Tuesday
1 July 2025

Volume 770
No. 163



HOUSE OF COMMONS OFFICIAL REPORT

PARLIAMENTARY DEBATES

(HANSARD)

Tuesday 1 July 2025

House of Commons

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The House met at half-past Eleven o'clock

PRAYERS

[Mr Speaker in the Chair]

BUSINESS BEFORE QUESTIONS

ROYAL ALBERT HALL BILL [Lords]

Second Reading opposed and deferred until Tuesday
8 July (Standing Order No. 20).

Oral Answers to Questions

TREASURY

The Chancellor of the Exchequer was asked—

Barnett Formula: Scotland

1. **Seamus Logan** (Aberdeenshire North and Moray East) (SNP): Whether she plans to review the Barnett formula for Scotland. [904926]

The Chief Secretary to the Treasury (Darren Jones): There are currently no plans to review the operation of the Barnett formula. The Barnett formula has stood the test of time because it is simple and efficient, and it provides a clear and certain outcome. It is a key part of the arrangements for pooling and sharing risks and resources across the United Kingdom.

Seamus Logan: We know that if the Government today pass their disgraceful, discriminatory and, some say, illegal cuts to disability support, that will almost certainly lead to a reduction in the Scottish budget as a result of the Barnett formula. That is a deliberate choice that Scottish Labour MPs will be making if they support these cuts, and for which they must answer to their constituents. Will the Chancellor or the Minister tell them, this House and, indeed, the nation exactly how many millions of pounds they will voting to take out of the pockets of disabled and vulnerable people in Scotland, many of whom voted for Labour almost a year ago?

Darren Jones: One thing I can tell the Scottish people, and indeed the House, is that it is this Labour Government who have given the largest real-terms increase in spending to the Scottish Government since devolution began—billions and billions of pounds of extra money is going to the Scottish National party Government in Holyrood. On devolved matters, it is for the SNP Government to be accountable for the delivery of public services to people in Scotland, where they are failing on everything from the NHS to welfare and the economy.

Lloyd Hatton (South Dorset) (Lab): In the recent spending review, the Chancellor outlined plans for a multimillion-pound investment in essential building works at Budmouth academy in Weymouth. We welcome that new investment in local schools in our town, and it will enable Budmouth academy finally to upgrade its school buildings. Looking ahead, will the Chancellor work with me to speedily deliver the new investment and ensure that Budmouth academy gets a richly deserved upgrade as soon as possible?

Mr Speaker: Unfortunately, I cannot see the relevance of the question. I call Bobby Dean.

High Net Worth Individuals

2. **Bobby Dean** (Carshalton and Wallington) (LD): What assessment she has made of the adequacy of the data her Department holds on high net worth individuals.

[904927]

The Exchequer Secretary to the Treasury (James Murray): His Majesty's Revenue and Customs uses a range of data sources to monitor the wealthy population. International exchanges of information, including the common reporting standard and US Foreign Account Tax Compliance Act data, offer opportunities to develop deeper insight into the international financial affairs of some of the UK's wealthiest taxpayers.

Bobby Dean: The Minister will no doubt be aware of reports of the so-called exodus of millionaires. Those reports are from "high profile individuals" and city spokespeople, but there are rarely hard numbers behind them. Are Treasury Ministers able to verify the Tax Justice Network's research that says that just 0.3% of millionaires have exited the UK and that that number has remained low and stable over the past decade, and will they publish their own figures as well?

James Murray: When considering fiscal measures or financial changes, the figures that matter are those provided by the Office for Budget Responsibility. The OBR has certified that the non-dom reforms that the Government have implemented will raise £33.8 billion in total revenue, and that figure accounts for some non-doms who are ineligible for the new regime choosing to leave the UK.

Dr Jeevun Sandher (Loughborough) (Lab): Public investment makes us all more prosperous, but clearly that public investment, in our roads, rail and energy infrastructure, needs to be paid for. Will the Minister set out how we are funding that public investment by taxing the very richest people in this country?

James Murray: My hon. Friend is absolutely correct that our changes to the non-dom reporting regime are essential to raise billions of pounds to support the public finances and get our public services back on their feet. I contrast that with some of the proposals set out by opposition parties. Indeed, Reform UK's plans are for a tax cut for foreign billionaires.

Mr Speaker: I call the shadow Minister.

Mark Garnier (Wyre Forest) (Con): In her Budget last year, the Chancellor tucked away about £10 billion over the next couple of years from reform to the non-dom tax regime. It is important to remember that the OBR said in its fiscal outlook that that figure was "highly uncertain", and a high-level survey by Oxford Economics found that fully two thirds of non-doms are considering leaving the country in the next couple years as a direct result of those policies. That implies not an increase of £10 billion but a decrease of £8 billion. The Chancellor has created a fiscal black hole of £18 billion with just one policy alone. In this week of heroic U-turns from the Government Front Bench, will the Minister confirm whether they will be axing this tax? When will it finally be condemned to the history books?

James Murray: I am not really sure whether there was a policy suggestion in that comment or not. As the shadow Minister will know, the fiscal black hole that we had to address when we won the general election was the £22 billion black hole that the Conservatives left after their mismanagement of the economy. As I said, the Office for Budget Responsibility has confirmed that our reforms to the non-dom regime, with our removal of non-dom tax status, will raise £33.8 billion over the five years of the forecast. It is the OBR's figures that we will trust in that regard.

Poverty Reduction

3. **Rachael Maskell** (York Central) (Lab/Co-op): What fiscal steps she plans to take to help reduce the number of disabled and sick people in poverty. [904928]

The Chancellor of the Exchequer (Rachel Reeves): The Government are committed to ensuring that there are fewer sick and disabled people in poverty by helping them into work and getting them off NHS waiting lists. That is why at the spring statement we announced the largest investment in employment support in at least a generation. The Government have already taken action to tackle poverty, including with the fair repayment rate, which lowers the cap on deductions in universal credit, and we have increased the national living wage by 6.7%. Beyond that, we are investing to reduce poverty by expanding free school meals and investing in a £1 billion settlement for crisis support. We will set out our child poverty strategy in the autumn. We have invested £29 billion in reducing NHS waiting lists, and since we took office there are 385,000 more people in work.

Rachael Maskell: Many disabled people are really struggling right now. We know that three in 10 are living in poverty, as I can see in my York constituency, but I was particularly taken aback by the Women's Budget Group report, which highlighted that three quarters of the people who will lose their personal independence payment and carer's allowance are women. How will the Chancellor ensure that when fiscal decisions are made, we look in particular at the intersectionality between women, disabled people and other protected characteristics to ensure that they are not pushed further into poverty?

Rachel Reeves: My hon. Friend will know that nobody currently receiving personal independence payments will see any reduction in the support they get. In terms of supporting women into work, recognising some of the

intersectionalities she mentioned, the Government have increased the national living wage by 6.7%—sadly, it is still too often women who are paid the lowest wages—and our Employment Rights Bill will offer more security and dignity in work. We are also rolling out more childcare, including new nurseries at primary schools, and my right hon. Friend the Business and Trade Secretary will today make a statement announcing the launch of a review of parental leave, which could benefit all working parents, but particularly mums.

Tim Farron (Westmorland and Lonsdale) (LD): Does the Chancellor accept that cancer is a major driver of poverty? That is not only because people who are ill cannot work during their treatment, but because sometimes people who are happily cured find that they have collateral damage that means they cannot work at a full level throughout the rest of their life. Does she recognise that radiotherapy plays a huge part in making sure that people are cured and then able to be productive in society? Given that the international average for people with cancer having radiotherapy is 53%, while in the UK it is only 36%, will she look at the economic advantages of investing in radiotherapy?

Rachel Reeves: In the spending review, we invested an additional £29 billion every year for day-to-day spending in the national health service, as well as a record uplift in capital spending in the NHS so that there is more money for the equipment to do that vital work, including in cancer treatments, which the hon. Gentleman mentioned. In our first year in office we have delivered 4 million additional appointments in the NHS and reduced waiting lists by 250,000. That is only possible because of the decisions we took in the Budget last year—those included increasing taxes on non-doms, as well as the increase in national insurance contributions—which have gone into funding our national health service.

David Baines (St Helens North) (Lab): St Helens is ranked as the 26th most deprived area nationally, and that poverty has an impact on health and sickness from pre-birth to old age. As a country, we spend more on crisis intervention and less on early intervention after 14 years of the Tories. Will the Chancellor please assure me and people in St Helens North that this Government will do all they can to properly fund councils and health services to help more people live longer, healthier lives?

Rachel Reeves: That is a really important point. Our Prime Minister is absolutely committed to early intervention to stop the costs of crisis emerging later on. Later this week, on the anniversary of Labour's creation of the health service, my right hon. Friend the Secretary of State for Health and Social Care will publish the 10-year health plan, which will focus on ensuring that young people especially, and particularly those in some of our most deprived communities, are not let down and have a healthy start in life. Across the whole of Government, we are determined to achieve that.

Pete Wishart (Perth and Kinross-shire) (SNP): Today's disastrous welfare debacle was all down to the Chancellor's obsessive pursuit to stick to the grotesque Tory fiscal rules. Yet 150,000 people could still be saved from poverty if all the Scottish Labour MPs joined those prepared to vote down the Universal Credit and Personal

Independence Payment Bill. Does she agree that if Scottish Labour MPs go through the lobby to support the Bill, they would be as well not bothering standing again?

Rachel Reeves: This Government changed the fiscal rules at the Budget last year with a stability rule, so that for the first time we pay for day-to-day spending through tax receipts, and an investment rule, which enables us to invest in the things that will help grow the economy, such as energy infrastructure, defence spending and transport and digital infrastructure. As a result, in the Budget and then in this year's spring statement, we unlocked £300 billion more to spend during the course of this Parliament, including the record settlement for the Scottish Government. It is now up to the Scottish Government to spend that money wisely and to try to reduce waiting lists in Scotland, as we have done in England and, indeed, in Wales.

Mr Speaker: I call the shadow Minister.

James Wild (North West Norfolk) (Con): First, it was a humiliating reversal of the Chancellor's winter fuel cuts. Now, welfare cuts that she rushed to meet her fiscal rules have been shredded, leaving unfunded spending to pay for. In October, the Chancellor said that extending the freeze in income tax thresholds

"would hurt working people. It would take more money out of their payslips"—[Official Report, 30 October 2024; Vol. 755, c. 821.]

Does she stand by the commitment to end that freeze from 2028—yes or no?

Rachel Reeves: It was the hon. Member's Government, when they were on this side of the House, who froze those allowances, taking more money out of the pockets of working people. Despite that, they left a £22 billion black hole in the public finances. I will take no lessons from Conservative party, which has opposed everything that is needed to invest in our public services. We are in the mess we are in because of the damage that it caused.

Transport Infrastructure Funding

- 4. **Ruth Jones** (Newport West and Islwyn) (Lab): What assessment she has made of the potential impact of planned increases in funding for transport infrastructure on economic growth. [904929]
- 22. **Euan Stainbank** (Falkirk) (Lab): What assessment she has made of the potential impact of planned increases in funding for transport infrastructure on economic growth. [904950]

The Chancellor of the Exchequer (Rachel Reeves): The Government recognise the critical contribution that transport makes to our growth mission. The Government increased the capital envelope by over £100 billion at the autumn Budget last year, and by a further £13 billion at the spring statement. Taken together, that represents a big increase in capital investment. As a result, the transport capital budget, excluding High Speed 2, will increase by 1.9% per year in real terms over the spending review period. That investment will improve connectivity in our towns, cities and villages, reduce journey times and increase transport reliability.

For areas of transport that are devolved, it is up to the Scottish and Welsh Governments to allocate their funding and be accountable to their respective Parliaments for those decisions.

Ruth Jones: I welcome the announcement in the spending review that railway projects in Wales, including five new stations east of Cardiff, will receive an extra £445 million in funding over the next decade. Will the Chancellor provide more detail as to how the money will be specifically allocated and when work will begin?

Rachel Reeves: It was a pleasure to be in Cardiff just after the spending review to look at the difference made by the investment that the Labour Government are putting into transport in Wales. The spending review and the infrastructure strategy recognised Wales's long-term infrastructure needs and how they have been neglected for too long by the Tory party. We delivered at least £445 million for rail enhancements, which provides funding for continuing to develop and deliver the stations identified in the Burns review, including Newport West and Somerton. Plans for future rail investment in Wales will be made in close consultation with the Welsh Government and through engagement with the Wales Rail Board.

Euan Stainbank: I declare an interest as co-chair of the all-party parliamentary group on British buses. Our £15.6 billion commitment to regional transport through the spending review should be good news for bus manufacturing. However, Alexander Dennis's ongoing consultation threatens 400 jobs in Falkirk, putting another major employer at risk just after the closure of the Grangemouth oil refinery. The Scottish National party's ScotZEB 2 scheme famously failed to invest in Scotland. Where things are built and by who matters, so will the Chancellor act to guarantee that our investment in transport is of maximum benefit to Scottish vehicle manufacturers?

Rachel Reeves: It is important that, as this Government put more money into infrastructure, including transport, it benefits companies and jobs here in Britain. It is not right the Scottish Government spend more on buses made in China than on buses made in Scotland. There is nothing preventing the Scottish National party from investing in jobs and growth in Scotland.

Graham Stuart (Beverley and Holderness) (Con): MPs and councils of all parties across east and north Yorkshire are united in wanting to enhance connectivity in the area, have greener options and optimise the economic output of the area, so will the Chancellor work with us on a cross-party basis to look at reopening a direct rail line from Hull to York, so that those great university cities can be united by effective transport infrastructure once again?

Rachel Reeves: I really welcome the fact that the right hon. Gentleman supports the investment that this Labour Government are making in transport and infrastructure after the 14 of years neglect by his party. We have increased transport spending by 1.9% per year in real terms in every year of this spending review period, benefiting all parts of the country, including Yorkshire, where both he and I have the honour and privilege of being Members of Parliament.

Dr Luke Evans (Hinckley and Bosworth) (Con): The Prime Minister, the Business Secretary and the Chancellor had the joy of coming to my constituency to see the MIRA technology park last week. They will have come via the A5. The previous Prime Minister talked about the funding that would be submitted via the A5, but in the spending review that money seems to have dropped, so will the Chancellor commit to the same funding for the A5 that we had from the last Government, because it is really important for my area?

Oral Answers

Rachel Reeves: The irony is that the last Government made a lot of commitments but did not put any money into delivering them. That is the difference that this Government are making, with fully funded plans to upgrade transport. The Department for Transport now has its settlement and it will look at a number of projects. The mess left by the Conservatives is something we have had to sort out. The Conservatives have not backed any of the measures that we have taken to bring in more revenue, yet, as we have seen, they are very keen on spending the money. That is why we were left with a £22 billion black hole when we came into office a year ago.

Supporting Economic Growth

- 5. Liz Jarvis (Eastleigh) (LD): What steps she is taking to help increase economic growth in Eastleigh constituency. [904930]
- 9. **Catherine Fookes** (Monmouthshire) (Lab): What steps she is taking to help increase economic growth in Monmouthshire. [904936]
- 20. **Cameron Thomas** (Tewkesbury) (LD): What steps she is taking to help increase economic growth in north Gloucestershire. [904948]
- 21. **Max Wilkinson** (Cheltenham) (LD): What steps she is taking to help increase economic growth in Gloucestershire. [904949]

The Economic Secretary to the Treasury (Emma Reynolds): Kick-starting economic growth in every region and nation is the No. 1 mission of our Government. As part of our new infrastructure strategy, we have allocated £725 billion to building and rebuilding bridges, roads, schools and hospitals across the country. Also, the £2.3 billion for local government transport will benefit places such as Eastleigh and Gloucestershire. In Wales, key rail routes will benefit from £445 million of investment.

Liz Jarvis: Small to medium-sized businesses are the backbone of the local economy in Eastleigh, creating jobs and driving innovation. However, local businesses, including the precision manufacturing firm G. W. Martin, have told me that the increased costs as a result of the changes to employer national insurance contributions have left them with no choice but to pass those costs on to customers, making UK manufacturing less competitive globally. What concrete steps will the Government take to help businesses in Eastleigh?

Emma Reynolds: Half of small businesses will not be affected by the employer national insurance increase, as the hon. Member will know. We will also be setting

out a small business strategy in the Government's plan to support those businesses across the UK later this year.

Catherine Fookes: As the Minister knows, I am delighted with the spending review's investment in Welsh rail of £445 million. It shows the power of two Labour Governments working together and corrects years of underfunding from the Tories. This investment in Welsh communities and Welsh business is extremely welcome and it will be a brilliant driver of our Government's mission for economic growth. Will she outline what steps she is taking with other Departments to ensure that rural economies and market towns such as Monmouth, Abergavenny, Caldicot and Chepstow, and small businesses across Monmouthshire, can be helped to thrive and contribute to that growth mission?

Emma Reynolds: I welcome what my hon. Friend said. The Government are supporting the rural economy with over £2.7 billion a year for sustainable farming and nature recovery. We are investing £1.9 billion to improve digital connectivity, which will be important to the small businesses and others that she mentioned. As I said to the previous question, we will set out a small business strategy later this year.

Cameron Thomas: North Gloucestershire is ready to jump-start economic growth, with its existing advanced engineering and defence industries ready to drive the UK toward economic and defence objectives. Babcock, GE Aerospace, Moog and Safran are already developing world-leading technologies, and the Garden Town project includes a further 100 hectares of employment area. Will the Minister join me in Gloucestershire so we can demonstrate this expertise and the potential for growth on the ground?

Emma Reynolds: Defence companies are an incredibly important part of the economy, and the hon. Member will know that we are increasing defence spending to up to 2.6% by the end of this Parliament. It has only ever reached those levels before under a Labour Government.

Max Wilkinson: The industrial strategy was right to highlight the potential for the National Cyber Innovation Centre in my constituency. If we are going to deliver that, we will need to make sure that junction 10 of the M5 is also done to enable the traffic to get around that development. This is a development of national importance. The strategic sites accelerator has also been cited by the Government. Can the Minister advise me on how areas like Liberal Democrat-run Cheltenham and Gloucestershire can access that fund?

Emma Reynolds: I will ensure that the hon. Member gets a meeting with the relevant Transport Minister, but I hope that he is as excited as I am about the £1 billion that we are investing in the state-of-the-art Golden Valley development, which will create 12,000 high-skilled jobs and 3,700 new homes, and is close to the GCHQ headquarters in Cheltenham. I am sure that that is something he will welcome.

Jo White (Bassetlaw) (Lab): Does the Minister agree that the new Green Book with its proposals on place-based analysis will mean that left-behind places like mine will start to get the infrastructure investment that they so desperately need?

Emma Reynolds: We pledged to reform the Green Book, and we are doing precisely that, alongside the spending review. We recognise the strategic importance of investment in every part of the country. We want to realise the growth potential of places like the one my hon. Friend represents—she is a doughty champion for her constituency.

Paul Waugh (Rochdale) (Lab/Co-op): After years of unfunded and undelivered promises from the Conservatives on levelling up, places like Rochdale are finally getting the fairer share of money that they really deserve. The Minister expanded a little on the Green Book, but could she outline how its place-based approach will help places like mine and advanced manufacturing in the Atom Valley?

Emma Reynolds: As my hon. Friend will know, we launched funding of £15.6 billion for transport for city regions in his constituency. I am pleased that this Government recognise the potential of places like the one he represents. We are going to unlock that regional growth across the north and in other parts of the country.

Mr Speaker: I will just make the point again that we are a long way from Eastleigh; I do not understand how the questions are grouped in this way. Other people listed on the Order Paper are being left behind and are missing out as a result.

Clean Energy: Funding

6. **Deirdre Costigan** (Ealing Southall) (Lab): What steps she is taking to help increase funding for the clean energy sector. [904932]

The Exchequer Secretary to the Treasury (James Murray): The spending review announced significant investment into clean energy to strengthen our energy security and our economy. That includes over £8.3 billion for Great British Energy and Great British Energy Nuclear and £14.2 billion for Sizewell C.

Deirdre Costigan: Although my constituents in Ealing Southall are no doubt sweltering in today's heat, they are worried that come winter, they will again face eyewatering energy bills to heat their homes. The previous Government left us with the leakiest homes in Europe, slashing grants for loft and cavity insulation. Can the Minister set out the work that this Labour Government are doing not just to support the clean energy sector, but to upgrade my constituents' homes to take that clean, cheap energy and bring down bills in Ealing Southall?

James Murray: My hon. Friend is an excellent advocate for her constituents in Ealing Southall, and I am sure that many of them will benefit from our warm homes plan, which will see £13.2 billion invested across this Parliament. That investment will be allocated to schemes to support the roll-out of heat pumps, alongside energy-efficiency measures and other low-carbon technologies. This will help with environmental goals, but crucially, it will cut bills and tackle fuel poverty.

Robbie Moore (Keighley and Ilkley) (Con): This week, the 19% tariff on imports of US ethanol falls to zero through the 1.4 billion litre quota negotiated by this Labour Government, which represents the size of the UK's entire ethanol market. That will have a hugely damaging impact on our rural economy, UK jobs and the NHS, with Government effectively offshoring the benefits of ethanol production and its by-products to the US. What conversations are the Chancellor and her team having with this green energy sector, in which a huge number of jobs are now at stake in Teesside and Hull?

James Murray: Of course, our colleagues in the Department for Business and Trade are having conversations with those businesses and industries that may be affected. I hope the hon. Member welcomes the trade deal that we got with the US—an economic deal that is so important for our prosperity and will see us being the only country to avoid some of the tariffs that are affecting all other countries around the world.

Mr Speaker: I call the shadow Minister.

Gareth Davies (Grantham and Bourne) (Con): It is becoming clear that one year in, the public still do not know what Labour is all about, and the same could be said for its so-called National Wealth Fund. Not only has the National Wealth Fund invested less equity in clean energy than before its costly £7 billion rebrand, but it is also now rightly subject to a Treasury Committee inquiry, at which expert witnesses could not name a single thing it is doing differently. The CEO of the British Business Bank now says the Government did not understand what they were setting up. Can the Minister tell us why the National Wealth Fund has invested less in clean energy than before the costly rebrand and why the Government U-turned on incorporating the British Business Bank?

James Murray: The shadow Minister forgets to mention the fact that we have had £30 billion of investment in green energy since the general election. I am sure he has consulted the spending review documents closely—I know he is a diligent shadow Minister in that regard—and he will have seen the investment that we are putting into Great British Energy, Sizewell C, small modular reactors, fusion, nuclear R&D, the warm homes plan, and carbon capture and storage. All of this is to make sure we improve our energy security and bring down bills for good.

Winter Fuel Payment: Northern Ireland

7. **Jim Shannon** (Strangford) (DUP): Whether she plans to provide additional Barnett consequential funding to the Northern Ireland Executive for the winter fuel payment. [904933]

The Parliamentary Secretary to the Treasury (Torsten Bell): I can reassure the hon. Member that there will be an increase in the Northern Ireland Executive's funding through the annually managed expenditure forecasting process. This will be confirmed at the autumn Budget in the usual way. More importantly to pensioners in Northern Ireland, he will be aware that in June, the Communities Minister in Northern Ireland confirmed that winter fuel payments will be available in Northern Ireland on the same basis as in England and Wales.

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Jim Shannon: I thank the Minister for that very positive answer. What assessment has been made of the impact of increasing the winter fuel payment in line with inflation? Given the increase in the cost of living, does he believe that current winter fuel payments are up to the standard in terms of how far they will go to support those who are eligible?

Torsten Bell: Our priority at the moment is to extend eligibility for the winter fuel payment, as the hon. Member and I have discussed on a number of occasions, but obviously that sits within a wider set of support. He will have seen the extension to the warm home discount announced in recent days and the extension of the household support fund. As he is well aware, social security is a transferred policy in Northern Ireland.

Chris Kane (Stirling and Strathallan) (Lab): Does the Minister agree that it is only because of the Barnett formula and a Labour Government that Scotland—including communities in Stirling and Strathallan—now has record funding of £50 billion this year, and it is deeply concerning that the SNP Government in Scotland have no clear plan to invest this funding properly in Scotland's NHS, Scotland's schools and Scotland's local services?

Torsten Bell: As so often, my hon. Friend says it all. We have seen record investment in the Scottish Government's budget, but we do not see waiting lists falling in Scotland, as they are in England and Wales.

Betting and Gaming Duty: Horseracing

8. **Sally Jameson** (Doncaster Central) (Lab/Co-op): What assessment she has made of the potential impact of implementing a flat rate of remote betting and gaming duty on the horseracing industry. [904934]

The Exchequer Secretary to the Treasury (James Murray): We very much recognise the social and cultural value of horseracing, which is why on-course betting is exempt from duty, and horseracing is the only sport to receive a Government mandated levy. We are consulting on measures to simplify gambling duty and improve compliance. No decision will be made on rates before the Budget, and we are working with the horseracing sector to identify unintended consequences and mitigations.

Sally Jameson: I refer Members to my entry in the Register of Members' Financial Interests. In Doncaster, we are incredibly proud of our historic racecourse, which is home to the iconic St Leger festival. As someone who has attended the racecourse for a number of events throughout my life, I can say that it is part of our local community and brings thousands of jobs. Will the Minister confirm that he will continue dialogue with the horseracing industry, noting that it brings 85,000 jobs to the country nationally and is the second largest spectator sport in the country, and identifying that this is very different from online casinos and games of chance?

James Murray: It is excellent to hear my hon. Friend speak so passionately about Doncaster racecourse and the wider sector, and I reassure her that we will absolutely continue close dialogue with the horseracing industry on these proposals. I and my officials are working

closely with the horseracing sector to identify any unintended consequences and possible mitigations. We intend to continue those conversations with the industry, and we welcome further engagement.

Alex Easton (North Down) (Ind): How do the Government assess the implementation of a flat rate in terms of improving fairness and simplification for all involved, reducing administrative costs and encouraging compliance?

James Murray: One of the principles behind the reforms that we are looking to make to the gambling duty is to tackle issues of compliance by simplifying the system. The consultation is open at the moment, and I encourage the hon. Gentleman, and anyone else who is interested in contributing towards that, to make their views known.

British Coal Staff Superannuation Scheme

10. **Nick Smith** (Blaenau Gwent and Rhymney) (Lab): What recent discussions her Department has had with the trustees of the British Coal staff superannuation scheme. [904937]

The Chief Secretary to the Treasury (Darren Jones): My hon. Friend the Minister for Industry recently met the trustees of the British Coal staff superannuation scheme to consider their proposals, and I have been monitoring the developments closely.

Nick Smith: I thank the Chief Secretary to the Treasury for his answer. Last weekend I attended the anniversary of the Six Bells mining disaster in 1960, in which 45 men and boys died. I met Mervyn Frampton, whose brother Keith was killed in that tragedy. Mervyn is 90 now, and we talked about when he and his butties powered our country and were members of the British Coal staff pension scheme. Will my right hon. Friend please be mindful of those who risked their lives for us, and who are still owed pension fair play?

Darren Jones: I thank my hon. Friend for his question, and I extend the thoughts of the House to his constituents and the communities that he represents. He will know that I have always kept the service and sacrifices of the mining communities in my mind, both in opposition when campaigning for changes to the mineworkers' pension scheme, which this Government implemented at the last Budget, and now in considering proposals from the BCSSS. I will be looking at those issues in more detail over the summer, and I hope to say more in the autumn.

Employer National Insurance Contributions

11. **Mr Gagan Mohindra** (South West Hertfordshire) (Con): What assessment she has made of the potential impact of the increase in employer national insurance contributions on businesses. [904938]

The Chancellor of the Exchequer (Rachel Reeves): The Government protected the smallest businesses from changes to national insurance by increasing the employment allowance from £5,000 to £10,500. That means that this year 865,000 employers will pay no national insurance contributions at all, and more than half will either gain or see no change to their national insurance contributions.

Mr Mohindra: Given the recent trio of U-turns, this Government have demonstrated that they are keen to change their minds as well as to create new multibillion-pound black holes. Will the Chancellor do the right thing and U-turn on the increase in national insurance contributions, to provide businesses with a much-needed boost in the sluggish economy that she has created?

Oral Answers

Rachel Reeves: It is a bit rich for anyone in the Conservative party to mention black holes, after the one that they left for us to clear up. The hon. Gentleman will have seen the Lloyds business barometer, which has recently been published and shows that business confidence is now at a nine-year high, led by increases in confidence in retail and manufacturing. That report referenced the impact of the spending review on boosting business confidence—a recognition that this Government are backing Britain and backing Britain's businesses.

Bill Esterson (Sefton Central) (Lab): The Chancellor is quite right to mention that business confidence is at a nine-year high. Does that not go to show that not only were the announcements in the spending review right for business, but her emphasis on stability and certainty in the economy is exactly what is needed? Moreover, it is in sharp contrast to the chaos, constant changes of policy and complete disaster in economic policy that we saw from the Conservative Government.

Rachel Reeves: The stability that this Government have returned to the economy has meant that the Bank of England has been able to cut interest rates four times in the last year, taking hundreds of pounds off people's mortgages—there was such a big impact in that regard under the last Government. The reasons for the increase in business confidence also include the industrial strategy publication, the spending review and the three trade deals, all of which are boosting business confidence and have helped to create 385,000 new jobs in Britain since the last general election.

Mr Speaker: I call the shadow Minister.

Richard Fuller (North Bedfordshire) (Con): Labour's jobs tax has really clobbered British businesses. The Office for National Statistics says that the number of available jobs is collapsing. Perhaps the Chancellor has not updated herself on how British business thinks about confidence: the Institute of Directors has said today that business confidence has plummeted; the Bank of England is warning of significant declines in wage growth; and the British Chambers of Commerce says that taxes on businesses cannot be increased. The Chancellor has bungled welfare changes, eviscerating confidence in the Prime Minister and blowing an even bigger hole in the public financing, meaning that she will raise taxes yet again this autumn. Will she avoid creating the same damaging uncertainty she did last summer by ruling out from the Dispatch Box today any further tax increases on British businesses?

Rachel Reeves: I am not going to take lessons from the Conservatives: they increased taxes 25 times. When they increased taxes, it was always ordinary working people who paid the price. In our Budget last year, we protected the payslips of ordinary working people by not increasing their income tax, their national insurance or their VAT, and we did not go ahead with the increase

in fuel duty that the Conservatives had planned. Instead of talking down the British economy, why do the Conservatives not back the plans that are backed by British businesses to grow our economy and make working people better off?

Mr Speaker: I call the Liberal Democrat spokesperson.

Daisy Cooper (St Albans) (LD): Non-profit businesses and charities have been hit really hard by the jobs tax. Last week, my local meals on wheels service told me that businesses like theirs around the country are having to make redundancies and put up prices for vulnerable people. In the context of today's welfare reforms that the Government are pursuing, can the Chancellor confirm whether the Treasury will conduct any assessment of the increased cost of essential and charitable services relied on by disabled people and their carers at a time when their welfare support could be cut?

Rachel Reeves: As the hon. Lady knows, the changes we have made to the welfare Bill will mean that nobody who is currently receiving personal independence payments will have a cut, so I just do not think the premise of her question is correct. When we debate the welfare Bill today, we will be voting for the biggest increase in the universal credit standard allowance for a generation and protecting those people with the most severe conditions from having to be reassessed for their condition, which is degrading. We have got rid of the Tories' work capability assessment changes, which the courts said were illegal, and we are putting £1 billion into back-to-work support. At the same time, we are investing £29 billion in the NHS. That is possible only because of the rise in national insurance increase on business, which the Liberal Democrats opposed—and yet that is how we are funding our NHS.

Economic Growth: Rural Areas

12. **Rachel Gilmour** (Tiverton and Minehead) (LD): What fiscal steps she is taking to help increase growth in rural areas. [904939]

The Economic Secretary to the Treasury (Emma Reynolds): The Government have committed £2.7 billion per year to support sustainable farming and nature recovery, supporting the rural economy. We have also confirmed investment of £1.9 billion over four years into digital connectivity as well as £2.3 billion of local government transport funding for smaller cities, towns and rural areas.

Rachel Gilmour: While I welcome the Government's rural growth plans, I am concerned about the persistent poverty in many rural areas. The additional costs of living in these communities—known as the rural premium—exacerbate hardship. What specific steps will the Chancellor take to support those in, or near, poverty in rural areas, and will the Treasury commit to revising the indices of multiple deprivation to more accurately reflect deprivation in rural and coastal communities, such as west Somerset and mid Devon?

Emma Reynolds: The Ministry of Housing, Communities and Local Government will be coming forward with further details of funding for the 350 most deprived communities across the country, including rural areas.

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Jayne Kirkham (Truro and Falmouth) (Lab/Co-op): As one of the most deprived regions of northern Europe, Cornwall benefited from objective 1 structural and sustained prosperity fund funding. Can the Minister confirm that, under this Government, Cornwall will not lose out on funding for economic growth and the investment that our communities deserve?

Emma Reynolds: We are supporting growth across the country, and we will publish further details of how we will do that in the coming weeks.

Ten-year Infrastructure Strategy

13. **Jessica Toale** (Bournemouth West) (Lab): What assessment she has made of the potential impact of the 10-year infrastructure strategy on economic growth.

[904940]

The Chief Secretary to the Treasury (Darren Jones): The 10-year infrastructure strategy is a key part of this Government's growth mission, committing to a minimum of £725 billion of investment over the next 10 years in local transport, affordable homes, and modernising schools and hospitals in every part of the country.

Jessica Toale: I was pleased to see that the creative and digital industries, financial services, and clean energy were all included as priority sectors in the Government's industrial strategy. Those sectors have huge potential in my constituency of Bournemouth West. Focusing on the latter, as a fellow south-west MP, what assessment has the Minister made of the Dorset clean energy super cluster's potential for growth, jobs and bringing people's bills down, not just in Bournemouth West but across the region?

Darren Jones: I thank my hon. Friend for championing the Dorset clean energy super cluster opportunity, which was announced by her council at the UK's Real Estate Investment and Infrastructure Forum only recently. Offshore wind, hydrogen, nuclear, and carbon capture and storage are frontier technologies and industries that are at the heart of our clean energy sector plan, and they will create opportunities in every part of the country, including in the south-west.

Munira Wilson (Twickenham) (LD): The infrastructure plan reiterated the Government's support for a third runway at Heathrow, a project that the Chancellor has repeatedly stated will be privately funded. However, given the vast amount of rail and road infrastructure that will be needed to support a bigger Heathrow, as well as the huge risk a private company would take on, which it would want underwritten by Government, could the Chief Secretary to the Treasury outline to the House how much taxpayer cash has been earmarked as needed to enable a bigger Heathrow?

Darren Jones: The hon. Lady will know that we are waiting to receive detailed proposals from Heathrow for the development of the third runway. The Government will consider those proposals in due course and make further announcements when decisions have been taken.

Tax Evasion: High Street Businesses

- 14. **Joe Powell** (Kensington and Bayswater) (Lab): What steps her Department is taking to help tackle tax evasion by high street businesses. [904941]
- 16. **Andrew George** (St Ives) (LD): What steps she plans to take to close loopholes in the tax system.

 [904943]

The Exchequer Secretary to the Treasury (James Murray): The year before we came to power, the tax gap stood at £47 billion. That is unacceptable, which is why we announced the most ambitious-ever package of tax gap measures in the Budget, and went even further in the spring statement. We are now forecast to raise £7.5 billion from the tax gap in 2029-30, including by recruiting 5,500 more compliance officers, investing in better technology and closing loopholes. We will bring forward further measures to close the tax gap in the autumn Budget.

Joe Powell: As the Minister is no doubt aware, an increasingly common issue on our high streets is phoenixing. That is where a shop unit continues to trade while cycling through multiple limited companies every few months, none of which pays corporation tax, VAT or business rates. Can the Minister encourage officials at His Majesty's Revenue and Customs to walk along Whitehall, just a few hundred metres from this Chamber, and take a look at whether the series of Harry Potter-themed gift shops across London—which have been accused by "London Centric" of doing exactly that—are playing by the rules? Will they ensure that tax enforcement supports legitimate small businesses on our high streets?

James Murray: My hon. Friend is a powerful campaigner and advocate for tackling those who do not play by the rules. While I am unable to comment on individual taxpayer affairs because of my position, I very much recognise the issue. We are determined to tackle this problem, and HMRC is working across Government on enforcement action, including work with Companies House and the Insolvency Service to tackle phoenixism.

Andrew George: Does the Minister agree that instead of handing £500 million of taxpayers' money to those who are entitled to small business rate relief, which is what has happened in Cornwall over the past 10 years, it would be far better to invest that money in desperately needed first homes for local families in desperate housing need, rather than give it to second home owners? Would he be prepared to meet me, so that we can establish a better method of achieving housing justice through tax policy?

James Murray: I am happy to hear from the hon. Gentleman about how he will support our home-building plans in his constituency and across the country. We know that the most important thing to tackle the housing crisis is to support the reforms that this Government are making to the planning system to make sure we can build 1.5 million new homes and invest £39 billion in our 10-year affordable homes programme—the biggest in a generation.

Topical Questions

Oral Answers

T1. [904951] **John Lamont** (Berwickshire, Roxburgh and Selkirk) (Con): If she will make a statement on her departmental responsibilities.

The Chancellor of the Exchequer (Rachel Reeves): The Government are delivering on the priorities of the British people. Yesterday, the Office for National Statistics confirmed that the UK was the fastest-growing G7 nation in the first quarter of this year. Since the election, this Labour Government have brought £120 billion of private investment into our economy. There have been four interest rate cuts, lowering the cost of mortgages, and 384,000 new jobs—more than 1,000 jobs a day—since this Government were elected. Real wages increased more in the first 10 months of this Labour Government than they did in the first 10 years of the last Conservative Government, and we have a £1,400 pay rise for a full-time worker on the national living wage. That is the difference that this Government are making after 14 years of mismanagement by the Conservatives.

John Lamont: The award-winning bookshop and deli Mainstreet Trading Company in St Boswells has been forced to reduce its operating hours because

"increases to employer national insurance mean that our operating cost base has increased significantly."

What advice does the Chancellor have for small businesses suffering because of this Labour Government's reckless decisions?

Rachel Reeves: This Government increased the employment allowance from £5,000 to £10,500, and that means 865,000 employers will pay no national insurance at all. Indeed, half of employers will either gain or see no change. It was also welcome that the Lloyds business barometer showed business confidence at a nine-year high, with a particular uptick in retail. I cannot comment on an individual business, but that is the system nationwide.

Mr Speaker: This is topicals; we have got to get going. Brian Leishman will set a good example.

T4. [904954] **Brian Leishman** (Alloa and Grangemouth) (Lab): I want to ask about the £200 million national wealth fund commitment for Project Willow. How will it be accessed? What is the minimum and maximum amount that can be accessed by an applicant? If it is exclusively for businesses, will it be based on being positioned within the existing footprint of the Grangemouth site that is owned or operated by Petroineos or INEOS?

The Exchequer Secretary to the Treasury (James Murray): There is £200 million available, and the Government will look at all proposals for investing it.

Mr Speaker: I call the shadow Chancellor.

Sir Mel Stride (Central Devon) (Con): The winter fuel payment U-turn will cost £1.25 billion, and the welfare reform U-turn will cost £2.5 billion, all adding to Labour's unfunded black hole. This is from a Chancellor who said that she would never make a spending commitment without explaining where the money was

coming from—yet another U-turn. The Chancellor has also said that her fiscal rules are iron-clad and non-negotiable. Can she reconfirm that commitment now, or are we heading for yet another U-turn?

Rachel Reeves: I would take that a bit more seriously if the Conservatives were not voting against the welfare reforms this evening, and if they had not committed to fully reversing the winter fuel changes, which would cost a further £400 million that they cannot explain. I am always grateful to the right hon. Gentleman for his questions, because he always offers a useful lesson in what not to do. Even George Osborne now says that the shadow Chancellor has "no credible economic plan". I will give the shadow Chancellor this: he knows a thing or two about welfare spending, because under his watch, the UK became the only country in the G7 with an unemployment rate stuck below pre-pandemic levels. Under his watch, the cost of working-age inactivity rose by £15.7 billion a year.

Sir Mel Stride: The House will note that the right hon. Lady did not categorically rule out the possibility of changing the fiscal rules in the autumn. Given that, will she at least confirm that she stands by her commitment not to raise the rates of income tax, national insurance or VAT in the autumn? Is it a yes, or is it another potential U-turn?

Rachel Reeves: We made a commitment in our manifesto not to increase the key taxes that working people pay, and we stick by those commitments because, unlike the Conservative party, we stick by our manifesto.

T6. [904956] **Joe Morris** (Hexham) (Lab): Towns in my constituency, such as Prudhoe and Haltwhistle, have lost access to bank branches—Prudhoe lost its Lloyds branch in May—and Hexham is due to lose two branches in November. The closures have had a huge impact on customers and communities, but the guidance on banking hubs is often too restrictive. Will my hon. Friend meet me to discuss how we can support financial inclusion in Tyne valley, in the Hexham constituency and beyond?

The Economic Secretary to the Treasury (Emma Reynolds): We understand the importance of in-person banking, in my hon. Friend's constituency and elsewhere, which is why we secured a commitment from the industry to roll out 350 banking hubs across the United Kingdom. I am leading the work on a financial inclusion strategy, which we will publish later in the year and which emphasises the importance of access to banking, and I am always happy to meet my hon. Friend.

Mr Speaker: I call the Liberal Democrat spokesperson.

Daisy Cooper (St Albans) (LD): More than 50% of local authorities are having to overspend on the dedicated schools grant to cover the rising costs of SEND services, and the increasing demand for inter-authority borrowing has pushed up interest rates. May I urge the Chancellor to consider, as a matter of urgency—even before the Government publish their White Paper on special educational needs and disabilities—introducing a concessionary interest rate, perhaps at the same level as the Public Works Loan Board rate, so that councils do

not have to raise council tax just to serve their interest payments and can spend the money on frontline services instead?

Rachel Reeves: The hon. Lady, and other Members, will have seen the reference in the spending review to a real-terms uplift in schools spending in every single year of the current Parliament, as well as additional capital investment to help rebuild the schools whose roofs were literally crumbling under the last Conservative Government. My right hon. Friend the Education Secretary will publish a Green Paper on SEND reform in the autumn, and we have extended local authorities' statutory override for SEND education for a further two years while we bring in those reforms. This Government want to ensure that mainstream schools are more inclusive for all children.

T8. [904958] **Chris Hinchliff** (North East Hertfordshire) (Lab): In recent weeks Ministers have been arguing that vital support for the disabled is fiscally unsustainable because it is forecast to rise to £60.7 billion a year by 2029-30. What assessment has the Chancellor made of the fiscal sustainability of the 107 non-structural tax breaks that are currently costing HMRC £207 billion a year?

Rachel Reeves: As my hon. Friend will know, in last year's Budget we got rid of the non-dom tax status, increased capital gains tax, put VAT on private school fees and ended the loophole for private equity, as well as introducing further measures, in order to raise £40 billion. As a result, we are investing £300 billion more than would have been raised under the plans that we inherited from the Conservative party. Ours is the only country where—

Mr Speaker: Order.

Rachel Reeves: Oh, all right—fine.

Mr Speaker: We have to get through these questions. I call Helen Morgan.

T2. [904952] **Helen Morgan** (North Shropshire) (LD): Businesses and individuals in my constituency tell me that the single-biggest factor holding back growth in our rural area is poor public transport. Shropshire has been poorly served by the bus service improvement plan, and by the spending review's focus on investment in city areas. How will the Chancellor improve public transport in rural areas to drive the growth that we so desperately need there?

Rachel Reeves: We are increasing transport investment by 1.9% in real terms after HS2 in every year of the spending review period. We are also extending the bus fare cap, which is particularly beneficial to rural areas.

T10. [904960] **Noah Law** (St Austell and Newquay) (Lab): I believe that redistribution should be core to everything that we do. It is core to the toughest decisions that we have had to make, and it is core to our efforts to achieve growth. Does the Chancellor agree that putting more pounds into the pockets of those with the lowest incomes is the best thing we can do to grow our economy?

The Chief Secretary to the Treasury (Darren Jones): The Government agree wholeheartedly with my hon. Friend. At the end of the current Parliament, people will be better off as a consequence of the decisions that this Labour Government are making. We have already increased the national living wage by 6.7% to benefit 3 million people, while full-time workers are seeing an increase of about £1,400 a year in their wages.

T3. [904953] **Mr Peter Bedford** (Mid Leicestershire) (Con): On Friday I had the privilege of visiting LOROS, Leicestershire's much-respected palliative care charity. At full capacity it could offer 31 beds to local residents, but sadly, because of the measures that the Chancellor has introduced, such as the national insurance hike, it now operates only 18 beds. May I ask the Chancellor to look again at softening the impact of her measures, particularly on charities such as LOROS?

Rachel Reeves: I am sure that the relevant Health Minister would be happy to meet representatives of the hospice. The Health Secretary set out the settlement for hospices at the end of last year to compensate financially for the increases in national insurance, but those increases in national insurance are funding the NHS, which helps fund our hospices.

Frank McNally (Coatbridge and Bellshill) (Lab): This Government delivered a record real-terms settlement for Scotland at the spending review, so it was deeply concerning to hear from the Scottish Government last week that there is a £2.6 billion black hole in the public finances, which could see NHS spend reduce by 12%. Does my right hon. Friend agree that the SNP's long-standing record of fiscal mismanagement must end, and that Scottish Ministers must ensure that the funding gets to the struggling Scottish public services?

Darren Jones: This Labour Government in Westminster are delivering for the people of Scotland. As a consequence of our spending review, Scotland will receive an average of £50.9 billion per year over this Parliament—the largest real-terms increase in funding since devolution began. The only reason there is a black hole in the budget in Scotland is because of the SNP Government, and the people of Scotland need a new direction with a Labour Government in Scotland.

T5. [904955] Vikki Slade (Mid Dorset and North Poole) (LD): Representatives of a not-for-profit care company in my constituency feel that the Government are waging war on the care sector. I met residents and staff at a Sunday lunch at Magna care home, and the managers told me that they cannot recruit locally at all and that, because of the changes to social care visas, they are struggling to recruit internationally. I know the Government want to build our own workforce, but what are they planning to do to support organisations while we get the training in place, so that we do not see care homes going bust?

