The fact is that if we want to achieve

outcomes across the UK, whatever the political differences—they are significant, and he is right that they will become more significant in the few years ahead—we still need to be the grown-ups in the room and work to deliver them. My engagement has been very much around how we bring in the views of Welsh, Northern Irish and Scottish colleagues.

Catherine Fookes: It is a bit rich hearing the Opposition talk about how to work with the devolved Administrations. I am pleased to see in the Bill that Welsh Ministers will be consulted. The previous relationship between the Conservative Government here and the Labour Government in Cardiff was appalling. Often, the phone was not picked up to Mark Drakeford when he was First Minister. Could the Minister confirm that he will work with the Welsh Government and with our organisation, Trydan Gwyrdd Cymru, which is similar to Great British Energy, and how he will do that?

Michael Shanks: I thank my hon. Friend for her well-made point. Across the UK, we are resetting the way we do these relationships. It is not just the visits and set-piece moments; it is the day-to-day engagement and agreement. There is fulsome discussion and disagreement, but it leads to the view that, actually, we generally agree on the same outcomes and want to work out how to work co-operatively to achieve them. That is what the public would want us to do across these islands.

I will point out some of the engagement we have already had. The First Minister met recently with the start-up chair of Great British Energy and the Cabinet Secretary. I have met the Cabinet Secretary almost every week that I have been in post. It is important to talk through these issues and we think that consultation on the statement of strategic priorities is incredibly important.

I object to the amendment to move to a consent process for exactly the same reason that I gave in answer to the previous point. It is not that I do not want any engagement, but that I do not want us to get tied up in a process. In our engagement with Scottish colleagues, the challenge is how the Government reflect the view of the Scottish Parliament without everything going back through a process in committees. My real worry is that we get tied up in months and months of engagement, trying to find dates in calendars to discuss elements of the strategic plan, and do not actually get on with delivering things.

Josh MacAlister (Whitehaven and Workington) (Lab): The right hon. Member for Aberdeen South made an important point about elected representatives from Scotland having a role in the strategic priorities for Great British Energy. But this is the United Kingdom Parliament, in which we have good and appropriate representation of Scottish electors, and very strongly and proudly so on the Labour Benches. Surely the UK Parliament and the UK Government are well-positioned to reflect the interests of the whole United Kingdom rather than, as the Minister is indicating, going through multiple repetitive processes that would hamper the ability of Great British Energy to achieve the goals that the right hon. Member for Aberdeen South surely wants for his own constituents.

Michael Shanks: I take that point. I will come back to the role of the UK Government in Great British Energy in a moment, as it is important. Of course I want to

engage with Scottish, Welsh and Northern Irish colleagues in this place, but I also want to find a way to engage constructively with the devolved Parliaments and Administrations, not just on the statement of priorities but far beyond that. We have already had conversations about how the board of Great British Energy might engage with the Scottish Government on a more regular basis. We are very open to those ideas, but—to come back to this point briefly—it is important that Great British Energy is funded and directed by the UK Government and therefore ultimately responsible to the UK Parliament.

Andrew Bowie: I thank the Minister for giving way; he is being incredibly generous with his time. Subsection (6) deals with Northern Ireland in the context of what we are discussing. Energy is a devolved competency within Northern Ireland, which works on an all-Ireland grid to deliver electricity on the island of Ireland. Is that the reason the language in that subsection is slightly different? It refers to consulting the Department for the Economy, as opposed to consulting Welsh Ministers and Scottish Ministers in the previous two subsections. How will GB Energy and the Department interact with our Northern Irish colleagues, given that GB Energy will be a body of the UK Government and paid for by UK taxpayers, but will have very little role in delivering energy in Northern Ireland?

Michael Shanks: I thank the hon. Gentleman for that important point. Early on in the development of the Bill, we had a genuine conversation with the Northern Irish Executive about whether Northern Ireland should be included in the Bill at all, on the basis—exactly as he says—that energy is completely transferred in Northern Ireland. We agreed that it was better to keep Northern Ireland in scope so that some of the benefits may come to Northern Ireland, in particular around skills and supply chains, but clearly the relationship will be very different. We do not anticipate Great British Energy funding specific projects, for example, for the reasons that he outlined.

The broader point here is a reiteration of an earlier point: Great British Energy will not have special powers compared with any other company. It is therefore important to recognise that if Great British Energy is delivering projects in Scotland, it will have to conform to Scottish planning and all the other regulations and consenting regimes in Scotland exactly as any other company operating in Scotland would. It will not have additional powers to supersede any of the regulations set by the Scottish Parliament. That is important because, clearly, although the funding will come from the UK Government through Great British Energy, the delivery of those projects, if in Scotland, will largely be the responsibility of the Scottish Parliament through the environmental planning and consenting regimes. Great British Energy will not have additional powers to supersede any of those regulations.

3.15 pm

Finally, I reiterate another earlier point: we want to avoid any additional governance arrangements that prolong uncertainty. We want to move as fast as possible for the benefit of the whole of Scotland and the whole of the UK so that Great British Energy can start to deliver these projects and see benefits as soon as possible. What

we do not want is to create burdensome regulation that ties us in knots and does not help with the critical engagement with the devolved Governments and Parliaments in the months and years ahead.

Stephen Flynn: I do not know whether I misheard the Minister's last point, but I am not sure that we should view consulting the Scottish Parliament as burdensome. In fact, with both the Scottish Parliament and the Welsh Senedd, and indeed with the Northern Ireland Assembly, there is a benefit for the United Kingdom in being proactive in its positive engagement with the devolved Governments and Administrations on these isles.

Notwithstanding that, I am pleased that I have been able to get this matter on the record. It is not unusual for this sort of provision to appear in legislation that applies across the UK that may carry implications for the devolved areas. In that regard, I will not press the amendment to a vote. However, I say to the Minister that my colleagues and I will hold him to account on this. As he knows, the delivery of projects relies on the Scottish Government and the UK Government working in practice on planning, consenting, the Crown Estate Scotland and the associated infrastructure. I would hate to see a situation where the strategic priorities of GB Energy, and the whole of the UK Government, change and they seek to impose their will on the Scottish Parliament in the way the previous Government did, which is why we did not have positive relations.

Michael Shanks: I agree with the broad arc of what the right hon. Gentleman has just said, but there is no mechanism for Great British Energy to impose anything on the Scottish Parliament. The whole point I was making is that it is important to recognise that Great British Energy has to operate within whatever framework any Scottish Government set for it.

Stephen Flynn: Forgive me, Sir Roger; I think the Minister and I were in agreement there. The point I was making was that a future Secretary of State may seek to change the framework of GB Energy, and that would cause me concern in that regard. However, as it stands, I am content with the Minister's comments and will not seek to press the amendment to a vote. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

The Chair: I am satisfied that matters arising from clause 5 have been adequately debated, so I do not propose to call a stand part debate.

Clause 5 ordered to stand part of the Bill.

Ordered, That further consideration be now adjourned.—(Anna Turley.)

3.18 pm

Adjourned till Tuesday 15 October at twenty-five minutes past Nine o'clock.

Written evidence reported to the House

GBEB18 Transport for London

GBEB19 Joju Solar

GBEB20 MCS Foundation

GBEB21 North London Waste Authority

GBEB22 Community Energy England

GBEB23 UK Marine Energy Council