Darren Jones: On behalf of the House, may I thank social care workers for the service they provide in all our constituencies? As a result of this Labour Government commitment's to social workers and the social care system, we will have increased funding for social care by £4 billion by 2028-29 through the local government

settlements, and we will bring forward a fair pay agreement to make sure that there is a fair deal for those people serving our constituents on the frontline.

Ms Stella Creasy (Walthamstow) (Lab/Co-op): The main beneficiaries of Brexit have been printers, because of all the extra paperwork that the previous Government created. The National Audit Office has estimated that their border arrangements have cost us £4.7 billion and rising, and the single trade window will add to the red tape. Does the Chancellor agree that the best way to reduce the paperwork requirements in the first place is to do a good deal with Europe, and will she update us on her progress on that?

James Murray: My hon. Friend will have seen the Prime Minister's work to reset relations with the EU. She mentions the single trade window, and it is the Government's intention to deliver that. More widely, the Government are committed to minimising the administrative burdens and frictions experienced by businesses trading internationally.

T7. [904957] **Jack Rankin** (Windsor) (Con): We all know that there is a difference between welfare cuts and welfare reforms. These cuts were the maths of Treasury mandarins. It is the same thinking that saw winter fuel payments taken from pensioners. Now that the Government have U-turned on both of those, when will they finally back British farming and U-turn on the family farm tax?

Rachel Reeves: The problem with the Conservatives is that they support all the funding, but they do not support any of the ways of funding it. Agricultural property relief means that estates worth more than £3 million will now be taxed at half the rate at which inheritance tax is usually charged. That can be repaid over a 10-year period, interest-free. I think that is the right and fair settlement, given the fiscal environment we face.

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

Dame Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): The Economic Secretary is reviewing the work of the Financial Ombudsman Service. We on the Treasury Committee recognise that there have been challenges with the service, but how will she make sure that the consumer voice is central to her review?

Emma Reynolds: I have had meetings with Which? and other consumer representatives. I reassure my hon. Friend that we are reviewing FOS. We want to make sure that it is a simple, impartial dispute resolution service that quickly and effectively deals with complainants so that consumers can get a fair deal, but that financial services firms are not subject to a quasi-regulator in the way they are at the moment.

T9. [904959] **Susan Murray** (Mid Dunbartonshire) (LD): Following the Pensions Minister's response to me about pensioner living standards, what specific measures announced in the Government's pensions reforms will support pre-1997 defined benefit pensioners, who currently receive a minimal or no annual uplift?

The Parliamentary Secretary to the Treasury (Torsten Bell): The hon. Lady is right to highlight the question of pensioners' living standards, and we are taking action right the way across the board to deal with that. She will have seen the increases in the state pension in April. We have seen nearly 60,000 extra awards for pension credit over the course of the year since last July, compared with the year previously. On her question about pre-1997 indexation, this issue was recently discussed at the Work and Pensions Committee, and we have set out our response to that Committee's report.

Catherine Atkinson (Derby North) (Lab): Backing Rolls-Royce, a brilliant Derby business, to deliver small modular reactors with £2.5 billion of investment shows what Labour's new industrial strategy is about—backing British business, creating more skilled jobs and delivering clean, secure energy. Does the Chancellor agree that, after years of chaos under the Conservatives, Britain is unashamedly open for business?

Rachel Reeves: I thank my hon. Friend for that question. We are proud as a Government to back Rolls-Royce, and to have it as our preferred provider for the small modular reactor programme, resulting in lower bills and more good jobs, particularly in Derbyshire.

Blake Stephenson (Mid Bedfordshire) (Con): From responses to my written parliamentary questions, we know that the median earner can expect to pay £273 more in tax this year under Labour. When the Chancellor sat on the Opposition Benches, she described freezing tax thresholds as "picking the pockets" of working people. Does the Chancellor accept that she is now the one picking the pockets of working people?

Rachel Reeves: In the Budget last year, we increased taxes by £40 billion, but without affecting the pay packets of ordinary working people. We did not increase their national insurance, their income tax or their VAT, and we did not go ahead with the wrong-headed increase in fuel duty that was put in place by the Conservative party. We are protecting working people; the Conservative party picked their pockets time and again.

Perran Moon (Camborne and Redruth) (Lab): Ports are engines for economic growth in sectors such as energy and critical minerals. Falmouth port, in the constituency neighbouring mine, is surrounded by massive tin and lithium deposits, and it has ambitious plans to play its part. In line with our manifesto commitment for a £1.5 billion ports fund, will the Chancellor outline what mechanisms the National Wealth Fund and GB Energy can deploy to invest in ports?

Rachel Reeves: I thank my hon. Friend for that question. He will know that this Government have already invested through the National Wealth Fund in the tin mine in his constituency, bringing good-quality jobs paying decent wages to the people of Cornwall, as advocated by Cornish MPs. However, there is more we can do through the National Wealth Fund, including investing in our ports, which is absolutely vital for clean, cheap energy and for creating good jobs in this country, including in Cornwall.

Greg Smith (Mid Buckinghamshire) (Con): A recent freedom of information request has revealed that, for a number of schemes, HMRC has settled with large

corporations for just 15% of what was owed. With the loan charge review ongoing, does the Chancellor agree with me that individuals should be treated no differently from the large corporations for which this precedent has been set?

Oral Answers

James Murray: I thank the hon. Gentleman for his question; he has engaged with me about the loan charge previously. As he knows, there is an independent review of the loan charge at the moment, and I think it is important that I as a Minister do not comment on that. Let the independent reviewer complete his work and report back to us as a Government.

Emily Darlington (Milton Keynes Central) (Lab): The loan charge scandal was absolutely awful and has devastated the lives of tens of thousands of people. It failed to be addressed under the last Government. Can the Minister please tell us what he is doing to make sure people are not still being sold this illegal product?

James Murray: I thank my hon. Friend very much for her question. I can reassure her that, alongside the loan charge review, the Government have published a consultation on a comprehensive package of measures to close in on the promoters of marketed tax avoidance schemes. As we know, these contrived schemes both deprive public services of funding and leave their clients with unexpected tax bills.

Esther McVey (Tatton) (Con): Does the Chancellor believe that the changes she has made to employer's national insurance contributions will lead to higher levels of employment, or will they lead to higher levels of unemployment?

Rachel Reeves: Let us look at the record so far. There are 385,000 more jobs in the UK economy today than there were when Labour came to office a year ago, which is more than 1,000 jobs a day. So businesses are voting with their feet and taking on more workers, because of the policies of this Labour Government compared with the Tory policies that took our economy down.

Callum Anderson (Buckingham and Bletchley) (Lab): As people are living longer, they face more complex financial choices. The new, simplified advice regime announced by the Government and the Financial Conduct Authority yesterday is hugely welcome and will help more people make better informed investment decisions. Will the Minister provide more detail on the steps the Government will be taking to help firms deliver better advice at scale, especially to young people and the self-employed?

Emma Reynolds: We are really excited about targeted support, because it means that firms will be able to make suggestions to consumers with similarities, so that they have the confidence to invest in the long term and can get better support—not advice—on their pensions.

John Glen (Salisbury) (Con): Further to that answer, will the Minister confirm that one of the regulatory barriers in that area are privacy and electronic communications regulations, which prevent firms from proactively reaching out to customers to offer targeted

support? As part of the review, will she ensure that that specific regulatory change is made, so that that can happen?

Emma Reynolds: I assure the right hon. Gentleman that we are looking at that. We will make sure that firms can take advantage of suggesting targeted support to their consumers so that they are better off, can make more of their money and get a better pension, too.

Sonia Kumar (Dudley) (Lab): Some 58% of investors think it is important that stocks and shares ISAs are invested in UK companies. Currently, it is estimated that £100 billion is held in the cash ISAs of people who do not have stocks and shares ISAs. What steps is my right hon. Friend taking to encourage further investment in UK stocks and shares, and investment in UK companies?

Emma Reynolds: As we set out at the spring statement, we are looking at the balance between investments in cash and investments in stocks and shares in ISAs. We want to get that balance right. We understand the importance of a rainy day buffer in cash, but we need to give people the confidence to invest. That is a win-win: it is a win for them and a win for British companies listed on our stock exchange.

Sarah Dyke (Glastonbury and Somerton) (LD): Jackie from Street suffers with Crohn's disease, fibromyalgia and mental health issues. She worked for most of her life until ill health made it impossible. Under the reforms, she will lose her entitlement to personal independence payment and employment and support allowance, plunging her into poverty. Can the Chancellor give Jackie the reassurance she needs that she will not be left in poverty?

Rachel Reeves: Yes, I can absolutely give my assurance to Jackie, and to other people who are currently claiming PIP, that they will see absolutely no change in their entitlement. That is what my right hon. Friend the Secretary of State for Work and Pensions announced to the Chamber yesterday: everybody who is currently on those benefits will see no change whatever. The Timms review, which will be co-produced with disabled people and those who represent them, will build a new system for the future.

John Slinger (Rugby) (Lab): Does the Minister agree that we are driving growth across every part of the country with investments at the spending review, including £15.6 billion for transport projects in city regions and additional support that I saw myself in Warwickshire with the launch of an electric bus fleet, including buses built at Alexander Dennis in this country; and that this shows a Government who are investing in the future prosperity of our country?

Rachel Reeves: It was great to be with my hon. Friend in Warwickshire just a couple of weeks ago to welcome some of the investment, through our industrial strategy and our spending review, which will turbocharge the British economy, creating more good jobs and paying decent wages in all parts of the country, including in Warwickshire.

Sarah Olney (Richmond Park) (LD): Last week, ahead of the launch of its ethnicity code, the Lending Standards Board announced it would be closing, following the withdrawal of support from major high street banks.

This was going to be a groundbreaking step towards tackling the barriers that ethnic minority business owners face in accessing finance. What steps will the Government take to ensure that the ethnicity code is implemented, supported and scaled, so that its principles are embedded across the financial sector?

Emma Reynolds: I am aware of the situation. I reassure the hon. Lady that the Government are committed to ensuring that firms continue to deliver good customer outcomes, now and in the future, with proportionate regulation and oversight. I am happy to engage with her in more detail on the subject she mentions.

Melanie Onn (Great Grimsby and Cleethorpes) (Lab): Will the Chancellor please provide an update on the invaluable Viking CCS project in the Humber?

Rachel Reeves: At the spending review, we were able to build on the investment we had already made in Merseyside and Teesside with Track-1 of carbon capture and storage, and put investment into both the Acorn project in Scotland and Viking CCS in the Humber to support the Government's ambitions for Britain to lead the way in carbon capture and storage, creating more good jobs in all parts of the country, including in Great Grimsby and Cleethorpes.

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Parental Leave Review

12.44 pm

The Parliamentary Under-Secretary of State for Business and Trade (Justin Madders): With permission, I will make a statement on the Government's manifesto commitment to review the system of entitlements to parental leave.

This Government are dedicated to delivering more for working families, and our plan to make work pay is central to achieving that, with the mission to grow the economy, raise living standards across the country and create opportunities for all. It will help people to stay in work, improve job security and boost living standards, which includes helping working parents and supporting them to balance their work and home lives.

Parental leave and pay entitlements play a key role in that. We know that the arrival of a child, whether through birth or adoption, is a transformative time in a family's life. We also know that the current parental leave system does not support modern, diverse working families as well as it could. Parents' groups and campaigners have long argued that our paternity leave is too short and compares poorly with other countries. While shared parental leave is available to families where fathers and partners want to take a longer period of leave, evidence shows that take-up is very low, with the parental rights survey reporting that 1% of mothers and 4% of fathers use this entitlement. The survey also showed that 35% of fathers do not take paternity leave for financial reasons.

We are committed to improving the parental leave system and are already taking action. Improving the system will have the added benefit of increasing workforce participation by helping employers to fill vacancies and will contribute to increased productivity, benefiting the economy.

The Employment Rights Bill is one vehicle through which we are improving the parental leave system. The Bill makes paternity leave and parental leave day one rights, meaning that employees will be eligible to give notice of their intent to take leave from their first day of employment. It contains a number of other measures that will improve the support that working families receive. It will put in place legislation that makes it unlawful to dismiss pregnant women, mothers on maternity leave and mothers who come back to work for a six-month period after they return, except in specific circumstances. It will also make flexible working the default, except where it is not reasonably feasible, and requires that all large employers produce action plans that contribute to closing the gender pay gap.

I am pleased to announce that the Government are going further and taking another step forward in delivering improvements for working families. I am pleased to launch the parental leave review today, fulfilling our commitment in the plan to make work pay to review the parental leave system to ensure that it best supports working families. The review is part of delivering the plan for change, and links two of the Government's missions: kick-starting economic growth and breaking down barriers to opportunity. The work of the review will support the Government's commitments to raise living standards and give children the best start in life, and links to work being undertaken to alleviate child poverty. It presents a much-needed opportunity to consider our approach to the system of parental leave and pay,

giving due consideration to balancing costs and benefits to both businesses and the Exchequer. I welcome the opportunity today to provide the House with more detail on the review.

The review will be co-led by the Department for Business and Trade and the Department for Work and Pensions, the two Departments with the main responsibility for the current parental leave framework. There will, however, be close working across Government to deliver this review to reflect the wide influence the parental leave system has on policies in other Departments.

The current system has grown up gradually over time. The first maternity arrangements were set out in the Factory and Workshop Act 1891, which introduced the idea that women who work in factories cannot work for four weeks after giving birth. Subsequent entitlements have been added to support specific groups as needs have emerged, which has created a framework that does not always work cohesively as a whole. This piecemeal approach to parental leave and pay means that the system has never had an overarching set of objectives that it should deliver. This review presents an opportunity to reset our approach to and understanding of parental leave and pay, and what we want the system to achieve.

We will use the review to establish what Britain needs from a parental leave and pay system to support our modern economy and deliver improvements for working families. We have set out four objectives as our starting point, which we intend to test as we progress the review to ensure we are truly reflecting the needs of the nation.

Our first objective is to support the physical and mental health of women during pregnancy and after giving birth to a child. Our second objective is to support economic growth by enabling more parents to stay in work and advance in their careers after starting a family. This will focus on improving both women's labour market outcomes and tackling the gender pay gap.

Our third objective is to ensure that there are sufficient resources and time away from work to support new and expectant parents' wellbeing. This will include facilitating the best start in life for babies and young children, and supporting health and development outcomes. Our fourth objective is to support parents to make balanced childcare choices that work for their family situation, including enabling co-parenting, and providing flexibility to reflect the realities of modern work and childcare needs.

Three cross-cutting considerations will also be factored into our review. The first is to build a fair parental leave system between parents within a family, different types of parents and parents with different employment statuses. The second consideration is to balance costs and benefits to businesses and the Exchequer, as well as to examine how the system can support economic opportunities for businesses and families. As part of this, the review will consider opportunities to make the process surrounding parental leave simpler for both businesses and parents. The final cross-cutting consideration focuses on improving our society—for example, by supporting the child poverty strategy, and by shifting social and gender norms, including around paternal childcare.

All current and upcoming parental leave and pay entitlements will be in the scope of the review. This will enable us to consider how the parental leave and pay system should operate as a complete system to improve

the support available for working families. This broad scope means that the review will consider the individual existing entitlements, and how best to ensure improvements can be delivered for working families, as well as related wider issues and themes. For example, the review will consider whether the support available meets the needs of other working families who do not qualify for existing statutory leave and pay entitlements, such as kinship carers and self-employed parents. It will also consider how the pay system works more broadly.

This will be an evidence-based review that reflects and considers the perspectives and experiences of those who engage with the parental leave and pay system. We welcome views from, and intend to engage constructively with, a wide range of external stakeholders, including groups such as trade unions that represent both parents and families, and employers or employer representatives. There will be opportunities for stakeholders to contribute views and expertise throughout the review, including through a call for evidence, which launches today. This call for evidence seeks initial evidence specifically in relation to the objectives that will set the foundation for what we want our system to deliver.

The review launches today. We expect it to run for a period of 18 months. The Government will conclude the review with a set of findings and a road map, including next steps for taking any potential reforms forward to implementation. This is an important step forward to ensure that our workplaces are fit for the 21st century, and I commend this statement to the House.

Mr Speaker: I call the shadow Minister.

12.52 pm

Greg Smith (Mid Buckinghamshire) (Con): I thank the Minister for advance sight of his statement.

From personal experience—as a father of three—I understand the importance of fathers being able to spend time at home with their newborns and supporting mothers in those early days. Having experienced paternity leave both as a Member of Parliament in 2020 and 2021 as well as in very different circumstances in 2016 while self-employed, I am proud that the UK already offers some of the most generous maternity and paternity rights, but of course there is always room for improvement.

The Conservatives introduced shared parental leave, allowing new parents to spend precious time caring for their newborns. It is therefore with interest that we digest the contents of this ministerial statement today, but I do have deep reservations about both its substance and its timing. I understand that the Government pledged that this review would be done and dusted within a year—another broken promise—but it is curious that they have chosen today of all days to launch it.

I am in no doubt that today's statement has been rushed into the Minister's hands to deflect from what I suspect will be a difficult day of parliamentary business for the Government. That much is clear, as the Secretary of State was entirely incapable of confirming the current rates of statutory paternity pay on LBC this morning. I welcome the fact that he apologised to Nick Ferrari in admitting that he really should know—perhaps the Minister can set the record straight for his boss today.

I wish to take this opportunity to make it crystal clear that Conservatives are not opposed to increased parental leave, as long as it is proportionate, affordable and does not increase unemployment. Therein lies the problem, because this Government have left themselves no breathing room. Their political choices have imposed the most significant headwinds on business in a generation. Those choices have driven unemployment up by 173,000 since July last year. Businesses across the land are contending with taxes on jobs that Labour promised would never come, and now they are staring down the barrel of 300 pages of closely typed, union-led, red tape in the unemployment Bill, which will upset a carefully balanced and fair relationship between employees and employers that has spanned decades. Even Tony Blair and Gordon Brown refused to open that box. No real business supports that Bill. The five biggest business groups have warned against it. It will make hiring tougher, and force employers to take fewer risks on new starters, disproportionately pushing young mothers out of the workforce. Flexible working will be almost entirely eviscerated from Britain's job market.

The reasonable measures from which employers and employees have benefited for years have allowed businesses to take a chance on new hires. We already know that businesses across the UK have had no choice but to cut jobs, reduce hours or put hiring on pause because of the Chancellor's toxic treatment of enterprise. If it is helpful, I can spell this out for the benefit of those on the Government Front Bench. It really is quite straightforward: it is not possible to benefit from employment rights if people do not have a job in the first place. With that in mind, it deeply concerns me that the Minister's statement made only a passing mention of the impact on businesses. That comes as no surprise as not one person around the Cabinet table has any real business experience.

The Government have admitted that this review, which they said would be squared away by now, will take 18 months. Over the next 18 months, we will watch the ravaging impacts of Labour's anti-business policies transform from a drip to a deluge. With the jobs tax, the business rates relief cut, investment and capital forced overseas, the Employment Rights Bill and the family business death tax, unemployment will continue to rise, businesses will close and any chance of growth will be sapped from our economy. It is all well and good that the Minister announces this review in the House today, but let us be in no doubt that, when it concludes in 18 months' time, Britain's economy will have been stripped of all signs of life because of the choices Labour has made.

Justin Madders: I take it that the shadow Minister is not in support of the review. May I correct him on a few points? Of course it is not a coincidence that this is being announced today; our manifesto was clear that we would launch the review within one year of taking office, and, of course, this week we do celebrate that astounding election victory. On his point about statutory paternity pay, it is £187.18. We know from representations that we have already received that many do not think that that is the right level. He mentioned how Tony Blair and Gordon Brown refused to open this box, but it was their Government who gave us the right to statutory paternity pay and a number of other family-friendly rights, of which the shadow Minister himself has taken advantage.

[Justin Madders]

I think we know where the Conservative party stands on these issues when their leader says that maternity pay has gone too far. I do not quite know what she meant by that, but I think it means that the Conservatives would be rolling back some of the well-earned gains in family-friendly policies.

The shadow Minister, as I would expect, does not miss an opportunity to mention the Employment Rights Bill. May I suggest that he has a word with his shadow Secretary of State who clearly has not read it? I refer to his recent open letter to businesses in which he mentioned a number of issues with the Bill. First, he complained that we are creating the fair work agency, conveniently forgetting that in both the 2017 and 2019 Conservative party manifestos, there was a similar pledge to create a single enforcement body. He referred to an introductory measure on electronic industrial action balloting. The Conservatives, of course, will be big fans of electronic voting given the number of leadership elections in which they have taken part in recent years. The shadow Minister needs to inform his shadow Secretary of State that that is not in the Bill. I do not know where he thinks that has come from. We are going to introduce electronic balloting, but it is not in the Employment Rights Bill, because we already have existing powers to implement it.

In that open letter, the shadow Secretary of State mentions, most curiously, that the Bill will include "a trade union 'right to roam'".

I do not know if he was searching for a new mobile phone contract at the time, but no such right exists.

The shadow Minister talked about the effects on appointments, but he needs to keep up to date: the latest Lloyds business barometer says that business confidence is now at a nine-year high and that 60% of firms expect higher staffing levels in the next year. That is a sign that this Government are getting things done.

Mr Speaker: I call the Chair of the Women and Equalities Committee.

Sarah Owen (Luton North) (Lab): It is great to see so many hon. Members, with almost every party represented but one: there are four empty seats where the Reform UK MPs sit. They like to bang on about family values, but when it comes to actually standing up for dads and for parents, they are nowhere to be seen.

I thank the Minister for acting on the importance of shared parental leave. On paternity leave, as someone who had a caesarean section, I was so grateful to my husband's employers for granting him more than two weeks' leave; as everyone knows, mothers are not meant to lift even a kettle for six weeks after a c-section, which makes things impossible. However, we also know that not everybody is that fortunate, and that is especially true for self-employed people. The Women and Equalities Committee took evidence on parental leave and heard that nearly a third of self-employed dads and other parents did not take a single day's leave following the birth of their child, so how will this review ensure that self-employed parents' needs will be taken into account?

Justin Madders: I thank the Chair of the Women and Equalities Committee for her contribution. She raises an important point and we are studying her Committee's recent report on the issue with interest. It is important

that we look at how people in different forms of employment are able to take advantage of parental leave, in one form or another. That is important not just for providing physical assistance in the circumstances that my hon. Friend mentioned, but because the parent should be there, if they can, to bond with the child in those early weeks, and the review will definitely consider that.

Mr Speaker: I call the Liberal Democrat spokesperson.

Sarah Olney (Richmond Park) (LD): I thank the Minister for advance sight of the statement. The Liberal Democrats welcome the Government's commitment to the much-needed review on parental leave. Every child deserves the best possible start in life and the opportunity to flourish, no matter their background or personal circumstances. Too often, parents struggle on inadequate parental pay and without good enough access to shared leave. Childcare costs are eye-watering, and the balance between family life and work has only become harder to strike.

The Liberal Democrats have been calling for an overhaul of the parental leave system, to give parents a genuine choice about how they manage their responsibilities in the first months of their child's life. If I could gently correct the shadow Minister, the hon. Member for Mid Buckinghamshire (Greg Smith), it was the Liberal Democrats who were proud to introduce shared parental leave in government. However, years later, millions of parents are still being denied the choice to spend more time at home, with around a quarter of fathers ineligible for paternity pay.

As we welcome this review into parental leave, I urge the Government to look more broadly into the prevalent inequality in caring responsibilities. What steps are they taking to support the millions of family carers who are looking after disabled or elderly relatives and who have no paid leave at all? Will they commit to a similar review into provision for unpaid carers and to make carer's leave paid? Will they commit to reviewing the needs of carers and those of the families who have taken on kinship caring responsibilities? I welcome that commitment in the statement today, but do the Government plan to introduce statutory kinship care leave?

We call on the Government to use the review to finally deliver meaningful reforms that address the long-standing concerns of carers and their loved ones, as well as making changes to the circumstances of working families that can make parenting a joy rather than a burden, and end the dilemma of having to choose between work and family.

Justin Madders: I welcome the Liberal Democrats' support for this review. The hon. Lady is right to point out that it was the coalition Government who introduced shared parental leave, although that is the first time in a long time that we have heard anyone admit that they were part of the coalition Government. She raised some very important points, a number of which will be covered by the carer's leave review, which is also taking place. Kinship caring will be a part of that. I know that the Liberal Democrats have a long-standing policy on carer's leave and pay, and the review will be cognisant of that.

Antonia Bance (Tipton and Wednesbury) (Lab): As I welcome the Minister's announcement, I think of the HGV driver who I met recently who said that he was not able to take time off to be with his partner and their

newborn baby. Will the Minister assure me and all my constituents that the new rights will work for working-class people as well as people on higher incomes in professional jobs? Does he agree that today's announcement, along with our announcements on free school meals, childcare and housing, make it clear that the Labour party is the party of the family?

Justin Madders: One of the real achievements of the last Labour Government was to recognise that giving children the best start in life is fundamental to rebuilding our society, and that is at the heart of what we have proposed today. My hon. Friend raises an important point that these entitlements have an element of income inequality to them, which we will bear in mind. One message we heard very clearly is that many fathers would like to take more paternity leave but simply cannot afford to do so, and we will be looking at that as part of the review.

Dr Andrew Murrison (South West Wiltshire) (Con): Having a child is a personal choice, and it is a blessing that I have enjoyed five times. Becoming old, sick or disabled are not personal choices, yet we have had cuts to the winter fuel allowance and we are about to discuss a controversial Bill that would remove a large element of the support that we currently give to sick and disabled people. What does that say about the Government's priorities?

Justin Madders: The right hon. Member will know that the winter fuel allowance has been restored for many people in this country, and the Chancellor has given a clear commitment that any existing PIP claimants will not be affected by the measures in the Bill. As part of the review by Sir Charlie Mayfield, we are looking in the round at how we ensure that people are able to be supported to stay in work, and I hope that the Conservatives would support that.

Mark Sewards (Leeds South West and Morley) (Lab): I warmly welcome the Minister's statement. As a dad, I know from two very recent experiences how valuable paternity leave is for fathers. Good companies also know that, as Tesco and other good employers have already increased their employee paternity leave offers because they know that a good workforce is a happy workforce. May I encourage the Minister to actively pursue those companies to ensure that their data and insights are fed into the review, with a view to permanently increased paternity leave?

Justin Madders: I congratulate my hon. Friend on his recent parenthood and pay tribute to my hon. Friend the Member for York Outer (Mr Charters), who I understand is on paternity leave as we speak. My hon. Friend makes an important point about good businesses understanding the importance of treating their staff well. I draw the House's attention to a quote from the chief people officer for Aviva, which operates a progressive parental leave policy. He said:

"The chance to spend more time with a new arrival during the important first few months has proved to be hugely beneficial for thousands of our Aviva parents. From supporting their partners, to the positive impact it has on mental wellbeing and engagement with family life, equal parental leave has been literally life-changing for our people."

We want to encourage businesses to look at those sorts of things. I am sure some other firms will be doing equally well, and we are happy to hear any evidence on those matters.

Mike Martin (Tunbridge Wells) (LD): As someone who is about to welcome their second child into the world—[Hon. Members: "Hear, hear!"] Thank you very much. I am delighted to be discussing parental leave and I welcome this review. The Minister said that one objective of the review is to reset the relationship between men and women—I paraphrase—and to make that more equal. May I gently suggest that while the measures set out are necessary, they are insufficient? To get to the heart of that matter, we need to look at early years funding. When £6.12 is provided by the Government for early years provision, but providers, such as the Little Learning Tree in my constituency, say that it costs £7.50 to deliver, we have a problem. The parental leave review will not get to the heart of that matter, so will the Minister consider including the Department for Education in the review to get to the heart of equality between men and women?

Justin Madders: The hon. Member raises an important point. The Government have clearly done great work already in expanding the availability of affordable childcare, but there is always more to do. This specifically will not be part of the review, but I can confirm that we will be working with other Departments to see how their input can help to achieve the outcomes we want from the review.

Sarah Smith (Hyndburn) (Lab): The fathers who met me in Haslingden will welcome the review and the Minister's announcement, but in conversations I have had I have been struck by the difficulties faced by some of our public sector workers, with teachers almost forced back perhaps a week—if they had been able to take that—after a holiday period, and police officers facing particular challenges with parental leave and paternity rights. Will the Minister reassure me that those important issues will be squarely within the terms of the review and that he will be looking to make progress on them?

Justin Madders: My hon. Friend raises concerning issues about the culture of some employers who possibly do not see the value of parental and paternity leave. We all know that recruitment and retention is an issue in teaching, and in particular there are not enough male teachers. That is a challenge, and maybe one thing behind that is the cultural shift that we need to see. I am sure that those comments can be fed in.

Mr Mark Francois (Rayleigh and Wickford) (Con): My constituent Christina Harris sadly lost her job when she had to take time off to care for her seriously ill daughter Skye, who I am pleased to report is now in remission. Christina started a parliamentary petition calling for employers to hold open the jobs of those parents who, through no fault of their own, have to take time off to care for a seriously ill child—a bit like maternity leave in principle. She achieved a debate in Westminster Hall in February, which the Minister replied to. He then kindly met her some weeks later and, if I may say so—I was there—he dealt with her incredibly empathetically and listened carefully to what she said.

[Mr Mark Francois]

As the Minister said, the review will have a "broad scope". Can he offer any hope to my constituent Christina Harris with regards to her idea and to the approximately 4,000 parents each year who through no fault of their own find themselves in similar circumstances?

Justin Madders: It was indeed a pleasure to meet the right hon. Member's constituent Christina. She raised an important issue, which we know is not isolated. As he will know, a carer's leave review is being undertaken, and that is probably the more appropriate forum for this issue, but I know that he will continue to campaign passionately on this matter and I look forward to that further engagement.

Maya Ellis (Ribble Valley) (Lab): May I first pay tribute to the Prime Minister and the Business Secretary, along with many others, for leading from the front on the importance of their role as fathers? I truly believe that paternity leave is the single most important area where the Government can improve the lives of families and women, too. I hope that we can get to providing six weeks' paternity leave paid by the Government at 90% of pay. Employee support, though, will be critical to making that a success. Does the Minister agree that the review is an opportunity to engage and provide clarity to businesses on how to work with paternity leave and parental leave?

Justin Madders: One thing that has become clear, not particularly in relation to paternity leave but in relation to shared parental leave, is that employers often find it difficult to navigate the system, never mind the parents. We will be considering and looking at that as part of the review.

Kirsty Blackman (Aberdeen North) (SNP): Only 3% of women surveyed by Maternity Action had no financial worries during the course of their pregnancy. Given how awful that statistic is, will the Minister commit to listening to people with lived experience and co-producing the outcomes of the review with them?

Justin Madders: The hon. Member makes an important point. We will of course be taking representations from all interested parties. A call for evidence is now live and will be up for a period of eight weeks, and we encourage any bodies that have important things to say to feed those in as part of the process.

Michael Wheeler (Worsley and Eccles) (Lab): Alongside the Government's actions on increasing the provision of affordable, available and accessible childcare, I strongly welcome this review as a real step forward. Does the Minister agree that, for many, the complexities of the system form a real barrier to accessing it, and that for low-paid workers in particular the provision of unpaid leave makes it simply unaffordable? Will he give a commitment that the review will have at its heart true system accessibility so that people can take proper advantage of it and benefit along with their children?

Justin Madders: My hon. Friend, as a new father himself, will know about the system. He rightly referred to the complexity of the system and the lack of availability and opportunity, particularly for those in low-paid

occupations, as well as those who are not directly employed. Those are all things that we will be considering as part of the review.

Lisa Smart (Hazel Grove) (LD): It is of course to be welcomed that the Government are looking at how best to support families of all shapes and sizes in the early weeks and months of a child's life. I know that the Minister is aware that there is currently a gap for those who are self-employed looking to grow their family through adoption, because he and I have corresponded on the matter. I listened carefully to his comments. He talked about adoption and about self-employment, but I wonder whether he could give constituents like Kirsty from Marple the reassurance she is looking for that an explicit stream of this work will look at self-employed adopters, who currently do not get any financial support from the Government.

Justin Madders: As the hon. Member said, she has raised this very important point before. Having had some recent involvement in the adoption system myself, I understand that it does not really fit into the current rights system. It is important that we look at that in the round and, as I have mentioned, those currently excluded from the system altogether because they are self-employed or in some other working relationship that does not fit within the statutory parameters will also be considered.

Ms Stella Creasy (Walthamstow) (Lab/Co-op): I very much welcome the review. I think most people in the Chamber—with some exceptions—recognise that supporting families and children is in our national interest, and I am very pleased to hear the Government recognise that parental leave is just not enough right now, particularly for dads, and to give a commitment on that. I am concerned about the timescale for when we will be able to make progress on the issue and the implications for mothers, who may face more discrimination if they have protected rights and dads do not. Given that there is a general consensus that we need to do more to support fathers, will the Minister accept as a holding measure the amendment tabled in the Lords by Baroness Penn on introducing the Women and Equalities Committee's recommendation to bring in by the end of the Parliament a right to six weeks' parental leave for the second parent paid at 90% of salary, so that we can make a difference for every parent within this lifetime?

Justin Madders: If I was to accept specific recommendations at this point, that would be rather pre-empting the review, but I do hear the arguments that have been made. Obviously, the other place will decide how it wants to proceed with various amendments to the Employment Rights Bill—I just hope that it hurries up with it.

Freddie van Mierlo (Henley and Thame) (LD): May I add my voice to welcoming the review as chair of the all-party parliamentary group for fatherhood? It is a step in the right direction in correcting a decade of Tory failure on this issue. The Tories thought that giving dads two weeks of paternity leave and allowing them to break it up into one-week chunks was progress.

I note that fathers were not in the four objectives announced by the Minister. Does he accept that we cannot achieve those four objectives without better

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are looking at what happens at the point of birth, but I am happy to continue to engage with her on the wider points.

paternity leave and pay? For example, we cannot achieve good physical and mental health of women after birth without addressing the rights of fathers and birthing partners. If he accepts that, will he agree to meet the APPG throughout the review?

Justin Madders: I am of course happy to meet the APPG as part of the review. The hon. Member said that there was no explicit reference to fathers in the four objectives, but I suggest that our general references to parents do include fathers. For example, the second objective is to support economic growth by enabling more parents to stay in work, and the fourth objective is to support parents to make balanced childcare choices that work for their family situation, including by enabling co-parenting. I believe that clearly addresses his point.

Daniel Francis (Bexleyheath and Crayford) (Lab): As the father of twins, I saw the impact of that, with increased complexity from children being born early or with disability and the mental health aspects of leaving your loved one at home with multiples when you go back to work. In the wider review, could we look at the mental health aspects for mothers, particularly in cases of multiple births?

Justin Madders: My hon. Friend raises an interesting point. I have not considered whether there needs to be an additional approach for multiple births, but I am happy to see any evidence that he submits on behalf of that particular group as part of the review.

Carla Lockhart (Upper Bann) (DUP): Everyone will know that I want to see life-affirming laws restored to the United Kingdom. Therefore, underpinning the birth of a child with adequate parental leave is of the utmost importance, given the important needs before and after birth. Will the Minister confirm that the review will look at the issue of premature births and at ensuring that mums and dads who are blessed to have a premmie baby are not disadvantaged? Will he also ensure that learning here is related to Northern Ireland and the devolved Assembly, so that it too can make progress in that regard?

Justin Madders: We of course want to work with all devolved nations on such important matters, and it is fair to say that we hope that any changes or improvements that are made are spread throughout the nation.

Alice Macdonald (Norwich North) (Lab/Co-op): welcome the review. We should also recognise that the journey to becoming a parent is not straightforward, with the equivalent of one child in every UK classroom born through IVF. As he knows, and as we have discussed, there are glaring gaps in employment law, with no statutory right to fertility treatment. Will the review look at that and recognise that sometimes we also need leave to become a parent?

Justin Madders: I recognise my hon. Friend's comments and her long-standing campaign on the issue. IVF is much more commonplace than it was when these laws were originally introduced and the process of securing pregnancy in those situations is a very different issue. I am afraid that it is not part of the review because we

Jess Brown-Fuller (Chichester) (LD): A key barrier for many women returning to the workplace after starting a family is the challenge of balancing work with feeding their child. There is a lack of facilities in many workplaces, with no provision for expressing or storing breast milk. Will the review consider improving provisions for breastfeeding parents and the need for individuals to be given breaks to do so?

Justin Madders: That is an interesting point that is slightly outside the scope of the review, because it is more about how people are dealt with in the workplace. This is really about ensuring that we have the structures in place to ensure that people can balance their parenting needs with the ability to carry on in work and make the most of those opportunities. However, I am happy to correspond with the hon. Lady on the matter because she raises an interesting point.

Josh Newbury (Cannock Chase) (Lab): As a supporter of The Dad Shift campaign, I wholeheartedly welcome this statement. One of my constituents told me that after the birth of both his children, his wife had complications. The first time around, he was able to take only two weeks off and then had to return to his 40-mile commute, leaving his wife to recover while caring for a newborn. The second time around, his employer had been bought out by a Belgian firm, so he was able to take far longer off to fully support his wife. Does the Minister agree that boosting paternity leave entitlement would go a long way towards closing the gender pay gap?

Justin Madders: I have met The Dad Shift and held an event in my constituency. The group puts forward an articulate case as to why paternity leave is falling down. I reflect on my own experiences some time ago. My first child was born before paternity leave was introduced—yes, I am that old—and my second was born after paternity leave had been enabled in law. The experiences were like chalk and cheese, and that speaks to the importance of enabling fathers to have some of that time off in those early, crucial weeks.

Munira Wilson (Twickenham) (LD): I welcome the review and, in particular, the fact that it will look at leave for kinship carers. The Minister knows that I and my Liberal Democrat colleagues have long campaigned for statutory paid leave for kinship carers, given their sacrifice and given how many fall out of the workforce when they take on those responsibilities. May I press him that within the 18-month timeline for the whole review, he might look to fast-forward kinship care leave? The economic case, both short and long-term, is so strong that, frankly, he ought to be able to move on that aspect quicker than some of the others he has to consider.

Justin Madders: I recognise the consistent campaigning on that particular issue and pay tribute to the work that kinship carers have done to take on those responsibilities. There is an articulate case made about their contribution to society as a whole. However, it would not be appropriate for us to short-circuit the review by dealing with particular groups; we need to look at the system as a whole. In

[Justin Madders]

fact, one of the deficiencies in the current system is that it has been built up piecemeal over many years and does not have the holistic approach that we are now seeking to introduce.

Deirdre Costigan (Ealing Southall) (Lab): It is 55 years—over half a century—since the Equal Pay Act 1970, yet women are still paid less than men. The phrase I read 20 years ago about childcare being "catastrophic for women's careers" could still be quoted today. The Employment Rights Bill that this Government have brought forward ensures that businesses do not just publish their gender pay gap; they will now have to do something about it, with mandatory action plans. Will the Minister tell us how today's parental leave review will help further reduce the gender pay gap and finally deliver equality for working women?

Justin Madders: May I thank my hon. Friend for her question and for her consistent campaigning on this issue? She is right to point out that the Employment Rights Bill has important advances in that area. The review will also, I hope, have a positive impact on the gender pay gap. In particular, the review's second objective is to ensure that we enable parents

"to stay in work and advance in their careers after starting a family".

That will focus in particular on the women's labour market and its outcomes, and of course on tackling the gender pay gap.

Jim Shannon (Strangford) (DUP): Today's statement is positive and I thank the Minister for it. The fact that parents cannot share leave leaves a sense of there being one primary caregiver, which is not an accurate picture of most households in this day and age. Indeed, more than 50% of households in Northern Ireland are dual income, meaning that childcare needs are shared. Will the Minister and the Government, in the pilot scheme, consider ensuring that mothers and fathers can use the leave between them as needed, as opposed to the leave being used by one parent solely? Will he commit to that being part of the review?

Justin Madders: As always, it is a pleasure to hear from the hon. Gentleman. He raises an important point about how the current shared parental leave system is not working. We have seen that the percentage of people taking advantage of that is in the low single figures. We are aware of that and will be looking at it closely as part of the review.

David Baines (St Helens North) (Lab): I warmly welcome the review, as I know will families and dads in St Helens North. I am also sure that Jay White, who runs the Dad Matters organisation in St Helens, which supports new dads and is doing a great job, will warmly welcome it as well. With dads across the country and, as we have already heard, across the Chamber, I have been supporting The Dad Shift campaign, saying that two weeks are not enough. I know from personal experience, and from speaking to dads across St Helens, that it is not enough. Will the Minister confirm for the benefit of dads in St Helens North and elsewhere that the current state of paternity leave, including consultation with employers, will be a key focus for the review?

Justin Madders: My hon. Friend is absolutely right to identify the current paternity leave measures as being of concern to fathers and, indeed, to all parents across the country. That will certainly be a large focus of the review.

Mr Connor Rand (Altrincham and Sale West) (Lab): Does the Minister agree that, as well as being good for parents and for children, ensuring that dads are able to spend an appropriate amount of time off with their newborn children would be good for our economy, good for productivity and good for businesses too?

Justin Madders: Yes, I absolutely agree with my hon. Friend's proposition. Indeed, we have consistently said through the passage of the Employment Rights Bill that treating the workforce well, giving them proper support and ensuring security at work, is the way to prosperity in this country.

Alistair Strathern (Hitchin) (Lab): Having raised with the Minister the need to do more on paternity and kinship leave in particular, I very much welcome today's statement and the upcoming landmark review. I recently had the pleasure of hosting a number of parents at the Victoria pub in Hitchin to talk about the challenges caused by the current paternity leave framework. It was particularly heartbreaking to hear one man's story. He was an expectant father and he talked about the impact it was already starting to have on him. Ahead of the birth, his wife was a high-risk case, so he was already having to take significant leave in advance of the birth. He was worried that this would deprive him of his ability to be there in those crucial days after the birth—with the family, with his child and with that new mum who would desperately need his support. That cannot be right, so can I invite the Minister to Hitchin to have a pint and speak to local parents about the impact that this review could have on cases such as this?

Justin Madders: My hon. Friend certainly knows how to get me to attend a constituency—with the offer of a pint—and I look forward to taking him up on that. He has raised an important point about medical issues. Obviously, there have been some recent changes in neonatal leave and care, which is a huge step forward, but we ought to discuss pre-delivery issues further, so I look forward to having that pint and that conversation.

Chris McDonald (Stockton North) (Lab): In his statement, the Minister mentioned the very low level of take-up of shared parental leave. Would he agree that that is partly due to the gap in pay between men and women, and that if we can normalise paternity leave in our society, that will help to make sure that both mams and dads have equal pay?

Justin Madders: That is an important point, and I expect we will be examining it as part of the call for evidence. I referred to the work that Aviva has done in this area. That organisation has clearly seen a culture shift, whereby it is now completely normal and acceptable—indeed, it is encouraged—for both parents to take their share of leave. We can all take lessons from that.

Johanna Baxter (Paisley and Renfrewshire South) (Lab): I welcome today's long overdue review of parental leave. The UK currently has among the lowest paternity

leave in Europe, and that is not just a statistic; it is a real-life struggle for families up and down this country. Can my hon. Friend assure me that the review will look not only at the amount of leave but at the amount of salary provided during the period in order to protect those on the lowest wages? How will he go about ensuring that the voices of fathers, campaigning groups like the Dad Shift, and trade unions are heard in the review?

Justin Madders: My hon. Friend raises an important point about the financial implications of this measure. Of course, we will engage with all the relevant organisations. The cost is important, and we have to balance the objectives we are trying to achieve with the cost to the Exchequer and to businesses. The review will be considering that in some detail.

Shaun Davies (Telford) (Lab): I welcome the statement and the launch of the review. I recently held a dads' drop-in event supported by the Dad Shift, where I heard from dads about examples of excellent employers doing the right thing, but also frustrations among the self-employed and those who run small and medium-sized enterprises about how complex and confusing the system can be. Can the Minister confirm that the voices of businesses of all sizes and of dads will be at the heart of this review? Also, can he give a message to his Government colleagues that Government Departments and organisations often lag behind the best of the employers in this country?

Justin Madders: This Government should be leading the way in these areas. If there are specific examples of where we can do better, I would be interested to discuss them with colleagues in other Departments. My hon. Friend is right to reference the complexity of these issues. We have heard that businesses, particularly small businesses, sometimes struggle to navigate all the paperwork, and that is something that the review will also be considering.

Clean Air (Human Rights)

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

1.34 pm

Siân Berry (Brighton Pavilion) (Green): I beg to move.

That leave be given to bring in a Bill to establish the right to breathe clean air; to require the Secretary of State to achieve and maintain clean air in England; to make provision about environmental targets and minimum standards in relation to clean air; to make provision about the powers, duties and functions of public bodies in England in relation to air pollution; to give the Office for Environmental Protection additional powers and duties related to clean air; to require the Secretary of State to comply with the United Nations Convention on Long-Range Transboundary Air Pollution; to require the Secretary of State and public authorities to apply specified environmental principles in carrying out their duties under this Act; and for connected purposes.

I am grateful for the chance to present the Clean Air (Human Rights) Bill, alongside cross-party colleagues. The Bill is about the right to breathe clean air, and the right to grow up and to grow old without stunted lungs, without preventable diseases like asthma, and without disabling and potentially lethal harm being done to our lungs, hearts and brains by preventable air pollution. We call this Bill Ella's law because it is also about a little girl—a nine-year-old who made history and whose memory powers this campaign for environmental, social, and indeed racial justice. I am grateful to the many hon. and right hon. Members who are here to listen to her story today. Ella's mother, Rosamund Adoo-Kissi-Debrah CBE, is also here in the Gallery, with Ella's sister and brother, Sophia and Robert. I know that the whole family have many good friends in this House. [Hon. Members: "Hear, hear!"]

Ella Roberta Adoo-Kissi-Debrah had nearly 30 emergency hospital admissions between her first diagnosis of asthma at the age of six and her tragic death, aged just nine, on 15 February 2013. Throughout her illness there had been no mention of air pollution being a possible factor in her condition, and Ella's original death certificate simply said that she had died of acute respiratory failure. Her mother Rosamund did not know why her lively, sporty and talented daughter had become so ill after being such a healthy child.

Years after Ella died, Rosamund began to ask questions and push for answers. The family lived close to the heaving South Circular Road in London—one of the busiest main roads in Europe. With the help of medical and scientific experts such as Professor Stephen Holgate, Rosamund began to realise that there could be a link between the high air pollution where they lived and the course of Ella's illness. Together they began to ask: was air pollution responsible for Ella developing asthma in the first place, and were high pollution days responsible for triggering the repeated attacks and emergencies that eventually took her life? Taking new knowledge and evidence, working with legal professionals like Jocelyn Cockburn, a long road began to a new inquest and a landmark new death certificate that, for the first time in the world, cited air pollution.

In December 2020, deputy coroner Philip Barlow ruled for this change, and said that

[&]quot;excessive levels of air pollution"

[Siân Berry]

had made a "material contribution" to Ella's death. In his report to prevent future deaths, he recommended that the Government should take note that there was no safe level for particulate matter and that World Health Organisation guidelines should be seen as minimum requirements. He said that legally binding targets based on them would reduce the number of deaths from air pollution in the UK, and highlighted the lack of public awareness and information about daily pollution levels. That is what this Bill will do: set targets in law, based on the very latest World Health Organisation guidelines, and provide a pathway to comply.

Ella's illness began in 2010 and spanned a period when the area around her home experienced some of the highest levels of air pollution, consistent breaches of legal limits and terrible injustices. In 2010, that area should not have had anything like those levels of pollution. That is because, following intensive work by the campaigner and friend of Ella's law, Simon Birkett, the founder of Clean Air in London, alongside environmental campaigners in Europe, European Commission directive 2008/50/EC had entered into force in June 2008.

That directive set limit values for annual average nitrogen dioxide concentrations in the air people breathe of 40 micrograms per metre cubed, and those limits should have been met by 1 January 2010. It also set the first limit values for small particulates, which are even more deadly at the smallest particle sizes and in much lower concentrations. In the UK we did not achieve these limits before 2010, when Ella's illness began, or even soon after. Instead, this period was one of delay to clean air zones, deception by diesel car manufacturers and even a mayor putting glue on the roads next to the air quality monitoring stations on days when legal particulate limits might be breached. This was a true scandal and a tragedy.

I hope the Government are aware that the 2010 limits are still far from being fully reached in parts of England today. Their own projections say that parts of the country will not become compliant until 2029, 2032 or even 2045. Those legal limits were based on the 2005 air quality guidelines from the World Health Organisation. In 2021, the WHO halved its guideline for the smallest particulates and slashed its guideline for nitrogen dioxide from 40 micrograms per metre cubed to 10. A new EU directive entered into force for our neighbours in December 2024.

It is clear that we need something new here as well, and success is clearly possible. There has been much better action in recent years in some areas, notably London, and a good proportion of that has been due to the influence of Rosamund on the Mayor of London, as well as determined campaigning by groups like Mums

for Lungs, the Healthy Air Coalition, Asthma + Lung UK, Clean Air in London, Friends of the Earth, ClientEarth and many others. We are making some progress, but to respect the right to breathe clean air, we must move faster and work more widely in the transition to clean heating, cleaner transport and cuts in pollution from aviation, farming and industry. The second best time to do the right thing is always now.

Last month, on Clean Air Day 2025, I was pleased alongside other MPs to meet doctors and campaigners, including Rosamund, on their walk and wheel to Parliament from Great Ormond Street hospital. They brought us the latest important medical evidence from the Royal College of Physicians, whose new report to MPs highlights and summarises evidence gained over the last decade, showing that there are now links between air pollution and almost every organ in the body and the diseases that affect them. It estimates that during 2025, 500 premature deaths per week will be attributable to air pollution, and calculates that there was an economic burden of £27 billion in 2019 due to healthcare costs, productivity losses and reduced quality of life. Above all, the report highlights how air pollution is a preventable public health threat. This Bill would give us the tools to prevent it, bringing the nearly 70-year-old Clean Air Act 1956 up to date and in line with the excellent blueprint published today by the Healthy Air Coalition.

Introducing the Bill again during this Session is important. The cross-party proposers want to extend and build on the efforts of Baroness Jones of Moulsecoomb and others who helped steer a similar Bill through the other place in 2022. My predecessor the former hon. Member for Brighton Pavilion, Caroline Lucas, promoted the same Bill in this House after that, right up to the end of the previous Parliament.

The ultimate hope of us all is that this Government will adopt and back Ella's law in her memory: adopt its provisions, take up the important actions it will mandate and recognise in law the human right to breathe clean air as soon as possible. For the other children who still die unnecessarily due to air pollution, and for the families who still lose loved ones to dementia, cancer, heart disease and other issues caused and made worse by dirty air, I ask the House for leave to present this Bill in that hope.

Question put and agreed to.

Ordered,

That Siân Berry, Ms Stella Creasy, Bell Ribeiro-Addy, Wera Hobhouse, Shockat Adam, Seamus Logan, Claire Hanna, Afzal Khan, Ellie Chowns, Ruth Jones, Uma Kumaran and Dr Roz Savage present the Bill.

Siân Berry accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 7 November, and to be printed (Bill 279).

Universal Credit and Personal Independence Payment Bill

Second Reading

[Relevant documents: Oral evidence taken before the Work and Pensions Committee on 25 June, 7 May and 22 April, on Get Britain Working: Pathways to Work, HC 837; written evidence to the Work and Pensions Committee, on Get Britain Working: Pathways to Work, reported to the House on 25 June, 18 June, 11 June, 4 June, 21 May, 14 May, 7 May and 30 April, HC 837; correspondence between the Work and Pensions Committee and the Secretary of State for Work and Pensions, on the Pathways to Work Green Paper, reported to the House on 11 June and 21 May.]

Mr Speaker: The reasoned amendment in the name of Rachael Maskell has been selected.

1.44 pm

The Secretary of State for Work and Pensions (Liz Kendall): I beg to move, That the Bill be now read a Second time.

This Bill and our wider welfare reforms seek to fix the broken benefits system that we inherited from the Conservatives and deliver a better life for millions of people across our country. Our plans are rooted in principles and values that I know many in this House share: compassion for those who need our help most, a belief in equality and social justice, that everyone should have the chance to fulfil their potential no matter where they are born or what their parents did, and responsibility for our constituents and our country as a whole, so that we ensure the welfare state is sustainable and lasts for generations to come. But the system we inherited is failing on all those counts.

Conservative Members left us with a system that incentivises people to define themselves as incapable of work just to be able to afford to live. They then wrote people off without any help or support, then blamed them to grab a cheap headline. The result is 2.8 million people out of work due to long-term sickness, and one in eight of all our young people not in education, employment or training, with all the terrible long-term consequences that brings for their future job prospects, earnings and health. The number of people on disability benefits is set to more than double this decade, with awards for personal independence payments increasing at twice the rate of increases in the prevalence of disabled people in our society, adding 1,000 new PIP awards a day—the equivalent of adding a city the size of Leicester every single year.

Dr Luke Evans (Hinckley and Bosworth) (Con): Will the Minister give way?

Jim Shannon (Strangford) (DUP): Will the Minister give way?

Liz Kendall: Let me make some progress.

I do not believe that this is sustainable if we want a welfare state for generations to come that protects people who most need our help. There is nothing compassionate about leaving millions of people who could work without the help they need to build a better life. There is no route to equality or social justice when 9 million of our

fellow citizens are out of work and not looking for work, and when our country has one of the widest disability employment gaps in Europe. There is no responsibility in leaving our system of social security to continue as is and risk support for it becoming so frayed that it is no longer there to provide a safety net for those who can never work and who most need our help and support. This Bill, alongside our wider reforms, will help people who can work to do so, protect those who cannot, and begin to get the benefits bill on a more sustainable footing.

Labour's historic mission is to get more people into good jobs because we know the value of good work, not only as the best route out of poverty and to raise living standards, but because good work brings a sense of purpose, pride and dignity and because there is such clear evidence that good work is good for physical and mental health.

Paul Holmes (Hamble Valley) (Con): The Secretary of State is absolutely right that any Government that take office should aim to reduce poverty in this country. Why then do her own Government's figures show that the actions she is taking this afternoon will put an extra 150,000 people into poverty? Does she really think that is what her Back Benchers expected when they were elected to government last year?

Liz Kendall: That is what they call chutzpah, seeing as Conservative Members put an extra 900,000 children into poverty. This Government are determined to tackle child poverty and will take 100,000 children out of poverty through our plans to extend free school meals to every household on universal credit—a downpayment on our child poverty strategy in the autumn.

I am proud that at the spending review—alongside billions of extra investment to create good jobs in every part of the country, to invest in transport infrastructure and in skills so people can get those jobs, and to drive down NHS waiting lists so people can get back to health and back to work—my right hon. Friend the Chancellor delivered the biggest-ever investment in employment support for sick and disabled people, quadrupling what we inherited from the Conservatives to £1 billion a year.

Ms Polly Billington (East Thanet) (Lab): I thank the Secretary of State for the improvements she has made to the Bill, which are extremely reassuring for my constituents, 9,000 of whom are on personal independence payments and are now reassured. Some, however, are concerned about the number of adults who could be put into poverty, following the publication of the impact assessment yesterday. I recognise that these figures do not take into consideration the impact of the planned record investment in employment support. Will she publish further assessments that provide a more accurate view?

Liz Kendall: My hon. Friend is absolutely right that those figures do not take into account the employment impact from the investment we are putting in. We have produced extremely clear evidence that good employment support works, including Work Choice—a Labour programme ended by the Tories—which meant that 40% more disabled people were in work eight years

[Liz Kendall]

later. We will, indeed, publish further updated impact assessments before Committee stage, spelling this out in more detail

Jim Shannon: I have been asked by representatives of people with Parkinson's and multiple sclerosis to put this question to the Secretary of State, and I hope she will give me the answer. They are worried that people with these fluctuating conditions will be locked out of qualifying for the higher rate of the UC health element, as a functional limitation must "constantly" apply for a claimant to meet the severe conditions criteria. Will she commit to add an explicit reference to the Bill to ensure that those with fluctuating conditions such as Parkinson's and MS are not locked out of the higher rate? It is really important for those people.

Liz Kendall: The hon. Gentleman raises a very important point. Members have asked whether people with fluctuating conditions will meet the severe conditions criteria, which are for those with lifelong conditions that will never improve and mean they can never work. It is the case that, as someone's condition progresses, if they change and meet those severe conditions criteria, they will be protected. One of the reasons for the Timms review, which I will come on to, is precisely to make sure this vital benefit recognises the impact of fluctuating conditions on people's lives. That is crucial to make sure this benefit is fit for the future.

Mr Clive Betts (Sheffield South East) (Lab): Will my right hon. Friend give way?

Liz Kendall: I will make a tiny bit of progress, and then I will give way.

As I set out to the House yesterday, we have listened carefully to concerns that there would not be enough employment support in place quickly enough by the time the benefit changes come in. We are bringing forward an additional £300 million of employment support for sick and disabled people, delivering a total of £600 million next year, £800 million the year after and £1 billion in 2028-29—increasing our total spending on employment support for sick and disabled people to £3.8 billion over this Parliament—to ensure that anyone who is affected by this Bill will be offered personalised work, health and skills support, including access to a specially trained adviser by the time the legislation comes in.

Dr Luke Evans: The last Government introduced WorkWell pilots in 15 areas for 59,000 people, providing a multidisciplinary team package to get them back into work. Am I correct in thinking that the £300 million the Secretary of State is investing is built off the back of that pilot? Are they planning to continue the pilot and grow it? The results seemed to show that it had a strong record of getting people back into work while supporting their health. That is what this House wants to do. Does she agree that that is the case, and is that the funding?

Liz Kendall: Joining up work and health support is essential. I have been to visit some of the projects in place, and they are making a really big difference. We are building on that with additional investment, quadrupling

what we inherited from the Conservative party. Joining up work and health support is very important, because good health and good work are two sides of the same coin, but this needs to be available widely across the country.

Let me turn to the specific measures in the Bill. Clauses 1 to 4 begin to tackle the perverse incentives left by the Conservative party, which encouraged people to define themselves as incapable of work by rebalancing the universal credit standard allowance and health top-up. I am very proud that we are delivering the first ever sustained above-inflation rise to the universal credit standard allowance—the largest permanent real-terms increase in the headline rate of out-of-work benefits since the 1970s. Some 6.7 million households—the lowest-income households—will benefit from the increase in the universal credit standard allowance, and it will deliver a £725-a-year increase in cash terms by 2029-30 for a single person aged 25 and over.

Having listened seriously to concerns about our original proposals on the UC health top-up for existing claimants and future claimants with severe conditions and those at the end of their lives, we will ensure that for these groups, the combined value of their universal credit standard allowance and the health top-up will rise at least in line with inflation, protecting their income from these vital benefits in real terms every year for the rest of the Parliament.

Alongside those changes, schedule 1 to the Bill will ensure that people with severe lifelong health conditions will never be reassessed, removing all the unnecessary and unacceptable stress and anxiety this brings, so that they have the dignity and security they deserve. Yesterday we published draft regulations on our new right to try, which will guarantee that, in and of itself, work will never lead to a benefit reassessment, giving people the confidence to try work—something many people have called for for years.

I turn to clause 5 of the Bill, on personal independence payments. Yesterday I told the House that we have listened to the concerns raised by many Members, disabled people and their organisations about the impact of the new requirement for existing claimants to score a minimum of four points on at least one daily living activity to be eligible for the daily living component. Even though nine out of 10 people claiming PIP at the point these changes come in would be unaffected by the end of the Parliament, I know this has caused deep and widespread anxiety and stress, so we have changed our original proposals. The new four-point eligibility requirement will only apply to new claims from November 2026. This means no existing claimants will lose PIP because of the changes brought forward in this Bill, and anyone who currently receives any passported benefits, such as carer's allowance, will also be unaffected by this change.

Mr Betts: The changes to PIP, as far as they go, are very welcome, as is the review to be conducted by the Minister for Social Security and Disability, which will be co-produced with disability groups, as I understand it. However, the Government have committed to make changes in November 2026, when that review may not have been completed. Would it not be far more logical to have the review, bring it to this House for agreement and then make the changes after that?

Liz Kendall: I will come on to this point in a moment, but the purpose of the PIP review is to have a wider look at the assessment. It has not been looked at for over a decade since it came in. I understand the sequencing point, and I will come to that in a moment. It is extremely important to have a very clear message that existing PIP claimants will now be unaffected by the changes in the Bill.

Mr Toby Perkins (Chesterfield) (Lab): I am very grateful to my right hon. Friend for the fact she has listened this week, but she knows that many disabled people watching our proceedings today will remain very worried. She is absolutely right that the existing system is not working. Can she say more about the Minister for Social Security and Disability's review and about how we can rebuild the confidence of disabled groups and the people who are worried, because every welfare reform seems to have been bad for them, in the fact that we can have a system that assesses who really needs it?

Liz Kendall: My hon. Friend makes an extremely important point. I will come on to say a little more about that in a moment. The review will be co-produced with disabled people, their organisations, clinicians, other experts and MPs, because we must ensure that we get this right. I have been a long-standing champion of co-production, including when I was the shadow Minister responsible for social care. I think we get the best decisions when we work closely with people.

Several hon. Members rose—

Liz Kendall: Let me say a bit more, because many hon. Friends raised these issues, including yesterday. We believe that protecting existing claimants, while ensuring that new PIP awards are focused on those with higher needs, strikes the right and fair balance going forward. I want to address some of the questions raised yesterday by Labour Members about the sequencing of the PIP changes, and the wider review of the PIP assessment that is being led by my right hon. Friend the Minister for Social Security and Disability.

Esther McVey (Tatton) (Con): Will the Secretary of State give way?

Liz Kendall: I will make progress on this point.

No existing PIP claimant will be affected by changes in the Bill. They will also be reassessed under the existing rules whenever they have an award review. From November 2026, new claimants will be assessed under the four-point criteria. The purpose of the Timms review is to look at the PIP assessment as a whole, and ensure that it is fair and fit for the future. It therefore takes account of the huge changes in society, the world of work, and the nature of health conditions and disability since the benefit was first introduced more than a decade ago.

Esther McVey rose—

Josh Fenton-Glynn (Calder Valley) (Lab) rose—

Liz Kendall: I will give way to my hon. Friend.

Josh Fenton-Glynn: I thank the Secretary of State for giving way. I welcome the improvements made to the Bill so far, but I think we still need more details about the co-productive element of the Timms review. Will she confirm that the review will guarantee that disabled people and their organisations are the key voice in developing this policy? Will the review change and revolutionise the view in Whitehall, so that future policies that impact disabled people will always have their voices central to the discussion?

Liz Kendall: I can absolutely reassure my hon. Friend about that. Many hon. Members have asked for precise details about how this process will work, and it is extremely important for us—we are beginning the process—to discuss this with disabled people, their organisations and other experts. It is not for me—[Interruption.] If the right hon. Member for Tatton (Esther McVey) would let me finish my sentence I will, of course, give way. It is important that we do not come up with—it would be completely wrong if we in Whitehall came up with a process and imposed it on other people. We have to do this properly.

Esther McVey: Have the Government taken legal advice as to whether it is lawful to treat people with the same conditions, disabilities and circumstances differently within the benefits system? It is morally unacceptable, but does the Secretary of State believe that it is lawful?

Liz Kendall: I gently remind the right hon. Lady that her own party had different rules and different rates for people on existing benefits compared with those on new benefits. That is something the Conservatives did—once again Conservative Members seem to be railing at the very problems that they caused.

I understand why many Members would like to see the results from the Timms review implemented before the four-point change takes effect. However, reviewing the assessment as a whole is a major undertaking that will take time to get right, especially if we co-produce it properly. It will be for those involved in the review to determine the precise timetable, but we are absolutely committed to moving quickly and completing the review by next autumn. I assure the House that any changes following the Timms review will be implemented as soon as is practically possible via primary or secondary legislation. Once we have implemented changes from the review, any existing PIP claimant can ask for a reassessment.

Let us be honest: welfare reform is never easy, especially perhaps for Labour Governments. Our social security system directly touches the lives of millions of people, and it is something that we all care deeply about. We have listened to concerns that have been raised to help us get the changes right. The Bill protects people who are already claiming PIP. It protects, in real terms, the incomes of people already receiving the UC health top-up from that benefit and their standard allowance. It protects those with severe lifelong conditions who will never work, and those near the end of their life, as we promised we would. But I have to tell the House that, unlike the previous Administration, this Government must not and will not duck the big challenges facing this country, because the people we are in politics to serve deserve so much better.

[Liz Kendall]

We are taking action to put the social security system on a sustainable footing so that it is there for generations to come. We are helping millions of low-income households across the country, by increasing the standard rate of universal credit. And because we know that there is no route to social justice based on increased benefit spending alone, we are providing record investment in employment support for sick and disabled people, so that they have the same rights and chances to work as anybody else. Our plans will create a fairer society in which people who can work get the help they need, and where we protect those who cannot—a society where the welfare safety net actually survives and is always there for those who need it. Above all, this Government are determined to give people hope that tomorrow will be better than today, with real opportunities for everyone to fulfil their potential and build a better life. I commend the Bill to the House.

Mr Speaker: I call the Leader of the Opposition.

2.6 pm

Mrs Kemi Badenoch (North West Essex) (Con): We are staring down the barrel of a crisis that no serious Government can ignore. The welfare system no longer works as it should, and what was once a safety net has become a trap. A system designed to protect the most vulnerable is now encouraging dependency, and dragging this country into deeper debt. The welfare system is a crucial safety net for the poorest and most vulnerable in our society, so I was quite surprised at the tone that the Secretary of State decided to take today. She thinks that she can stand there and get away with the fiction that all this was caused by the previous Government, so let me refresh the memories of Labour Members, especially those who were not here at the time.

In 2010, we inherited 8% unemployment, and we brought it right down. The last Conservative Government reformed welfare to introduce universal credit, and our reforms helped to ensure that unemployment more than halved and was at a near record low. What have we seen since Labour came in? Unemployment has risen every single month since Labour came into office. During our time, 800 jobs were created for every day we were in office. At the same time, until the covid pandemic, we kept spending under control, cutting the deficit every year. But covid changed everything—[Interruption.] It did, and now we face a new—[Interruption.] Mr Speaker, it is delightful to hear Labour Members laughing. I remember when we sat on the Government Benches, and they were demanding that we spent more and more and more money. Thank God it was Conservatives who were there under covid—Labour would have bankrupted

We face a new reality. Under this Government, every working day 3,000 people move on to incapacity benefits—3,000 every single day. That is a 50% increase from when we left office. The Government have been in power for only one year; imagine what it will be like after the next four years. A 50% increase and 3,000 people going on to incapacity benefits every day is not normal, sustainable or acceptable. Spending is spiralling under Labour.

Sir Edward Leigh (Gainsborough) (Con): My right hon. Friend quite rightly mentions covid. I am sure there is one thing that we can agree on. Unfortunately,

people were assessed much more often in person before covid, and during covid that was understandably stopped. Surely we can all agree that we have to get those in-person assessments going and get them going quickly.

Mrs Badenoch: The Father of the House is absolutely right. This is something we should all be able to agree on, but the Government are too busy trying to shift the blame instead of solving the problem.

Let us talk about solving the problem. We have 28 million working people propping up 28 million people who are not working—the rider is getting heavier than the horse. Health and disability benefits were £40 billion before covid. By 2030, on this Government's spending plans, they will hit £100 billion.

Emily Thornberry (Islington South and Finsbury) (Lab): I wonder whether the right hon. Lady could help the House. During the 14 years when the Conservatives were in power, when was the time that the benefits system worked well?

Mrs Badenoch: I will remind the right hon. Lady of our inheritance. We took difficult—[Interruption.] I will. I have said it before, and I will say it again: we had 8% unemployment, and we got it down to 4%. Every single time Labour leaves office, it leaves more people unemployed.

The welfare system needs continual reform. We took difficult decisions and got universal credit through with so much opposition from Labour. We improved the system, but that does not mean it cannot be improved further. We have offered to help, but the Government do not want any help: they just want to make things worse.

By 2030, on this Government's spending plans, we will hit £100 billion on health and disability benefits alone. That is more than we spend on defence. That should make everyone in this House stop and think, because this Bill does nothing to fix that problem. That is why we cannot support it.

The Conservative party is the only party in this House urging restraint. Unless this House acts, the Government will bankrupt our children. They will bury the next generation under a mountain of borrowing and debt, and they will do it not because we have no choice, but because they lack the courage to choose. A fundamental and serious programme to reform our welfare system is required, and this Bill is not it—it is a fudge. I feel sorry for the Secretary of State: she looks as if she is being tortured.

Mark Ferguson (Gateshead Central and Whickham) (Lab): Will the right hon. Lady give way?

Mrs Badenoch: I will in a moment.

We all know why this is happening: this is a rushed attempt to plug the Chancellor's fiscal hole. It is driven not by principle, but by panic. The changes were forced through not because they get more people into work, but because someone in 11 Downing Street made a mistake. It is clear that these changes were not designed to introduce fundamental reforms.

How did we get here? Last year, at the Chancellor's first Budget, she left herself no headroom. That same Budget killed growth, meaning that unemployment has

increased every month since Labour took office. This is a good time for me to remind the House again that every time Labour leaves office, it does so with unemployment higher than when it came in, and it is doing that again.

Laurence Turner (Birmingham Northfield) (Lab) rose—

Graham Stuart (Beverley and Holderness) (Con) rose—

Mrs Badenoch: I will give way to the hon. Member for Birmingham Northfield (Laurence Turner) first.

Laurence Turner: I am sure the right hon. Lady would not want an inaccurate statement to stand on the record. Unemployment fell under just two 20th-century Governments: the first Labour Government and the 1970 Government of Ted Heath. I know that she is repeating a standard Conservative party message, but it is a really cynical and silly misuse of statistics.

Mrs Badenoch: The hon. Gentleman is simply wrong. He needs to get an education and look at the facts.

Graham Stuart: Does my right hon. Friend agree that the chief architect of the fiasco faced by people with disabilities and every member of the Labour party today is the Chancellor of the Exchequer? The fact that she is not here to face up and take responsibility is all we need to know about her and those on the Government Front Bench.

Mrs Badenoch: My right hon. Friend is quite right: this is a fiasco, and it is the Chancellor's fault. She marches Labour Members up and down the hill all the time, and they are the ones who have to face their constituents. We are trying to help to get a welfare system under control and get people into work.

My right hon. Friend the Member for Beverley and Holderness (Graham Stuart) is right to raise the Chancellor. When the economic outlook worsened this spring, she chose to force through these changes to welfare, which are designed not to reform or improve the system, but to address a hole in her numbers. Those changes were rushed for Rachel, as we say. I watched when she made that Budget, and it was quite clear that she had no idea of the consequences of her decision. The country should not have to pay for the mess she has made, and neither should disabled people. Even with the changes in this Bill, welfare spending will still be billions higher at the end of the Parliament. Slowing down how much you increase spending is not a cut.

Mark Ferguson: I do not know about the rest of the House, but I am slightly baffled. The Leader of the Opposition has made a virtue of her blank slate and her blank sheet of paper, but is she in favour of more or less? Is she in favour of the actions of her Government or not? This complete lack of taking responsibility is exactly what got us into this mess in the first place.

Mrs Badenoch: I am not surprised that the hon. Gentleman is baffled, because he is clearly not listening to what I am saying. We had three conditions. We have been very, very clear that we want to see the welfare budget come down. I will make some progress.

Even with the changes in this Bill, welfare spending will still be higher by billions at the end of this Parliament. Slowing down an increase is not a cut: we need to get this under control.

Chris Vince (Harlow) (Lab/Co-op): Will the right hon. Lady give way?

Mrs Badenoch: I will make some progress.

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Despite the obvious flaws in the Bill, we offered to support benefit changes in the national interest. The hon. Member for Gateshead Central and Whickham (Mark Ferguson) asked a question, and I will answer it very clearly for those who have not been paying attention. We agreed to support the Government if they could make three simple commitments; they were not unachievable or unreasonable commitments. First, they had to cut the overall welfare bill, because we are spending far too much already. Secondly, they had to get more people into work. Thirdly, they had to stand by the Chancellor's own commitment that, with taxes at a record level because of her choices, she would not come back for more tax rises.

What did we get from the Government? A sneery response indicating that they could manage on their own. How's that going? What happened instead was that the number of MPs opposed to the Bill grew ever larger, until the inevitable U-turn finally came, announced by a press release dispatched after midnight and a panicked letter setting out that the reforms had been gutted. The Bill is now more incoherent than it was at the beginning.

Iqbal Mohamed (Dewsbury and Batley) (Ind): Just to reflect on the record of the previous Government, as of 2024, approximately 24% of the UK population—nearly 16 million people—were living in poverty. Between 2019-20 and 2022-23, an additional 2.1 million people were living in poverty. In the year to April 2024, before the Labour Government came into power, 4.45 million children, or 31% of children in the UK, were living in relative poverty. Will the right hon. Lady agree with me that the previous Tory Government failed a majority of the population, including disabled people and children?

Mrs Badenoch: I definitely will not agree with the hon. Gentleman. He is talking about relative poverty figures. The fact is that the best way to get people out of poverty is to get them into work—something we did again and again and again.

The Bill is more incoherent now than it was at the beginning. It does not do the job at all. Reforms that were not enough in the first place will now cut only £2 billion from a ballooning budget, instead of £5 billion. They will create a new welfare trap and a two-tier welfare system. Right up until the last moment, the Government kept pushing and pushing, ruling out changes and sending their poor, weary Ministers and ambitious Back-Bench bootlickers out on to the airwaves. At the last moment, as we have seen before, the Government abandon them after all of that—they have been hung out to dry.

The Government do not care how they have made their Back Benchers look, and it is not for the first time. Week after week, the Chancellor was sent here to say with a straight face that she was right to cut the winter fuel payment, that there would be no turning back and

[Mrs Badenoch]

that the country's finances would simply collapse if she did not take pensioners' fuel money and give it to the trade unions, and her Back Benchers sucked that one up. They muttered and they grumbled, but each of them went back and told their constituents that the winter fuel payments were being confiscated to fix the foundations.

Only once pensioners had sat in the cold all winter, the Chancellor had tanked the economy and Labour MPs had had the door slammed in their face up and down the country did they finally accept that it was a mistake. This time, when asked to line up behind a Bill that takes money from older, disabled people with physical disabilities—a Bill that, according to the Government's own modelling, gets no one into work—funnily enough, lots of Labour MPs did not fancy another go. Perhaps they will think twice next time the Chancellor comes to them with a bad idea.

Paul Holmes: The Prime Minister's inability to control his Back Benchers means that the Chancellor now has to find an extra £2.5 billion to fill the savings that she is claiming to have made. Can the Leader of the Opposition guess how she might raise that money?

Mrs Badenoch: The fact that the Government have refused to commit to not raising taxes means it is probably inevitable that they will. However, it is quite clear that Labour MPs will feel emboldened to push for more unaffordable changes to our welfare system, including the two-child benefit cap.

Let us be clear: part of the reason why these plans have been so rushed and badly thought through is the mess the Chancellor has made. This Bill is an attempt to find the quickest and crudest savings possible—to plug the hole in the public finances that she has created—but the Chancellor is not the only one to blame. It beggars belief that the Labour party came into office after 14 years in opposition with no serious plan for reforming welfare. What was Labour doing all that time? The welfare bill is already totally unsustainable, and it is only getting worse.

Neil Coyle (Bermondsey and Old Southwark) (Lab): As one of the Labour Back Benchers who will be supporting the Government, I would just point out that there are not that many Back Benchers behind the Leader of the Opposition, and there are fewer every week. However, given that she has just said that she wants to cut the budget of the Department for Work and Pensions further, perhaps she could tell us what she would cut. What exactly would she do?

Mrs Badenoch: We would cut unemployment.

As I was saying, health and disability benefits are forecast to rise to £100 billion, meaning that one in every four pounds raised in income tax will pay for those benefits. That is not sustainable. Until the pandemic, we in the Conservative party had spent years bringing down the benefits bill and getting people back into work, including millions of disabled people. Talent, energy and ingenuity are not confined to those in perfect health. If we want to afford public services, improve people's lives and compete globally, we cannot consign so many people to a life out of work—we have to get

them into work. I believe that the whole House agrees that the system needs change. We may disagree on what exactly that change looks like, but what we have in front of us today is just a big mess.

Sir John Hayes (South Holland and The Deepings) (Con): The Secretary of State was right: welfare reform is tough, and Governments tend to duck the issue, with notable exceptions such as my right hon. Friend the Member for Chingford and Woodford Green (Sir Iain Duncan Smith). However, if a Government are going to change welfare radically, they should surely review the options and then decide which ones to take. By contrast, this Government have decided on their option, and are then going to review what they might have done. Surely that is not the right way to run welfare, or any part of Government.

Mrs Badenoch: My right hon. Friend makes an excellent point. I have nothing further to add—he said it as well as it could possibly be said.

The whole House agrees that the system needs to change in one way or another, but what we have in front of us today is a big mess; it is neither fish nor fowl. Because of the Government's hasty concessions, we now have a two-tier benefits system under which people who are already on benefits will be incentivised to keep them.

There are other issues. Why, for instance, should someone diagnosed with Parkinson's after November 2026 receive a lower payment than someone diagnosed a month prior? We need to fix a whole load of problems. For instance, we need to filter out people who are gaming the system, we need to redesign the system so that genuinely disabled people do not find it so Kafkaesque, and we need a fundamental rethink of who we can afford to support and why. One in four people in this country now self-report as disabled—that is an extraordinary state of affairs. We clearly cannot afford to support all of them; rather, we should focus that support on those with the greatest need.

Many people with disabilities live full and independent lives, contributing to society. Research published by the Centre for Social Justice last week shows that we could save up to £9 billion by restricting benefits for lower-level mental health challenges such as anxiety. Labour Members ask what we would change—that is one of the things we would change. Findings published by the TaxPayers' Alliance today show that people with conditions including acne and food intolerance are getting benefits and entitlements such as Motability. The impact assessments for the Bill—not my impact assessments, but the Government's—show that it will get no one into work, so the Government should think again. We will support them to do so.

We support replacing remote or online assessments for claimants with face-to-face assessments—that simple change alone could dramatically reduce the number of new claimants. Before the last election, we outlined reforms that the new Government rejected out of hand, so will the Secretary of State return to them? The changes we are discussing today are rushed and confused. Rather than the fundamental reforms we so badly need, we have been presented with a botched package of changes that have been watered down and carved apart in the face of Back-Bench pressure. There is no way we

can back this, so instead of allowing her Back Benchers to dictate her policy, the Secretary of State should go back to the drawing board. She should cut the overall welfare bill, get people into work, and eliminate the need for new tax rises. That is a programme that we would support in the national interest.

2.26 pm

Rachael Maskell (York Central) (Lab/Co-op): I beg to move an amendment, to leave out from "That" to the end of the Question and add:

"this House, whilst noting the need for the reform of the social security system, and agreeing with the Government's principles for providing support to people into work and protecting people who cannot work, declines to give a Second Reading to the Universal Credit and Personal Independent Payment Bill because its provisions have not been subject to a formal consultation with disabled people, or co-produced with them, or their carers; because the Office for Budget Responsibility is not due to publish its analysis of the employment impact of these reforms until the autumn of 2025; because the majority of the additional employment support funding will not be in place until the end of the decade; because while acknowledging protection for current claimants, the Government has yet to produce its own impact assessment on the impact of future claimants of Personal Independence Payment (PIP) and Universal Credit limited capability for work and related activity and the number of people, including children, who will fall into poverty or experience worsening mental or physical health as a result, nor how many carers will lose carers allowance; because the Government has not published an assessment of the impact of these reforms on health or care needs; and because the Government is still awaiting the findings of the Minister for Social Security and Disability's review into the assessment for PIP and Sir Charlie Mayfield's independent review into the role of employers and government in boosting the employment of disabled people and people with long-term health conditions.

I put on record my thanks to you, Mr Speaker, for selecting the reasoned amendment that stands in my name and those of other Members, and-most importantly—in the names of 138 deaf and disabled people's organisations that backed it and co-produced it, working alongside us. It is about time that we all recognised the ableism within our systems that has made disabled people feel so far away from policymaking. I am glad that my right hon. Friend the Minister for Social Security and Disability will be looking at changing that—once and for all, I trust. On these big decisions, it is so important that disabled people are involved.

My constituent sat in front of me with his gorgeous little girl, who thankfully had headphones on and was playing a kiddie's game. He said that he would not get through this. He just about manages now—some days he gets up, others not, as his mental health is failing. He cannot work. Everything else has been taken from him, and the loss of this little bit of funding to help them get by—to give him just one ounce of dignity—was more than he could bear. Then the words came: "It would be better that I wasn't here." That was also his expectation. He has tried before. He will be safe now, but the one who follows will not.

Another constituent felt dehumanised, as they would lose their independence to shower and dress, and others could not balance their books, as Scope's disability price tag is £1,095 of extra costs every month. They face changes that would switch independence to dependencedependence on social care, food banks, and pleading for emergency funds or seeking charity. Those with fluctuating conditions who came to see me just do not know where their future lies.

These Dickensian cuts belong to a different era and a different party. They are far from what this Labour party is for—it is a party to protect the poor, as is my purpose, for I am my brother's keeper. These are my constituents, my neighbours, my community and my responsibility, and I cannot cross by on the other side, as one who is better known than the 150,000 who will be pushed further into poverty. As so many of us fear and as the evidence shows, since 600 people took their lives under the Tories' brutal reforms, the tragedy of this ideology could be worse. I will fight for the purpose of politics—for these people's livelihoods and for their lives. It is a matter of deep conscience for me to ensure that for once, these precious people are treated with dignity, so that they matter for being and not just for doing.

Sixteen million; in the chaos and confusion, where the sequence of consultations on the Bill makes no sense to them, no sense to me and, if we are honest, no sense to any of us, they beg the Government to just stop and start again by listening to their voices. At this 11th hour, I plead for the Bill's withdrawal, which would be met with relief and praise. Let us consult, co-produce, incorporate the Mayfield review findings and accommodate those of the Timms review first. We should let the voices of older women, whose physical health is declining as they work into later life, come to the fore. Refuge says that disabled victims of domestic violence will not be able to leave to find their place of safety without PIP. They should be heard.

The olive branch of grace for current claimants offers no mercy to those who are to come. Disabled people have fought all their lives not to have the ladder pulled up behind them. We are talking about 430,000 people on PIP losing £4,500, 730,000 people on universal credit losing £3,000, and 150,000 people being pushed into deeper poverty. There is a reason that we are a dystopian state of excessive wealth and abject poverty: Governments focus on what they value most, and these people never get the attention. When people are left behind, it pressures services, shortens lives and breaks societies.

Sorcha Eastwood (Lagan Valley) (Alliance): I am proud to put my name to the hon. Lady's reasoned amendment. Does she agree that we have a decision to make in this House today? Do we stand alongside some of the most vulnerable—people who feel that politics cannot deliver for them? Surely we have a moral duty, across this House, to stand with those people, to pause and to show them that we care.

Rachael Maskell: What the hon. Member says is so powerful. I urge all my colleagues to take with them the stories of their constituents. We are here because of them, and they expect us to serve them in this difficult vote. I, too, find it hard, as I have known my right hon. Friend the Member for East Ham (Sir Stephen Timms) for 30 years, and I know that he comes from a good place, but this Bill is just wrong. The hon. Member for Lagan Valley (Sorcha Eastwood) is absolutely right.

If we can afford not to have a wealth tax, not to equalise capital gains and not to draw on the excess profits of corporate greed, we can afford PIP for a disabled person. We must clear the waiting lists, prevent people falling out of work, get physio to the injured, hold employers to account for their failings and make

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them open their doors. In assessments, we need to look not just at what somebody cannot do but at empowering them to do what they can. We should optimise health and opportunity and take a public health approach with social prescribing and advancing adaptive technology.

Why not have a bridge between what we have now and where we are heading at the end of this process, so that nobody falls through the net? When they are managing discomfort, despair, pain and prejudice, are isolated and lonely, or their life has spiralled out of control, disabled people want anything but this Bill. They are already discriminated and dehumanised, so I plead that we do not leave them desperate, too. There is a heavy duty on us all, and it starts with compassion, kindness, safety and support. Disabled people want reform, but not by this broken Bill. My vote weighs heavy on me, as this is a matter of deep conscience, as it should be and will be for us all. As Nelson Mandela said:

"May your choices reflect your hopes, not your fears."

Several hon. Members rose—

Mr Speaker: I will call the Liberal Democrat spokesperson in a moment, but I will be imposing a six-minute limit after his speech.

2.34 pm

Steve Darling (Torbay) (LD): I associate myself with the speech just made by the hon. Member for York Central (Rachael Maskell). The Liberal Democrats will be supporting the reasoned amendment that we are now debating.

Over the past few weeks that the Green Paper has been under debate, some of the comments from Labour high command, such as describing Labour Back Benchers as "noises off", have been disturbing in the extreme. People who should know better within the leadership of the Labour party described PIP as "pocket money", which is utterly shameful. The way the Bill is being dashed through is equally shameful, and it decreases the credibility of Ministers. If the Bill is fine, it should have appropriate levels of scrutiny. We all know that rushed Bills are poor Bills, and the law of unintended consequences will come to haunt the Government if this Bill goes through.

As has been alluded to, this two-tier approach to the system is wrong. I and the Liberal Democrats have grave concerns that it is un-British, unjust and not the way of our world. We have heard the Minister saying that it has been done before, but that does not make it right. It is almost Orwellian that we will have a system where in our law we say that all disabled people are equal, but some are more equal than others.

Neil Coyle: Is the hon. Member saying that he regrets the Liberal Democrat-Conservative coalition establishing PIP and abolishing disability living allowance? The Leader of the Opposition gave the example of someone with Parkinson's. Someone with Parkinson's who is over 65 could be on DLA, PIP and attendance allowance. Does he regret that decision? Should that situation not exist?

Steve Darling: I thank the hon. Member for his contribution—his contributions are always good value.

What message does this Bill send to disabled children? We will be saying that those who have gone down the path of their disability degenerating to the extent that they can claim PIP will be over the line, but those youngsters who know they have a degenerative condition can look forward to no PIP under the Bill.

I reflect to the Chamber that PIP is often a passport to other levels of support, such as blue badges or rail cards, which give people the opportunity of getting out and living their best lives. Perhaps the most important passported benefit from PIP is carer's allowance. We have grave concerns about this Bill's impact on those families who will no longer benefit from carer's allowance. They will be robbed of up to £12,000 a year.

Do not get me wrong; we as Liberal Democrats recognise that the benefits system is broken and needs resolving, but it needs, as we had in our manifesto, co-design with disabled groups and carers groups to make sure that we get it right for our people.

Carla Lockhart (Upper Bann) (DUP): The Secretary of State has claimed that she is listening. Does the hon. Member agree that she is certainly not listening to many of her Back Benchers, nor the 86 disability charities that have said this Bill will harm disabled people? We all know that reform is needed, but when we talk about reform, there is no mention of the fraud that goes on within the system that is costing our country billions. Surely we should start with that and not impact on and affect the most vulnerable in our society. We will be voting against this Bill today for that reason.

Steve Darling: I agree with the hon. Member.

Let me return to the reasons why people are not in work—the root causes, and some of the challenges. People have come to my constituency surgery and said, "I have a long-term illness, but I cannot be fixed by the NHS because it is broken." Until we have sorted out the national health service and the social care system, people will be trapped in long-term ill health, and that needs to be resolved as a matter of urgency. I have already banged on about this, but while we acknowledge that PIP is not an out-of-work benefit but a benefit that helps people to lead lives that many of us would take for granted, the reality is that the Access to Work scheme is massively broken, and that too needs to be resolved. While there are warm words—

Ms Billington: Will the hon. Gentleman give way?

Steve Darling: I am happy to give way.

Ms Billington: I thank the hon. Gentleman, but may I remind him that although the Access to Work scheme may well be broken, measures in the Bill and the "Pathways to Work" Green Paper deal specifically with how we should improve it for our constituents, many of whom rely on it as a way of ensuring that they can become fully able people, and able to work? If the hon. Gentleman votes against the Bill, the risk will be that that goes too.

Steve Darling: The Access to Work system has been here for years, and it continues to be broken. The Government could easily fix it, but they are choosing

not to roll up their sleeves and engage in sorting it out now. Constituents have told me that they have almost lost their jobs because of what is going on here and now. We also need answers from the carers allowance review. Many pieces of the jigsaw must be in place before we push forward with these proposals.

Let me emphasise that this is a broken system, and we should not proceed until we have heard from that Timms review. We should not be abandoning some of the most vulnerable members of society. The Liberal Democrats will vote for the amendment, and if that is lost, we will vote against the second motion. We cannot help those who are already broken by breaking a system.

Madam Deputy Speaker (Judith Cummins): I call the Chair of the Select Committee.

2.42 pm

Debbie Abrahams (Oldham East and Saddleworth) (Lab): It is a pleasure to follow the hon. Member for Torbay (Steve Darling), my fellow Select Committee Member.

I entirely agree with my right hon. Friend the Secretary of State about the need for reform of the social security system. I believe that the social security system, like the NHS, should be there for any one of us in our time of need, whether that need is a result of being in low-paid work or of not being in work at all, protecting us from poverty and destitution. Unfortunately, it did not do that under the last Government. If we become sick or disabled or if we can no longer work, the system should be there for us. I believe that the vast majority of people of working age want to work and do the right thing by their families, and, as the Committee heard, there is no evidence to suggest otherwise. We have just completed our "Pathways to Work" inquiry.

The Leader of the Opposition, who I think was the Equalities Minister in the last Government, did not mention, for example, the inquiry conducted by the Equality and Human Rights Commission—which was subsequently escalated to an investigation—into the DWP's potential discrimination against disabled people. That is still outstanding. Nor did the Leader of the Opposition mention the investigation of the last Government by the Committee on the Rights of Persons with Disabilities for breaches of the convention on the rights of persons with disabilities—not once, but twice. What she said was therefore a little bit rich.

For the last 15 years we have seen a punitive, even dehumanising, social security system in which not being able to work has been viewed with suspicion or worse—with devastating consequences, as we heard from my hon. Friend the Member for York Central (Rachael Maskell). Too many people relying on social security support to survive have died through suicide, starvation and other circumstances exacerbated by their poverty. Since 2010, under previous Administrations, 10 prevention of future deaths reports have been issued by coroners because of the direct causal responsibility of the DWP. We do not even know the full number of claimants' deaths or the full extent of the harms, but my Committee's "Safeguarding Vulnerable Claimants" report, published in May, defined recommendations to prevent such harms from being done to claimants, and it has been at the forefront of my mind while I have been considering the Bill.

I want to acknowledge some of the positive measures in the "Pathways to Work" Green Paper and the "Get Britain Working" White Paper, which I believe will have a significant and positive impact on people's lives and help them to get into work. Those measures include the reform of jobcentres and the merger with the National Careers Service; the new right to try and the new regulations just announced; the Trailblazer programme, which will increase the opportunity for people to get closer to the labour market by working with community groups, the voluntary sector and health bodies; Connect to Work, providing employment support; "Keep Britain Working", an essential and independent review undertaken by Sir Charlie Mayfield on how to reduce the appalling disability employment gap, which was not improved by the Opposition during their 15 years in power and which remains at about 29%; and—this is really important—the commitment to safeguarding, which is one of the key measures in the Green Paper.

There is also, of course, the work that the Government are undertaking in other Departments. They are increasing NHS capacity to ensure that, for example, hip or knee replacements or mental health support are available in weeks, as was the case when I was an NHS chair under the last Labour Government, not the years for which people are now having to wait. They have introduced the Employment Rights Bill and the industrial strategy—I could go on. However, the Bill, as it is currently planned, risks undermining some of those excellent initiatives.

Graham Stuart: The hon. Lady is always fair-minded in the Chamber and outside. She will recognise that 2.5 million, or perhaps as many as 3 million, more disabled people entered the workforce under the last Conservative Government. Does she share my concerns that the Bill could undermine the ability of people with disabilities to enter the labour market?

Debbie Abrahams: We have to ensure that that does not happen. There are risks: I am being very honest about that.

As we heard in the evidence that my Committee received as part of our "Pathways to Work" inquiry, ours is an ageing society, with worse health than other advanced economies as a result of the austerity policies of the previous Government, including the cuts in support for working-aged people. According to a very good report—published in 2018, so before the pandemic—if we improved the health of those in the areas with the worst health in the country, we would increase our productivity by more than £13 billion a year. We need to look at that in the round.

Melanie Onn (Great Grimsby and Cleethorpes) (Lab): Just last week, the Health Secretary made an announcement about redirecting health support to the more deprived areas. Does my hon. Friend welcome that, and does she think it will help to improve the health outcomes of people in those areas?

Debbie Abrahams: I have not yet seen the details, but it is a subject that I raised, and, as we know, the funding will follow.

Covid exacerbated these problems, as did the mental health crisis that we have experienced in the United Kingdom, especially among young people. A UK

[Debbie Abrahams]

Millennium Cohort study shows that the key drivers of the NEETS levels are poverty and austerity, as well as other issues faced by families.

Let me get back to the Bill. I thank the Government for the concessions that they have made to date to protect existing PIP claimants and people on UC LCWRA with severe conditions or terminal diagnoses. Th growing evidence of the potential harms that they would have experienced was significant, and it was the right thing to do. However, people who are newly disabled or who acquire a health condition from November 2026 will also need help with their extra costs. The New Economics Foundation has estimated that 150,000 people will be pushed into poverty as a result of no longer being eligible for PIP.

Maya Ellis (Ribble Valley) (Lab): Will my hon. Friend give way?

Debbie Abrahams: No—I am sorry, but I will not get an extra minute.

Pushing people into poverty will, in itself, worsen their condition. It will make it easier for people to live independently, including going to work, if they get money through PIP.

There is still confusion about the PIP review. Will it be co-produced with disabled people and their organisations? If so, why are we saying that the outcome of that review, and the new PIP assessment, is predetermined at four points? Therein lies the problem. Most of us are aware that this dog's breakfast of a Bill is being driven by the need to get four points to the Office for Budget Responsibility to enable it to be scored for the Budget. The Governor of the Bank of England has said that we have to stop over-interpreting the OBR's forecasts, which, as we know, are fallible.

I urge the Government to remove the reference to four points in clause 5. We can table amendments, but the Government should put a commitment to the co-production of the new PIP assessment review on the face of the Bill and delay the implementation of the freezing of UC LCWRA.

2.51 pm

Stuart Anderson (South Shropshire) (Con): It is a delight to take part in this debate, and I will speak about my lived experience. I want to put on the record that after I was shot and left the military, I received a war pension, and that having had some of my foot amputated this year, I am undergoing reassessment for that process. At one stage in my life, I was also diagnosed with complex PTSD and suffered extreme mental health issues for about 15 years, which I have openly shared in this Chamber, so I understand how people can be impacted by unforeseen circumstances.

I saw that from a young age, when my dad died and left my mum, me and my two brothers on our own, with literally nothing. We had a roof over our heads, but I watched my mum go without food to put food on our table. I spoke to my mum at the weekend, and she said that the welfare support she had at that time was a lifeline. She said that she could not possibly have seen a way through if we had not had that. I grew up on free school meals, and understood that the system supported

us and allowed us to get through what was a very challenging childhood, although I was brought up in a loving environment. Later in life, I lost a business and found that I could not put food on my children's table. I had support through a challenging time, and did everything I could to work my way out of that and get back on my own two feet.

As a Conservative, I firmly believe that there should be support for people when they need it, because you never know what you are going to face, and the support should be there when it is required. However, welfare should not be an option for people who do not want to work. I have seen many times multigenerational unemployment, whereby families create a career of benefits; they grow up having seen relatives in welfare for many years, and they do everything they can to stay in it. I have seen it at my surgeries, where people say to me, "I can normally cheat the system, but I'm struggling here." It is not everybody, but I have had people openly admit that to me. As I said, the system needs to be there for people who need it, but at the moment it is my firm view that there are a lot of people who do not need it. It should always provide an incentive for people to return to work where possible, although I also understand that some people will never be able to work and we should support them.

Government figures published in April stated that the total cost of health-related benefits in 2019-20 was £46.5 billion. That has risen to £75 billion this year, and is expected to rise to £97.7 billion by 2029-30. On this trajectory, the cost will almost double within a decade. The OBR predicts that the Government's welfare reforms will increase costs by 5.3%, but expects GDP to grow by only 1.6%.

I know the Secretary of State agrees that welfare needs reforming, because on 19 July she sent a "Dear Colleague" letter explaining a system that the Government believed was right. We then received another letter on 26 June that said the system has changed. If the Secretary of State has had to change her mind in the space of a week, how can we believe that the system being put forward is right? I do not believe it is, and this Bill is not a serious attempt to reform welfare. I will back that comment up.

We have talked about the social security system. The Government's forecast for the total cost of the social security system for 2025-25 is £316 billion, and today we are discussing a Bill that does not save even—or saves only about—1% of that cost. That is not reform; it is tinkering around the edges.

Simon Hoare (North Dorset) (Con): Given the rather botched way in which the Government have dealt with this issue and the U-turn that is proving to be unsatisfactory, and given the scale of the changes that need to be made, does my hon. Friend agree that the Government will just move away from any meaningful reform, deeming it to be too difficult or too hot to handle? That does no service to those who are in receipt of benefits, and it is certainly of no benefit to taxpayers.

Stuart Anderson: My hon. Friend is right.

The Government have a huge majority, and they have a chance to reform welfare. If they do not take it at this moment, it will not get reformed. I believe that pausing the Bill would get the support of many Members across the House. The Government should go back, create an

assessment process that can actually look at who requires welfare and who does not, and plan the system out before looking at implementing it—a multi-stage approach. I respect the Minister and am looking forward to the Timms review, but we might as well make him the Chair of the Select Committee as well; it is as if he is marking his own homework. We need to have a fairer approach, and the new system does not provide it.

I believe in welfare and have benefited of a good welfare system. I am proud that we have a welfare system to support the people who need it, but it must be affordable and sustainable, and where possible it should put people back into work. I do not believe that any of these changes are going to do that. I believe, hand on heart, that every Member will recognise that saving 1% on the whole social security system is not reformnobody can ever say it is. It is tinkering around the edges and a missed opportunity.

2.57 pm

Emma Lewell (South Shields) (Lab): I thank my hon. Friend the Member for York Central (Rachael Maskell) for her diligent and careful work over recent months. I am sad that we have ended up here. No matter what, and regardless of the concessions, a vote for this Bill today is a vote to plunge 150,000 people into poverty and to tighten the eligibility criteria for those who need support the most.

Some of us have been here before. In 2015, when the Tories pushed through their Welfare Reform and Work Bill, I and other colleagues were persuaded to vote for it on the promise that we could change it in Committee. It did not change, and although we voted against it on Third Reading, the damage was done, because the nuances of the stages of a Bill are completely lost outside this place. The result was that the savings predicted never materialised and employment levels did not increase. Instead, there was an increase in poverty, an increase in suicides, strain on the NHS and other public services, and, in the long run, higher welfare spending and reduced growth.

Ms Stella Creasy (Walthamstow) (Lab/Co-op): My hon. Friend is making an incredibly powerful case. None of us should take any lectures from the Conservatives. She and I were here when the bedroom tax was introduced. We can have many moral arguments about welfare reform, but the bedroom tax saved very little in the end, which shows that this way forward is not the way to help people into work and ultimately cut our welfare bill.

Emma Lewell: I remember well the UN rapporteur saying that the Conservatives were engaged in cruelty towards people in this country who needed help the most.

What I cannot fathom is why a Labour Government are not first putting in the support and then letting it bed in, which is what will reduce the welfare bill and increase employment levels. The impact of any cuts would then not be as drastic. The starting point should never be cuts before proper support. The review led by my right hon. Friend the Minister for Social Security and Disability, who I have a lot of respect for, is starting to look a little bit predetermined as the change in criteria will happen at the same time as the review concludes. It remains unclear how existing claimants with fluctuating conditions will be assessed, and the impact that these changes will have on the carer's allowance. However, we do know that disability living allowance claimants and those on other legacy benefits will be assessed under the new criteria, putting almost 800,000 disabled children at risk of losing support.

The north-east region has the highest number of disabled people in England, and the number of people searching for work outpaces the number of available jobs. How on earth will cutting the health element of universal credit incentivise those people to go out and find a job that does not even exist? Since PIP is an in-work benefit, restricting the very support that could keep people in work will only help to increase unemployment. All of this for £2.5 billion of savings, when we know that savings can be made elsewhere and when we know that those with the broadest shoulders could pay more. Instead, we are once again making disabled people pay the price for the economic mess that the Conservative party left us.

As it stands, we are being asked to vote blind today. There is no new Bill, no new explanatory notes and no fully updated impact assessment. There is no time for sufficient scrutiny, and no formal consultation has taken place with disabled people. The majority of employment support will not be in place until the end of the decade, and Access to Work remains worse than ever before. We are creating a two-tier, possibly three-tier, benefit system, and we know for certain that disabled people are going to be worse off. This is not a responsible way for any of us to legislate. It is predicted that disabled people will lose on average £4,500 per year, yet we know they already need an extra £1,095 per month just to have the same standard of living as those in non-disabled households. There is a reason why 138 organisations representing disabled people are against this Bill, and there is a reason why not a single organisation has come out in support of it.

I am pleading with MPs today to please do not do this. For those on my own Labour Benches, staying loyal to your party today may feel good in this place, but once you go home and are in your individual constituency, the reality of this will hit—and it will hit very hard.

Iqbal Mohamed: Will the hon. Member give way?

Emma Lewell: I am sorry, but I am concluding my

Just as in 2015, constituents will never forgive us, and it will haunt those MPs who vote for this Bill. I, of all people, should know.

3.3 pm

Mr Tom Morrison (Cheadle) (LD): I come here today fuelled by the voices of hundreds of my constituents, and I want to speak about the harm I think this Bill will cause if rushed through the House. How a society treats its most vulnerable members is a real reflection of its progression and intent, and despite recent U-turns and last-minute changes, people, including children, will be pushed into poverty because of this Bill.

Helen Maguire (Epsom and Ewell) (LD): Does my hon. Friend agree with me that changing life-critical benefits in a rush, gambling with people's futures

[Helen Maguire]

without evidence, and only listening when their Back Benchers rebel is simply not how Governments govern at their best?

Mr Morrison: I wholeheartedly agree with my hon. Friend.

As I have said, many of my constituents have raised their fears, worries and anxieties about these plans. As they have been unable to provide their own stories directly because of the Government's lack of consultation, I want to use my time to be their voice. Amy from Bramhall suffers from ME, and her illness can fluctuate hour to hour and day to day, making it hard to pass assessments for support. Amy recently appealed to me for assistance after the DWP withdrew her PIP, despite the fact that her illness was getting worse. Amy said:

"It is astounding how I can be reduced to zero points from receiving higher levels for mobility and daily care when I have not been cured nor had any improvement in how my conditions affect my life. In 2018 when my PIP was downgraded, following appeal it was rewarded back to me. Yet, now, without improvements to how I am affected it has been completely stopped."

Those who have had to face mandatory reconsideration will know the extent of the documents needed and the stress involved, but to cope with this when someone is ill and suffering every single day is simply not sustainable. Amy has been advised that the mandatory reconsideration will take 15 weeks, which is almost four months, so where will Amy get the support she needs during this wait? This situation highlights the barriers that people with chronic illnesses and disabilities face when trying to get support.

Caroline Voaden (South Devon) (LD): Does my hon. Friend agree that these changes risk devastating consequences for people living with complex mental health conditions? They may not score four points on a single activity, but experience persistent moderate challenges across many areas, and this could in fact lead to financial hardship and worsening mental health, which will put more pressure on other services and negate the point of the exercise in the first place.

Mr Morrison: I thank my hon. Friend for that incredibly important point. Whether it is motor neurone disease, blindness, ME, arthritis, mental illness or cancer, these barriers will only be further entrenched should the Bill be passed.

Disability Stockport is a local charity that specialises in autism and mental health. It has told me that it is deeply opposed to the changes the Government are proposing:

"Such cuts would exacerbate poverty, worsen mental health issues, and further reduce the already limited support available to the most vulnerable and marginalised people across Greater Manchester. We believe this would pose a serious risk of harm."

While Disability Stockport welcomes the Government's investment in employment support, it is clear that much more is needed, because of people such as Joan.

Joan lives in Cheadle Hulme and worked in financial services before falling very ill. She explained to me the persistent and defeating barriers that disabled and ill people face when trying to secure employment. She faces a six-month wait for an assessment for Access to

Work. How can this Government expect more disabled people to work if they have to wait six months just for an assessment? Joan told me that it is a degrading process to have to work without adjustments. She has to push herself through pain and fatigue, because she does not receive sick leave during her probationary period. If Joan moves jobs, she will have to start over again, despite a registered record of her need adjustments. This is just one example of the lack of full and effective investment in supporting disabled and chronically ill people into work.

The Greater Manchester Coalition of Disabled People has told me it is concerned about those using PIP to pay rent and bills. It also expressed the view that this rushed legislation does not truly apply more pressure on or give more support to employers to make accommodations for disabled people. Instead, the Bill will protect the status quo, and the onus to get support will be on the individual, not the employer. It asked:

"What will happen to 16-22 year olds who no longer get Disability Living Allowance and don't quality for PIP?"

These young people will fall through the cracks and be pushed into poverty.

By bringing forward this Bill, which could amount to the biggest cut to sickness and disability benefits in a generation, it is clear that there is no sense of the real-life impact it will have on hundreds of my constituents and hundreds of thousands of people across the constituencies represented by Members of this House.

Dr Scott Arthur (Edinburgh South West) (Lab): Can the hon. Gentleman confirm what he thinks is the extent of the cut, because my understanding is that spending is still going to increase? Can he also confirm if the cut, as he sees it, is even bigger than the cut his party forced on the poorest in this country when in coalition?

Mr Morrison: I thank the hon. Member for his comments, but these are the voices of my constituents, whom I am here to represent. Labour Members can talk about the coalition Government all they want, but I am talking about the here and now, and Members of this House will be judged on which Lobby they vote in later.

It is ironic that the Government have introduced a child poverty taskforce, yet through this Bill are actively undermining that work towards alleviating child poverty. The Child Poverty Action Group estimates that, because of this Bill, following the so-called mitigations from the Government, 54,000 children will be forced into poverty, which is the equivalent of 1,800 full classrooms.

Disabled people, and all benefits claimants, should be thoroughly consulted before legislation is rushed through. If the Government will not listen to the voices of my constituents and the constituents of other Members, then maybe they will listen to the voices of respected charities such as Child Poverty Action Group, Citizens Advice, the Trussell Trust, and Mind. They are all urging the Government to change course.

The Bill will likely reduce support to millions of disabled people, pushing at least 150,000 people into poverty. Food bank use will undoubtedly soar. Worklessness will grow and the Government will, ironically, add even more to the unemployment figures that they are so desperate to bring down. The charities rightly warn,

despite the last-minute changes the Government have hurriedly introduced, that adult social care services, NHS services, housing and homelessness support, the justice system and advice services will be catastrophically stretched, with many organisations facing breaking point.

The Government know that there are multiple other ways to ease the country's finances, but they are making a very deliberate choice to penalise a group of people who have neither the strength nor the time to fight it. It is absolutely shameful. Unless the Government scrap the two-child limit and benefit cap, child poverty will be higher at the end of this Parliament than at the start. Is that really the legacy this Labour Government want to

Finally, I urge the Government to think of the stories of Amy and Joan, and to reflect on the very real and personal impact that the changes will have on them and the millions who share their story. The Government must change course without delay. I am sure I speak for many in this Chamber when I say that we came into politics to fight for the most marginalised and vulnerable in our communities. If the Bill passes, we will have all let them down.

3.11 pm

Dan Carden (Liverpool Walton) (Lab): I am grateful to have a couple of minutes to give my comments.

I have been frustrated that Ministers have continued to say that the Bill is rooted in fairness. It originates, as far as my recollection goes, from a £5 billion cut from the Treasury, and I think that has marred the whole situation. The political mess it has unleashed is the result of a lack of a clear purpose. I am incredibly proud of the work I have done and the campaigns I have been part of with disabled charities. I am just sorry that they feel excluded from the process up until this point, but I am glad that the Secretary of State has made a commitment to work with those charities going forward.

We say we want to win the support of working-class communities, yet the people I represent, in the most deprived communities in our country, do not yet think our Government are on their side. They felt the winter fuel cut was an attack on them, and they think that taking money off physically disabled people who cannot wash themselves is plainly wrong. I want welfare reform. I want the dignity and pride of work for as many of my constituents as possible.

I want to say to the Secretary of state that I am reassured that the 14,697 people in Liverpool Walton currently on PIP will be protected, that the Government will scrap reassessments for those with the most severe conditions, and that the Government have committed to spending £1 billion a year on health, skills and work support. But we are in a dire state. There are people for whom no amount of employment support will make a blind bit of difference. There are 1 million young people not in work or training. Give them the chance to find purposeful, dignified, unionised work. If they are on benefits, get them doing something useful in the community for them. Recommit to full employment.

In the poorest areas, welfare is the lifeline for people up against a housing crisis and ever-rising bills for food, electricity and the cost of living, but of course it should not be. Tackle the fundamental problems, impose rent caps in the poorest areas, drive out the landlords extorting my constituents and help my constituents to buy their homes. I do not want the Labour party to be the party of welfare; I want it to be the party of transformation. It was founded to give workers a voice and to take on their class enemies. We are in government, with the levers of power in our hands, so show the British people that we are on their side.

3.14 pm

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John Glen (Salisbury) (Con): I wanted to speak in this debate to try to get behind some of the headlines and challenges that those on the Government Benches face in getting to a settled view today, by looking back over the last years the Conservatives had in government at some of the lessons that we must draw from that experience but which are relevant to consider today.

I will not be able to support the proposals, not because I do not think some of them have significant merit, or because I do not have the greatest respect for the Minister for Social Security and Disability, who has spent 31 years in this place and who I believe will do all that is asked of him, but because I do not think that the changes in the Bill are sufficiently ambitious to deal with the scale of the challenges we face.

I was in government for seven years and I was in the Treasury for most of that time. During the covid epidemic, we had to make some pretty quick changes while the economy was shut down overnight. They involved changes to benefits, standing up a furlough scheme very quickly, bounce back loans and many interventions to try to keep our public services going, and they were at the core of some of the patterns of behavioural change that we now see in our benefits system. I was looking at the numbers for my constituency, which I recognise is a wonderful place and also quite a wealthy place that does not have some of the embedded challenges in other parts of the country. The number of PIP claims in January 2019 was 2,065 and in April 2025 it was 4,211. The vast majority of my constituents and the vast majority of people in the country cannot understand how those numbers have doubled in such a short amount

I fully respect the aspirations of the Secretary of State and her ministerial team in seeking to address that, because we have to come to terms with what we can afford as a country. I also respect sincerely the remarks of the previous speaker, the hon. Member for Liverpool Walton (Dan Carden), whose constituency is rather different from mine, because I think we are united in this place in wanting to look after the most vulnerable. I want to see those who are suffering, who are disabled and who need support from the state to receive that support in a timely way. What I do not want to see is people written off permanently.

About 12 or 14 years ago in this House, we had a debate about mental health. Several Members of Parliament stood up and bravely talked about their own mental health challenges. We then went on a journey to bring parity of esteem to mental health and physical health in our benefits system. I believe that that pathway into assessment for mental health has not worked. It writes people off too easily and it does not serve them well, by leaving them in a place where they are, on an enduring basis, reliant on the state. As a country, we cannot afford it. It is time to legislate for more resilience: resilience in our country and in those who receive

[John Glen]

benefits such that they can get out of that place of dependency, because I do not think it is a happy place for anyone to be.

When I reflect on the changes proposed today, I can see the hand of the Treasury. I can see the fiscal imperative. I can see the public finances and what is now likely to happen in the autumn, which will mean more tax rises. Now, for some on the Government Benches that will be a price worth paying, but we as a country will lack the productive capacity to grow if we tax those who create jobs to a level where they just will not create jobs any further. We have to come to terms with that profound reality; if we do not, we are in a death spiral as a country.

I give credit to the Government for some of the steps they are taking today. However, for reasons different from those stated by many on the Government Benches, I will not be able to support the Bill. I do not think it is holistic, goes far enough or deals with the profound tragedy that has happened to our benefits system as a consequence of covid and our public finances.

Yuan Yang (Earley and Woodley) (Lab): I always appreciate the right hon. Gentleman's remarks in the Treasury Committee and in the Chamber as an extremely fair-minded colleague. I appreciated his remarks in yesterday's statement and the admission that the previous Government's handling of our recovery from the pandemic was not what it should have been. However, does he not recognise that the constituents with whom I meet now rely on their PIP to get to their places of work because of the stripping away of council funding for bus routes, social care and all the services that were left in tatters by the previous Government?

John Glen: I reciprocate the hon. Lady's warm sentiments. She makes her political points, some of which will be true in some circumstances, and some of which will not.

My point today to everyone in this House is this: let us be real, honest and true about the trajectory of growth in welfare spending in this country, and let us be honest about what we can afford. We face a transformed landscape of threats to this country, with calls for more spending on defence. We have to address our priorities, but we must also recognise that the most vulnerable need continued support. However, the system we have brings too many into dependency on the state, and that is not right.

3.23 pm

Rebecca Long Bailey (Salford) (Lab): We all know the famous quote:

"The true measure of any society can be found in how it treats its most vulnerable members."

It is a litmus test for the morality and integrity of our country's values. In recent years, the United Nations has twice reported on the conditions for disabled people in the UK, finding that there were "grave and systematic violations" of human rights. Sadly, the Bill as it stands will worsen this situation.

Despite concessions, and even excluding existing claimants, brutal cuts will still push hundreds of thousands of vulnerable, sick and disabled people into poverty.

Existing claimants will live in fear that if their situation changes and they are reassessed, they could lose everything under the new system. Disabled children will look to the future with trepidation, knowing that in adulthood the support that would have helped them to live a full and fruitful life might not be there.

I truly welcome the proposals to support with a little help those who could work, but according to the Learning and Work Institute, the number of people who will be helped is nominal, at between 1% and 3%—a finding echoed by the Institute for Fiscal Studies, which concludes that we might expect increases in employment in only the tens of thousands.

Although the concessions made over the weekend are welcome, they create a two-tier system, as the amount of support that someone receives will now depend on when they made their claim. That is simply not fair, especially as those who require help need this support through no fault of their own.

Yes, it is clear that our punitive and broken welfare system needs reform—it drives disabled people into poverty. However, there should have been proper consultation with those most directly affected in order to build a system that truly nurtures, but that has not happened. The Government should have published assessments on the impact of these updated proposals on the poverty of future claimants, those undergoing reassessments and their carers, but they have not. The Government should have assessed the knock-on impact on local authorities, the NHS and the charity sector and the scope for non-payment of household debts as people pushed into poverty desperately seek help elsewhere, but they have not. We are being asked today to vote on a Bill and rush it through without consultation or knowing the full picture, and that cannot be right.

If this is about cost, I recognise the financial challenges facing the Government—challenges that are a direct result of 14 years of mismanagement and under-investment by the previous Government—but the sad thing is that there are alternatives. The Government could introduce higher taxes on extreme wealth, end the stealth subsidies for banks and tax gambling fairly and properly. The list of alternatives is endless.

Every single disability organisation is against this brutal Bill. If we ignore them and say that it is okay to treat one group of people as lesser than another and okay to neglect the vulnerable, undermine their rights and dignity and push them into poverty, what does that honestly say about the true measure of our society? I say to my colleagues on the Front Bench: please pull back from the brink now, before it is too late, and withdraw this Bill.

3.26 pm

Ian Sollom (St Neots and Mid Cambridgeshire) (LD): Terrified, anxious and angry—these are the words that Citizens Advice Rural Cambridgeshire has heard most since these changes were proposed. I recently hosted an emergency forum in St Neots that brought together those on the frontline—food banks, advice bureaux, charities and social organisations—to discuss the impact of these changes, and every organisation said the same thing: the Government's proposals, as they stood, should not go ahead. The fact that the Government reached the same conclusion just yesterday does nothing to reassure people that they know what

they are doing. Their last-minute changes may protect existing claimants, but they will create a fundamentally unjust two-tier system.

As we have heard from my Liberal Democrat colleagues, we understand that the system needs reform, and we understand concerns that the welfare bill is currently too high. However, we also understand disabled people and their carers, which is a claim the Government cannot possibly make for themselves when they have yet meaningfully to consult those whose lives will be so significantly altered by the proposed changes.

The figures that many Members have mentioned help us to see the scale, but they do not tell the stories of the millions of real people whose lives will be changed by these reforms, so let me share the story of a 23-year-old autistic man on the Switch Now learning programme based in my constituency. Through education, health and care plan funding, he receives a full-time education and would be supported to progress into employment by next summer. Switch Now has a brilliant record of success, and I would welcome the opportunity to talk to the Secretary of State more about its work. However, his PIP was unexpectedly cut a few months ago with little notice, from around £100 a week to just £20. With that reduction, he cannot afford to feed himself through the week, let alone afford the transport to get to his programme every day or the care that he needs elsewhere.

My constituent and many others like him are doing exactly what the Government claim they want them to do: working hard, completing training and looking to the future where they can join the workforce with that support. They need that help. Hundreds of thousands like him will still face these barriers, even after yesterday's changes. A 23-year-old autistic person applying next year will be treated differently from one applying today—not because their needs differ, but because of political timing. If the Government now accept that changes are necessary, why are we voting before the Timms review concludes? Why implement a four-point threshold on criteria that the Government admit need to be reviewed?

The Government's approach exposes a lack of compassion. How will they encourage the back-to-work culture that I know the Secretary of State wants? Every person who might have a future lifeline taken away by these reforms is a human, but it is difficult to see that the Government are treating them that way.

Yesterday, the Secretary of State dismissed concerns about the two-tier system, but that is patently absurd. The Government are creating different levels of support for identical conditions purely based on application dates. Disabled people should not be shouldering the burden of fixing our public finances. They and the disability groups that represent them must be meaningfully consulted on any changes that will affect them. I will be voting against these changes and I urge anyone who cares about disabled people and fundamental fairness to do the same.

3.30 pm

Dame Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): This is, as has oft been reported this week, the first anniversary of a Labour Government— and have I not been waiting for that for a very long time? It is also the 10th anniversary of the start of my time chairing two Select Committees, first looking in detail at public spending and, for the last year, looking at the

Treasury—and what a privilege that has been. I therefore cannot stand here and claim that I did not know that the Labour Government would be inheriting a very difficult financial situation.

Although this matter is not just about money, and should not just be about money, it is a tragedy that too many young people in particular are being pushed into disability benefits. It is a sign of what the Public Accounts Committee would call "cost shunting"— failures in parts of the public sector, where money has been taken away, have seen people pushed into other areas where they could claim the money. Too often, these people are being written off, and I have too many of them in my constituency. I can see the face of one mother who came to my surgery. She was distraught that her two young sons, one of whom is in his early 20s, were in a terrible state and had never been able to work.

A week is a long time in politics, as has famously been said. One week ago, this Bill meant that more than 300,000 people currently receiving personal independence payments were fearful that they would lose them through reassessment. But things have changed since then—I pay tribute to many hon. Friends for that, particularly to many of those who chair Select Committees and to the Government, who have embraced the discussions that we had in good faith. As a result, the Government have agreed to protect existing PIP claimants to make sure that those people are not fearful that they will lose their money and that they can relax and know that they can be secure in their future.

The Government have also ensured that those receiving universal credit and the health top-up are protected in real terms. I pay particular tribute to the Chair of the Work and Pensions Committee, my hon. Friend the Member for Oldham East and Saddleworth (Debbie Abrahams), for that proposal.

Melanie Ward (Cowdenbeath and Kirkcaldy) (Lab): Throughout this process, I have focused primarily on the impact of these changes on people with severe disabilities who are unable to work. Originally, the Bill would have made those people worse off, which was unacceptable to me, but the Government's changes ensure that their income will be genuinely protected in real terms. Does my hon. Friend agree that that change is vital?

Dame Meg Hillier: I completely agree with my hon. Friend. That was one of the biggest concerns that I had with the Bill. It was also why so many hon. Members stood up and said that they did not want this to go ahead on those terms, and the Government listened.

The Government are also introducing important employment support. That presents a huge opportunity for our local councils and for others that provide that support. I am talking about not just the DWP, but charities that specialise in working with people. I have an example of such work. DWP staff in Hackney have worked with a woman, a victim of domestic violence, who at the age of 49 found herself homeless. They helped her into a flat. She was a parent of three and had not worked since she was 16. They found her work, and after a few weeks she came back to them and said, "I like this 10 hours of work a week. I want more." Intensively done, these efforts can work. It takes time, which is one reason that we needed to protect current PIP claimants.

[Dame Meg Hillier]

The co-production of the Timms review is a groundbreaking change. If the DWP adopts that, does it well and makes it the blueprint for the future, it will put disabled people in the driving seat in shaping benefits, not just now but in the future. That is long overdue and it is one of the biggest changes that came out of the discussions in recent weeks.

We all know that work is a noble endeavour. I will not repeat what others have said about that, but it is good for people and people want to work. Many disabled people in my constituency, and up and down the country, are not supported into work. Whether they are receiving PIP or they become well enough to work and do not need PIP, the dignity of work should be open to all. Too many disabled people are excluded from the workplace, so work support is critical to them.

I welcome the work of the Mayfield review. At a roundtable last week, I met employers and people who are putting people into work, who praised the early findings of the Mayfield review—one of the people there had been involved in it. It is demonstrably good value for employers to support people to stay in work because they keep that experience and knowledge.

I also welcome the right to try and all the other payments and support set out in the Bill. We need to reform the welfare system because it is letting too many people down: too many people moulder on benefits and never have the chance to get off them.

Barry Gardiner (Brent West) (Lab): I pay tribute to my hon. Friend for the work that she has put into the changes that have been made to the Bill. She spoke of cost shunting—the way that cuts in one area have forced people to claim in other areas, and those costs have risen. Does she not therefore think that it is important that the Government address those areas where the cuts have been made that forced people out, before we reduce the support for the new claimants that will be coming in?

Dame Meg Hillier: My hon. Friend raises an important point. Cost shunting can work both ways, so it is vital that the Timms review examines that. If this Government are serious about mission-led government and working across Departments, it is crucial that the Department of Health and Social Care and others are closely involved.

We all know that government is about hard choices—no one said that to govern is easy. However, I say to the Government that it is about not just what they do but how they do it. I trust that over the past week the Government have really learned that. I am blown away by the talent of Members of the House, particularly new colleagues I have met since 2024. There are people sitting on the Benches on both sides of the House who have huge talent and experience. We are not just message replicators or voting fodder—there is talent, knowledge and expertise in this House that the Government would do well to harness. It is easy to get into a bunker mentality and feel like government is hard—I have been a Government Minister; there is lots to do and there is never a minute to oneself—but listening and engaging is vital and makes for better policy.

The privilege of this place is that every centimetre of the United Kingdom is represented by a Member of Parliament, so we have reach, which is a valuable tool for anybody who takes policymaking seriously. Parliament has a vital role and the Government need to engage better with Members of this House, particularly those who work on the Committee corridor. I pay tribute to my fellow Committee Chairs. We have a constitutional role to play to challenge and cajole Government, but we also have a role to inform and shape policy.

We live in a world where we see leadership in some prominent countries by people with whom we do not have the same values. The world is being taken in a direction that I do not want to see, and that is a risk in this country. Under the last Government, we saw how division rent the party now in opposition asunder. I have spent more than half of my 31 years in elected office under Governments led by the Conservatives—that is miserable, frankly, because it means that we did not have the power to shape things in the way that we do when we are in power.

Mr Adnan Hussain (Blackburn) (Ind): The hon. Member talks about the previous Government. Does she agree that politics is about choices? This Government too have chosen cruelty: they came for the elderly, then the children and now the sick and disabled. Who is next?

Dame Meg Hillier: I am absolutely clear that government is about choices. When a party is in government, it has to make choices to run the country. Some 14 of my 20 years in this place have been served when other parties have been in government, and I have seen Conservative Prime Ministers pass through a revolving door, but I would always rather see a Labour Government. Divided parties do not hold power or government. If we want to see our values played out in this country, we need to vote for the Bill today.

There is still a lot to do, a lot of discussion to be had and the Timms review to take place, but major changes were made last week that have significantly altered the Bill in a short space of time. We should bank that and continue to fight, with the passion that hon. Members have demonstrated today, for the rights of disabled people and all of those who want a job, whether they are disabled or not, and need support to get into

3.39 pm

Mr Peter Bedford (Mid Leicestershire) (Con): So there we have it: a Prime Minister not in control, a Work and Pensions Secretary with her hands tied behind her back, and a Chancellor now scrambling to find ways to balance the books after months of reckless spending. This shoddy attempt at welfare reform has revealed something that the nation has learned over the last year: Labour did not plan for government. We all know that the welfare bill is enormous, with more than £150 billion being spent on benefits for working-age adults. A staggering one in four claim to have some form of disability; that is simply unsustainable.

The Government had a prime opportunity in their first year in office—their honeymoon period—to bring about long-term reforms, yet this half-baked Bill, which has already been hastily rewritten to appease hard-left Government Members, does not even achieve the £5 billion of savings originally intended. Worse, it leaves us with a two-tier system from a two-tier Prime Minister.

We all know why the Chancellor needs these savings: she will go down as the Klarna Chancellor—spend now, pay later. After all, she has blown taxpayers' money on 25 more pointless quangos.

Phil Brickell (Bolton West) (Lab): Will the hon. Member give way?

Mr Bedford: I am not giving away.

The Chancellor has also blown billions of pounds on GB Energy—a project so vague that no one seems to know what it does—while handing out inflation-busting pay rises to appease the unions. Now she cannot even claw back £5 billion of savings to keep market confidence as the country's debt spirals out of control.

When the Work and Pensions Secretary tabled the Bill, Conservative Members gave her three reasonable asks. First, we needed the Government to commit to reducing welfare spending, yet as their screeching U-turn shows, they are incapable of tackling that problem. Indeed, the Office for Budget Responsibility forecasts an increase of £60 billion in annual welfare costs by the end of the Parliament.

Secondly, we asked for a clear commitment that the Government would get people back to work. However, as was highlighted by the Secretary of State yesterday, the pathways to work programme will not be fully funded until the end of the Parliament, so it will arguably be inconsequential, weak and woefully underfunded.

Phil Brickell: Will the hon. Member give way?

Mr Bedford: I am not giving away; I am going to make progress. The hon. Member can repay the favour sometime.

Thirdly, we needed a guarantee that taxes would not rise again in the upcoming Budget. But let us be honest: the Chancellor has only one move left—she will raid the pockets of hard-working families, which is something Labour promised not to do. Even today, we have heard rumours in the media that she is coming after people's ISAs.

It is painfully clear that the Government have lost their fiscal credibility. I say to my constituents: I will always be there to support you and I will fight your corner when the Government come back again for more of your hard-earned income to cover their incompetence. This embarrassing failure of leadership from a Government who should be at the height of their power has led Conservative Members to conclude that we cannot and will not support the Bill.

3.43 pm

Marsha De Cordova (Battersea) (Lab): The social security system should be there as a safety net for those most in need—those who are vulnerable, disabled or have ill health—but after 14 years of the Conservatives, it has been left with gaping holes. Disabled people were the ones who suffered the most harm under previous Conservative Governments as well as under their coalition partners, the Liberal Democrats.

We all know that many disabled people suffered. Indeed, the DWP found that between 2014 and 2020 there were 69 process reviews—for those who do not know, those reviews happen when claimants have committed suicide. The National Audit Office found that in fact the

number was probably higher. Just a few weeks ago, the second coroner's inquest into the death of Jodey Whiting found that the DWP's failings precipitated her death.

I set that out because it is important that we understand that disabled people's lives have not been valued or respected for the last 14 years. Then, five years ago, when the pandemic hit, we all know that nearly two thirds of those who lost their lives had either a long-term condition, a disability or ill health. We also know that blanket applications of "do not attempt resuscitation" orders were placed on many. Indeed, Mencap found, and showed in its evidence on that issue, that that was happening to those with a learning disability. When the Government rightly put in place financial support such as the furlough scheme and the £20 uplift to universal credit, again, disabled people on legacy benefits did not attract that support. It is therefore fair to say that disabled people were hammered; in short, our lives were not valued.

In 2009, under the last Labour Government, we signed the UN convention on the rights of persons with disabilities. The coalition Government then came in in 2010 and rather than supporting and implementing that, became the first nation state to be investigated for the way in which they treated disabled people through their welfare reforms. What was found? Grave and systematic violations of the rights of disabled people—and just last year, the update to that review said that there were no significant improvements. That was the record of the last Conservative Government, so we take no lessons from them.

Universal credit and personal independence payment are there as an income-replacement benefit. When we talk about UC and personal independence payment, they are not an out-of-work benefit, and people need to understand that. This is about an extra cost benefit that is there to help those who have a disability and need that additional support.

I come to the Bill, which still includes billions of pounds' worth of cuts that will have a significant and negative impact on tens of thousands of disabled people. We know that it will potentially create a two-tier—and possibly three-tier—system. It is not me saying that, but the experts—the many organisations that provided Members from across this House with briefings. Imposing that four-point descriptor will mean that many will not be able to get support. If someone like me, who has sight loss, loses their sight in two years' time, they would potentially not get the support they need. That is unfair and unjust.

It is vital that this Government wait for the OBR's analysis. The proposals were not developed in consultation with disabled people, nor with us as Members of Parliament. Indeed, the Government's own impact assessment shows that up to 150,000 people will be affected by the changes, although it will be more than that according to analysis by NEF and many others.

I respect the Minister for Social Security and Disability, my right hon. Friend the Member for East Ham (Sir Stephen Timms), so I urge the Government to please let us have his review, let us all feed into it and let it be co-produced with disabled people. Let us also wait for Sir Charlie Mayfield's findings from his Getting Britain Working review. I have met him and I am excited by his work. I welcome some of the other proposals from the Government in their "Pathways to

[Marsha De Cordova]

Work" Green Paper on the right to try. That is so important, because I strongly believe that disabled people who want to work should be given the support that they need. Yet we all know that there are far too many challenges in that space.

I stand here as somebody who lives with a disability and as somebody who has served as a shadow Minister for Disabled People for many years. I know their lived experience. It is vital that they are at the centre of all the reforms. We cannot rush through these plans and changes as they will lead to a negative impact. We do not want to see this progressive Labour Government, who want to bring about change, break down barriers and create opportunities for people, end up leaving disabled people worse off.

3.48 pm

Kirsty Blackman (Aberdeen North) (SNP): Too much of what we have discussed today has not centred disabled people, the Bill or the changes that we are being asked to vote on. We are being asked to vote on the Second Reading of the Universal Credit and Personal Independence Payment Bill. We have had some reassurances from the Government and they made some announcements yesterday. Yet even if we take those into account, the principles of the Bill are wrong. This is the wrong Bill at the wrong time, which will attack people and make their lives worse. It cuts money from disabled people, and it is driven entirely by the need to make cuts and not by the need to improve the welfare system.

If, for example, the PIP numbers are spiralling out of control, perhaps the Government could concede that there are more disabled people than there were before. Perhaps there are more people that need additional support. The number of people on the state pension increases at a rate larger than the population of Leicester every year. Perhaps that is because there are more older people than there were in the previous year. Perhaps the increase in PIP numbers is happening because more people are struggling to live their lives. Perhaps that is because, as Scope has said, £1,095 a month is the additional cost of living with a disability.

If this is a Labour Government who are on the left, who care about making people's lives better, and whose principles are those of the party that created the welfare state and the social security safety net, why are they now choosing to dismantle it? Why are they choosing to go for disabled people when there are lots of other ways they could make savings? They could scrap their self-imposed fiscal rules. They could choose to have a more progressive taxation system. They could choose to levy this £2 billion of savings—or £5 billion, however much it is today—on someone other than the people who are already struggling.

Those people are already living in a world that is made for neurotypical people and for people who are healthy. They are already struggling with the additional costs of having to heat their homes more and having to buy special food. That is what PIP is used for: to allow people to get to work when they are struggling because they cannot do the 40-minute walk in the way that able-bodied people can. It is for people who cannot sit at home and put the heating off because they need a consistent level of temperature to manage their chronic

pain. This Bill will take money away from those people in the future who have exactly the same conditions as those who are eligible now, and it is purely on the basis of cost. This is absolutely not about reforming the welfare system.

Yesterday, the Secretary of State stood up to answer a question from me. She said:

"I do not expect the hon. Member to have read every line of our manifesto, but reforming the benefit system was in it."—[Official Report, 30 June 2025; Vol. 770, c. 32.]

It was not. Reforming the benefit system was not in the Labour manifesto. It talked about "reviewing universal credit" and said it would "reform employment support". It did not talk about reforming the benefit system. The Government are going to have a hell of a time when they get this Bill through to the Lords, because the Lords are going to know that this was not in the Labour party's manifesto.

If the Government are going to reform the welfare system, they should look at the issues that the Timms review is looking at, but to be fair, I do not have a huge amount of trust in the Timms review, given that the Minister said to me the day before "Pathways to Work" was published that I would be reassured and that I would welcome the proposals in it. The Minister honestly thought that I would welcome, on behalf of disabled people up and down the United Kingdom, the fact that they would have to get four points in one of the components of the personal independence payment to be eligible, and that I would welcome the fact that people would have the payments that they live on taken away. They use that money to be able to live. As I have said, this UK Government making these changes are supposed to be a Labour Government.

I want to talk about a couple of the specific matters in the Bill. First, the issues in "Pathways to Work" in relation to age discrimination continue to apply. They have not been fixed. There is nothing in this fudge of a compromise that changes them. A disabled person under 22 could have exactly the same additional costs as a disabled person aged 25. A two-tier system is being put in place. Also, as the hon. Member for Strangford (Jim Shannon) has said, there are major issues with the proposals on severe conditions in relation to limited capability for work. It is clear that the Secretary of State does not know what it says in the Bill. The Bill says that the descriptor must apply "at all times" for the claimant to be classed as meeting the severe conditions criteria. If I cannot do something 95% of the time, but 5% of the time I can, I will not be considered to have a severe condition. Unless the Government promise to make changes to this, the severe conditions criteria will apply to hardly anybody. People with Parkinson's, ME or MS, for example, and who have recurring or remitting conditions will really struggle to claim this benefit. The Government need to reprioritise and to rethink. They need to listen to disabled people and to understand the impact that this will have on their lives.

Several hon. Members rose—

Madam Deputy Speaker (Caroline Nokes): Order. I will reduce the time limit to five minutes after the next speaker, but I have no plans to reduce it further. Members will be able to see just how many are standing to speak and will know that this debate is scheduled to finish at 7 pm. That will mean many Members—35—will be disappointed.

3.55 pm

Richard Burgon (Leeds East) (Lab): I wish that we were not here today. We do not need to be here today. There is nothing special or magical about this Tuesday– nothing at all. The deadline we have been given is to solve a political problem. That is why so many of us on the Labour Benches have been pleading with the Government to pull the Bill, go back to the drawing board and work in partnership with disabled people and others, including with the Timms review, to ensure that we get a welfare system that works for disabled people and others. There is no need to ram the Bill through other than to save political face. There is no need to ram it through at Third Reading next Wednesday in Committee of the whole House so that disabled people cannot give evidence from their experiences in Bill Committee. There is no need to do that at all. We should be solving this problem, not solving a political problem.

We are being asked to vote on the principles of the Bill, and all hon. Friends should be clear about what those are. They are on the face of the Bill. It says,

"to restrict eligibility for the personal independence payment."

That is the purpose of the Bill. My colleagues and I did not come into Labour politics to restrict eligibility for personal independence payments. When I think about what we are being asked to vote for tonight, I think not just of my colleagues here, but of the disabled people who come to my constituency advice surgeries. I think of the disabled people who had hope in their hearts a year ago when a Labour Government were elected after 14 years.

Let's be clear: this was not in our manifesto. The Labour party as a whole has not approved this, and the Bill has been rushed through. We need to be clear that if this were a free vote, it would be hard to find many Labour MPs at all voting for it. As my hon. Friend the Member for York Central (Rachael Maskell) said, this is a matter of conscience, and we need to be clear about what we are comparing here. When we decide how to vote tonight, we are not comparing the Bill as the Government intended with the Bill as is promised; we are comparing the situation of disabled people across the country as it is now with the situation that will come to pass if the Bill is passed.

This Bill, which was brought—whatever the narrative—to save billions of pounds, with these concessions still cuts billions of pounds from disability support. No Government and no Labour Government should seek to balance the books on the backs of disabled people. That is not what any of us in the Labour family, left, centre or right of the party, came into politics to do, and that is why so many people are uneasy about this.

My hon. Friend the Member for South Shields (Emma Lewell) spoke clearly from her experience. She regretted not voting against the Conservatives' welfare Bill back in 2015. I urge all colleagues to listen carefully to what she said because the truth is this matter does not end when the voting Lobbies close tonight; this matter will come back to haunt Labour MPs in their constituency surgeries Friday after Friday up to and including the day of the next general election. People will ask, "Why on earth did you vote for these cuts?" or "Why on earth did you sit on your hands?"

It is notable that 138 disabled people's organisations are pleading with Labour MPs to vote for the reasoned amendment tabled by my hon. Friend the Member for York Central and vote against this Bill. I know the Whips and those on the Front Bench can make compelling arguments, but for me, the real compelling argument has been made outside this Chamber by those 138 disabled people's organisations. It was very telling that, when asked yesterday by my hon. Friend the Member for Liverpool West Derby (Ian Byrne) to name one disabled persons' organisation that supports this disability benefit cuts Bill, the Secretary of State could not name one, because there is not one.

I honestly believe that for any Labour MP who votes for this Bill tonight or sits on their hands, that vote will hang like an albatross around their necks. I understand that some colleagues will feel they have to vote for disability benefit cuts out of party loyalty, but there are other types of loyalty in addition to that: loyalty to our consciences; loyalty to our party's values; loyalty to our disabled constituents; loyalty to those who are really struggling and come to see their MP—people like me, on about £90,000 a year—and ask them for help. I do not want to be in my constituency advice surgery saying to those people, "You know how you've got a problem and you're in a really difficult situation? Well, that's because of the way I voted."

I urge MPs to have the democratic dignity that comes today by voting with their conscience and voting to give disabled people outside this place what they have been denied for too long: dignity, respect, a voice in this House and a vote in the Lobby—

Madam Deputy Speaker (Caroline Nokes): Order.

4.1 pm

1 JULY 2025

Alison Bennett (Mid Sussex) (LD): I want to begin today not with statistics or slogans, but with the reality of just one life: a constituent of mine, Sarah, from Hassocks. Sarah has a spinal cord injury. She is a wheelchair user, and this is what her personal independence payment makes possible.

It pays for underwear that does not dig into her skin, wedge pillows to raise her legs, grabber sticks, so that she can pick things up off the floor, and a second wheelchair to keep upstairs. It covers the use of a specialist rehabilitation gym that keeps her as healthy as possible. It allows her to buy heated blankets for the cold weather, because the cold weather makes her pain worse. It pays for specialist outdoor clothes from Norway to cover her legs, and in hot weather, it pays for extra fans, because the heat makes her injured body swell.

Sarah's PIP funds a CPAP—continuous positive airway pressure—machine that runs 24 hours a day, connected directly to the hospital, because she has developed sleep apnoea, and it pays for the additional electricity to keep it going. It pays for a specialist mattress to prevent pressure sores, bathing aides and specialist body wipes for when cleaning herself is just too difficult. It pays for extra fuel for an average of four medical appointments each month, some in Hassocks and some as far away as London, and it has helped to make her garden accessible so that there is at least one part of her home where she feels free. These are not luxuries; they are the bare essentials that allow Sarah to live in dignity, with some measure of independence.

[Alison Bennett]

Sarah told me she has no faith in the system operated by the Department for Work and Pensions and no trust that fair and just decisions will be reached, because in her experience, the DWP's overriding drive is not to understand but simply to cut.

Deirdre Costigan (Ealing Southall) (Lab): I wonder whether the hon. Member has told her constituent, Sarah, that under these proposals, nobody who is currently on PIP will have a single penny of their income cut, and they will be protected for time immemorial.

Alison Bennett: I did not need to explain that to Sarah—she fully understands that—and I am about to address that point.

The Government's last-minute climbdown has brought Sarah no comfort, because she never imagined she would be in a wheelchair. She never thought her life would change forever in an instant, and she knows that for thousands of people, that change is still to come. Life can turn on a sixpence—a single diagnosis, a single accident—and suddenly we find ourselves in a world we never imagined, up against barriers we never thought we would face. When that happens, the welfare system should be there to support us, not abandon us.

It is not just disabled people themselves who will be harmed by this Bill; it is also the millions of family carers—the unpaid carers—whose labour sustains our entire health and social care system.

Rachel Gilmour (Tiverton and Minehead) (LD): Does my hon. Friend share my concern about the fate of unpaid carers, given that carer's allowance hinges on a disabled person receiving PIP? With one in five people in my constituency who are disabled, which is well above the national average, should the Secretary of State commit to delinking carer's allowance from PIP eligibility, or as a minimum, to providing automatic transitional payments during PIP reassessments, so that devoted carers are not left destitute while assessments drag on?

Alison Bennett: My hon. Friend makes a wise point. In my constituency of Mid Sussex, one in four carers are themselves disabled. Carers UK has warned in the clearest possible terms that the Bill still risks a severe and lasting financial impact on future unpaid carers and disabled people—people already facing significant hardship. Even after the Government's partial concessions, around 81,000 future carers stand to lose support by 2029-30. That is not a small technical change; it is a decision that will push families closer to poverty, create a two-tier system of entitlements, and deepen inequalities.

Let me be clear: the Government have produced no impact assessment, no comprehensive evidence of what this will mean, and there has been no consultation with carers themselves. Carers have been ignored by the Government throughout this entire debacle, and their voice must now be heard loud and clear. The Liberal Democrats will continue to oppose the Bill, which risks stripping thousands of carers of vital assistance, and leaving some of the most vulnerable people in Britain without support. Yes, we agree that the welfare bill is too high, but if the Government were serious about bringing it down, they would be serious about fixing

health and, critically, social care at pace, tackling chronic ill health at its root, rather than punishing those who live with its consequences.

Sarah told me that she wanted to speak up not for herself but for that future community of disabled people. In truth, most able-bodied people think that they understand disability, but until someone is there, they cannot comprehend the world of barriers that are thrown up. For many, that day will come after this Government's reforms have been forced through. That is why I say to Ministers that they should pause the Bill and go back to the drawing board. They should consult the people whose lives they are about to upend, and show them the basic respect of listening before they legislate to take away their support. If we do not stand with disabled people and carers now, and if we do not insist on compassion and fairness at the heart of our welfare system, we will all pay the price later, not just in higher costs to the NHS and social care, but in the erosion of the values that bind our communities together.

4.7 pm

1 JULY 2025

Cat Smith (Lancaster and Wyre) (Lab): As Chair of the Procedure Committee, I am often asked about how we legislate in this House. Many Members, and members of the public, have approached me about the speed with which the Bill is being pushed through. Moving from Second Reading to Third Reading in eight days does not give Members the time they deserve to scrutinise the Bill, and by denying the Bill the opportunity to go into Committee, we are denying disabled people and their organisations time and space to give evidence and ensure that the Bill is the best it can be. We all agree that the current system is broken. I have been a constituency MP for 10 years, and I have lost count of the number of times that I have sat in advice surgeries with constituents who have been failed by the current system. The need for reform is clear, but it is also clear that we need to do it in co-production with disabled people.

One of my closest friends, Zara, is a disability rights activist—indeed, she was when I met her when we were 18. She taught me many things. She taught me that having a disability was no barrier to living a full and exciting life. She taught me never to dance too closely on the dancefloor of a nightclub to someone in a wheelchair, because you will lose a toenail. She taught me "nothing about us without us." That is the thing she taught me that I value most, and those are the values with which I approach the Bill.

When we legislate for disabled people without involving them, we make bad legislation—we make poor legislation, and I mean "poor" in many senses, because the Bill will push 150,000 disabled people into poverty. As a Labour MP and someone who cares deeply about reducing poverty, I cannot do that. PIP is an in-work benefit and enables many of my disabled constituents to be able to go to work in the first place, and the threats we see to it actually threaten their ability to access work. I have heard from constituents who are concerned about the fact that PIP is a passport benefit to claiming things such as carer's allowance, and I seek reassurance on that from those on our Front Bench.

Most people would agree that eligibility for disability benefits should be determined on need. The concessions we have had from Government this week lead me to think that that value is not shared, because we will see

future claimants being judged differently from today's claimants. That means that in two years' time, when I am sat in my advice surgery hearing from a constituent who is struggling to access PIP, I will be asked a question about how I voted today. I will be asked to explain why, because that constituent's diagnosis or accident happened later than somebody else's who has been left with the same disabilities, one of them is eligible and the other is not. I do not think I can look my constituents in the eye and say that I voted for a fair system, because this is not fair. A two-tier system for disability is unfair, and I do not want to be able to justify that. The Timms review will not be out until autumn next year, and I am beginning to wonder what the point of it is if the four-point rule will already be implemented by that point.

It is not easy to vote against my party Whip. I joined the Labour party 21 years ago—I added it up recently, and it was a bit of a shock that that was more than half my life. I joined because I believe in social justice and equality. I joined because people such as Zara taught me it was important to stand up for social justice and equality. I joined a Labour party that was reducing child poverty and introducing things such as the Disability Discrimination Act 2005 and actually making life better for disabled people, and I have not changed: those are still my values today. That is why tonight I will vote for the reasoned amendment of my hon. Friend the Member for York Central (Rachael Maskell). I will do so because it is consistent with my values as a Labour MP and with the mantra that Zara taught me: "Nothing about us without us".

4.12 pm

Jeremy Corbyn (Islington North) (Ind): This is a crucial moment for a lot of people in this country. This Bill did not come from the demands of the disabled community or from an understanding of the inequality and injustice in our society; the whole origin of this Bill was a demand to save £5 billion. That £5 billion was wanted by the Defence Secretary for more armaments—no doubt other Departments were making demands—so the whole thing has been driven from a bad source at the very beginning.

It would be much more honest and much better if the Government simply withdrew the Bill altogether and allowed the review of the Minister for Social Security and Disability to take place and look at the issues of poverty facing people with disabilities and the huge levels of stress that many others face. That includes children with special needs that are not met in schools and children with autism or other special needs not being housed in decent-sized homes. There is a whole area of discrimination against people with all forms of disabilities that could and should be addressed.

As the hon. Member for Lancaster and Wyre (Cat Smith) just pointed out, it was a previous Labour Government who introduced the disability discrimination legislation that made such an enormous difference. Going back further, it was the Labour MP Alf Morris who introduced the Chronically Sick and Disabled Persons Act 1970, which made a phenomenal difference to a lot of people's lives. What has happened is that that whole tradition seems to have been stood on its head.

We are now presented with a piece of legislation that was going to take the personal independence payment away from a very large number of people, but instead, after the failed rebellion by some Labour MPs, it was changed to say that only future generations will be denied access to the payments they absolutely deserve. That means that in future, there are going to be very serious levels of poverty—much worse than there are now—among every family that includes someone with a level of disability.

Dr Zubir Ahmed (Glasgow South West) (Lab): The right hon. Gentleman is, of course, entitled to his opinion regarding this proposed piece of legislation, but would he concede that voting against it also means voting against £725 extra in cash terms for those on universal credit, against denying those people the ability to try work, and against investing £1 billion in the health and skills of people who wish to try work?

Jeremy Corbyn: Voting against this Bill will be a clear message to the entire community that we believe in the equality of people's needs, and that we will bring in new legislation that will meet those needs. The hon. Gentleman knows full well that he will have to face people in his own advice bureau who will be asking why they cannot get a personal independence payment, yet their brother, their sister or their neighbour still gets it because they got it before the cut-off date. He knows full well the anomaly that, presumably, he will be voting for this evening. Perhaps he would care to reflect on that, and how to represent the people who have sent us to this place.

At the present time, the levels of poverty among the disabled community are absolutely huge. According to Scope, the cost for any family with levels of disability is around £1,000 per month. That is what will be removed if this legislation goes through. I ask Labour MPs—because it is in their hands at the present time—to reflect on what was said in the Labour manifesto last time, what was said in previous Labour manifestos and the history of the Labour party with respect to disability, and not to turn that history on its head by deliberately impoverishing the next generation. Are we to be a society that is a welfare state, with universality of benefits and support for people whoever they are and whatever their needs are—that is the whole tradition of the welfare state—or in 10 or 15 years' time are we all going to be supporting charities, trying to raise money for people who are in desperate poverty because they have a disability that is absolutely no fault of their own?

We are going to move into a two-tier benefits system, in which those who got PIP before 2026 will seem to be relatively all right, but the rest will not. This is a ridiculous situation for the Secretary of State and the Government to have put the House in, and the only sensible thing to do is to withdraw the Bill now, allow the review to take place, and recognise the needs of all people with disabilities. If that costs us more money, so be it. As a society, are we content not to have a wealth tax, to have massive levels of inequality, and to accept that those with disabilities live economically much poorer lives because of the system we have? Surely, our function as Members of Parliament is to recognise a problem and be prepared to grasp that nettle and, above all, change it.

4.18 pm

Dr Marie Tidball (Penistone and Stocksbridge) (Lab): In March 2020, when the Conservative Government looked like an outlier in appearing to pursue a strategy

[Dr Marie Tidball]

centring on herd immunity, I felt raw, hot fear. Thinking of my toddler and what might happen if I caught coronavirus meant that I sobbed deeply. After 10 years of austerity, I knew then that disabled people would pay an enormous price, and they did: almost 60% of covid-related deaths in that first wave were of disabled people. I vowed then that I would do all I could to create a country that treats disabled people with dignity and respect.

The social security system was broken by the Conservatives' legacy of austerity and their monumental mishandling of the covid pandemic. I am now one of the only visibly physically disabled Members of Parliament. I am proud that our manifesto committed to championing the rights of disabled people, and the principle of working with disabled people to ensure that our views and voices are at the heart of all we do.

My communities nurtured me growing up, and they taught me the values of fairness, equality and community. It is with a heavy, broken heart that I will be voting against this Bill today. As a matter of conscience, I need my constituents to know that I cannot support the proposed changes to PIP as drafted in the Bill. Since April, I have been engaging relentlessly with the Government at the very highest level to change their proposals, making clear that I could not support the proposals on PIP. PIP is an in-work benefit designed to ensure that disabled people can live independently. Low-level support such as PIP helps to build the bridge to the deinstitutionalisation of disabled people, keeping us out of the dark corners of hospitals, prisons and social care settings.

The concessions that the Government have announced are significant, including that all recipients of PIP who receive it will continue to do so. While that will come as a relief to my 6,000 constituents who receive PIP, 4 million disabled people still live in poverty in the UK. The proposed changes to be made in Committee are still projected to put 150,000 people into poverty. I cannot accept that or a proposed points system under current descriptors, which would exclude from eligibility those who cannot put on their underwear, prosthetic limbs or shoes without support.

Emily Darlington (Milton Keynes Central) (Lab): Does my hon. Friend agree that one of the issues with the points system is that it does not take gender into account? The assessment process does not understand that there are different issues for women and the physical things that our bodies face. Any changes that we make to the points system or descriptors must include a gender reference.

Dr Tidball: Absolutely, I agree. As a disabled woman, I know the added burden of menstruation, incontinence and pregnancy on disabled women, as those things intersect with their disability.

Research shows that supportive, incentive-based approaches far outperform cuts or sanctions in getting disabled people into sustainable employment. To be able to vote for this Bill on Third Reading, I will be looking for further reassurances that the detail of the Bill will fulfil Labour's manifesto commitments to disabled people. I need to see three things from the Government embedded in the amendments.

First, the Timms review must not be performative. The Government must not make the same mistake twice, and co-production must be meaningful. The social model of disability must be central to that, removing barriers to our inclusion in society. Disabled people's voices should be at the heart of decision making about our lives. The sequencing of the Timms review and decisions about future recipients need to change.

Secondly, the Government must consult disabled people over the summer to understand the impact of the proposed changes from November 2026 on future claimants, to mitigate risks of discrimination and poverty for those with similar disabilities to current claimants. The Government must produce an impact assessment based on that. In fulfilling the outcomes of the consultation's findings, they may need to reconsider the savings that result from this process.

Thirdly, growth must mean inclusive growth. In implementing the £1 billion employment, health and skill support programme, there needs to be a clear target and a sector-by-sector strategy for closing the disability employment gap. That matters. The Conservatives left us with a pitiful 29% employment gap and a 17% pay gap for disabled people. As the Tories vote against this Bill today, I say loudly that that should not be read as a mark of solidarity for disabled people. Instead, they should be hanging their heads in shame, acknowledging their legacy of 14 years of failure for 16 million disabled people across our country.

I am proud that our Labour Government have done much already to promote the rights of workers and opportunities for disabled people. This Labour Government now have an opportunity to build on the positive aspects of its "Pathways to Work" Green Paper to bring in a new era of policy making for disabled people that puts a laser focus on closing the employment gap. The disability sector believes that the employment gap can be reduced by 14%, generating £17.2 billion for the Exchequer. We must seize this moment to do things differently and move beyond the damaging rhetoric and disagreements of recent weeks. There is an alternative approach, in line with the Prime Minister's statement that reform should be implemented with Labour values of fairness. A reset requires a shift in emphasis to enabling disabled people to fulfil our potential.

4.24 pm

Bobby Dean (Carshalton and Wallington) (LD): I cannot proceed with my speech without putting on record my admiration for the hon. Member for Penistone and Stocksbridge (Dr Tidball). She made a courageous and passionate speech, and I hope that all Members listened to it very carefully.

Let me start on a personal note. My dad is currently receiving PIP. He has been a proud scaffolder throughout his life, and Members should trust me when I say that he is not happy to be sitting at home. He would much rather be contributing to society, but his hips are giving up on him, and the NHS waiting lists are so long that he has been told he has no choice but to stay at home. Home life is difficult. He does not score four points on any particular measure, but he cannot move around as he used to, and he needs support to manage the basics. PIP does not solve everything, but it gives him dignity and independence, helping him to live his life while he

waits for treatment. Cutting his entitlement will not incentivise him back into work. He needs no incentive. He just needs treatment. Following the Government's recent announcement, I understand that my dad will no longer lose out, but the next person like him will. The Secretary of State talked earlier about a better tomorrow, but her proposals mean discounting the value of tomorrow's disabled, suggesting they are less worthy of support than today's. It is for that reason that I still cannot support the Bill.

Let me be clear. I agree that the welfare bill is too high, but we have to look at why that is. It is not because we have suddenly become a workshy nation, but because we have become less well. If the Government were serious about reducing the welfare bill, they would focus solely on fixing the root causes: chronic ill health, a broken social care system, and a mental health crisis among young people. While the Bill does good things—and I am sure that the reviews to come will propose more good things—to address the reasons for people being out of work, that is not its primary driver. The motivation for it was made clear in its timing, just before the Chancellor's spring statement, with the core savings resulting not from helping people back into work but from tightening the eligibility criteria for a disability benefit. The Bill also removes carer's allowance from thousands of unpaid carers—people who provide tireless, often invisible care that props up our NHS and social care system. Taking away their support is not just unjust, but economically reckless.

Let us be honest about the consequences. According to the Government's own impact assessment, the Bill will push hundreds of thousands of people into poverty by 2029. How can anyone in this place look at that figure and truly believe that the Government are making these reforms to help people rather than to balance the books?

I appreciate that some will feel that the new deal struck over the weekend is a fair compromise, and in political theory it may be, but in practice it remains unsupported by disability groups and unsupported by the public. The majority in the country see the Bill for what it is: an unfair cost-cutting exercise. This is not reform; it is retreat—a retreat from compassion, from evidence and from the values that should underpin our welfare state.

I believe that there is a better way, a fairer way, one that supports people into work by investing in health and care rather than punishing them for being ill, one that helps disabled people to live independently rather than stripping them of the support that they need to survive, one that values carers rather than treating them as an afterthought, and one that does not create an arbitrary division between today's disabled and tomorrow's. That is why I will support the reasoned amendment tabled by the hon. Member for York Central (Rachael Maskell) and vote against Second Reading. We believe that reform must be fair, sustainable, and rooted in dignity.

My dad wants to work. He is not looking for a handout. He wants to be well again. I believe that there are many more like him, and that this Bill will make their futures worse. I urge Members to think carefully about the legacy of tonight's vote. I say, "Vote for compassion, vote for fairness, and vote against the Bill."

4.29 pm

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Matthew Patrick (Wirral West) (Lab): At the heart of any progressive society is a simple test: how do we support people when they are most in need? The test is simple, but the answer is anything but, because need is not uniform. The duty of the Government is to create a safety net—one that is wide enough to break people's fall, but not so wide that they can never escape it. We have a consensus in this House that the system is failing, and people are right to ask how we can fix it, but before we answer that, it is important to know where we are now and how we got here.

Where are we now? We should look at the situation when Labour came into power less than a year ago: NHS waiting lists were at record highs; 3 million people were shut out of work through ill health; universal credit allowance was at a 40-year low; young people were written off, with one in eight not in work, education or training; and we had a mental health crisis, with over 1 million people in desperate need of support. The Conservative party is responsible for that situation, and we are responsible for fixing it.

The Conservatives failed with their welfare reforms. For those who are disabled and want to work, the status quo puts up too many barriers. A disability employment gap of 28% is far too high, and behind that statistic are individuals who are being failed by the system—people who, with some adjustments, could get all the benefits that good work brings, but who are denied that opportunity. It is a dead-end system that counts people out more than it helps them up.

As more people come into the system, they are locked into the same damaging status quo. Every day, we see 1,000 new people claiming PIP. As a constituent in Wirral West said to me last week, many on PIP are in work. She is right, and it is important to point that out, but it is also the case that over 80% of people on PIP are not in work. Some of those people will never be able to work—they have an irreversible health condition that would not allow it-and they have been reassessed endlessly, which is unnecessary and cruel. But others are telling this Government that they want to work, and we have a duty to give them equal choices and equal chances, which they have been denied for far too long. Doing nothing is not an option. We have been doing that since 2019 and, at the current rate, the number of PIP claimants will more than double by the end of the decade, from 2 million to more than 4 million.

How did we get here? The statistics I have mentioned are not just data points; they tell a wider story about the path of decline that the Tories took our country down. It is a story familiar to many of us: local councils were cut to the bone, austerity left public services failing people across the board, health and social care services were stripped out, and we had a cost of living crisis that pushed families to breaking point. That is just the backdrop. The Conservatives presided over multiple failed welfare changes and scrapped the Work and Health programme, which helped unlock support to get people into work. They shut down Work Choice, thereby closing avenues to help disabled people to get on at work, and they left Access to Work in backlog chaos, meaning that many people have missed out on vital funds. The safety net was torn to shreds by neglect, and the system was stacked against those it should empower.

[Matthew Patrick]

Given that legacy, is it any wonder that people worry when they hear about reforms? I do not blame them, but we need to fix the situation. We need deep and lasting change for our country, with direct support alongside wider reforms, and that is the journey we started when people voted us into government last year. We are delivering an extra £29 billion each year for our NHS to bring down waiting times, with a 10-year plan on the way. We will provide mental health services in every school, breakfast clubs and free school lunches so that we can help future generations. Employers are part of the solution too, and our Employment Rights Bill will give people confidence that they will be supported into good work. We will build more and better-quality homes, and nearly 3 million more households will qualify for the warm home discount next year. However, those steps alone will not secure our safety net.

We cannot allow misinformation to enter this debate. That would serve only to scare those who are most in need, so let us be clear: these reforms have never been about taking support away from those who are most in need. In fact, those people will never again suffer the indignity and anxiety of needless reassessments. The Government are taking action to support disabled people with targeted help, including by increasing the disabled facilities grant by £172 million.

Johanna Baxter (Paisley and Renfrewshire South) (Lab): My hon. Friend talks eloquently about the legacy left by the Tory Government. Does he agree that we need two Labour Governments working together in Scotland because the situation—[Interruption.] Those on the Opposition Benches may not want to hear it, but one in six Scots is languishing on an NHS waiting list as a result of the decisions of the Scottish Government—

Madam Deputy Speaker (Caroline Nokes): Order.

Matthew Patrick: My hon. Friend is totally right, and the SNP record is worse. One in eight young people are not in employment, education or training here, but in Scotland the figure is one in six, and the SNP should be ashamed of its record for the Scottish people.

The Bill will introduce a right to try, so that people who receive support but have a job offer know they can take that opportunity with both hands and with no fear, because if for whatever reason it does not work out, the same support will be there for them. This removes an important barrier for many. We are also increasing the standard rate of universal credit and committing £1 billion in pathways to work funding. We aim to restore dignity to a system that has become a burden to those it should serve. This is a moment to rebuild trust in the safety net, to protect those who cannot work and empower those who can, and to restore dignity to everyone.

4.35 pm

Ayoub Khan (Birmingham Perry Barr) (Ind): This Government's Bill is not just flawed, but morally indefensible. From the outset, we need to be honest about what this Bill represents. It is not a reform; it is a calculated assault on some of the most marginalised people in our society—people with disabilities, people with complex mental health conditions and people already struggling under the weight of austerity and neglect.

This Bill continues a pattern we have seen too many times, with cuts dressed up as reform and cruelty wrapped in the language of efficiency. The Department's own assessment confirms the truth: 150,000 people will be pushed into poverty, approximately 20,000 of them children, if the Bill passes. That is not a side effect but the outcome, and the Government know it.

This Bill targets those with fluctuating, invisible or mental health conditions—the very people who already face systemic injustice. It imposes narrow functional descriptors that do not reflect the real-world barriers people face. It punishes people not for being unwilling to work, but for not fitting neatly into bureaucratic tick boxes. Worse still, there has been no meaningful consultation with disabled people or carers, and no engagement with those who live this reality every single day. The Government are making policy about disabled people without disabled people. That is not just neglect; it is offensive. The evidence is clear: the Government are looking to make savings by depriving thousands of their means to live while telling them that the planned changes will empower them.

According to research by the Joseph Rowntree Foundation, one in five people in receipt of PIP are already in paid employment and working to the limits that their condition allows. Of those, 60% will lose their PIP. These people are already in work. What more do the Government want? Why are they punishing them? In my constituency of Birmingham Perry Barr, 9,000 people rely on this vital payment, but nearly 4,000 are set to lose out entirely, including 630 people currently in work. What do the Government say to my constituents who will lose the income required to live with their condition? What do they say to the millions of families who will have to tighten their purse strings so they can pay for the basic needs of loved ones?

Deirdre Costigan: Will the hon. Member give way?

Ayoub Khan: Worse still, just a year ago, when this Labour Government came to power, the people were promised change. The Prime Minister said on the campaign trail that those with the broadest shoulders should pay their fair share, yet only one year in this Government are stripping income from those who are most in need by telling disabled people that they are not impaired enough to earn state support.

Deirdre Costigan: Will the hon. Member give way?

Ayoub Khan: This is nothing short of shameful, and if the Bill passes, it will be a national disgrace. The welfare state was built on the principles of solidarity, dignity and security, and this Bill tramples on those values. It will strip away independence, force people into deeper hardship and leave many with no safety net at all.

Deirdre Costigan: Will the hon. Member give way?

Madam Deputy Speaker (Caroline Nokes): Order. I just make the point to the hon. Member that the hon. Gentleman is clearly not going to give way, which is in his gift.

Ayoub Khan: I say to the Ministers and hon. Members who claim that these changes are needed to preserve the welfare state that the welfare state was built on the idea that everyone would receive state support for things that

were out of their control, no matter what. Passing this Bill will not preserve the welfare state but dismantle it, and I urge every Member of this House to reject it. We can and must do better than this. The people we represent deserve far better.

4.39 pm

Vicky Foxcroft (Lewisham North) (Lab): I begin by welcoming the positive steps the Department has set out in the "Pathways to Work" Green Paper on supporting people into work; the right to try work without the fear of having to go through reassessment for benefits if it does not work out; reforming and modernising the Access to Work system; disability pay gap reporting; disability employment gap reporting; ensuring everyone has access to a supportive work coach; the assessment process, and ensuring that assessments are recorded as standard, which people were desperately crying out for; and ensuring people with lifelong conditions do not need to be reassessed when we know their condition is unlikely to ever improve. I also welcome many of the concessions the Government have made over the past week: bringing forward employment support, introducing protections for current PIP claimants going forward, and recognising the need for co-production.

However, I continue to have some concerns, which I believe must be addressed. We need the Timms review to report before the new system is rolled out. On co-production, I want to start by saying that this should have happened way before we got to today's debate. I know from my time as shadow Minister for disabled people that when we work with disabled people and their organisations from the start, we produce better policy. There is so much talent out there and, like many of us in the Chamber, disabled people and their organisations want reform of the benefits system, but the reforms set out in the Bill are not what they want or need. We should have been working with them on it right from the start.

Anna Dixon (Shipley) (Lab): I thank my hon. Friend for her remarks. Does she agree that, as well as having meaningful engagement with disabled people themselves and disabled groups, it is really important that the Timms review engages with unpaid family carers, both because they are caring for people with disability and because they are implicated through carer's allowance being linked to PIP?

Vicky Foxcroft: I absolutely agree. The review needs to ensure that it has the right engagement and consultation with everybody, but it must be co-produced with the experts by experience.

I want to take this opportunity to clarify exactly what we mean by co-production. The principle of co-production is rooted in the US civil rights movement and the ladder of citizen participation developed by Sherry Arnstein in 1969. It should be in place from the start of the process. All information should be made available to everyone. A plan should be agreed together. There must be the ability to bring in experts. These experts should be paid for their contribution and treated as valued partners. We should empower and upskill those who are involved. And I hope that it goes without saying, but all information should be available in accessible formats. The valued partners need to be user-led disabled people's organisations.

I finish by underlining that the focus of making the changes should not be on making cuts, but on getting it right. The focus on getting it right means that everything needs to be in scope of the review, not just the ability to tinker within limited predetermined parameters. Co-production must take place before any changes to the current assessment criteria are proposed. If that means pausing to ensure that we get it right, then that is what we must do.

4.43 pm

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John Milne (Horsham) (LD): I have great respect for the experience and intelligence of the Ministers behind the Bill, but what we have left in front of us today is no more than a clumsy salvage operation. How on earth did we end up here? The Government say that the cost of disability benefit is spiralling out of control. They say there is no option but to make cuts. However, the premise behind this argument is too simplistic. Overall, the cost of in-work benefits as a percentage of GDP has not changed much, because every time a Government try to cut one benefit, another rises in its place to compensate.

Before any changes were proposed, there should have been a serious analysis of what is driving the surge in PIP claims, but Ministers have made little attempt to understand why—it is just a curve on a spreadsheet that needs to be flattened. We are left with the implicit assumption that the Government believe that hundreds of thousands of people are currently receiving benefits that they do not really need and do not deserve.

However, there are lots of factors driving this increase, some of which are actually a direct knock-on effect of other Government policies. For example, many of the extra claimants are the result of a recent rise in retirement age; the Government have simply shunted one benefit cost—pension payments—into another—PIP. Another big slice of the increase comes from people who are unable to access healthcare in a timely fashion, especially since covid, and have therefore fallen out of the workplace. Perhaps most of all, people are driven towards benefits by the terrific rise in the cost of living—they just cannot get by any more. Fundamentally, life costs more for people who are disabled. Besides the impact on daily living, many treatments and aids are not available on the NHS.

Overall, there are three telltale signs that what we are looking at is a botched compromise. First, we have the new four-point rule for PIP assessments. Any question that scores a one, two or three will not make any difference to the outcome. If someone cannot undress their lower half and needs help to go to the toilet, incredibly, they will not qualify for help. There is literally no point in asking half the questions on the form. The whole four-point rule has been dreamed up not because anyone thinks it is a good way to assess hardship, but to hit an arbitrary cost saving.

Secondly, we have the incomprehensible proposal to change PIP assessments next year, without waiting for the outcome of the Timms review. I quote from the Commission on Social Security, which has written to the DWP:

"The circus around the proposed changes to PIP and universal credit are a classic example of what happens if policy makers do not work with those whose lives are profoundly affected by Government policy."

[John Milne]

Thirdly, we have the decision to give higher benefits to existing claimants than to new claimants, as if someone's needs were somehow less because they applied after 2026. I do not know how anyone can stand over this as a credible policy.

Even on the most optimistic forecasts, only a relatively small minority of current claimants will be able to find jobs, and no account at all has been taken of regional employment blackspots. For every disabled person who can be helped back into work, there will be others moving in the opposite direction. About a third of ME and MS sufferers who are currently in work will be unable to continue as a direct result of losing PIP support, but they do not figure in the Government's back to work estimates. We also have the 150,000 people who will lose their carer's allowance, which is likely to rebound on the health service and wipe out whatever savings the Government had hoped to make.

The Secretary of State has set high standards to be judged by, saying:

"For me, this is a moral mission because I believe that there is a better future for people in so many parts of the country. It is absolutely not cruel."

Well, it might have been a moral mission, but it is certainly not a moral outcome. This is not fairer and more compassionate, as the Secretary of State has claimed. It is harsher and more chaotic.

The Bill can no longer be considered a serious attempt at welfare reform—it is just a cobbled together scheme to get us through the next 24 hours. I urge all Members to vote against it.

4.48 pm

Clive Efford (Eltham and Chislehurst) (Lab): I never expected to be standing here opposing Labour Government legislation that seeks to impose changes on disability benefits that will put 150,000 people into poverty. The Government's own poverty assessment states that the concessions mean there will be a "negligible" impact on pensioner and child poverty. I do not know when we became so matter of fact about the implications of putting people into poverty, or where that language comes from. I would expect us to be moving people in the opposite direction.

We talk about choices, and we hear a lot from the leadership about tough choices. I do not consider cutting disabled people's benefits to be a tough choice for us politicians, but it will mean that people on the receiving end will be forced to make tough choices about the way that they make ends meet. Too often, we make choices that adversely impact those who cannot fight back. We show deference to people with wealth and power, when we know that they should be bearing a heavier amount of the burden. Those who have enormous wealth have done extremely well over the past 15 years. Average incomes for ordinary families in that time have stagnated and the standard of living has gone down. If we want to make tough choices, we should be looking there.

I wish to use my time today to highlight some of the areas where we could make a difference: reforming capital gains tax, for instance, through increasing rates and closing loopholes to raise £12 billion a year; closing the carried interest loophole to private equity bosses so that they pay their fair share to raise half a billion

pounds; applying national insurance to investment income to raise up to £10.2 billion; introducing a 4% tax on share buybacks to raise between £0.1 billion and £2 billion a year; ending and redirecting fossil fuel subsidies for oil and gas companies to raise £2.2 billion a year; taxing private jets to raise an additional £1.2 billion a year; and stopping rich multinational corporations evading tax and mandating that they declare their profits wherever they operate to raise £15 billion a year.

Then we come to the performance of the Treasury. In 2023, according to the Audit Commission, the Treasury gave out £204 billion in tax relief. The Audit Commission, the Treasury Committee and the Institute for Government concluded that the Treasury is not investing enough into understanding the benefits of these tax reliefs. There are a total of 1,180 tax reliefs, 815 of which the HMRC has no idea what benefit they bring to us. That is billions of pounds a year going on tax reliefs.

Those are the choices that we are choosing not to make. Let us balance those choices against the choice that we are being asked to make today. It beggars belief that we are putting savings in the welfare budget ahead of changes to the welfare budget that might assist people into work. The amount of money that is available in the examples that I have given could easily offset what we are talking about today and allow us to implement the reforms of the welfare state. Then we could see how they benefit the people in the system and what savings can be achieved.

For all those reasons, I will be supporting the reasoned amendment of my hon. Friend the Member for York Central (Rachael Maskell) and voting against this Bill.

4.52 pm

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Robbie Moore (Keighley and Ilkley) (Con): I speak today not just as a Member of this House, but as someone who has lived with the reality of a disability in my own family. I grew up with a sister who has a learning disability. Later in life, she also faced the brutal challenge of cancer. I have seen for myself the emotional toll, the complexity of care, and the financial pressures that came with that journey—pressures that were not self-inflicted, or in any way her fault.

I have also seen at first hand how PIP can be a lifeline for many people working in my constituency of Keighley and Ilkley, helping them to avoid total reliance on the state. For my constituent Shane, this support is "the fragile scaffolding" on which his life and work currently depend. All these experiences have shaped my own principles, including the need to take personal responsibility, to have a moral duty to support those who genuinely cannot support themselves and to follow the foundational principle that people in exactly the same situation should be treated the same before the law. This Bill breaks those principles.

Under Labour's current plans, someone like Shane, or my sister, Becky, will be treated completely differently by the state, not due to their willingness to work, but based on a completely arbitrary cut-off date, currently being forced through by Ministers in Whitehall. If the Bill passes, someone in my constituency of Keighley and Ilkley, newly diagnosed with a learning disability, cancer or other life-changing condition in late 2026, will get thousands of pounds less in support than someone in identical circumstances today.

Ben Maguire (North Cornwall) (LD): The hon. Member is giving a great speech. He highlights the ridiculous two-tier system that the Government are setting up, whereby it is fine for existing claimants but not fine for future claimants. My North Cornwall constituents, Dennis and Jill from Bude, already face a similar two-tier system: they do not qualify for the carer's allowance because they are of pensionable age. Does he agree that we should be expanding the system rather than narrowing it?

Robbie Moore: I am sure that Dennis and Jill will be looking at the debate carefully and understanding clearly the issue of fairness, which is at the heart of what this legislation addresses. As I have explained, it is a scenario that Shane, in my constituency, is experiencing: he is able to receive PIP today, but someone in a similar circumstance to him will not be able to receive it after late 2026. That is not fair.

Jess Brown-Fuller (Chichester) (LD): Lauren, from my constituency, is a bright and determined 16-year-old young woman, who has just completed her GCSEs and came to do work experience in my office. She has cerebral palsy and is applying for PIP not because she wants a handout, but because she knows that she will need support to live independently and pursue a career and life ambitions that will probably bring her to this place at some point, if she gets her way. Does the hon. Member agree that young disabled people deserve clarity and dignity, and that this Bill is not giving them that?

Robbie Moore: This Bill gives no clarity or dignity to the many people such as the constituent the hon. Lady kindly mentions, or those in my constituency of Keighley and Ilkley. That is why I do not support a plan that creates such a two-tier system, which now seems to be the hallmark of this Labour Government and goes against the very principle of fairness.

Let us not forget exactly why we are here: these changes are being pushed through at pace, at the eleventh hour, without proper evidenced reasoning for the new cut-off date. That is not the kind of detailed policy making that we expect from our leaders.

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): My hon. Friend is making an excellent speech. Does he agree that the Labour Government's proposals are creating the worst of both worlds? On one hand, they are failing to tackle the rising welfare budget, but on the other they are creating anxiety and fear among many disabled and vulnerable people, who do not understand or know the impact of these changes on them?

Robbie Moore: That is the nub of why there is so much concern that has been consistently raised by all Members on the Conversative Benches, and many on the Government Benches as well, who, dare I say, are considering how they will vote later.

No one doubts that our welfare system, which is set to exceed £100 billion by 2030, needs reform. If we continue to follow the Chancellor's strategy of recklessly borrowing, which will have the same negative implications on PIP, some of the poorest in society who feel the biggest impact of any financial crisis will be exposed.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): Thus far, I have kept out of this debate, probably for the wrong reason, but my wife has been disabled for 26 years and is in receipt of PIP. Although I became an MP in 2017, as a family, we were deeply grateful for the support. My wife is an honest lady—I hope I do not embarrass her by saying that—and she would have been delighted to have been consulted about PIP, as set out by the hon. Member for Lewisham North (Vicky Foxcroft). She would have put her thoughts down on paper, and I am sure that many recipients of PIP would have said, "Yes, we will try to see if we can help to get the budget straight in some way." That way, the Government would take people with them; that is important and we are missing that.

Robbie Moore: Trust is at the heart of the issue, and if we want to create a system that commands public trust, this is not the way to do it. We need to reward effort and promote self-reliance, but the Bill creates a two-tier system detached from individual responsibility. We need to make the welfare system more targeted, but the Bill, like many Government policies, simply shifts new costs on to people who will genuinely be ill, newly disabled or simply younger and does little to target those relying on the state.

Anna Dixon: The hon. Member talks about fairness and trust. I wonder if he is proud of his Government's record, where Tory cuts to welfare pushed more people into poverty, with 2.9 million emergency food parcels in the last 12 months. If he votes against the Bill, he will be voting against the biggest uplift in the UC standard allowance. Is he proud of that?

Robbie Moore: I will take no lectures from somebody who supported a 10% rise in council tax across the Bradford district, impacting many of those who will be impacted by PIP.

This is not principled reform, it is not radical and it is not good policy making—and many Labour Members know it. The Government can and should be doing better. I will not support the Bill.

5 pm

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Helen Hayes (Dulwich and West Norwood) (Lab): Welfare reform is important because the current system is not working and because it has a huge impact on the lives of so many individuals and families across the country. For the past 10 years in this place, I have seen so many of my constituents trapped in poverty with the constant fear and insecurity the current system brings, but we should not be in a position in which the Government are scrambling at the last minute to make changes to improve proposals that were not good enough when the Bill was tabled. While there are many positive measures in the Bill, we should not be here because the Government have had evidence since April of the extent of concerns from right hon. and hon. Members. Those concerns have been patiently and respectfully expressed in private and in public, but it appears that the extent of those concerns was simply ignored for a long time, until it became clear that the Government might lose the vote.

We are now reaching for solutions at the final hour, which should have been better considered over a longer period of time as part of a rational and respectful response to feedback. I regret the situation deeply, and I say to Ministers that, whatever happens today and in the coming days, there must be a profound change in the approach to engagement with MPs, whose primary duty is to their constituents and especially to those who rely on the services we design and govern.

[Helen Hayes]

On where we are with the Bill, I welcome the substantial changes agreed to in discussions last week to which I was a party. The protection of existing PIP and universal credit health top-up claimants will alleviate the anxiety so many of our constituents have been experiencing for months that they would see their incomes drop, with no additional support, without any change in their condition. The commitment to co-produce the Timms review with disabled people is significant and welcome. I hope that the Government will put that commitment on the face of the Bill before we get to Third Reading and that more detail will be provided about how co-production will be done so that disabled people and their organisations can have confidence that they really will be true partners in the process, and that engagement will be properly resourced.

The commitment to bring forward employment support is also helpful. The last Labour Government sought to address unemployment and the size of the welfare bill, and they did so by front-loading employment and health support. That should have been part of the plans from the start, because addressing the barriers to employment that many sick and disabled people face is the best way to address the challenges that the Government are seeking to tackle.

Deirdre Costigan: I know that many hon. Members were concerned that support would not be put in quickly enough. However, my constituency of Ealing Southall already has £8 million of funding from the Government's get Britain working trailblazer programme. Does she welcome that the new proposals include £1.3 billion for investment in that programme and that that help will be rolled out to every disabled person who wants a job?

Helen Hayes: I welcome the bringing forward of employment support, and I know how effective that support can be, but we have yet to see it bed in.

I have further concerns that have not yet been addressed. I am concerned about the impact of the Bill on young people, and care-experienced people in particular. We need further detail on the support that will be provided for 16 to 22-year-olds, particularly with their mental health, to enable them to participate in the workplace.

There is one further concern that has not been addressed and on which I want to press the Minister, which is the lack of alignment between the conclusion and implementation of the Timms review and the implementation of raising the threshold for PIP to four points. I believe that the Secretary of State made some movement on that point in her opening speech, but so far, it is not clear that we will avoid a situation in which there will be a category of new claimants—people who become disabled after November 2026 but before the implementation of the Timms review—who will face an increased threshold without any of the mitigations that will come from a revised assessment process and descriptors that are co-designed with disabled people. That would be unfair and unequitable, and I believe that it makes the policy and putting four points in the Bill incoherent. We must have a system that aligns the implementation of the new system with the review process, co-designed with disabled people, that defines it.

I believe that the Government must also set out further detail on the impact assessment between today and Third Reading. That the Bill will plunge 150,000 people into poverty is an unacceptable consequence. If the Government are confident that their mitigations and the additional support mean that that will not be the case, it must provide this House with credible evidence so we can believe that. At the moment, we have to base our judgments on the evidence that is in front of us and that says that 150,000 people's lives will be made worse as a consequence of the Bill.

One of the most regrettable aspects of the process is that it has harmed the trust and confidence of disabled people. Full alignment of the Timms review with the introduction of the new system is an essential requirement of beginning to rebuild that trust. I will listen carefully to what the Minister says from the Dispatch Box in closing the debate.

5.6 pm

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Siân Berry (Brighton Pavilion) (Green): This cruel mistake of a Bill must fall today. The reasons in the amendment tabled by the Green party stand, and with my colleagues I will vote to stop it on Second Reading and support the reasoned amendment tabled by the hon. Member for York Central (Rachael Maskell). The proposals are a mess, the timetable is breakneck and other hon. Members have said it right: it is about the spreadsheet. The rush to get it through before the Budget is a dead giveaway that this is about making cuts and not improvements.

The Government's actions in that way do not respect sick and disabled people. Way before making any changes to social security, real dialogue should have taken place that respects their rights and needs. Already, three in four people who need to use a food bank have a disabled person in their household. The Bill will further impoverish hundreds of thousands with cruel cuts in support. The Government's promises of changes from removing to denying support will harm millions in future and create a multilayered mass of injustices. The Bill clearly must fall today.

Instead, why not do what Greens, disabled people's organisations and many Members across the House have proposed and work with disabled people to co-produce a social security system that is fair, humane and accessible, without pre-emptive criteria? A whole playbook of proposals was put forward by the hon. Member for York Central on tabling her amendment. Why not do that? Why not develop policies that are genuinely good value, which do no harm and which achieve the stated objectives of helping to invest in people to save money? Why not raise the investment needed to save on future spending from fair taxation on the very wealthiest, who are orders of magnitude away from the struggle to survive that MPs hear about every day from the people the measures are aimed at? The least advantaged should not pay, but there are those who clearly should.

I echo many Members across the Chamber when I say that I am sad that a Labour Government have brought us here. This is in such contrast to the post-war principles that the party once stood by, which were about real social security alongside investment in jobs. Shamefully, in its current form, the Bill brings in the largest social security cuts since summer 2015, 10 years ago when George Osborne was Chancellor.

The compromise proposals that mainly protect current claimants are unfair and divisive, and so many will remain unhelped if our honourable colleagues give in. What about the young people whose disabilities are yet to develop and who will need PIP to thrive? What about the people who fall sick or get injured the day after these measures come into effect? And what about the people with conditions such as Parkinson's, MS or ME, who are still effectively excluded from the Government's serious condition criteria because the Bill does not allow for fluctuating conditions?

This whole process has truly scared people, and it has mobilised them. I have heard directly the testimonies of worry and fear from hundreds of my constituents in Brighton Pavilion. The Secretary of State knows that I have raised with her the terror that people are feeling right from the start. Will she now apologise for that? I have heard from a roundtable of organisations in Brighton who are supporting people to get by. They have told me how people are using disability benefits to cover just the very basics, such as shortfalls in rent, heating costs and food. I have heard how local employment services are hanging by a thread and local authority support has been hollowed out. Brilliant organisations such as Amaze, Money Advice Plus, St Luke's and Citizens Advice are already inundated with people concerned for their futures. They want structural barriers and inequalities removed first, but they want investment in people as well.

Today, we must vote down these proposals, so that the Secretary of State can listen and learn and go back and do better. Those who are sick, injured or disabled today and in the future need our solidarity, and they will get it from the Greens.

5.11 pm

Clive Lewis (Norwich South) (Lab): When coming to a crunchy question or problem, I always think it is wise to take a step or two back and try to unpick some of the assumptions that underpin the issue—to see the bigger picture, if you like. Not everyone will agree with some of the conclusions that I come to, and that is fine—this is a debate, not an echo chamber, although some people may be surprised to hear that—but it is right that we robustly test the proposition before us, to try and understand the structural issues that underpin this Bill.

Let us consider the key issue here: rising welfare costs could lead to the welfare budget becoming unsustainable. The assumption often made is that welfare costs rise because of individual failings, such as people being lazy, unwilling to work or even dishonest—workshy, in other words—but this assumption does not stand up to scrutiny. The welfare bill is not growing because people suddenly became lazy. It is rising because our economy and our society are fundamentally broken. They are broken because of 14 years of cuts and of dehumanised, punitive changes wrapped up as reform but little more than a brutal disciplining of the workforce, compliments of the Conservatives. That workforce are increasingly finding themselves trapped between insecure low pay and in-work poverty, or a humiliating workfare programme that has sucked the marrow out of millions, leaving them drained and burned out and leading to a soaring mental health crisis.

What does explain our dilemma is the fact that work itself has fundamentally changed. Jobs are less secure and often poorly paid, and many who work full time still need benefits because wages do not meet the basic costs of housing, food, childcare and utilities. On top of this, the cost of living crisis is being driven by a toxic mix of structural failures. The climate crisis has increased volatility in the global supply chains of everything from microchips to semiconductors, pushing up food and energy costs. At the same time, companies operating under monopoly and oligopoly conditions, particularly in the energy, water and food sectors, have taken advantage of this disruption to engage in price gouging, driving profits sky high while families struggle to make ends meet.

As has been repeatedly pointed out, the weakness of trade unions has limited workers' ability to bargain for pay rises that reflect rising costs—costs that, by and large, Governments have failed to cap. Yes, caps on energy prices have been half-heartedly attempted, but what about a cap on rents and on greedy landlords? What about capping the large agri-corporations pushing up food prices or water companies extorting all of us? These are the underlying structural causes. Their collective outcome is a relentless squeeze on real incomes and an increased reliance on welfare simply to survive. In truth, our welfare system is increasingly the state subsidising employers who pay poverty wages, landlords charging unaffordable rents and corporations extracting vast profits, all at society's expense. All the while our climate and ecology decline, adding to that instability.

The Bill, which at its heart is about balancing the books by tightening welfare eligibility and gatekeeping access, will not address those root causes. It still punishes victims rather than tackling the structural failures, and I cannot support it. That is why I will support the reasoned amendment of my hon. Friend the Member for York Central (Rachael Maskell). The Labour Government have made a start on many of those structural issues—the trade union Bill, GB Energy and the leasehold Bill—but they must go further and faster if we are to make a real impact on who our economy works for and, ultimately, bring down the welfare bill.

Welfare reform should deliver dignity and fairness, not austerity and exclusion. Until we face those deeper truths, we will continue to address the symptoms rather than the causes, perpetuating the very injustices we claim to want to solve and that so many of us came to this place to sort out.

5.15 pm

Robin Swann (South Antrim) (UUP): I rise to support the reasoned amendment and to vote against the Bill, which will produce an abandoned generation: young people with disabilities and life-limiting conditions who are currently on children's disability living allowance and who would normally transfer to PIP at the age of 16. The Bill completely ignores them and forgets about them. The usual process is that around someone's 16th birthday, the DWP sends them an invitation to claim PIP, and it is then up to the parent or young person themselves to apply, within a time limit of 28 days. This Bill does nothing to address that. It is a process of mandatory self-application, so there is no automatic conversion for a child with a disability or a life-limiting condition who is already entitled to DLA to move on to PIP.

The stricter eligibility criteria in the Bill and the concession actually make it worse, because as of November 2026 new PIP claimants must meet the four-point single

[Robin Swann]

activity daily living test. For those young people with a disability or life-limiting condition who are currently in receipt of children's DLA who would normally have transferred to PIP, come November 2026 their condition must be such that it enables them to reach that four-point eligibility test. Those young people, who this place and the devolved legislatures keep talking about and encouraging to stay in education and be supported with their special educational needs, are now being told that, come 16, if their condition does not meet the four-point criteria, they will not be in receipt of personal independence payment. That payment is a door opener for their families and allows them to access carer's support. It allows those young people, if they look to further their education or employment, to access mobility and support schemes. It allows those young people with disabilities and life-limiting conditions to hope and to dream, and to be eligible for support to enter the workforce. If a young person who, come November 2026, does not have a condition that allows them to reach that four-point criteria, that payment will be denied to them.

Mr Adnan Hussain (Blackburn) (Ind): I want to share the words of young disabled children from my constituency. They said to me this weekend, "Don't speak for us, speak with us." That struck me, because so often in this place decisions are made about people without ever really listening to them. Does the hon. Member agree that if we are serious about a just and compassionate welfare system, we should honour those words, "Don't speak for us, speak with us" and, better still, listen?

Robin Swann: I thank the hon. Member for that intervention. I have met these young people, too. I met people from an organisation called BraveheartsNI, which represents a cohort of young people with congenital heart defects who are at that transitional stage. They told me about the real concerns—they are not just concerns, but fears—among these young people, who have been looking forward to the opportunity to go to university, get on to training courses and seek employment but still require additional support.

Mencap has highlighted that child DLA is the main childhood disability benefit for children aged nought to 15. Some 166,000 children with learning disabilities, autism and Asperger's retained or increased the total monetary value of their child DLA award when transitioning to PIP. Mencap is concerned that this number will decrease because of those young people not being able to achieve the four-point eligibility criteria.

For the sake of those young people who have special educational needs, disabilities and life-limiting disabilities, who we all come to this place to support—to give them a future and to give them hope—I implore the Government to withdraw this Bill now, go back, engage and co-produce something that meets the needs of our country and our young people.

Several hon. Members rose—

Madam Deputy Speaker (Caroline Nokes): I call Andrew Pakes.

5.20 pm

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Andrew Pakes (Peterborough) (Lab): On a long, hot, sweaty day like this, one of my hearing aids has collapsed in the middle of this session, so I am only half hearing you, Madam Deputy Speaker—you did call me, didn't you?

Madam Deputy Speaker: indicated assent.

Andrew Pakes: Thank you—you have saved me the embarrassment.

It is a great privilege to speak in this debate alongside so many passionate advocates who want to get this reform right. I think all of us on the Government Benches, whatever our differences of opinion on a point of policy, came into this House to make a difference and fix the welfare system, to liberate and create opportunities for people. I thank the Secretary of State for her statement yesterday and welcome news of the PIP assessment review, which moves us forward. It is vital that we engage those most affected by a failed welfare state in designing a successful one.

We have put off change for too long. That is particularly true when it comes to young people. If politics is about choices, condemning nearly a million young people to the scrapheap of unemployment was the choice of the Conservative party. I want to focus my contribution on how these changes can affect young people and their life chances.

Full employment and good-quality jobs have been a central part of Labour's most successful Governments. That is why fixing Britain's broken system of social security must be a priority for this Labour Government. There is no dignity in denying young people the opportunity to learn, earn or make a better life for themselves. As we approach the 80th anniversary of the 1945 Labour landslide, we must remember previous Governments who have dealt with such big challenges. Work was essential to that great 1945 Labour Government. William Beveridge's landmark report in 1942 laid the foundation for Labour's post-war welfare state, with an NHS, free education for all and full employment.

The vision of Labour leaders such as Attlee, Morrison and Bevin was that every citizen would live a life free from want, squalor, disease or poverty, with meaningful help when times were tough. In return, every citizen was expected to play a full part in the social and economic life of the nation. Looking at the high number of people not in education, employment or training—NEETs, that terrible phrase—in my constituency, I see an economy that is still letting people down, a mental health system that is letting young people down and an NHS system that is trapping too many young people on a life of benefits.

When the Minister winds up the debate, can he confirm that we will deliver the employment support that young people need and simplify the way that benefits and jobcentres work, so that young people get the support they deserve? Will the Secretary of State work with the Secretary of State for Health and Social Care to fix our broken mental health system, so that young people have a hand up rather than being pushed down? Our values should be about compassion, and our social security system should be about dignity for those who are unable to work or need support. That is why I welcome the protections that have been announced for people already on PIP.

There has been a common theme in the debate. Many Members have raised concerns not with the fact that the Timms review will happen—it will begin to embed co-production, as the Secretary of State and many others in this House have said—but, I think legitimately, about its timing.

Anna Dixon: Will my hon. Friend give way?

Andrew Pakes: I will give way.

Anna Dixon: I thank my hon. Friend for giving way and I am pleased that he could hear my desire to intervene. Does he share my concern that the Timms review is too slow and will not conclude under its current timetable until next autumn? Does he agree that the Timms review should be accelerated so that a package of measures that have been co-produced with disabled people and their carers, including young people, can be implemented in November 2026?

Andrew Pakes: I thank my hon. Friend for making an important point. I would, if possible, give my right hon. Friend the Minister for Social Security and Disability Duracell batteries to turbocharge his work in this area.

The Minister for Social Security and Disability (Sir Stephen Timms): During this debate, my hon. Friend and others across the House have raised concerns that the changes to PIP are coming ahead of the conclusions of the review of the assessment that I will be leading. We have heard those concerns, and that is why I can announce that we are going to remove clause 5 from the Bill in Committee. We will move straight to the wider review—sometimes referred to as the Timms review—and only make changes to PIP eligibility activities and descriptors following that review. The Government are committed to concluding the review by the autumn of next year.

Andy McDonald (Middlesbrough and Thornaby East) (Lab): On a point of order, Madam Deputy Speaker. I would be grateful for your clarification. We have just heard that a pivotal part of the Bill, clause 5, will not be effective, so I ask this: what are we supposed to be voting on tonight? Is it the Bill as drawn, or another Bill? I am confused, and I think Members in the Chamber will need that clarification.

Madam Deputy Speaker (Caroline Nokes): The hon. Member will be aware that that is not a matter for the Chair, and the vote will be on the Bill as it stands. We have had a clear undertaking from the Dispatch Box as to what will happen in Committee.

Andrew Pakes: As a member of a party that often debates clause IV, I welcome today's news about clause 5, which I think addresses many of the concerns that hon. Members across the House, particularly on the Government Benches, have raised.

There is an urgency to moving forward with the Bill and with change. Today's system is broken. The legacy of the previous Government is shocking. Some 2.8 million people are outside the labour market due to long-term sickness. That is the same as the populations of Birmingham, Leeds, Sheffield and Liverpool combined. One in eight young people are outside education, employment or training. The UK is the only G7 economy where sickness rates are higher than before covid, and

as we have heard, health and disability-related benefits will cost around £100 billion over the next four years. That has a massive impact on our national resources. Economic inactivity not only holds back growth and makes us all poorer, but it blights the lives of those without work. That is why Labour Members believe that tackling worklessness is not just an economic case but a moral crusade.

In conclusion, I want to see real support for people to get skills, opportunities and jobs. I want every 18 to 21-year-old to be offered a life off benefits through an apprenticeship or training. I want real support for people with poor mental health so that they can access the care they want. We need Labour's Employment Rights Bill to be fully implemented to change the culture of work, so that employers work with disabled people to create the opportunities we need. Most of all, we need a system of social security that is there for everyone with a genuine need, so that no one falls into poverty because they lose their job and everyone who can work is given a path back into employment.

5.28 pm

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Iqbal Mohamed (Dewsbury and Batley) (Ind): I rise not just with grave concern but with absolute conviction. I speak in support of the reasoned amendment tabled by the hon. Member for York Central (Rachael Maskell), and with a plea to the Government to pause, think, reflect and bring back something that will work for the betterment of disabled people. I am afraid to say it, but I have been saddened to hear disabled people being presented in a negative light throughout this debate, although not by all Members. Disabled people are not a burden on society; they are part of society, and they make an invaluable contribution to it. The support that they receive allows them to make that invaluable contribution.

If this Bill passes, it will do unconscionable damage to disabled people, their carers and their families, who are already on the brink in this cost of living crisis. It will deepen poverty, increase hardship and undo decades of progress on social security. I urge the Government to withdraw it now and come back when it is fit for purpose. My independent alliance colleagues and I have been clear and consistent in saying that we are acutely aware of the devastation this Bill will cause. We have fought it and will fight it every step of the way until a Bill that is fit for purpose is before us.

Today we are being asked to sign off on billions of pounds in cuts without any credible data. We have a moving target, as elements of the Bill that are published will no longer apply when it comes back to the House. We have heard the Department's analysis that 150,000 people would be pushed into poverty, and maybe more than 20,000 children. Despite the talk of concessions that were rushed out and tweaks that were made, they do not change the core injustice.

This Government want to create a two-tier welfare system in which today's disabled people get help but tomorrow's disabled people are discarded. New PIP claimants will have to pass a cruel new threshold to qualify for PIP compared with existing claimants. My question to the Secretary of State is: can she explain to my constituents who designed this four-point system? Who defined the criteria by which somebody would qualify or not qualify?

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Mr Adnan Hussain: Does the hon. Member agree that now is the time when the Government need to confirm what we are voting on? We have had U-turn after U-turn, and I believe Members are confused.

Iqbal Mohamed: I will accept a Government who listen, adapt and change their approach in the light of new evidence put before them, so I would congratulate the Government on improving on the proposals. I really do not question the core intentions. Fourteen years of waste and mismanagement have led us to the point of having an unmanageable welfare state, and that absolutely must be assessed and improved, but that cannot be at the expense of support for the most vulnerable in our society.

This Bill will impact not just on disabled people, but on carers. It slashes £500 million from carer's allowance, which is the largest real-terms cut since the benefit was introduced in 1976. Carers save this country tens of billions of pounds through unpaid labour, and nearly half of them already live in poverty. Is this really the thanks that they deserve?

It gets worse: if an existing claimant loses their PIP on reassessment, which happens all too frequently due to assessor errors, they will be treated as a new claimant and be subject to stricter rules. That includes anyone moving from DLA to PIP. That is punitive and regressive, and will erode trust in the entire system.

We are told that there will be consultation, but what consultation happens when a Bill is pushed through in a single week without adequate scrutiny or engagement with those most affected? The principle of "Nothing about us without us" has been flagrantly ignored.

We have heard from Scope that the extra cost of living with a disability is nearly £1,100 a month, which is not covered by PIP. That is expected to top £1,200 by 2029, yet under this Bill those same people will be expected to survive without the support they rely on. The Government expect disabled people to shoulder £15,000 in extra costs and to offer them less and less.

The public see through this. Only 27% support these reforms, while nearly half of those surveyed believe that they will worsen the health of disabled people, and over half expect more pressure on the NHS. These cuts will make people sicker, more isolated and more dependent on an already overstretched service. The politics of this is damning, but it cannot be about politics—it must be about the people we are in this place to serve. I ask the Government to please go back, wait for the consultation to be completed, and then integrate the learnings and the feedback from the people affected so that this legislation makes a positive contribution to our society, not a negative one.

5.35 pm

Imran Hussain (Bradford East) (Lab): There is no denying that the ideological austerity of the previous Government over the past 14 years has led to the decimation of our services, the devastation of our communities and extreme poverty, as well as an economic mess, so I get that this Government have to make some extremely difficult decisions. However, the central point in this debate is that we cannot balance the books on the backs of some of the most vulnerable people in our society. It is not the fair thing to do, it is not the right thing to do, and simply put, it is not the Labour thing

Labour Members who oppose the Bill do not come from the same place as Tory Members. We come from a place of sincerity; they come from a place of political game-playing. We continue to come from that place of sincerity, but it is disrespectful to Back Benchers, and in particular to Labour Members, that we continue to be fed things piecemeal, even at this late stage. While I welcome the previous concessions and today's concession, we have been talking about this for months, and we could have been engaged in the process. We approached it in good faith, and this piecemeal approach makes a further mockery of a process that will result in hundreds of thousands of people being pushed into poverty.

The timescale we have been given already lacks the respect that this democratic House should be afforded, but the piecemeal way in which information is being leaked to us means that we are being asked to rely on the good will of Ministers. I have the greatest respect for Ministers, but we as Back Benchers should be afforded the same dignity, because we have all been elected on the same premise. My constituency of Bradford East suffers from some of the worst health inequalities and child poverty—over half of all children who live in my constituency are living in absolute poverty. I have to go back and face them.

Regardless of what Ministers tell us, the Bill today is the same Bill we had a week ago and the same Bill we had when it was introduced. That is what we are voting on. We can discuss the concessions next week if the Bill makes it, but it must be pulled today, because I cannot go back to my constituency tomorrow and tell my constituents that for the sake of some concessions that were not in the Bill, I voted for it, even though it could deepen the poverty that people on my streets face. That is not the premise I was elected on.

Simon Hoare: The hon. Gentleman is making a most correct and powerful point, which is that this is not the best way of making law and it is hugely disrespectful to Members on all sides of the House, irrespective of position. Does he agree that that is compounded by the woefully inadequate time that is being set aside for Committee consideration of the Bill and Third Reading next week? That timeframe is very truncated, and we are all absolutely dizzied by the number of U-turns and concessions. The hon. Gentleman is right: it is much better to withdraw the Bill, start again, and bring it back in September.

Imran Hussain: Absolutely, and I will come on to that point. I have already touched on the seismic nature of the Bill. To be frank, I have spent a decade in this place, and I have never seen a Bill of this seismic nature and with these direct consequences being rushed through in one week. The motion that goes to the House of Lords will be a money motion, which will not allow it to make any amendments before the Bill comes back.

Jeremy Corbyn: The hon. Member is making an excellent speech. Would it not be a sensible way forward if the House simply passed the excellent reasoned amendment moved by the hon. Member for York Central (Rachael Maskell) and parked the issue there? We would then have the necessary consultation and preparation for a more effective Bill.

Imran Hussain: Courageous political leadership sometimes demands that we admit it when we get it wrong, like we did with the winter fuel allowance. I sincerely think that people respect us when we get something wrong and come back to it. We have had concession after concession, and that is admission enough that we have got this wrong. My view remains that it would be dignified for the Government to say, "We will go with the reasoned amendment. We will have meaningful consultation with disability groups, and then we will come back."

Everything I say is said in absolute sincerity, and I finish by making a point that has been made by hon. Members on both sides of the House, many of whom are acting in good faith for the collective good of the people they represent, which is this: all of us will have to go back to our constituencies and justify the decision we make today. I have always promised my constituents in Bradford East that I will never vote for anything that will increase poverty and deprivation or deepen the health inequalities in my constituency, because it is not this place that sends me to Bradford, but the people of Bradford who send me to this place. I will remain true to them, I will remain accountable to them, and I will make sure that their voice is heard. I will be voting for the amendment, and I will be voting against the Bill today.

5.42 pm

David Chadwick (Brecon, Radnor and Cwm Tawe) (LD): What an excellent and powerful speech to follow. We should all be here to stand up for the dignity of people who need us to stand up for them.

I know what it means to become disabled, because 11 years ago, I developed Guillain-Barré syndrome. It happens to one in 100,000 people. Unfortunately, I ended up totally paralysed for three months, but fortunately I then made a full recovery over the next couple of years. It was an insight into what it is like to become disabled. I went from full health to total dependence overnight and lost the ability to move for three months. Fortunately, I was lucky and I recovered, but I remember those early days vividly and what it was like to suddenly learn to live with a disability. I remember, for example, having to have some clicking contraption, and a hook to be able to grab my socks and get dressed in the morning. That is an example of the extra costs and challenges that people living with disabilities face, as has been highlighted today.

Personal independence payments are a lifeline that enable people with disabilities and long-term health conditions to live independently, participate in society and, crucially, stay in work if they can. Wales will be hit hard by this proposal. In Wales we have higher rates of long-term illness and disability, and in rural areas the cost of living with a condition is even higher. These changes will hit hardest where communities and people are struggling to cope as it is. The Government's so-called climbdown does not fix this. Delaying the stricter criteria until 2026 does not make the policy fairer; it just creates a two-tier system. From 2026, someone newly diagnosed with a condition will not be entitled to the support that someone with the same condition receives today.

When I was diagnosed with Guillain-Barré syndrome, I was added to a Facebook group consisting of many people who had been struggling to live with the consequences of it, and who talked about how they coped. Clearly the people being added to that group today will be in an even worse position, and that is frankly immoral. If the

Government were serious about trying to reduce the welfare bill, they would be focusing on fixing the issues in health and social care and tackling the root causes of chronic ill health, or providing good jobs across Wales. In Wales, where Labour has been running the healthcare service for more than 25 years, 800,000 people, almost a third of the population, are stuck on NHS waiting lists, and more than 9,000 people have been waiting for more than two years to start treatment. That means hundreds of thousands of people are unable to work as normal because they are languishing on waiting lists.

So many people in Wales are not receiving the healthcare that they need, although our welfare system as a whole was built by Welsh politicians, by Nye Bevan and David Lloyd George. In Wales we know how to fight for each other, and we do not forget our roots, but the Government have. It was shameful to see Welsh Labour politicians sitting there on the Front Bench. People in Wales will be disgusted by the changes being made to disabled benefits and PIP payments, which will make life harder for people with disabilities.

Claire Hughes (Bangor Aberconwy) (Lab): On the subject of tackling the root causes of illness and poor health, does the hon. Gentleman agree that the substantial package of mental health support announced by the Welsh Labour Government this weekend, including £5.6 million to tackle the long waiting list for children awaiting diagnosis for conditions such as hyperactivity disorder and autism, is to be welcomed?

David Chadwick: I think we all know that a great deal of this is political posturing, and that the Bill will not fix the underlying problems we have in Wales. Many of those problems have been caused by the Conservatives' closing down of our industries 40 years ago. Wales has been waiting for a response since then, and this is not it. Picking on the vulnerable is what the Conservatives do, but it is not what the Welsh do, and that is why we voted them out last year. I say to Members, "Do not punish people for getting sick. Do not divide disabled people into first and second-class citizens. Do not vote with the Government today."

5.47 pm

1 JULY 2025

Paula Barker (Liverpool Wavertree) (Lab): Let me start by saying how shocked I am that the Minister has intervened, near the end of the debate, to say that he will be removing the whole of clause 5 from the Bill. While I am grateful for the concessions, this has further laid bare the incoherent and shambolic nature of the process. It is the most unedifying spectacle that I have ever seen. As the House has just heard, we will vote tonight on the Bill as it stands on the Order Paper, and not as amended. I am really sorry to say this, but when it is not written down, it is not worth the paper it is written on. We were promised a Hillsborough law by April this year, and nothing has come to fruition.

Robin Swann: Will the hon. Member give way?

Paula Barker: No, I will not.

It is with sadness that I will vote for the reasoned amendment tabled by my hon. Friend the Member for York Central (Rachael Maskell), and I will vote against the Bill. I implore my Government to do the right thing: to pause, take a breath, and let us get this right.

[Paula Barker]

Before entering Parliament I had served local government, the trade union movement and working people throughout my life. Service matters deeply to me, and I see it as my job to do exactly that as a Member of Parliament. I am a passionate believer in the dignity of labour and of secure, well-paid work being the route out of poverty and to opportunity and a life free from fear, but this Bill, I regret to say, will create poverty, and has already induced fear.

I think everyone in this House believes that we need to reform our welfare system, but we must be honest: the Bill before us today is not reform. It is simply cuts, which have been brought forward to fill an economic black hole. In the Liverpool city region, nearly 30% of residents are disabled—more than 10% above the national average. Liverpool has one of the highest disability rates in the country, and our region already experiences some of the highest poverty rates in the UK.

Even with concessions, this Bill still entails cuts, not reform. It will see 150,000 people pushed further into poverty, and create a stark disparity in our welfare state for disabled people. Despite a commitment to co-production, there is nothing that commits the Government to ensure that the PIP assessment review's findings have any bearing on this legislation.

Over the last few weeks, we have heard a lot about the lack of time to scrutinise legislation when debating another Bill in this place, yet here we are with a Bill that has concessions that are not actually on the face of the Bill because there has been no time. There will only be eight days between Second and Third Reading, which is truly a lack of time to scrutinise proposed legislation.

Kim Johnson (Liverpool Riverside) (Lab): My hon. Friend is making a very good speech, and we are here as legislators. Does she agree that the fact that we have been denied the opportunity to scrutinise the Bill denies us the opportunity to make it right for disabled people?

Paula Barker: I thank my hon. Friend for her excellent intervention, and I absolutely concur with her views.

We must be crystal clear on what we are voting for tonight: we are voting for the Bill as it stands, unamended. The late changes, combined with the compressed parliamentary timetable, mean that MPs will have just a single day to debate and consider amendments, and the fact that this is a money Bill means that it will not be subject to amendments from the House of Lords.

Our movement, at its best, is the rising tide that lifts all boats—not some, but all. I cannot in good faith look my constituents in Liverpool Wavertree in the eye and tell them that this Bill would improve their lot, because quite frankly it will not.

5.52 pm

Ann Davies (Caerfyrddin) (PC): I have heard some really passionate, personal speeches in the Chamber today, and I thank all hon. Members for their testimonies and contributions.

The Universal Credit and Personal Independence Payment Bill is a direct attack on ill and disabled people, just to cut costs. Arbitrarily restricting eligibility for PIP, and cutting the health element of universal credit, will have devastating and lasting consequences. Whatever this Labour Government claim, there is neither fairness nor compassion in their approach to welfare. It is certainly not fair or compassionate for the people of Wales, who will be disproportionately impacted by these measures.

I thank organisations such as Policy in Practice and the Bevan Foundation for their vital work in filling the absence of data for Wales, which the UK Government have all but refused to provide. Four of the 10 local authorities that are worst hit by the welfare cuts are in Wales, impacting on 6.1% of the Welsh population at a cost of £470 million for our communities. In Carmarthenshire alone, the economic impact will be nearly £17.5 million, and too many people will suffer. My constituents will suffer.

Robin Swann: I just want to make a point of clarification. The hon. Lady mentions that her constituents will suffer. The Government have withdrawn clause 5, but under clause 6 the legislation will still apply in Northern Ireland. Are the Government going to put a barrier down the Irish sea with regard to PIP?

Ann Davies: I will allow the Minister to answer that in his closing statement. I could not possibly comment.

My constituent Clare Jacques has several disabilities, including arthritis. She currently receives PIP, which has helped her to build on her master's degree in equality and diversity in work and allowed additional support, such as the ability to have a carer accompany her when necessary. Ms Jacques does not have four points in any one part of the daily living component. Versus Arthritis has calculated that 79% of people who claim PIP in Wales for arthritis alone score fewer than four points, which is nearly 17,000 people.

This is not just about claimants. Mencap, which has been mentioned, has estimated that over 13,000 carers may lose their carer's allowance in Wales due to caring for people with fewer than four points. The Government's justification for this suffering is completely flawed. The Joseph Rowntree Foundation has found that 60% of recipients scoring four or fewer points are already in employment in England and Wales, rising to 63% in my constituency of Caerfyrddin.

The UK Government claim that their amendments to the Bill will lessen the blow—we will have to wait until after Second Reading to see them—but they are set to penalise people who become disabled after the arbitrary cut-off date of November 2026. What data has informed these concessions, and what specific evidence suggests that people can pick and choose when they become sick or disabled, because that to me looks like discrimination? Legal experts for the Equity union agree that it could be

"unlawful on the grounds of arbitrariness."

Such arbitrariness looks half-baked considering the PIP assessment review will be published only in autumn 2026.

The UK Government's amendments to the Bill do not address the fundamental injustice at the heart of these measures. Is plunging 150,000 people into poverty rather than 250,000 really a marker of success? Is only punishing people who will get ill or disabled in future, or those who turn 18 later, really a sign of a fair and compassionate welfare reform? I call on hon. Members across this House, and particularly my friends on the

Labour Benches, to vote against this cruel Bill. The Labour UK Government must abandon these damaging plans entirely, and instead create a welfare system founded on dignity, equity and compassion, and one developed with disabled people and representative organisations. Plaid Cymru Members will be voting for the reasoned amendment moved by the hon. Member for York Central (Rachael Maskell) and against the Second Reading of the Bill.

5.57 pm

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): Millions of disabled people will listen, view or read about this debate and its consequences, and feel fear. For some Members of the House, this is just an afternoon's political cut and thrust, but for the disabled it is the rest of their lives.

Members will have heard that we should be concerned about the rising trajectory of welfare spending in this country. Ministers say that all the time, but what about the rising trajectory of tax avoidance, or the rising trajectory of salaries in the City of London? Why must people on welfare bear all the opprobrium and have the money taken out of their pockets? We are the Labour party, and historically we have stood up against injustice. Why are we stepping away from that today?

Anybody who has ever had anything to do with the welfare system knows that it needs reform. I deal month after month with dozens of people who are struggling with the welfare system. It is not that people do not accept that it needs reform. The problem is these reforms, which are unfair, ill thought out and, in the end, focused on saving money.

On the question of the personal independence payment, too many Members talk about PIP as if it is too easy to claim, and that people are gaming the system or even engaged in some sort of scam. The truth is that PIP is generally not merely difficult to claim, but humiliating to claim. Any reform should deal with that.

There are so many practical problems with the Bill. It is being rushed through in a week, which is ridiculous. There has been no formal consultation with the people whose lived experience it is concerned with. It is not a coincidence that a not a single organisation which speaks for the disabled supports the legislation. It will become law before two important reviews—one into PIP itself, the Timms review, and the "Keep Britain Working" review—will actually report. The reviews, and in particular the Timms review, will actually be a dead letter.

And because it is too late to change the face of the Bill, Members are being asked to vote purely on the basis of verbal assurances from Ministers. None of us would come to an important arrangement with our council on the word of councillors, so, with all due respect, why are we expected to vote for a law that will affect millions of people's lives and drive hundreds of thousands of people into poverty purely on the basis of what Ministers claim they are going to do? I, myself, continue to oppose the Bill on moral, legal and political grounds.

Millions of disabled people will watch this debate on television, hear about it from their friends and family or read about it in a newspaper. They will not be able to believe that the Labour party—the Labour party—is putting legislation through like this. If this legislation means anything at all, it means money coming out of the pockets of the disabled, otherwise what is the point

of it? If you are going to save money in this financial year, disabled people have to lose money. It will be shocking to so many people listening and hearing about this that Labour Ministers are standing up and putting this through to hit Treasury targets.

Even at this late stage, I urge colleagues to think about the people who put us here and withdraw the Bill. It cannot be right that we have had concessions so late in the day, even in the course of the debate. If Ministers were proud of what they are doing, concessions would not be coming so late in the day. As I say, even at this late stage, we should withdraw the Bill.

6.2 pm

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Shockat Adam (Leicester South) (Ind): I have been sitting here for over four or five hours, and there have been so many changes and concessions that I really do not know what we will be voting on. This is no way to bring in a Bill, when it is so important to people's lives.

The independent alliance stands firmly against the Bill, because it is unfair and unworkable. No Member should, in good conscience, vote for it. Of course, abuse of the welfare system is unacceptable—we all agree on that—but the Bill does not target fraud. It targets the most vulnerable and most needy in our communities.

There have been some excellent and very powerful contributions, and, like everybody else, I have constituents who have shared their story. Jo, a constituent of mine, is actively suicidal. All sharp objects and medications have been removed from her home. The only reason Jo is not in hospital is that there are no beds available, yet Jo has been told she is not ill enough to qualify for PIP under this system. Is this the kind of society we want to build? The Bill is not just unfair; it is unworkable. The Government are asking Members to vote for cuts now based on the promise that they will help people back into work in future, yet the supporting evidence from the OBR will not even be available until October. The process has been rushed, the consultation inadequate and the system proposed cruelly simplistic. Scoring four points on a single activity will become the deciding factor in whether somebody receive life-changing support.

According to the Joseph Rowntree Foundation, cutting disabled people's benefit will not magically create suitable jobs, especially in those areas of the country that have long had a weaker jobs market.

A disability that is close to my heart is visual impairment. There are 2 million people in this country living with visual impairment, which is set to double by 2050, yet 25% of employers would not be willing to make workplace changes for employees with a visual impairment, and 48% did not even have an accessible recruitment process. There is nothing addressing this issue.

Government figures estimate that these changes will push approximately 150,000 people, including thousands of children, into poverty. There is no credible employment support plan for them. There is no guarantee that those whose conditions fluctuate will be treated fairly. These changes will disproportionately punish people with mental health conditions, like Jo.

Politics is not a game. We cannot balance the national budget on the backs of disabled people, and the public know this. I will be supporting the reasoned amendment tabled by the hon. Member for York Central (Rachael Maskell), because this Bill is simply unfair,

[Shockat Adam]

even though I am not quite sure what it stands for at the moment. It is unworkable and unworthy of this House's support. I urge all Members to do the same.

6.5 pm

Gill German (Clwyd North) (Lab): It is safe to say that the topic of today's debate has been my overriding focus in recent months. I thank my constituents and all organisations for their input, as well as the Secretary of State and the wider DWP team for listening to concerns, and indeed for acting on them with recent amendments.

The Bill will raise the universal credit standard allowance by the largest increase since the 1970s. It will help 3.9 million families with an average gain of £265 a year, bringing us closer, finally, to ensuring that every family can afford the essentials without relying on charity or community support. I wholeheartedly welcome this as part of the Government's wider efforts to rebalance universal credit to better reward work and improve basic adequacy, along with an end to reassessment for those with the most severe conditions and an end to work capability assessments, as well as the right to try work without the risk of losing existing entitlements and crucial increased investment in health and into work pathways.

However, the undeniable focus of the Bill has been changes to the personal independence payment. I truly thank my Clwyd North constituents for their time and their trust in sharing their stories so openly. To them, I say: I hear you, and will continue to represent you. So many of my constituents have been desperately worried about what the eligibility changes mean for them; this concern is real, and it must be taken seriously. One constituent said to me:

"Every time I turn on the news, it's there. I've looked at the changes and I know they won't affect my payments, but I keep wondering if I've got it right...and it's causing me real anxiety."

That level of fear is hugely regrettable, and is a responsibility we all share.

Thanks to the incredible support of advice organisations in Clwyd North, many of my constituents have navigated the complex PIP system—one, by the way, that is too reliant on appeals and outside agencies—and now have some stability in meeting daily costs, which remain far too high for far too many. It is right that the Government have listened to these concerns, and I welcome the Government's amendments to protect existing claimants and the accelerated review of PIP assessments with a stronger commitment to co-production with disabled people.

However, it is also right to recognise that the system is not working as it should be. It is right that we recognise that too many believe that they have nothing to offer and that their health, and particularly their mental health, defines what they can do. It is also right that we stop that belief being passed on to the next generation—something I have seen far too often as a teacher—and stop too many young people feeling that they do not belong in the social networks and financial independence that good work provides.

The expected soaring reliance on PIP reflects the woeful lack of health and local support that has been offered until now. Areas such as mine have sought to fill

this gap, with services that create bespoke pathways to work—like the pathway trod by my constituent whose life changed forever when he was helped out of his bedroom, which he had stayed in for years while struggling with his mental health, and into stable work in our local hospitality sector. There are many more like him. We must turbocharge that support, working closely with health services to provide the wraparound care that people need. And, as an inactivity trailblazer area, Clwyd North is determined to lead this effort.

Reform is endlessly challenging, but it is necessary as the system we inherited is not working. It is a hugely ambitious challenge and requires us to be bold and determined. I came into politics to be bold, and I will work tirelessly to make real change happen. And it is with that belief that I support this Bill today.

Madam Deputy Speaker (Ms Nusrat Ghani): I call Steve Witherden—not here. I call Ian Byrne.

6.10 pm

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Ian Byrne (Liverpool West Derby) (Lab): I just need to clear up a few things. This vote tonight is on the Bill that we have in front of us, which include includes restricting eligibility for PIP. Even with what the Minister has just said, three quarters of a million low-paid, sick and disabled people will lose the health element of universal credit, costing them £3,000 on average. That is £2 billion-worth of cuts even after what the Minister has just said. If the Government want to change it, they should pull it and start again. I know how frightened disabled people must be watching this debate tonight and seeing the shambles rolling out in front of us. Last night, I stood outside this building with people from Disabled People Against the Cuts, many of whom had travelled here despite the heat and the real hardship. They told me not just of their anger, but of their fear, their sense of betrayal and—I do not use this word lightly, Madam Deputy Speaker—of their terror. They are far from alone.

At a recent citizens' assembly in my constituency, disabled constituents and families came together to discuss this Bill. Not one person supported it. Yesterday, I asked the Secretary of State whether she could name a single disabled people's organisation that supported this Bill. She could not name one—not one.

Disabled people in my constituency tell me that they feel abandoned and punished. Perhaps most heartbreakingly, they believed that, after 14 years of Tory austerity and attacks, covid, and the cost of living crisis, a Labour Government—their Labour Government—would protect them. That belief has now been shattered. Madam Deputy Speaker, I ask myself how can I look them in the eye and tell them that they are wrong, because the truth is that this Bill is an absolute shambles. It is immoral. It has been rewritten on the fly. Policies affecting millions and millions of disabled lives have been made up in this Chamber over the past couple of hours. We are being asked to vote on a Bill, as legislators, without full impact assessments, without proper scrutiny, without even knowing what the final version will be. How can we vote for something so absolutely consequential for so many people in our constituencies across the country without the data, without the analysis and without everything that we need as legislators to make informed decisions?

What we do know, though, is devastating. The Government's own figures say that this Bill will push at least 150,000 more people into poverty and 100,000 more people into absolute poverty. It will create a cruel two-tier welfare system, where support depends not on need, but on when someone was assessed. That is not just unworkable; it is absolutely morally indefensible.

Madam Deputy Speaker, some votes define us in here. They reveal who we are and who and what we stand for. This, tonight, is one of those votes. I say to colleagues, especially to those on my own Benches: do not ignore the voices of the people who need us most; stand with them. Stand on the right side of history. Vote against this Bill and hold your head up high.

6.13 pm

Chris McDonald (Stockton North) (Lab): I was pleased yesterday to hear the Secretary of State acknowledge the anxiety of disabled people in her comments from the Dispatch Box. If we really want to understand why changes such as this cause such anxiety and fear in the disabled population, then just sit and listen to the speech that was completely without empathy from the Leader of the Opposition at the start of this debate. Areas such as the north-east of England where, over decades, industry has declined are the same places that have the highest levels of poverty, poor health outcomes and consequently the highest need for social welfare support.

The right hon. Member for Salisbury (John Glen) talked about the lack of productive capacity. I can tell him that it was successive Conservative Governments who stripped the productive capacity from seats such as mine. That is why Professor Peter Kelly, a former director of public health for Stockton North, when asked what would be the best way to improve the health of our residents, said it would be for

"everyone who can to have a secure, well paid job that they like doing".

We see it time and again: a physical health condition is left untreated due to long NHS waiting lists and the resulting inactivity leads to musculoskeletal problems, which turn to isolation, anxiety and depression. Our benefits system often compounds that hurt, forcing people to prove and reprove their disability, creating a climate of doubt rather than dignity. I am pleased to see that the Bill will address that by removing the need for reassessment and protecting existing claimants.

I thank the Minister for Social Security and Disability as well as other Ministers for listening to me when I have raised the concerns of my constituents. There have been some really meaningful concessions on the Bill, such as the protection of existing claimants, support for new claimants and inflation-proofing of annual increases, but as the Minister knows, a major concern for me has been clause 5—I was pleased to hear about the withdrawal of that clause—as well as the Timms review on PIP assessments.

I am also concerned about mental health being made worse by debt and unemployment. I welcome the Government's investment in expanding access to occupational health and the almost 7,000 new mental health workers since last July. Those are not just policies; they are the foundations for a healthier and, I think, more hopeful society.

We have heard a lot about work and Labour's commitment to work, with the purpose and dignity it offers as well as the improvement in mental resilience. I want to be clear that there is a value judgment behind that, but it is not one that chooses to separate people in work from those who are not. People's lives have equal value regardless of whether they work, but work does in and of itself improve the quality of people's lives.

Lola McEvoy (Darlington) (Lab): My hon. Friend is giving a passionate speech about our region. Does he agree that although lots of people would like to contribute, for too long the workplace has not been disability-friendly? My experience as a trade unionist is of seeing time and again people who really needed support and wanted to be in work being managed out of the workplace, despite that being illegal. They have told me that they were bullied out of the workplace because of the weak reasonable adjustments clause.

Chris McDonald: I agree that accessibility to work is important, both through buildings and transport, as well as Access to Work. It is not just about supporting people to get into work but whether they can physically get into work.

To reiterate, people's lives have equal value regardless of whether they work, and it is our duty to ensure that as many people as possible are supported into secure, purposeful, well-paid work, and that employers satisfy their duty to make necessary adjustments for people with disabilities.

My hon. Friend the Member for Norwich South (Clive Lewis) outlined some things that the Government are doing to try to reduce unfairness. I would add to that investment in our NHS, which will help deal with people's long-term health problems, and the employment support measures announced by the Government, which will offer a pathway to work. The Employment Rights Bill and the industrial strategy will create more opportunity for work.

I also want to speak directly to those who may never return to work. They deserve dignity, and they deserve unconditional support. They offer more to society than previous Governments have ever recognised. This is the time to turn a page on Conservative Governments who treated claimants with suspicion and to work hard to build trust with actions rather than words.

I would like to conclude by quoting a few words that I heard on the "Today" programme last week from the former welfare Minister, Lord Blunkett. He said:

"Labour is the party of supporting people into work, not the party of keeping people on benefits."

I have got faith in the intrinsic value of everyone in our society and their ability to contribute. So long as the voices of disabled people continue to be heard and they remain at the table, the Government's plan for changing the country will enable everyone to thrive regardless of their ability.

6.19 pm

Ian Lavery (Blyth and Ashington) (Lab): I have to say that I am absolutely amazed at what has happened, even just this afternoon. Like many people in this place, I have been totally ignored when saying anything about this Bill. The Bill was published a few months ago and very little consultation, if any, has taken place.

[Ian Lavery]

I have been here nearly 15 years and have never once seen a massive commitment given about a Bill like the one my right hon. Friend the Minister for Social Security and Disability has just made in an intervention. This is crazy, man! This is outrageous! The Bill is not fit for purpose. If we looked at the 16 pages that make up the Bill and I asked my right hon. Friend the Minister to rip out the ones that have changed, there would be only two pages left. Withdraw the Bill!

With the commitments given from the Front Bench, we are really not that far from some sort of satisfactory Bill that everybody would get behind. If we had had another hour or two, we could have voted on something that we would all have agreed with, instead of this hotchpotch of a Bill that means nothing to nobody.

I might seem terribly cross, and that is because I am. That is because we are discussing the lives of millions of disabled people who live in our constituencies. Not one of them voted for their representative, regardless of the party, to reduce the PIP payment or any payments received by disabled people. We also have to remember that this is not just about disabled people. It is about people who are sick, who are ill—people who one day were absolutely fine and the next day, possibly because of an industrial accident or some sort of illness, lost their capacity to earn any money.

The Bill as it stood—the Bill as it still stands, I should say—means that there would be a two-tier system. It does not do any good to try to argue the cheat in this House that there would not be a two-tier system. Somebody with a condition is paid money and given support to a level on one day and then the next day, because of a date on a calendar, the support for someone else is less. I am happy to give way to anyone who can tell me how that is not a two-tier system and how that is not unfair. Come November next year, if the Bill continues as it is, people who might have paid their tax and national insurance for many years and who are currently not ill or poorly and who do not have a serious condition could fall into that bracket the day after the introduction of this legislation. That cannot be fair, man—it just is not fair.

I am speaking here among good colleagues. I think everybody has had a rough time over the past few weeks and we want to see a resolution. We understand that there is huge expense involved and we understand the black hole that we found when we got into power, but people did not vote for the Labour party's change to be a change for the worse. They really had some faith in the Labour party. I still have a little bit of faith left, but it is draining out of us and it is draining out of my constituents. We need to restore that faith and make sure that people really understand what change we mean and what we meant at the time of the election. I say to the Minister: we need to look after people. We need to look after not just the sick and the disabled, but everyone else in this country. That is what change means.

6.24 pm

Darren Paffey (Southampton Itchen) (Lab): I speak as a signatory to the reasoned amendment tabled by my hon. Friend the Member for Hackney South and Shoreditch (Dame Meg Hillier), because I recognised, as many

across the House did, that there were serious problems with the original version of the Bill. Welfare reform, which we all believe in, has to be fair, compassionate and grounded in evidence, and I am afraid that the Bill, as first published, failed on all three counts. I acknowledge that there have been significant and welcome changes, and I genuinely thank Ministers for meeting me and for listening. We all know that scrapping or reducing PIP for people who are already in work was always the wrong target. It risks making employment harder, not easier, for many disabled people, and it is right that current recipients of PIP—there are over 7,000 in my constituency—will now be protected.

If we are to avoid repeating the mistakes of this recent period, we need a proper process for consultation and co-production. Ministers have said that they will now do that through the Timms review, and that is the right vehicle. I welcome another concession around the £300 million of employment support that is being brought forward. In my view, that should always have been front and centre to this reform. Intentions alone are not enough, however, and while I welcome the removal of clause 5, which will mean introducing no changes before the Timms reviews reports, I am concerned that this process remains open-ended.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): I, too, welcome the commitment that was given from the Dispatch Box on the removal of clause 5, but I wonder whether my hon. Friend shares my hope that, when the Minister sums up this evening he will categorically state that those people grandfathered in today, to help get past that clause 5 moment in the Bill, will still be grandfathered in without clause 5 and despite whatever comes out of the Timms review, so that they are not put back into the pool of potentially being reassessed in the future.

Darren Paffey: My hon. Friend makes an important point that I hope the Minister will confirm.

There are other assurances that many of us would like to hear from the Dispatch Box today, including a defined timetable for the report. In wrapping up the debate, will the Minister confirm that November 2026 is now no longer a relevant date at all? I am glad that we will now avoid the absurd situation of having potentially three different assessment regimes running in parallel. What has been announced will, I hope, give clarity to claimants and will, I hope, in good faith demonstrate that the Government are serious about introducing reform properly.

Kirsty Blackman: If November 2026 is not a hard deadline any more, why do the Government need to push this Bill through today? Why does it have to get through before the summer recess so that it can go to the Lords in order that it can be in place before November 2026 if that date no longer matters?

Darren Paffey: Most of the answer to that question is obviously a matter for the Minister, but I do not want to delay the uplift in universal credit, so I am willing to vote that through today.

We understand the catastrophic financial mess that we inherited, but we have to underscore the fact that abstract OBR dogma means nothing to our constituents

who have been worried these last few weeks. There must be a willingness from Government from the Dispatch Box today to rebuild that trust. Reform has to start with the right foundations: with investment in the NHS to help people become work-ready; with a renewed Access to Work scheme; with better jobcentre support; with the right to try; and with employer engagement. These are all good measures, and they all have my full support.

As I have just said, I welcome the uprating of universal credit, as well as the scrapping of the work capability assessment and the additional support that has been promised to those who cannot work and will never be expected to. These are important steps in restoring fairness and dignity to the social security system, but my supporting the Bill today, which was a last-minute decision, does not mean that I give the Government a blank cheque. I, like many across this House, will be watching very closely as the next stage unfolds. I still believe that the next stage is rushed, but we are where we are. I will consider opposing the Bill on Third Reading if today's commitments are not delivered on in the coming weeks. That is not a position I enjoy being in, and anyone who thinks it is an easy position to be in does not know what they are talking about.

In constituencies like Southampton Itchen, we know the difference that a fair and functioning welfare system can make and the damage that is done when it fails. That is why we have to avoid making the same mistakes that the last Conservative Government made. Casting our minds further back, we all remember the Conservative and Liberal Democrat coalition's litany of failure on welfare reform—the bedroom tax and Atos doing reassessments. I accompanied my mum to her reassessment. She was a nervous wreck because that was an absolute disaster of a scheme. We will remember the great sanctioning machine known as the Work programme. This Labour Government have different values to that, and we must demonstrate them.

There is a great opportunity here today to commit to a clear timetable for the review so that people can rebuild trust in what is about to happen, convince us as a House that the review will be a meaningful co-production, and set out what employment support will come with the £300 million that is being brought forward. If the Bill passes today then, by the Government's own rushed agenda, they have one week to get it into shape. If we get the system right, we will have a reformed welfare system that delivers on the Government's objectives to support people who can work into work with dignity and prosperity, and—yes—to ensure the sustainability of the welfare system.

Samantha Niblett (South Derbyshire) (Lab): Will my hon. Friend give way?

Darren Paffey: I am coming to a conclusion.

Let us build a system that is sustainable, but that is, above all, just and fair.

6.31 pm

Mary Kelly Foy (City of Durham) (Lab): I speak on behalf of the hundreds of desperate people in Durham and beyond, as well as the dozens of organisations, who have contacted me with concerns about the Bill. I am sure that many Members across the House, not least those of us in areas that have been decimated over the last three decades, will agree that there is a need to reform the social security system and to support people to stay in and get back into work. We have been told that the purpose of the review of PIP is to ensure that the benefit is fair and fit for the future, and that it will be co-produced with disabled people and the organisations that represent them. But what is fair about us being asked to vote on changes when the terms of reference of the review were only announced yesterday? I popped out earlier for a banana, and when I came back in, things had changed again, so I am even more unclear of what I am voting on.

As we have heard, the proposals are so unfair. They will create a two-tier system of social security. Someone who fell ill earlier this year will have the support they have always had, but woe betide those who fall ill later this year or next year. How can we be asked to vote for a system that, rather than penalising everyone for being ill, has been tweaked to only penalise people based on when they got ill—or, in fact, they get more ill, as anyone reporting a change in circumstances will be caught up in these changes?

Every organisation I have spoken to, including at my recent expert roundtable event in Durham, agrees that the changes to PIP will have a bigger impact on the north-east than almost any other region in the country. This is not a level playing field. The scale of ill health is 50% higher in the north than in the south. The north-east has a higher rate of people living with a disability than any other region. The "Ageing in the North" report recently published by the Northern Health Science Alliance and Health Equity North suggests that in the south, people leaving the job market later on in life overwhelmingly retire; in the north, they leave due to ill health. The impact that these changes will have on individuals, communities and the economy in the north-east will be huge, regardless of any recent concessions. Again, we are being asked to vote on proposals before any meaningful consultation with disability charities and organisations has taken place, and without a regional impact assessment being carried out.

Let us remember that PIP is an in-work benefit. For many, it provides them with the support they need to stay in work. If people are caught up in these changes or claim after they are introduced, it will be much harder for them to stay in work. If we vote for this Bill, we will be knowingly leaving vulnerable people without the support they need to live dignified, independent lives, free from poverty, when we should be supporting and championing the rights of disabled people, their carers and their families.

As the parent of a daughter, Maria, who lived her life with a severe disability, I empathise with all those who are unlikely to undertake meaningful or secure employment because of their disability and to experience the dignity that so many people in work enjoy. Even if someone cannot contribute economically to society, they still deserve dignity. They still deserve to be treated with respect and to feel of value in society, no matter how they are able to contribute.

I joined the Labour party 30 years ago to be on the side of the poor and the weak. This Bill penalises those with the weakest shoulders. That is not what I was elected for, and it is not what this Labour Government

[Mary Kelly Foy]

were elected for. I plead with colleagues again: pause this process, start again and do it the right way—do it the Labour way.

6.35 pm

Laurence Turner (Birmingham Northfield) (Lab): I am grateful for the opportunity to speak in this debate. I think every Member of this House would agree that welfare needs reform. I think about the constituent who was asked in a PIP assessment, "How long have you been autistic?" I think about other stories that are close to my heart, which I cannot repeat because they are not my stories alone to tell. The words come easily; the path to reform is harder, and I think many of us have walked that hard path in recent weeks. We have heard many points made in this debate, and in the short time available to me, I would like to respond to some of them.

A number of Members have sincerely suggested that there is something inherently wrong about creating a system where people's treatment depends on the date of application, but I ask, how many people in this Chamber who have been a negotiator or a trade union member have voted for an agreement that involved red-banding a particular rate of pay? I think every representative of every party that has served in government has passed cut-off points into legislation. I remember leaving school around the time that the statement system in special educational needs started to be phased out in favour of EHCPs, and the consequences of that are with us to this day.

My hon. Friend the Member for Bradford East (Imran Hussain) said that we are being asked to place trust in Ministers, and in particular my right hon. Friend the Minister for Social Security and Disability. Following many discussions in recent weeks, I do have that trust, and I know that many Government Members have that personal trust. The fact that the review will now be co-produced with disabled people and disabled people's organisations is a real and material change.

In this age of snap judgments, when we are expected to respond immediately to every manner of change and when politics in public is rewarded more highly than the politics carried out in private, the party system perhaps is not in good repute. But I know that many Members—I am one of them—have wrestled with their individual concerns and the desire to have collective discipline, without which there is no party and no programme, and nothing would ever get done. These are good and honourable principles to have. They must be moderated by a willingness to listen, and however it came about, people have listened today. The changes that have been made, as Ministers and officials will know, have been the subject of many long and, at times, difficult conversations.

We now have a Bill that removes the critical problem for many of us, which was that the change would have begun next November before the review was completed. That has been addressed. We are in the business of making material change for the people we represent. I think about the 10,037 PIP recipients in my constituency, with perhaps 1,000 more recipients of DLA, and the many more family members who will have the ease of mind of knowing that the changes we in this place have made will protect their income and security in life. The Bill still has some way to go over the course of the

next week, but we must recognise progress when it has happened. I thank everyone in my constituency who has contacted me and taken time to meet. In all those discussions with officials and Ministers—

Bobby Dean: Will the hon. Member give way?

Laurence Turner: I will not, as I do not wish to deny other Members the chance to speak.

All those representations were helpful and made a difference, and I am grateful to everyone who shared their story. I will be voting for the Bill tonight.

Several hon. Members rose—

Madam Deputy Speaker (Ms Nusrat Ghani): Order. We have run out of time. I call the shadow Secretary of State.

6.40 pm

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Helen Whately (Faversham and Mid Kent) (Con): This has been an extraordinary afternoon in the Chamber. Listening to the debate, we have surely all been moved by the stories we have heard of the experiences of hon. Members, of the experiences of their families, loved ones and constituents, and of how the welfare system has served its vital purpose of providing a safety net in times of desperate need, particularly for people whose disabilities or ill health have made it impossible for them to make ends meet on their own. It is clear that there is broad consensus across the House that the welfare system needs reform. There has also been consensus that what we were debating was a bad Bill. It was a rushed and chaotic compromise that would harm disabled people, create a two-tier benefit system, and barely make a dent in the overall welfare bill. How could anyone justify voting for something that would not make a single disabled person's life better? It is clear that many, many Members could not.

I said that it "was" a bad Bill, because while we have been debating it, it has more or less disintegrated. Less than two hours ago, the Minister for Social Security and Disability told us, in an unprecedented intervention, that clause 5 of the Bill is to be removed in Committee. That takes out all the changes to personal independence payment, and with them almost the entirety of the remaining savings in the Bill. Describing it as chaos now feels like an understatement.

We have a Government with a supermajority who were voted in on a manifesto for change, a welfare system that everyone agrees needs reform, and public finances that simply must be brought under control, but the Government are now serving up a Bill with next to nothing in it. They had already U-turned once; it seems they cannot even deliver a U-turn. The Prime Minister told the country that he was distracted at NATO, and he flew back home on Thursday to sort the problem out. This is what sorting it out looks like. Once again, his calamitous negotiations are letting the country down.

Last week, we offered the Prime Minister help in the national interest and set out three tests that he would need to meet to have our support on welfare legislation. The first was that the welfare bill must come down. We all know people whose lives would not be possible without the help that our welfare system provides. Each and every one of us in the Chamber wants a welfare system that is there for those who need it, but if the

welfare bill spirals out of control, it puts that support in jeopardy. The Bill now makes no meaningful changes to a system that we all agree is not working, and I reckon it will now save less than £1 billion from a sickness benefits bill that will be rising to nearly £100 billion by the end of the decade. That is a total dereliction of duty by a Government who claim to want welfare reform and fiscal discipline.

Secondly, we said that we would support plans that get people into work, but the Bill will not help a single person into work. Ministers said, "Trust us, employment support is coming," but why would anyone trust this Government on jobs when 100,000 were lost in May alone? None of us have seen the Government's plan to get more disabled people into work, and apart from new red tape and making it more expensive to hire people, I do not think there is one. Thirdly, we said that we must not have more tax rises in the autumn. Given that the Chancellor had already committed to that, it should have been the simplest of those three conditions to agree to, but this desperate climbdown blows an even bigger hole in her Budget. She is pushing us into a doom loop of higher taxes, fewer jobs and more welfare. At this rate, the time is coming when our constituents will not even have a welfare system to call on in times of

What is left for us to vote for or against this evening? All of us in this House know that welfare needs reform and want to see more people helped into work. All of us in this House—surely most of us, at least—recognise that the country must live within its means. The remnants of this Bill will manifestly achieve none of that. In fact, the only purpose it will now serve is to etch forever into the statute book the moment when this Government totally lost control.

6.45 pm

The Minister for Social Security and Disability (Sir Stephen Timms): We have had a passionate and eventful debate. We have heard the concerns, and the Government will amend the Bill, as my right hon. Friend the Secretary of State and I have set out, but the system we have inherited does not work. Uniquely in the G7, our employment rate is still lower than before the pandemic. Every other G7 country has got back to where it was before, or better, but we have not. The system is trapping hundreds of thousands of people needlessly in low income and inactivity. It tells people that they cannot work, and for many of them that is simply untrue. We have to change that.

John McDonnell (Hayes and Harlington) (Ind): I am sorry to come in so early in the Minister's peroration, but we have limited time. Can I have the assurance, on the concession given this evening with regard to the Timms review, that its outcome and recommendations will be in primary legislation, not delegated legislation?

Sir Stephen Timms: Let me say a little about the announcement I made in my intervention on my hon. Friend the Member for Peterborough (Andrew Pakes) earlier on. We have listened to the concerns expressed in the debate, specifically about the new four-point threshold being implemented before the outcome of my review. As I have said, we will in fact move straight to my review and make changes to PIP eligibility activities and descriptors only following that review.

Alison Hume (Scarborough and Whitby) (Lab): May I ask the Minister to confirm at the Dispatch Box that clause 5, which specifically references the need for claimants to score four points in order to receive the daily living allowance, will be removed from the Bill?

Sir Stephen Timms: Yes, I can confirm to my hon. Friend that that is the case. We will table the amendment to do that.

Let me say in answer to the hon. Member for South Antrim (Robin Swann), who raised this point perfectly properly in the debate, that we will also remove the parallel provisions for Northern Ireland. He suggested that that would mean removing clause 6, but it does not mean that, because there are a lot of other things in schedule 2, which is referenced in clause 6. Paragraph 4 of schedule 2 addresses the points that we are dealing with.

Several hon. Members rose—

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Sir Stephen Timms: Let me make a little further progress. I still have not quite answered the question put to me in the first place in the intervention by my right hon. Friend the Member for Hayes and Harlington (John McDonnell). His question was about whether the outcome of the review will be implemented in primary or secondary legislation. That depends on the outcome of the review and the form of the assessment we take forward. We will come back to that when we have concluded the review.

Several hon. Members rose—

Sir Stephen Timms: Let me make a little bit of headway before I give way again.

Under the last Labour Government, in the 12 years up to 2010, the disability employment gap fell steadily. In 2010, as soon as the Tories and Lib Dems took over and scrapped the new deal, it stopped falling, and it has barely shifted since. This Bill opens up the chance for proper support into work once again for people who are out of work on health and disability grounds. We will provide that again, recognising that with—for example—far more mental health problems among young people, the needs post pandemic will be different from those of the past. I listened with great interest to the powerful speech made by my hon. Friend the Member for Penistone and Stocksbridge (Dr Tidball), calling for a target for the disability employment gap. She makes a strong argument, and that is the kind of approach that we need to develop as we bring forward our plans for employment support.

Several hon. Members rose—

Sir Stephen Timms: I will not give way at the moment. The Bill opens up that possibility, and it deals with work disincentives inserted into universal credit by the previous Government. The current system forces people to aspire to be classified as sick in order to qualify for a higher payment, and once so classified, it abandons them. We have to change that system.

Simon Hoare: The House knows that not only is the Minister an honourable man, but he has spent the largest proportion of his parliamentary career looking at these issues. He must surely understand, however,

[Simon Hoare]

that the confusion that has been expressed in this place is now being felt and expressed in the country at large. I have never seen a Bill butchered and filleted by its own sponsoring Ministers in such a cack-handed way—nobody can understand the purpose of this Bill now. In the interests of fairness, simplicity and natural justice, is it not best to withdraw it, redraft it, and start again?

Sir Stephen Timms: No, Madam Deputy Speaker. Let me tell the hon. Gentleman one of the things that the Bill does. Part of the problem is that it is very hard to bring up a family on the standard allowance of universal credit. The Tories reduced the headline rate of benefit to the lowest real-terms rate for 40 years. Families have to rely on food banks, and people aim to be classified as sick for the extra benefit. The system should not force people into that position; it needs to be fixed, and the Bill makes very important changes in that direction.

Peter Lamb (Crawley) (Lab): I came here today with the intention of voting against the Government on this Bill. I have to say that with clause 5 having been removed —which, as I am sure everyone at home will be delighted to know, completely withdraws PIP from the scope of the Bill—there is consequently nothing to vote on. However, could the Minister give me some comfort by confirming whether or not the Timms review is going to take place within a spending envelope?

Sir Stephen Timms: I can assure my hon. Friend that the review is not intended to save money—that is not its purpose. The review is to get the assessment right and make sure we have an assessment that will be fit for the future.

Several hon. Members rose—

Sir Stephen Timms: I need to make a little more progress. As a number of Members highlighted in the debate, including my hon. Friends the Members for Clwyd North (Gill German) and for Southampton Itchen (Darren Paffey), a key step in this Bill is the first ever permanent real-terms increase in the standard allowance of universal credit. Actually, it is the first permanent real-terms increase in the headline rate of benefit for decades, and of course, the Tory party is against it. The Tories froze benefits time and again, and created the work disincentives and mass dependence on food banks that this Government are determined to now erase.

We are, of course, also concerned that the future cost increases of PIP should be sustainable. Let me just look back at the record of those cost increases. In the year before the pandemic, 2019-20, PIP cost the then Government £12 billion at today's prices; last year, it cost £22 billion. We want the system to be sustainable for the future. That is extremely important, because many people with large costs arising from ill health or disability depend on PIP. Those people need to be confident that the support will be there in the future, as well.

Paul Holmes: The Minister is doing an admirable job defending the farcical. Last week, there were £5 billion of savings. Today, there were £2.5 billion of savings. Then he came to the Dispatch Box and did three more U-turns. As he stands at that Dispatch Box today, how much will these new measures save the taxpayer?

Sir Stephen Timms: We will set out those figures in the usual way.

The last Government wanted to change the personal independence payment from cash to vouchers. They wanted to take the independence out of the personal independence payment, and we opposed them. It has been suggested that the benefit should be frozen, but the costs that the benefit is contributing to are continuing to rise along with all the other costs, so we oppose that, too. Some argue for means-testing, but disability imposes costs irrespective of income. We reject all those proposals.

Let me just make a comment about the concern that has been expressed—it does not arise now, given what I have announced—about a two-tier system. A two-tier system is completely normal in social security. PIP replaced DLA in 2013, but half a million adults are still on DLA today, and that does not cause problems. Parallel running is normal, and actually it is often the fairest way to make a major change.

Barry Gardiner: I think that Members on the Government Benches appreciate the concessions that the Minister has already made. When he is talking about whether measures will be put in primary legislation, he must understand that Members will not be able to amend things if they are not in primary legislation. That is a key concern when we do not know the outcome of the review.

Sir Stephen Timms: My answer to my hon. Friend is the one I gave earlier: we need to await the outcome of the review and the assessment that it develops to determine whether it will be implemented in primary or secondary legislation.

Several hon. Members rose—

Sir Stephen Timms: I want to make some further headway. In her speech, my hon. Friend the Member for York Central (Rachael Maskell) drew attention to the fact that she and I had known each other for a long time, and that is correct. She urged us to listen to the voices of our constituents. In February, someone I had not met before came to my constituency surgery. He explained to me that he lost his arm aged six in a road accident. As a result, on leaving school at 16 he could not find a job. He tried really hard, but he could not find an employer that would take him, until in the year 2000 somebody told him about the new deal for disabled people, which found him a job. He then worked for 23 years without a break in a whole series of different jobs. He brought up his children and he paid his taxes, until in October 2023 he was in an unsatisfactory zero-hours job and he left it. To his dismay, he has not been able to find a job since. He came to me as his local MP to ask where to get help again, like he had from the new deal, but unfortunately that was all scrapped by the Tories and the Lib Dems after 2010. We are determined now to provide proper support again, and my right hon. Friend the Secretary of State yesterday announced further early funding for that support.

Several hon. Members rose—

Sir Stephen Timms: I will not be giving way again. The Tories were never really interested in the disability employment gap. They had a brief flirtation in the 2015 general election campaign, when David Cameron suddenly

announced a target to halve the gap. Unfortunately, as soon as that general election had been safely won, that target was immediately scrapped, and they reverted to type.

We do care about disability employment. That is what we are making changes to address. In this Bill, we are making the changes to deliver.

Question put, That the amendment be made.

The House divided: Ayes 149, Noes 328.

Division No. 247]

[6.59 pm

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AYES

Abbott, rh Ms Diane (Proxy vote cast by Bell Ribeiro-Addv) Adam, Shockat Allister, Jim Amos, Gideon Aguarone, Steff Babarinde, Josh Barker, Paula Barron, Lee Beavers, Lorraine Begum, Apsana (Proxy vote cast by Ian Byrne) Bennett, Alison Berry, Siân Blackman, Kirsty Blake, Olivia Brewer, Alex Brown-Fuller, Jess Burgon, Richard Byrne, Ian Campbell, Mr Gregory Campbell, Irene Cane, Charlotte Carmichael, rh Mr Alistair Chadwick, David Chamberlain, Wendy Chambers, Dr Danny Chowns, Ellie Coghlan, Chris Collinge, Lizzi Collins, Victoria Cooper, Daisy Corbyn, rh Jeremy Creasy, Ms Stella Dance, Adam Darling, Steve Davey, rh Ed Davies, Ann Dean, Bobby Denyer, Carla Dillon, Mr Lee Doogan, Dave Dowd, Peter Duffield, Rosie Duncan-Jordan, Neil Dyke, Sarah Easton, Alex Eastwood, Sorcha Eccles, Cat Efford, Clive Farage, Nigel

Farron, Tim

Flynn, rh Stephen

Forster, Mr Will

Foy, Mary Kelly

George, Andrew

Franklin, Zöe

Gethins, Stephen Gibson, Sarah (Proxy vote cast by Anna Sabine) Gilbert, Tracy Gilmour, Rachel Glindon, Mary Glover, Olly Goldman, Marie Gordon, Tom Green, Sarah Harding, Monica Heylings, Pippa Hinchliff, Chris Hobhouse, Wera Hussain, Mr Adnan Hussain, Imran Jarvis, Liz Jermy, Terry Johnson, Kim Jones, Clive Khan, Avoub Kohler, Mr Paul Lake, Ben Lavery, lan Law, Chris Leadbitter, Graham Leishman, Brian Lewell, Emma Lockhart, Carla Logan, Seamus Long Bailey, Rebecca MacCleary, James MacDonald, Mr Angus Maguire, Ben Maguire, Helen Martin, Mike Maskell, Rachael Mathew. Brian Maynard, Charlie McDonnell, rh John McMurdock, James Medi, Llinos van Mierlo, Freddie Miller, Calum Milne, John Mishra, Navendu Mohamed, Iqbal Moran, Layla (Proxy vote cast by Zöe Franklin) Morello, Edward Morgan, Helen Morris, Grahame Morrison, Mr Tom Mullane, Margaret Munt, Tessa Murray, Susan O'Hara, Brendan

Olney, Sarah

Opher, Dr Simon Osborne, Kate Perteghella, Manuela Pinkerton, Dr Al Pochin Sarah Quigley, Mr Richard Ramsav. Adrian Reynolds, Mr Joshua Ribeiro-Addy, Bell Rimmer, Ms Marie Roome, lan Sabine, Anna Savage, Dr Roz Saville Roberts, rh Liz Shannon, Jim Slade, Vikki Smart. Lisa Smith. Cat Sollom, Ian Stainbank, Euan Stone, Jamie

Stringer, Graham Sultana, Zarah Swann, Robin Taylor, Luke Thomas, Cameron Tice, Richard Trickett, Jon Twigg, Derek Voaden, Caroline Webb, Chris Whittome, Nadia Wilkinson, Max Wilson, Munira Wilson, rh Sammy Wishart, Pete Witherden, Steve Wrigley, Martin Young, Claire

Tellers for the Ayes: Clive Lewis and Andy McDonald

Carling, Sam

Champion, Sarah

Campbell-Savours, Markus

Charalambous, Bambos

NOES

Abbott, Jack Ahmed. Dr Zubir Akehurst, Luke Alaba, Mr Bayo Aldridge, Dan Alexander, rh Mr Douglas Alexander, rh Heidi Al-Hassan, Sadik Ali, Rushanara Anderson, Callum Anderson, Fleur Antoniazzi, Tonia Arthur, Dr Scott Asato, Jess Asser James Athwal, Jas Atkinson, Catherine Atkinson, Lewis Bailey, Mr Calvin Bailey, Olivia Baines, David Baker, Alex Baker, Richard Ballinger, Alex Bance, Antonia Barros-Curtis, Mr Alex Baxter, Johanna Beales, Danny Bell. Torsten Benn, rh Hilary Betts, Mr Clive Billington, Ms Polly Bishop, Matt Blake, Rachel Blundell, Mrs Elsie Bonavia, Kevin Botterill, Jade Brackenridge, Mrs Sureena Brickell, Phil Bryant, Chris Buckley, Julia Burke, Maureen Burton-Sampson, David Byrne, rh Liam Cadbury, Ruth

Caliskan, Nesil

Campbell, Juliet

Campbell, rh Sir Alan

Charters, Mr Luke (Proxy vote cast by Chris Elmore) Clark, Ferval Coleman, Ben Collier, Jacob Collins, Tom Conlon, Liam Coombes, Sarah Cooper, Andrew Cooper, Dr Beccy Cooper, rh Yvette Costigan, Deirdre Cox, Pam Covle, Neil Craft, Jen Creagh, Mary Crichton, Torcuil Curtis, Chris Daby, Janet Dakin, Sir Nicholas Dalton, Ashley Darlington, Emily Davies, Jonathan Davies, Paul Davies. Shaun Davies-Jones, Alex Dean, Josh Dickson, Jim Dixon, Anna Dixon, Samantha Dodds, rh Anneliese Dollimore, Helena Doughty, Stephen Downie, Graeme Eagle, Dame Angela Eagle, rh Maria Edwards, Lauren Edwards, Sarah Egan, Damien Elmore, Chris Entwistle, Kirith Esterson, Bill

Fahnbulleh, Miatta

Falconer, Mr Hamish

Leadbeater, Kim

Lewin, Andrew

Universal Credit and Personal Independence Payment Bill

Farnsworth, Linsey Fenton-Glynn, Josh Ferguson, Mark Ferguson, Patricia Fleet, Natalie Foody, Emma Fookes. Catherine Foster, Mr Paul Francis, Daniel Frith, Mr James Furniss. Gill Gelderd, Anna Gemmell, Alan German, Gill Gill, Preet Kaur Gittins, Becky Goldsborough, Ben Gould, Georgia Grady, John Greenwood, Lilian Griffith, Dame Nia Gwynne, Andrew (Proxy vote cast by Chris Elmore) Haigh, rh Louise Hall, Sarah Hamilton, Paulette Hardy, Emma Harris, Carolyn Hatton, Lloyd

Hazelgrove, Claire
Healey, rh John
Hendrick, Sir Mark (*Proxy vote cast by Chris Elmore*)
Hillier, Dame Meg
Hinder, Jonathan
Hodgson, Mrs Sharon
Hopkins, Rachel
Hughes, Claire
Huq, Dr Rupa
Hurley, Patrick
Ingham, Leigh
Irons, Natasha
Jameson, Sally
Jarvis, Dan

Haves. Tom

Johnson, rh Dame Diana Jones, rh Darren Jones, Gerald Jones, Lillian Jones, Louise Jones, Ruth Jones, Sarah Josan, Gurinder Singh Joseph, Sojan

Juss, Warinder

Kane, Chris

Jogee, Adam

Kane, Mike
Kaur, Satvir (*Proxy vote cast by Chris Elmore*)
Kendall, rh Liz
Khan, Naushabah
Kinnock, Stephen

Kirkham, Jayne
Kitchen, Gen
Kumar, Sonia
Kumaran, Uma
Kyle, rh Peter
Kyrke-Smith, Laura
Lamb, Peter
Lammy, rh Mr David

Law. Noah

guson, Mark
guson, Patricia
MacAlister, Josh
et, Natalie
MacNae, Andy
MacNae, Andy
MacNae, Andy
Madders, Justin
Mahmood, rh Shabana
ncis, Daniel
Mahmood, rh Shabana
Martin, Amanda
miss, Gill
Mayer, Alex
McAllister, Douglas
Mmell, Alan
MacNae, Justin
Mahmood, rh Shabana
Martin, Amanda
Martin, Amanda
Mayer, Alex
McAllister, Douglas
McCarthy, Kerry

McCluskey, Martin
McDonagh, Dame Siobhain
McDonald, Chris
McDougall, Blair

McEvoy, Lola McFadden, rh Pat McGovern, Alison McIntyre, Alex McKee, Gordon McKenna, Kevin McKinnell, Catherine McMahon, Jim McMorrin, Anna McNally, Frank McNeill, Kirsty Midgley, Anneliese

Minns, Ms Julie Moon, Perran Morden, Jessica Morgan, Stephen Morris, Joe Murphy, Luke Murray, Chris

Miliband, rh Ed

Murray, rh Ian (Proxy vote cast by Chris Elmore)
Murray, James
Murray, Katrina
Myer, Luke
Naish, James
Naismith, Connor
Nandy, rh Lisa
Narayan, Kanishka
Nash, Pamela
Newbury, Josh

Niblett, Samantha Nichols, Charlotte Norris, Alex

Norris, Dan (Proxy vote cast by Chris Elmore) Onn, Melanie Onwurah, Dame Chi Oppong-Asare, Ms Abena Osborne, Tristan

Osborne, Tristan
Owatemi, Taiwo
Owen, Sarah
Paffey, Darren
Pakes, Andrew
Patrick, Matthew
Payne, Michael
Peacock, Stephanie

Pearce, Jon Pennycook, Matthew Perkins, Mr Toby Phillips, Jess Phillipson, rh Bridget Pinto-Duschinsky, David

Pitcher, Lee Platt, Jo Pollard, Luke Powell, Joe Powell, rh Lucy Poynton, Gregor Prinsley, Peter Race, Steve Rand. Mr Connor Ranger, Andrew Rayner, rh Angela Reader, Mike Reed, rh Steve Reeves, rh Ellie Reeves, rh Rachel Reid, Joani Reynolds, Emma Reynolds, rh Jonathan

Rhodes, Martin Richards, Jake Rigby, Lucy Robertson, Dave Roca, Tim Rodda, Matt Rushworth, Sam Russell, Sarah Rutland, Tom Ryan, Oliver Sackman, Sarah Sandher, Dr Jeevun Scrogham, Michelle Sewards. Mark Shanker, Baggy Shanks, Michael Siddiq, Tulip Simons, Josh Slaughter, Andy Slinger, John

Smyth, Karin Snell, Gareth Starmer, rh Keir Stevens, rh Jo Stevenson, Kenneth Stewart, Elaine Stone, Will Strathern, Alistair

Streeting, rh Wes

Smith, David

Smith, Jeff

Smith. Nick

Smith, Sarah

Strickland, Alan Sullivan, Kirsteen Sullivan, Dr Lauren Swallow, Peter Tami, rh Sir Mark Tapp, Mike Taylor, Alison Taylor, David Taylor, Rachel Thomas, Fred Thomas, Gareth

Thomas-Symonds, rh Nick Thompson, Adam Thornberry, rh Emily Timms, rh Sir Stephen

Toale, Jessica Tomlinson, Dan Tufnell, Henry Turley, Anna Turmaine, Matt Turner, Karl Turner, Laurence Twist, Liz Uppal, Harpreet Vaughan, Tony Vince, Chris Wakeford, Christian Walker, Imogen Ward, Chris Ward. Melanie Waugh, Paul Welsh, Michelle West, Catherine Western, Andrew Western, Matt Wheeler, Michael Whitby, John White, Jo White, Katie Williams, David Woodcock, Sean Wrighting, Rosie Yang, Yuan Yemm, Steve Zeichner, Daniel

Tellers for the Noes: Keir Mather and Kate Dearden

Question accordingly negatived.

Question put forthwith (Standing Order No. 62(2)), That the Bill be now read a Second time.

The House divided: Ayes 335, Noes 260.

Division No. 248]

Abbott, Jack

[7.13 pm

AYES

Abrahams, Debbie Ahmed, Dr Zubir Akehurst, Luke Alaba, Mr Bayo Aldridge, Dan Alexander, rh Mr Douglas Alexander, rh Heidi Al-Hassan, Sadik Ali, Rushanara Anderson, Callum Anderson, Fleur

Antoniazzi, Tonia

Arthur, Dr Scott
Asato, Jess
Asser, James
Athwal, Jas
Atkinson, Catherine
Atkinson, Lewis
Bailey, Mr Calvin
Bailey, Olivia
Baines, David
Baker, Alex
Baker, Richard
Ballinger, Alex
Bance, Antonia

Universal Credit and Personal Independence Payment Bill

Barros-Curtis, Mr Alex Baxter, Johanna Beales, Danny Bell, Torsten Benn, rh Hilary Betts, Mr Clive Billington, Ms Polly Bishop, Matt Blake, Rachel Blundell, Mrs Elsie Bonavia, Kevin Botterill, Jade

Brackenridge, Mrs Sureena

Brickell, Phil Bryant, Chris Buckley, Julia Burke, Maureen Burton-Sampson, David Byrne, rh Liam Cadbury, Ruth Caliskan, Nesil Campbell, rh Sir Alan Campbell, Juliet Campbell-Savours, Markus

Carling, Sam Champion, Sarah Charalambous, Bambos Charters, Mr Luke (Proxy vote cast by Chris Elmore)

Clark. Ferval Coleman, Ben Collier, Jacob Collins, Tom Conlon, Liam Coombes, Sarah Cooper, Andrew Cooper, Dr Beccy Cooper, rh Yvette Costigan, Deirdre Cox, Pam

Coyle, Neil Craft, Jen Creagh, Mary Crichton, Torcuil Curtis, Chris Daby, Janet Dakin, Sir Nicholas Dalton, Ashley Darlington, Emily Davies, Jonathan Davies, Paul Davies. Shaun

Davies-Jones, Alex

Dean, Josh

Dhesi, Mr Tanmanjeet Singh

Dickson, Jim Dixon, Anna Dixon, Samantha Dodds, rh Anneliese Dollimore, Helena Doughty, Stephen Downie, Graeme Eagle, Dame Angela Eagle, rh Maria Edwards, Lauren Edwards, Sarah Egan, Damien Ellis, Maya

Elmore. Chris

Esterson, Bill

Entwistle, Kirith

Eshalomi, Florence

Fahnbulleh, Miatta Falconer, Mr Hamish Fenton-Glynn, Josh Ferguson, Mark Ferguson, Patricia Fleet, Natalie Foody, Emma Fookes, Catherine Foster, Mr Paul Foxcroft, Vicky Francis, Daniel Frith, Mr James Furniss, Gill Gelderd, Anna Gemmell, Alan German Gill

Gill, Preet Kaur Gittins, Becky Goldsborough, Ben Gosling, Jodie Gould, Georgia Grady, John

Greenwood, Lilian Griffith, Dame Nia Gwynne, Andrew (Proxy vote

cast by Chris Elmore) Hack, Amanda Haigh, rh Louise Hamilton, Fabian Hamilton, Paulette Hardy, Emma Harris, Carolyn Hatton, Lloyd Hayes, Helen Hayes, Tom Hazelgrove, Claire Healey, rh John

Hendrick, Sir Mark (Proxy vote cast by Chris Elmore) Hillier, Dame Meg

Hinder, Jonathan Hodgson, Mrs Sharon Hopkins, Rachel Hughes, Claire Hume, Alison Hug, Dr Rupa Hurley, Patrick Ingham, Leigh Irons, Natasha Jameson, Sally

Jarvis, Dan Jogee, Adam

Johnson, rh Dame Diana Jones, rh Darren Jones, Gerald Jones. Lillian Jones, Louise Jones, Ruth Jones, Sarah Josan, Gurinder Singh

Joseph, Sojan Juss, Warinder Kane. Chris

Kane, Mike Kaur, Satvir (Proxy vote cast by Chris Elmore) Kendall, rh Liz Khan, Naushabah Kinnock, Stephen Kirkham, Jayne Kitchen, Gen Kumar, Sonia

Kumaran, Uma Kyle, rh Peter Kyrke-Smith, Laura Lamb, Peter Lammy, rh Mr David Law, Noah Leadbeater, Kim Lewin, Andrew Lightwood, Simon MacAlister, Josh Macdonald, Alice MacNae, Andy Madders, Justin Mahmood, rh Shabana Malhotra, Seema Martin, Amanda Mayer, Alex McAllister, Douglas McCarthy, Kerry McCluskey, Martin McDonagh, Dame Siobhain

McDonald, Chris McDougall, Blair McEvoy, Lola McFadden, rh Pat McGovern, Alison

McIntyre, Alex McKee, Gordon McKenna, Kevin McKinnell, Catherine McMahon, Jim McMorrin, Anna McNally, Frank McNeill, Kirsty Midgley, Anneliese Miliband, rh Ed Minns, Ms Julie Moon, Perran Morden, Jessica

Morgan, Stephen

Morris, Joe

Murray, James

Murphy, Luke Murray, Chris Murray, rh Ian (Proxy vote cast by Chris Elmore)

Murray, Katrina Myer, Luke Naish, James Naismith, Connor Nandy, rh Lisa Narayan, Kanishka Nash, Pamela Newbury, Josh Niblett, Samantha

Norris, Alex Norris, Dan (Proxy vote cast by Chris Elmore) Onn, Melanie Onwurah, Dame Chi Oppong-Asare, Ms Abena Osborne, Tristan Owatemi, Taiwo Owen, Sarah

Pakes. Andrew Patrick. Matthew Payne, Michael Peacock, Stephanie

Paffey, Darren

Pearce, Jon Pennycook, Matthew Perkins, Mr Toby

Phillips, Jess Phillipson, rh Bridget Pinto-Duschinsky, David

Pitcher, Lee Platt, Jo Pollard, Luke Powell, Joe Powell, rh Lucy Poynton, Gregor Prinsley, Peter Race, Steve Rand, Mr Connor Ranger, Andrew Rayner, rh Angela Reader, Mike Reed, rh Steve Reeves, rh Ellie Reeves, rh Rachel Reid, Joani Reynolds, Emma Reynolds, rh Jonathan Rhodes, Martin Richards, Jake

Riddell-Carpenter, Jenny

Rigby, Lucy Robertson, Dave Roca, Tim Rodda, Matt Rushworth, Sam Russell, Sarah Rutland, Tom Ryan, Oliver Sackman, Sarah Sandher, Dr Jeevun Scrogham, Michelle Sewards, Mark Shanker, Baggy Shanks, Michael Siddiq, Tulip Simons, Josh Slaughter, Andy Slinger, John Smith, David Smith, Jeff Smith, Nick Smith, Sarah Smyth, Karin Snell, Gareth Starmer, rh Keir Stevens, rh Jo Stevenson, Kenneth Stewart, Flaine Stone, Will Strathern, Alistair Streeting, rh Wes Strickland, Alan Sullivan, Kirsteen Sullivan, Dr Lauren Swallow, Peter Tami, rh Sir Mark

Tapp, Mike Taylor, Alison Taylor, David Taylor, Rachel Thomas, Fred Thomas, Gareth Thomas-Symonds, rh Nick

Thompson, Adam Thornberry, rh Emily Timms, rh Sir Stephen

Toale, Jessica Tomlinson, Dan

Universal Credit and Personal Independence Payment Bill

Tufnell, Henry Turley, Anna Turmaine, Matt Turner, Karl Turner, Laurence Twist, Liz Uppal. Harpreet Vaughan, Tony Vince, Chris Wakeford, Christian Walker, Imogen Ward, Chris Ward, Melanie Waugh, Paul Welsh, Michelle West, Catherine

Western, Andrew Western, Matt Wheeler, Michael Whitby, John White, Jo White, Katie Williams, David Woodcock, Sean Wrighting, Rosie Yang, Yuan Yemm. Steve Zeichner. Daniel

Tellers for the Ayes: Keir Mather and Kate Dearden

NOES

Abbott, rh Ms Diane (Proxy vote cast by Bell Ribeiro-Addy) Adam, Shockat Allin-Khan, Dr Rosena Allister, Jim Amos, Gideon Anderson, Stuart Aquarone, Steff Argar, rh Edward Babarinde, Josh Bacon, Gareth Badenoch, rh Mrs Kemi Baldwin, Dame Harriett Barclay, rh Steve Barker, Paula Barron, Lee Beavers, Lorraine Bedford, Mr Peter Begum, Apsana (Proxy vote cast by Ian Byrne) Bennett, Alison Berry, Siân Bhatti, Saqib Blackman, Bob Blackman, Kirsty Blake, Olivia Bool, Sarah Bowie. Andrew

Brandreth, Aphra Braverman, rh Suella Brewer, Alex Brown-Fuller, Jess

Byrne, Ian Campbell, Mr Gregory Campbell, Irene Cane, Charlotte Carmichael, rh Mr Alistair

Burghart, Alex

Burgon, Richard

Cartlidge, James Chadwick, David Chamberlain, Wendy Chambers, Dr Danny Chope, Sir Christopher Chowns, Ellie

Cleverly, rh Sir James Clifton-Brown, Sir Geoffrey

Cocking, Lewis Coghlan, Chris Collinge, Lizzi Collins, Victoria Cooper, Daisy

Cooper, John Corbyn, rh Jeremy Costa, Alberto

Coutinho, rh Claire (Proxy vote cast by Mr Mohindra) Cox, rh Sir Geoffrey Creasy, Ms Stella Dance, Adam

Davey, rh Ed Davies, Ann Davies, Gareth Davies, Mims De Cordova, Marsha Dean, Bobby Denyer, Carla Dewhirst, Charlie Dillon, Mr Lee

Darling, Steve

Dinenage, Dame Caroline

Doogan, Dave Dowd, Peter Dowden, rh Sir Oliver Duffield, Rosie

Duncan Smith, rh Sir Iain Duncan-Jordan, Neil Dyke, Sarah Easton, Alex

Eastwood, Colum Eastwood, Sorcha Eccles, Cat Efford, Clive Evans, Dr Luke Farage, Nigel Farron, Tim Flynn, rh Stephen Forster, Mr Will Fortune, Peter Fox, Sir Ashley Foy, Mary Kelly

Francois, rh Mr Mark Franklin, Zöe French, Mr Louie Fuller, Richard Garnier, Mark George, Andrew Gethins, Stephen

Gibson, Sarah (Proxy vote cast by Anna Sabine)

Gilbert, Tracy Gilmour, Rachel Glen, rh John Glindon, Mary Glover, Olly

Goldman, Marie Gordon, Tom Grant, Helen Green, Sarah Griffith, Andrew Griffiths, Alison Hanna, Claire Harding, Monica Harris, Rebecca Hayes, rh Sir John Heylings, Pippa Hinchliff, Chris Hinds, rh Damian Hoare, Simon

Hobhouse, Wera Holden rh Mr Richard Hollinrake, Kevin Holmes, Paul Huddleston, Nigel Hudson, Dr Neil Hussain, Mr Adnan Hussain, Imran Jarvis, Liz

Jenkin, Sir Bernard Jenrick, rh Robert Jermy, Terry Johnson, Dr Caroline

Johnson, Kim Jones, Clive

Kearns. Alicia (Proxv vote cast

by Mr Mohindra) Khan, Ayoub Kohler, Mr Paul Kruger, Danny Lake, Ben Lam, Katie Lamont, John Lavery, lan Law. Chris Leadbitter, Graham Leigh, rh Sir Edward

Leishman, Brian

Lewell, Fmma

Lewis, Clive Lewis, rh Sir Julian Lockhart, Carla Logan, Seamus Long Bailey, Rebecca Lopez, Julia Lowe, Rupert

MacCleary, James MacDonald, Mr Angus Maguire, Ben Maguire, Helen Mak, Alan Malthouse, rh Kit Martin, Mike Maskell, Rachael Mathew, Brian Mayhew, Jerome Maynard, Charlie McDonald, Andy

McDonnell, rh John McMurdock, James McVey, rh Esther Medi. Llinos van Mierlo, Freddie Miller, Calum Milne. John Mishra, Navendu Mohamed, Abtisam Mohamed, Iqbal

Mohindra, Mr Gagan Moore, Robbie

Moran, Layla (Proxy vote cast

by Zöe Franklin) Morello, Edward Morgan, Helen Morris, Grahame Morrison, Mr Tom Morton, rh Wendy Mullan, Dr Kieran Mullane, Margaret Mundell, rh David Munt, Tessa Murray, Susan Murrison, rh Dr Andrew

Norman, rh Jesse Obese-Jecty, Ben O'Brien, Neil O'Hara, Brendan Olney, Sarah Opher, Dr Simon Osamor, Kate Osborne, Kate Patel, rh Priti Paul, Rebecca Perteghella, Manuela Pinkerton, Dr Al Pochin, Sarah Quigley, Mr Richard

Raja, Shivani (Proxy vote cast by Mr Mohindra)

Ramsay, Adrian Rankin, Jack Reed, David Reynolds, Mr Joshua Ribeiro-Addy, Bell Rimmer, Ms Marie Robertson, Joe Roome, Ian Rosindell, Andrew

Sabine, Anna Savage, Dr Roz Saville Roberts, rh Liz Shannon, Jim Shastri-Hurst, Dr Neil Slade, Vikki Smart, Lisa

Smith, Cat Smith, Greg Smith, rh Sir Julian Smith, Rebecca Snowden, Mr Andrew Sollom, Ian Spencer, Dr Ben

Spencer, Patrick (Proxy vote cast by Mr Mohindra) Stainbank, Euan Stephenson, Blake Stone, Jamie Stride, rh Sir Mel Stringer, Graham Stuart, rh Graham Sultana, Zarah Sunak, rh Rishi

Swavne, rh Sir Desmond

Taylor, Luke Thomas, Bradley Thomas, Cameron Tice, Richard Tidball, Dr Marie Timothy, Nick

Swann, Robin

2.52

Trickett, Jon
Trott, rh Laura
Tugendhat, rh Tom
Twigg, Derek
Vickers, Martin
Vickers, Matt
Voaden, Caroline
Webb, Chris
Whately, Helen
Whittome, Nadia
Wild, James

Wilkinson, Max

Wilson, Munira Wilson, rh Sammy Wishart, Pete Witherden, Steve Wood, Mike Wright, rh Sir Jeremy Wrigley, Martin Young, Claire

Tellers for the Noes: Gregory Stafford and Harriet Cross

Question accordingly agreed to. Bill read a Second time.

Helen Whately (Faversham and Mid Kent) (Con): On a point of order, Madam Deputy Speaker. In the light of the shambles this afternoon, with the Bill being ripped apart literally before our eyes in this Chamber and the Minister unable even to tell us how much it will now save, can you please advise me whether it should still be rushed through to be debated next week in Committee of the whole House, or whether the Government should in fact withdraw it?

Madam Deputy Speaker (Ms Nusrat Ghani): The hon. Member has put her point on the record. She has been a Minister in the past and so will know that the scheduling of business is a matter for the Government, and not for the Chair.

UNIVERSAL CREDIT AND PERSONAL INDEPENDENCE PAYMENT BILL (PROGRAMME)

Motion made, and Question put forthwith (Standing Order No. 83A(7),

That the following provisions shall apply to the Universal Credit and Personal Independence Payment Bill:

Committal

(1) The Bill shall be committed to a Committee of the whole House.

Proceedings in Committee, on Consideration and on Third Reading

- (2) Proceedings in Committee shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.
- (3) Any proceedings on Consideration and proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on the day on which proceedings in Committee of the whole House are commenced.

Programming committee

(4) Standing Order No. 83B (Programming committees) shall not apply to proceedings in Committee of the whole House, to any proceedings on Consideration or to proceedings on Third Reading.—(Chris Elmore.)

Question agreed to.

UNIVERSAL CREDIT AND PERSONAL INDEPENDENCE PAYMENT BILL (MONEY)

King's recommendation signified.

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Universal Credit and Personal Independence Payment Bill, it is expedient to authorise the payment out of money provided by Parliament of:

- (a) any increase in the administrative expenses of the Secretary of State that is attributable to the Act;
- (b) any increase in sums payable by virtue of any other Act out of money so provided that is attributable to increasing—
 - (i) the standard allowance or limited capability for work and work-related activity element of universal credit;
 - (ii) the personal allowance, support component, severe disability premium or enhanced disability premium of income-related employment and support allowance.— (Chris Elmore.)

Question agreed to.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

Prisons

That the draft Criminal Justice Act 2003 (Suitability for Fixed Term Recall) Order 2025, which was laid before this House on 9 June, be approved.—(Chris Elmore.)

The Deputy Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until tomorrow (Standing Order No. 41A).

Motion made, and Question put forthwith (Standing Order No. 118(6)),

ELECTRICITY

That the draft Contracts for Difference (Miscellaneous Amendments) (No. 3) Regulations 2025, which were laid before this House on 2 June, be approved.—(Chris Elmore.)

Question agreed to.

PETITION

Traffic calming measures on the slip road off Water Orton Road

7.27 pm

Liam Byrne (Birmingham Hodge Hill and Solihull North) (Lab): I rise to present this petition on behalf of the residents of Water Orton Road, in Castle Bromwich in my constituency. It calls on Solihull council finally to take action to tackle the out-of-control speeding on the slip road off the Water Orton Road. Although Solihull council's intention to tackle speeding on the main Water Orton Road was admirable, it has unfortunately diverted the problem to the slip road. This has made life for many of my constituents a misery, with resident Helen Rogers telling me that inconsiderate, selfish drivers are leaving locals intimidated and frightened for their safety. Let us not wait until there is a fatality. We must take action immediately. The petitioners therefore request that the House of Commons urge the Government to work with Solihull council to implement traffic-calming measures on the slip road off Water Orton Road following a spate of road traffic incidents.

[Liam Byrne]

Following is the full text of the petition:

[The petition of residents of the Castle Bromwich Ward, Solihull,

Declares that traffic calming measures need to be put in place on the slip road off Water Orton Road in the Castle Bromwich Ward to ensure the safety of local residents; further that Solihull Council need to act on the concerns of residents, following several recent road accidents as a result of road users using the slip road to circumvent the speed calming measures on the main road.

The petitioners therefore request that the House of Commons urge the Government to work with Solihull Council to take immediate action to ensure that traffic calming measures are installed on the slip road off Water Orton Road, in Castle Bromwich, Solihull.

And the petitioners remain, etc.]

[P003087]

Infant Feeding

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

7.30 pm

Jess Brown-Fuller (Chichester) (LD): It is a pleasure to bring this Adjournment debate to the Chamber on a topic close to my heart. I refer hon. Members to my entry in the Register of Members' Financial Interests as the Chair of the all-party parliamentary group for infant feeding. I am pleased as always to see the Minister in her place. I look forward to her response on behalf of the Government just days before the long awaited 10-year plan for the NHS.

When the Secretary of State for Health promised to create the "healthiest generation ever", it was a bold and admirable ambition, and certainly one that I share with him. Every child deserves the opportunity to thrive regardless of their wealth or their postcode. When the Government talk of building a better future for children, their policies and schemes often start with school—with free school meals and breakfast clubs—or providing Government support for nurseries and early years settings, but there is little substance in the critical years from birth to three, and even less when it comes to policy around infant feeding, whether that is breastfeeding, formula feeding or a combination of the two.

I had my son nearly 11 years ago, and I remember with fondness the lactation consultant coming on to the ward in the maternity unit and showing me how best to hold my son to feed him and what to expect in the first few weeks after taking him home. I did not have an easy journey with breastfeeding: I suffered with pain when he latched, I had multiple bouts of mastitis and swelling—the list went on. My husband and I ran our own restaurant at the time, so he took approximately three hours of paternity leave before returning to work.

Maya Ellis (Ribble Valley) (Lab): I am grateful to the hon. Member for the work we are doing together on the all-party parliamentary group for infant feeding and for her passion in this space. Breastfeeding is a full-time job. Only last week, Carrie Johnson, the wife of one of our former Prime Ministers, highlighted how easy it is to neglect your own needs as a mother while breastfeeding. Does the hon. Member agree that it is essential that the Government establish six weeks of paid paternity leave, so that breastfeeding mothers can focus on feeding their baby and partners can focus on looking after mum?

Jess Brown-Fuller: I thank the hon. Member for her intervention. I was so pleased to hear the statement in the House earlier today. I know that she has been a tireless advocate for making sure that parental leave for all parents is improved dramatically. I thank her for her advocacy in that area.

Jim Shannon (Strangford) (DUP): I commend the hon. Lady; I spoke to her before the debate. In the last Parliament, one of the Scots Nats MPs was chair of the APPG. I was supportive of that as a man, as I thought that was important. My wife was an example of where breastfeeding is so important. Is the hon. Lady aware that Northern Ireland had the top score—69.5 out of 100—among UK nations? That may be because Northern Ireland has already put policies in place and is the only nation to have completed updated resources on infant

feeding and HIV. Will she join me in urging the Northern Ireland health trust to share best practice with the other devolved nations and with the Minister to help encourage breastfeeding among those mothers who are able to do so?

Infant Feeding

Jess Brown-Fuller: I thank the hon. Member for his intervention. He is right that Northern Ireland scored the highest in the report card format on the World Breastfeeding Trends Initiative, which I will come to. In comparison, England scored a paltry less than 50, which was very much due to scoring zero on infant feeding and HIV.

Mr Connor Rand (Altrincham and Sale West) (Lab): I thank the hon. Member for securing this Adjournment debate on such an important topic. She spoke of some of the difficulties she had at the start of her breastfeeding journey, which my partner Catherine also experienced. When my partner had those difficulties, she accessed a breastfeeding support clinic in my constituency at Meadway health centre, which was a huge source of support and benefit to her. Does the hon. Member agree that it is important to protect and support access to such services, ensuring they are there for every woman who wishes to breastfeed?

Jess Brown-Fuller: It is as if the hon. Member has lifted my words directly off the page in a timely manner. The reason I managed to carry on was that I attended a peer support group in my local church hall every Monday morning, aptly called Milk. It was not about the professional support that I had while I was there—although that was great, and I give a shout-out to the wonderful Julie who supported all the mums—it was meeting the other mums who were going through the same things and the ability to ask each other questions and offer advice, as well as the amazing trained peer supporters, who were volunteers. I give a quick shout-out to Holly, who showed us that we could and would survive those difficult first few months and come out the other side, just like she had.

Samantha Niblett (South Derbyshire) (Lab): I thank the hon. Member for securing this important Adjournment debate this evening. In South Derbyshire, I hear stories of services to support breastfeeding women being cut. I speak as a mum who breastfed to eight months, although I had that moment where I almost did not, and it was my community midwife who saved the day for me. Does the hon. Member agree that as well as having services to support breastfeeding women, whether they are successful in doing so, they decide not to or they cannot, we should create safe spaces for them? I have done exactly that in my constituency surgery, but I would like to see it in other venues.

Jess Brown-Fuller: I thank the hon. Member for sharing her personal story and for advocating for other breastfeeding and formula-feeding parents in her constituency. She highlights that there is a postcode lottery when it comes to that support. We need to see safe spaces across the board for all parents who are feeding.

In the group I attended, there were not just breastfeeding mums, but mums who were combination feeding, in the process of introducing solids or planning their feeding journey as they navigated returning to work. Some of those women became my closest friends and I still have them in my life all these years later.

David Reed (Exmouth and Exeter East) (Con): I thank the hon. Member for bringing this important issue to the Chamber. My wife and I are expecting our first in the coming weeks, so as hon. Members will expect, this is an important subject in which I am quickly upskilling myself. In my constituency, I have a similar group called Exmouth Bosom Buddies, which does a fantastic job that we know relieves pressure on the NHS. What more does the hon. Member think can be done to allow such groups to grow, thrive and flourish so that they can continue their vital work?

Madam Deputy Speaker (Ms Nusrat Ghani): Before the hon. Member gets to her feet, I am just reminded of the midwifery-led Crowborough birthing unit, which helps the lovely mums in my constituency.

Jess Brown-Fuller: The hon. Gentleman highlights how important it is to have that community-based support in an area. Unfortunately, not every mother across the UK can say the same. There are areas where they have to travel up to an hour by car to attend that sort of group, and I will come on to that point.

When I had my daughter, five years after my son, the support that I had relied on had all but vanished. The Milk group was now being run out of, in effect, a broom cupboard at my local leisure centre, with no opportunity to socialise with other mums. Only six months later, the pandemic hit and my daughter's health visitor reviews were done via Zoom, often without my daughter even on the screen. The local children and family centre in my constituency never reopened in the same way after the pandemic.

I was one of the lucky ones because I had already built my village around me five years earlier and I had a network of friends and family that I could call on. However, for those who have become new mothers in the last decade, that support has been all but vaporised, with community support groups patchy and often delivered by volunteers or those wonderful midwives in their time off.

It is essential to acknowledge and support those parents who cannot or choose not to breastfeed, to ensure that they feel empowered and confident in the decisions they make for their children's nutrition and wellbeing. I am a proud advocate of every parent having choice, but that choice should be an informed one. Currently, it is not a level playing field, with formula companies preying on the vulnerability of parents.

The Competition and Markets Authority launched a market study into the formula industry in February 2024 and published its results earlier this year. The study provided a comprehensive, in-depth and up-to-date exploration of the infant formula market in the UK through a consultative process that has offered unique insights into the industry. A short extract from the CMA's overview of its findings states:

"parents are often in vulnerable circumstances when they first make choices about whether and which infant formula to use, their brand choice is often based on incomplete or unclear information, and they are typically then reluctant to switch brands. Against this backdrop, manufacturers place significant emphasis on building their brands—including through their willingness to supply the NHS below cost—and differentiating their products to attract parents, rather than competing strongly on price. And price competition between retailers has typically been weak...Our analysis indicates that these features, in combination, are leading to poor outcomes for parents in terms of the choices they make and prices they pay for infant formula."

[Jess Brown-Fuller]

In short, a vulnerable, extremely tired new parent is making choices on which formula to buy, but the claims on boxes of commercial infant formula are often unfounded. Parents have to choose between a £7 tin of formula and a £14 tin of formula, even though they are nutritionally equivalent. At a recent event, we heard the testimony of parents who had purchased the more expensive brand with the bold claims on its packaging, believing that they were doing the best for their child, only to then use fewer scoops when making a bottle to make the tin last longer. We have only to look at our supermarket shelves and see the formula milk locked in glass cabinets to understand that we have a crisis in families being able to feed their babies.

Infant Feeding

The cost of living challenges have spiralled into a food insecurity crisis, yet formula manufacturers increased prices by 24% in one year in 2023 and prices continue to rise well beyond inflation. Research shows that parents rarely switch brands once they have introduced a formula milk. This gives formula companies a clear incentive to offer their products to maternity wards at reduced prices, knowing that parents are likely to continue using the same brand when they go home. To address this, the CMA recommends standardised infant formula labelling in healthcare settings, which would eliminate this form of exploitative marketing.

Formula companies are also restricted from advertising newborn formula, but they get round this by advertising their follow-on, or stage 2, milk and making the packaging look exactly the same. The CMA recommendations ask for the Government to assess whether infant formula and follow-on milks are "clearly distinct", then communicate that assessment to the manufacturers and enforcers. A Mintel report from 2016 reported that in 2015, for every baby born in the UK, companies spent a staggering £21 just on marketing follow-on formula. The CMA has made 11 recommendations to the Government, all of which aim to improve outcomes for parents. I am calling on the Government today to implement all 11 recommendations and finally to level the playing field for those parents who rely on formula to feed their babies.

This debate is timely, as last week I was delighted to host the World Breastfeeding Trends Initiative's launch of its 2024 report here in Parliament. I would be delighted to give the Minister a copy if she does not already have one. The key takeaway from the report is that the UK has one of the lowest breastfeeding rates in the world. The report not only highlights the gaps in policy but creates a report card system for each of the four nations. I want to highlight a few things that were mentioned in the report.

Importantly, data—though its collection is uneven across the four nations—shows that the majority of mothers do set out to breastfeed. Despite this, by six to eight weeks, around 70% of babies in the UK receive some formula, and by six months only 1% of babies are exclusively breastfed.

David Chadwick (Brecon, Radnor and Cwm Tawe) (LD): I commend my hon. Friend for the great work she is doing to improve the relationship between a mother and her infant—the most important relationship in the world. Will she join me in paying tribute to the midwives

of Powys teaching health board, who have the largest county in Wales to cover? Will she also join me in paying tribute to Susan Grounds, who, after being a midwife for over 20 years, retired in March and was elected as a Lib Dem councillor in April?

Jess Brown-Fuller: My hon. Friend is absolutely right to say that these women have often been embedded in their communities for many years, helping women to raise their babies, and that they go on to do marvellous things in the community.

The majority of those who stop breastfeeding early wanted to breastfeed for longer, but did not receive the help they needed to resolve problems, all of which could be addressed with support from trained health workers, skilled peer supporters or specialist help in hospital, at home or in the community. The World Breastfeeding Trends Initiative report highlights the absence of national policy and governance in England. The devolved nations have pulled ahead on this front, with Scotland publishing a strategic framework, Wales having had an action plan since 2019 and Northern Ireland currently finalising its strategy. Support needs to be baked into policy and legislation because communities cannot do this alone. It being so early in this Parliament, the Government have all the opportunities to act. I was delighted to see today's announcement of a review of the parental leave and pay system, and I hope that infant feeding will play into the considerations of better support for parents on maternity and paternity leave.

Health visitor teams have also dwindled over recent years, and an estimated 54,000 GP appointments could be saved every year if a professional feeding service was available in every community. Any strategy must be properly funded and integrated with current programmes across communities and healthcare settings, such as family hubs and Start for Life, which should themselves be expanded, particularly Start for Life, which is funded only in half of England's local authorities. Some councils are choosing to make this an area to improve on, and I am pleased to see my local authority—West Sussex county council—include the early years as part of its health strategy for the next five years, even without the Start for Life funding, which it does not receive.

I would like to use an example of a mother who got in touch just last week to share her story. She had a traumatic birth with unexpected interventions. Her baby was quickly fed formula by hospital staff. The pump kit did not work in the hospital, and no meaningful help was available. She wants to feed her baby herself. She looked online when she got home to find help nearby, but there was nothing less than an hour away by car. She is struggling with which formula to use and does not understand the differences between them. She does not know other women with babies. She is feeling lost and isolated. Social media is full of conflicting advice, so she has gone out of the area for paid support, which she cannot afford on maternity pay, to help her try to regain a sense of reality. I am sure this lady's story is the same for parents across the country.

If the reasons I have highlighted are not compelling enough, maybe the economic impact is. UK research back in 2012 on the costs of four diseases showed that even reaching moderate breastfeeding levels could save the NHS millions, and that the implementation of proven breastfeeding support systems would pay for itself within

a year. For babies, breastfeeding strengthens the immune system and significantly reduces the risk of infections, obesity, asthma and long-term conditions, such as type 2 diabetes. For the mother, breastfeeding lowers the risk of breast and ovarian cancers and cardiovascular disease, and supports post-natal mental health.

I could say much more, but instead I will move to my asks of this Government. When will the Government make their decision on whether they will accept the 11 recommendations from the Competition and Markets Authority? Will the Minister consider following the devolved nations and introduce a comprehensive national infant feeding strategy to end the postcode lottery and provide support to all parents in their feeding journeys? Can we expect to see something about infant feeding in the upcoming NHS 10-year plan? Finally, there is little about breastfeeding in most health professionals training, but primary care has successfully integrated assisted roles into services such as pharmacists and social prescribers. Could the same model be extended to lactation consultants?

I would like to finish by thanking all those tireless activists and campaigners who have been fighting for all women to have support, guidance and trusted information when they begin motherhood. I will not risk trying to name them all as I will no doubt miss some, but a special thank you goes to the World Breastfeeding Trends Initiative steering group, First Steps Nutrition Trust and the former hon. Member for Glasgow Central who chaired the APPG before the general election.

7.48 pm

The Parliamentary Under-Secretary of State for Health and Social Care (Ashley Dalton): I congratulate the hon. Member on securing the debate. Through her leadership of the all-party parliamentary group for infant feeding, she is working to ensure that families across the country get the right support. I thank all hon. Members who have contributed—my hon. Friends the Members for Ribble Valley (Maya Ellis), for Altrincham and Sale West (Mr Rand), for South Derbyshire (Samantha Niblett) and for Brecon, Radnor and Cwm Tawe (David Chadwick), the hon. Members for Strangford (Jim Shannon) and for Exmouth and Exeter East (David Reed), and yourself, Madam Deputy Speaker.

The number of interventions and contributions has shown how important the issue is and how deeply it is felt across the House. The hon. Member for Chichester asked about the 10-year plan. I will not go into detail about what is in it, but—tick, tock—she does not have to wait long as the plan will be launched on Thursday morning.

I look forward to working with colleagues across the House and the wider health landscape on how we deliver the plan. In that plan, they will see that children's early years are crucial to their development, health and life chances. That is why the Government are taking a mission-based approach to raising the healthiest generation of children ever and to ensuring that every child has a healthy, happy start to life.

Dr Danny Chambers (Winchester) (LD): To reiterate the comments made by my hon. Friend the Member for Chichester (Jess Brown-Fuller) and the Minister about all children needing to have a healthy start, we cannot emphasise enough how important gestation and the first six months of life are. The factors that affect

gestation and the first six months of life have a bigger impact on long-term health than anything we can do after that—any conscious decisions we make about our health are less impactful than what has happened to us during gestation and the first six months of life.

Ashley Dalton: I agree. The hon. Member will see in the 10-year plan and some of the investments we are making—for instance, to reduce the number of women smoking in pregnancy—that the Government recognise

We recognise that infant feeding is critical to a baby's healthy growth and development, and we recognise the significant benefits of breastfeeding for both mothers and babies. We are fully committed to supporting families to breastfeed should they choose to do so. We know that most mothers want to breastfeed, but many stop before they would ideally like to. While it has been positive to see many more mothers continuing to breastfeed in recent years, we know that they can face complex barriers to achieving their infant feeding goals.

I recognise the concerns raised through the World Breastfeeding Trends Initiative report on the UK infant feeding policy landscape. Health is devolved, and I would like to commend Northern Ireland for its performance in this area, which was raised by the hon. Member for Strangford. However, we know through the report that England scores poorly, and we want to change that.

Families need quality services, trustworthy information, affordable options and systems that support them, not hinder them. Midwives and maternity services play a crucial role through the perinatal period in preparing and supporting families around infant feeding. We have committed to training thousands more midwives to better support women throughout their pregnancy and beyond, and there has been an increase of over 1,300 full-time equivalent midwives in the workforce since April 2024. We will publish a refreshed workforce plan to deliver the transformed health service that we will build over the next decade.

To drive forward improvement in maternity and neonatal services, we announced the launch of a national independent investigation into maternity and neonatal care. The investigation will recommend one set of national actions by December. A national maternity and neonatal taskforce, chaired by the Secretary of State, will then bring together independent experts to co-produce a national plan to drive improvement.

As families transition from maternity services to the community, it is important that they continue to receive the support they need, and health visitors are key to this. However, we know that health visitor numbers have decreased and there is variation in the level of services across the country, but it remains a universal service, and we are committed to that. In the plan for change, we committed to strengthening health visiting services so that all families can access their support.

We are investing in family hubs and the Start for Life programme, with £18.5 million this year to improve infant feeding support across 75 local authorities in England. Start for Life services are helping parents to access support where they need it and in a location that suits them, whether that is their home, their family hub, a hospital setting or through the many voluntary sector organisations that have been referred to today.

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[Ashley Dalton]

Local authorities are working with partners to embed local infant feeding strategies, joining up services for seamless support and tailoring them to their community, with both universal and targeted support. They are building up the workforce, investing in infant feeding specialists, delivering high-quality training and expanding networks of peer supporters. Funding is also helping to train staff to identify complex needs early such as tongue-tie, and to offer timely support.

Although long-term evaluation is needed to understand the full impact of the programme, some promising findings are emerging. For example, ambitious multi-layered integrated infant feeding plans have led to increased breastfeeding rates in Coventry, and local health visitor data shows an increase in breastfeeding at six to eight weeks from 51% to 57% in just 18 months. We are also helping families across the UK to access breastfeeding support 24 hours a day through the National Breastfeeding Helpline.

Jess Brown-Fuller: The Minister highlights some brilliant examples that are a gold standard in care, but does she recognise that the process the Government are currently undertaking, with only half of local authorities being funded, means that we still end up with a patchwork level of support for new mothers? They do not know where they are meant to go, because it is different when they cross a county border.

Ashley Dalton: This is very much targeted through the family hub service and support for Start for Life, and through the universal health visiting offer and the National Breastfeeding Helpline we aim to offer all women who are breastfeeding the support that they need to do so. Parental leave has been touched on, and we know that supporting parents goes beyond services. Returning to work can influence how families choose to feed their babies, and in the plan to make work pay we have committed to a review of the parental leave system. As the hon. Member said, that review was launched by the Department for Business and Trade in the Chamber earlier today, and we are delighted to see that come forward.

I have spoken a lot about breastfeeding, but we absolutely recognise that when families cannot or choose not to breastfeed, it is vital that they get formula that is safe, nutritionally complete and affordable. Infant formula regulations and Competition and Markets Authority recommendations are important, but we know that many families are struggling to afford infant formula. We welcome the report from the CMA into the UK infant and follow-on formula market. It highlighted some of the issues that the hon. Member raised, in particular by noting that families rely on brand reputation and price as a proxy for quality, often choosing more expensive products. However, specific regulations require all infant formula to comply with robust nutritional and compositional standards, so that all infant formula sold on the UK market meets the nutritional needs of babies, regardless of the price or brand.

The CMA has made 11 recommendations to the Government, with four aims: to eliminate brand influence in healthcare settings; to provide better information for parents in retail settings; to strengthen labelling and advertising rules; and to ensure effective enforcement of regulations. The Government are supportive of what the CMA is trying to achieve. We want parents to be confident enough to choose lower-priced products, and for manufacturers and retailers to compete more on price. The CMA recommendations are UK wide. We are considering them alongside colleagues in the devolved Governments, and aim to have a UK-wide response available as soon as possible.

In conclusion, I thank the hon. Member for raising this important matter. The Government are committed to giving children the best start in life, and we do not underestimate the challenge of getting this right for families. We will continue to strengthen key services, build on good practice, and identify where we can have the greatest impact for families. Tomorrow I will meet the all-party group on babies, and I look forward to discussing these issues further with them.

Question put and agreed to.

7.58 pm

1 JULY 2025

House adjourned.

Westminster Hall

Tuesday 1 July 2025

[Peter Dowd in the Chair]

Business Energy Supply Billing: Regulation

9.30 am

Peter Dowd (in the Chair): If gentlemen, or anybody else, want to take their jackets off, feel free to do so.

Sarah Edwards (Tamworth) (Lab): I beg to move,

That this House has considered regulatory powers over billing of energy supply to businesses.

It is a pleasure to see you in the Chair, Mr Dowd. My constituent Samantha Panton opened the Roasters café on the high street more than 35 years ago. Recently, she received a demand from E.ON Next for £10,000, payable within seven days, with threats to disconnect her electricity and close her business, putting 10 jobs at risk. That debt arose because E.ON Next confused her day and night meter readings. Although she had agreed to a £500 weekly payment plan, the company abandoned the arrangement and instead chose to pursue the closure of her business.

Upon thorough investigation, including a review of her accounts dating back to 2017, I discovered that E.ON Next actually owed her £4,433. When I raised concerns about its mishandling of the credit notes and breaches of back-billing regulations, my communications were ignored. Without enforcement or penalties, there is little incentive for companies to change their behaviour. That situation highlights a wider problem: energy companies impose excessive charges on small businesses while routinely engaging in questionable practices under minimal regulation. Small businesses have limited resources when suppliers act unfairly.

Mr Gregory Campbell (East Londonderry) (DUP): I congratulate the hon. Member on securing this debate. She is raising what sounds like outrageous treatment of a customer and consumer. Does she agree that the Ofgem report was very clear that suppliers should treat domestic and—particularly in this case—non-domestic customers fairly and give them support? It would appear that, in the instance she is outlining and some others that I have had experience of, they are not doing so.

Sarah Edwards: Absolutely. I thank the hon. Member for his intervention, because that is exactly what the report found, yet I will go on to argue that not enough progress has been made to make sure that those business customers are treated fairly.

In response to this issue, I have launched a campaign inviting businesses across the country to share their experiences on my website, aiming to expose these harmful practices. I am confident that straightforward regulatory reforms could reduce energy costs substantially without imposing any cost on the Government. No one likes a bully; I certainly do not, and when I see injustice, I want to fix it. Today, I share not only my constituent's story, but many others. Colleagues here will have heard similar accounts of energy companies refusing to engage, forcing MPs to intervene or send cases to the ombudsman, often without any resolution.

As a member of the Business and Trade Committee, I have explored this issue through roundtables nationwide. Time and again, we hear that energy costs are the second biggest burden for businesses after staffing, with many driven to bankruptcy by the exploitative practices of energy suppliers. I thank the Committee for supporting today's debate to shine a light on this problem. This is not just about one café; it is about thousands of businesses that deserve better.

From 2022 to 2024, Ofgem reviewed its non-domestic energy supplier sector. It found that 12% of customers had complained and identified four reform priorities: treat customers fairly; support small businesses; billing on tenancy changes and third-party intermediaries. It updated the supplier licence conditions to enforce fair treatment—but is that working? A freedom of information request shows that only two suppliers have ever been fined for licence breaches; many suppliers do not even report them. In my constituent Sam's case, E.ON Next breached back-billing rules, but likely never reported it. I ask the Minister when the proposed review of those new licence rules will happen, and whether she can guarantee that it will be rigorous and effective. When will the review of Ofgem itself conclude? There is growing concern that Ofgem is not fit for purpose, acting more like a coach than a regulator. We need an enforcement body with teeth, not one that lets suppliers police themselves.

Returning to Sam's case, my office referred it to the Energy Ombudsman. We were proved correct; E.ON Next had mishandled her account, and she was awarded £200 in compensation—but really, what does a firm have to do to get a meaningful penalty? Threatening to close a business after making mistakes in meter readings, back billing, failing to issue proper credit notes and threatening legal action are apparently not worth any more than £200.

Compare that with fines for a data breach—up to £17.5 million or 4% of global turnover. That is a real deterrent. Why is it that, when the domestic energy market is regulated far more effectively, a blind eye has been turned to such appalling behaviour in the commercial market? Hon. Members may be interested to know that, until December 2024, the ombudsman could act only for microbusinesses, those with fewer than 10 employees—any bigger, and the business was out of luck. Since December, businesses with up to 50 employees can now be represented; but, again, the fine is only up to £10,000.

I met the Energy Ombudsman to ask how its powers were being used to protect businesses from this wild west of exploitation. Since December, it has dealt with 370 small and medium-sized enterprises in its scope, about half within the terms of reference. Of those cases, most complaints were about suppliers, customer service, billing, sales and back billing. It upheld between 40% and 73% of those complaints.

I have serious concerns, however. The ombudsman has never been out to tender and cannot explain how it decides on the maximum £10,000 fine. It appears to have a lack of resources and expertise to investigate complex commercial contracts effectively. Ofgem expects the ombudsman to do that work, but the extended remit has not come with extended expertise. Instead, the system seems designed for volume and profit, but not for protecting businesses from serious harm.

[Sarah Edwards]

A Yorkshire packaging manufacturer was scammed by Renewco, which arranged a fraudulent energy deal with Emirati Energy. The business owner paid every invoice on time to his broker, but a year later Pozitive Energy, also known as PE Solutions, demanded tens of thousands in unpaid costs. It turned out that Emirati Energy had signed a fake contract with Pozitive on behalf of the business, pocketing the payments while Pozitive received nothing. Both Pozitive and the manufacturer were victims of fraud.

Who is Pozitive Energy? Its turnover rose by 13% to £1.18 billion in 2024, and its net assets were up nearly 500%. With only 30 employees and £139 million of retained earnings, this is a private company with little transparency. We must therefore assume that it is making around £4.6 million profit per employee. Yet Pozitive went after the small business owner and, despite clear evidence of hundreds of customers billed to one address and mismatched paperwork, it did not investigate until the debts piled up.

When the business owner turned to the Energy Ombudsman, he was told to pay the debt anyway. The ombudsman said it was his problem to chase the fraudster. Why should a small manufacturer pay for Pozitive's failure to vet its brokers? Ofgem does not regulate third-party intermediaries, instead requiring suppliers such as Pozitive to work only with third-party intermediaries in approved dispute resolution systems, giving customers a route to redress if dissatisfied. Pozitive failed to do that—it failed its licence condition.

That is not an isolated case; the commercial energy market rewards suppliers for ignoring fraud, because it can demand payment from unsuspecting businesses once scams collapse. Meanwhile, the Energy Ombudsman lacks real powers and often fails to protect victims. I have heard multiple stories of these disgraceful tactics destroying livelihoods. One broker firm is tracking more than 1,100 complaints with E.ON Next alone. It is defending 80 of them in court, in what is effectively a group action over dodgy practices on deemed contracts. E.ON sold the debt on when the lawsuits loomed, and 13 cases have already been struck out as unenforceable.

Why is business energy so expensive? When a firm moves into new premises, it is put on a deemed contract until it signs a deal. Legally, those contracts should not carry excessive fees or profits, but in practice suppliers have used them to gouge customers. Some firms were charged £1.60 per kWh during the energy crisis, then locked into multi-year deals with no escape clauses. Even now, some are paying £1 per kWh, when a competitive rate should be around 20p to 25p.

Suppliers know exactly what they are doing. They profit by giving brokers hidden commissions: "You can add 1.5p and keep it, or maybe add 2p and give us back a kickback of 0.25p." Those kickbacks incentivise brokers to push overpriced deals that hurt customers. One product currently offered by Engie has 5p added to each kWh, which the supplier knows is an incentive for brokers to sell its supply over others. Some brokers only work with two suppliers—hardly a broker business by most people's definition. Suppliers know; Ofgem knows; but small businesses—left with unaffordable bills, faulty meters and unfair contracts—often do not.

If we want a fair market, we must regulate it properly. That means honest enforcement of billing, fair profiles on deemed meters, transparent broker commissions, and meaningful redress when things go wrong. Until then, small businesses will keep paying the price for a system that is rigged against them.

Suppliers such as npower have taken on small customers and used codes on deemed contract meters to extract higher charges because they knew they could get away with it. They should have chosen not to act for those businesses, but instead they have made huge profits. The Energy Consultants Association estimates that misclassification has generated up to £4.5 billion in excessive, unjustified profits since 2017. Small businesses were locked into unfair contracts from day one, paying inflated rates, with no meaningful correction in sight.

I am calling for urgent reforms to protect businesses and ensure that fairness in energy bills is supported, with stronger regulatory powers for the Energy Ombudsman, including higher fines and a wider remit; outlawing back billing beyond six months for business energy customers and greater protections for small businesses against inaccurate and punitive billing. Energy companies must commit to fair and transparent billing systems. There must be a thorough review of debt collection practices within the sector.

I call for all brokers and third-party intermediaries to be fully regulated, for the adoption of a mandatory code of good practice to raise standards and for all brokers to become members of a dispute resolution mechanism to protect businesses. The Government must empower Ofgem or the Financial Conduct Authority to regulate brokers. That can only be done with regulation—but it must happen fast.

What am I going to do? I do not have those powers, but I have met passionate experts and trade bodies who want change. Together, we will launch a kitemark for responsible brokers, because there are many out there doing good work. It will be fair and transparent. We will publish data on energy rates, so that businesses know what a fair price is when reviewing a contract renewal, and create a directory of brokers who have signed up to a voluntary code of practice, giving power back to businesses.

I welcome the Government's recent move to lower industrial energy prices for high-usage businesses. However, many smaller businesses—the heart of our communities and high streets—are excluded. Those steps are in the Government's gift to bring down prices, stop fraud and obscene profits, and protect our small businesses. Added to my asks are simple, cost-free reforms such as capping deemed contract rates to stop bad deals being sold as good ones, and ensuring that SMEs get the correct rates on their market-wide half-hourly meters from day one. This Government must back our businesses and make those reforms now.

Hon. Members will be amused to know that E.ON Next sent me a final bill when I switched office supply. My monthly usage is around £300. The bill it sent me was £18,000—it mixed up the day and night meter readings, and no sense checks were done.

It is time to regulate the sector and to protect and empower businesses, the backbone of our economy. I hope the Minister will have some good news and progress to report on this matter.

9.45 am

Jim Shannon (Strangford) (DUP): As always, Mr Dowd, it is a pleasure to serve under your chairship. You are maintaining the wearing of a jacket, whereas my hon. Friend the Member for East Londonderry (Mr Campbell) and I have taken advantage of your permission because of the good weather. You have better stamina than me.

I thank the hon. Member for Tamworth (Sarah Edwards) for leading today's debate and setting the scene incredibly well. If I got an £18,000 bill for normal £300-a-month usage, I would be incredibly worried and anxious, too.

I want to speak on behalf of my constituents and the local businesses in my constituency on which we depend for the success of our local high streets. High streets are under pressure; there are more vacancies in Newtownards high street than ever. The squeezing of profit margins means that many people are considering whether to go ahead with their ideas for a new business, but hopefully what the Government and the Minister are doing will enable entrepreneurs to take advantage of the opportunities. There is no doubt that after the effects of covid, some businesses did not make it. We thank the previous Government for stepping in and responding positively to ensure that those businesses are still here today, but it is crucial that we have proper regulation to stop businesses being burned to the ground financially by crippling energy costs.

In Northern Ireland, the Utility Regulator is the key body responsible for overseeing electricity and gas markets. The Minister knows where responsibility lies. I thank her for her interest in matters relating to Northern Ireland. Her visits to Northern Ireland are an indication of her interest in ensuring that Northern Ireland, which has a different system, is kept under the same rules as those that apply in England, Scotland and Wales; I thank her for all her efforts in that regard. If she lets me know the next time she is over, I will introduce her to some of my constituents in Strangford. They are lovely people—I know that because I am one of them. They are generous and kind; they will not give her a hard time, but they will tell her what they think, in as nice a way as possible.

The UK equivalent of the Utility Regulator is Ofgem, the mainland-wide energy regulator. Energy costs are a reality facing commercial and domestic consumers. We have seen an incredible increase in the last couple of years. Businesses and households are struggling and there is a need for greater regulation to ensure that people are not overcharged beyond belief. The example that the hon. Member for Tamworth gave of a bill for £18,000 was a mistake, of course, but none the less it would shock anyone to their shin bones.

Let me give an example of the problems. There has been an increased use of estimates of energy costs. Energy companies bill businesses based on their rough use of gas and electricity. That results in severe overcharges and a months-long back and forth to get the money back. My goodness—they are quick enough to charge you, but they are not as quick to pay you back when they get it wrong.

I experienced that not long ago when I opened my satellite surgery in Ballynahinch. My constituency of Strangford has grown and has moved further south, and as a result it was imperative to have another advice centre in Ballynahinch to give my constituents the representation that they deserve. We moved premises

and were being billed extortionate amounts for gas and electricity, based merely on estimated bills. Thankfully, we were able to get that resolved, but staff and business owners do not always have the time to be on the phone when their energy company is open to resolve such issues. We did get it done. My staff are very efficient and certainly able to respond. What we do for ourselves, we do for others.

Carla Lockhart (Upper Bann) (DUP): Many businesses in Northern Ireland query their bills and recognise that they have been overcharged. It is dispute resolution access that is the problem: that is why many businesses come to us, as elected representatives, to resolve it. Does my hon. Friend agree that there needs to be better, clearer dispute resolution access? Does he also agree that the regulator in Northern Ireland needs greater power to force suppliers to resolve the issue when it is brought to them in a timely fashion?

Jim Shannon: My hon. Friend is absolutely right. Perhaps the Minister will be able to tell us about the discussions that she has had with the regulator in Northern Ireland. I know she has been in discussions—I am sure of that. Any tightening of the law such as that referred to by my hon. Friend would be a step in the right direction.

Standing charges are also an issue where businesses have been asked to pay a fee regardless of how much electricity is used. The Ulsterman and Ulsterwoman are renowned for their prudence. The hon. Member for Dumfries and Galloway (John Cooper) will confirm that his constituents are similar. We do not want to pay any more than we should. When we get a big bill and we know it is wrong, we question it. My mum and dad brought me up in a certain way. Because we never had much, we looked after what we had. It was a case of "Look after the pennies, and the pounds will look after themselves."

It is important that we pay only for what we use. The amount that we pay depends on the supplier, on how we pay for our energy and on where we live, which already seems an unfair process. Additional costs are the norm, as many are aware. In the long term, I look to the smaller family-run businesses, like those in Ards in my constituency. Ards is renowned for the family businesses on the high street, on Frances Street and on Regent Street. They have been there for generations, but if they cannot sustain the energy costs they will be forced to close, so we have pressures building on all of our businesses.

There are certainly benefits to greater regulation of energy costs. I reiterate that for smaller businesses the costs of utilities are massive and should be charged correctly. Northern Ireland's electricity prices are often slightly higher than the United Kingdom average, owing to grid infrastructure and generation mix. We know from our constituents about the pressures on businesses in Strangford, Upper Bann, East Londonderry and across all of Northern Ireland. More must be put in place to make businesses more energy-efficient, to reduce costs and to encourage long-term affordability

I look to the Minister, who is a genuine lady and has a good heart for these issues. I am hopeful for a response to the questions that colleagues and I have asked, and hopeful that in Northern Ireland we can feel the benefits

[Jim Shannon]

9.57 am

of the good that has been done on the UK mainland. I look to the Minister for a commitment to business stability in future.

9.53 am

Kevin Bonavia (Stevenage) (Lab): It is a pleasure to serve under your chairship today, Mr Dowd. I congratulate my hon. Friend the Member for Tamworth (Sarah Edwards) on securing today's debate and on leading such an important campaign that matters not just to her constituents, but to so many of our constituents and the businesses that they run or use around the country. I also want to recognise the hon. Member for Strangford (Jim Shannon), as ever a champion for his residents, for outlining the experiences they are going through. I am sure that there is a consensus on this pertinent issue not just in this room, but across the House.

I would like the Minister to focus on the issue of uncapped energy billing for businesses. As we all know, household energy in the UK is capped by Ofgem. However, this protection is not afforded to businesses suffering under the rising gas and electricity prices that we have heard about. The issue has most impact on small to medium-sized businesses, as they often need to use large amounts of electricity, and the strain of rising cost is subsequently felt by the consumers as businesses are forced to find ways to counteract their costly energy bills. The escalating price of energy for businesses discourages those with an entrepreneurial mindset, as their goals appear unattainable because of the cost of running a business.

I have seen that at first hand in my constituency of Stevenage. Brand-new lunch spots receive high praise from residents, both online and through word of mouth, yet they end up closing after a few short months because of struggles with money. Those struggles are substantially attributable to the rapidly growing cost of running vital café equipment: temperature-controlled food display cases, display refrigerators, fridges and much more. I have spoken to restaurant owners in Stevenage, and the detrimental effects of rising costs are clear. For example, the owners of Pitta Hub, a relatively new lunch spot in the centre of our town, have shared information with me on its other overheads, in addition to its rising energy bills.

According to Utility Bidder, a well-regarded comparison and switching service, the average small restaurant uses between 15,000 kWh and 25,000 kWh of electricity per year. The lowered profit margins for our beloved small businesses affect the growth and prosperity of towns like Stevenage across the country.

I ask the Minister the following questions. Will the Government consider capping energy prices for businesses, as they do for household energy? What are the Government planning to do to support small and medium-sized businesses, such as those in Stevenage that I have mentioned, in the face of rising energy prices? Businesses are crying out because of these rising prices, and we in this House must heed that call. Today's debate has shown the importance of protecting independently run enterprises. They are the heart of our towns. Ensuring a semblance of stability for their entrepreneurial owners is vital, both to residents and to the economy of towns like Stevenage across our country.

John Cooper (Dumfries and Galloway) (Con): It is a pleasure to serve under your chairmanship, Mr Dowd. It is customary to congratulate the hon. Member who secured the debate, but I would like to go further: the hon. Member for Tamworth (Sarah Edwards) is an outstanding champion not only for her constituents—through the Select Committee on Business and Trade, on which I also serve—but for the public more widely, with her expert nose for unfairness.

Business Energy Supply Billing:

Regulation

Many businesses and homes in my rural constituency of Dumfries and Galloway are not on the gas grid and, like so many across the UK that are outwith the urban centres, are reliant on such things as tanker-delivered liquefied petroleum gas or kerosene for heating. But almost without exception, everyone is on the electricity grid and so gets a bill for at least this one utility. Given that ubiquity, people might expect the energy market to be the best regulated, and yet, as we have heard this morning, the regime is less the quiet and precise order that one might expect of an old-fashioned provincial bank and more the rough-house of a wild west saloon. Is there an MP in the House who does not have an example of blundering over bills or of sharp practice?

A small business in my constituency struggled with an electricity bill for an astonishing £18,000—that figure again. It was of such magnitude that it would have sunk a much-loved high street fixture and an important employer. Queries—pleas, indeed—went unheeded. I am pleased to say that, following intervention from my team, the bill was waived when it transpired that the issue was a convoluted tale involving a disconnected smart meter and wildly inaccurate estimated bills. There was a happy ending, but that is surely indicative of a wider problem.

Energy firms are increasingly a law unto themselves and are judge, jury and executioner over bills, billing and the recovery of debts, both real and imagined. Too often, they hide behind automated "computer says no" responses and infuriating call centres whose hold muzak should be the Cuckoo waltz: you hang on for an eternity, despite your call apparently being "very important" to them, although of course they are experiencing a "very high volume of calls" 24/7, 365.

I am a huge fan of the free market. I think it delivers competition, which gives consumers choice, which in turn drives down bills. However, it falls to us in this place to regulate that market: not to put the dead hand of Government on the tiller, to proscribe the private sector or fence it in, but to create an environment that is fair to both sides—industry and public—and is delineated, transparent and responsive.

And so the spotlight shifts from the energy firms to the regulator. Ofgem seems to be the victim of an overly wide remit: it has to deal with networks plus retail, and has ended up being criticised by the industry and consumers alike. It is difficult not to agree that it has lost its way when, as my hon. Friend the Member for Bromsgrove (Bradley Thomas) raised at the Energy Security and Net Zero Committee, it spent taxpayers' cash on irrelevances such as courses called "Pride in intersectionality" and "Perspectives from Rainbow Regulators".

Regulators rest on three pillars: deterrence, detection and enforcement. The first two are intertwined, because if there is no prospect of getting caught, there is no

deterrent. Many regulators fail on the third pillar: they talk a good game and threaten all sorts of dire retribution, yet they deliver little enforcement. Ofgem writing to suppliers demanding to know why they have not ended sharp practice such as back billing does not look like a regulatory crackdown; it looks like regulatory breakdown. The Government have been consulting on Ofgem, and the conclusion must surely be that the regulator is having a shocker when it comes to billing.

I hope that the Minister can assure us today that the Government are getting wired right into the fuse box of this vital, but apparently overwhelmed, regulator. Of deterrence, detection and enforcement, the greatest is enforcement. When will the Government apply a bit of that to the regulator itself, so that my constituents can have some faith that the bills piling up on their doormats, and increasingly in their inboxes, are at least accurate?

10.1 am

Pippa Heylings (South Cambridgeshire) (LD): It is a pleasure to serve under your chairship, Mr Dowd. I join other Members in congratulating the hon. Member for Tamworth (Sarah Edwards) on securing the debate and on her fantastic laying out of the situation. Small businesses are the backbone of our economy: they are 99% of UK businesses and over 5.5 million strong. My constituency has one of the highest concentrations of SMEs in the country. They really matter. They are essential to our communities and our growth.

Almost 45% of nearly 1,300 businesses surveyed by the Federation of Small Businesses at the end of 2024 reported increased costs due to a rise in utility costs. Our small businesses are really struggling and they are being failed by an energy system that lacks due fairness, transparency and accountability. SMEs have been left behind. When the energy bill relief scheme was replaced, support was slashed by 85%, and then it was removed altogether by March 2024. Liberal Democrat analysis estimates that 3.1 million SMEs saw bills rise by £7.6 billion. Today, the average small business electricity bill stands at £240 a month and 92% of SMEs plan to raise their prices due to energy volatility. That is unsustainable.

Domestic customers are protected to some extent by the energy price cap, and larger energy-intensive firms benefit from the brand-new British industrial competitiveness scheme. Is the Minister considering bringing in caps on energy costs for small businesses? In the meantime, owners of SMEs are encouraged to do it alone—independently explore the market and switch to a better deal. Yet we know, and we have heard today, that many small businesses do not have the capacity to undertake the work necessary to find the best energy deal and are vulnerable to exploitation, increasing, rather than decreasing, overall costs. That is where regulation of the energy market for small businesses is so important.

This debate is timely, but this is not a new issue. A 2023 report by Octopus revealed a disturbing picture of the impact on small businesses of a lack of regulation, unscrupulous practices and unfairness in the energy market. Some 3.2 million had had a negative experience with energy brokers and 78% of small businesses demanded that broker commissions be made clearer.

That same year, thousands of small businesses—manufacturers, high street stores, pubs, community organisations, faith groups and charities—joined a £2 billion

class action lawsuit to seek compensation for having overpaid for tariffs with energy giants brokered by third-party brokers. That showed that undisclosed broker commissions were being added to the unit cost of gas and electricity, falsely inflating energy prices for up to 2 million businesses and organisations in the UK.

Ofgem's own data showed that around 37% of non-domestic energy consumers had contracted such third-party intermediaries, and there was evidence of unscrupulous practice by some of those TPIs. We therefore welcomed Ofgem's December 2024 move to allow microbusinesses with up to 50 employees to access the Energy Ombudsman for alternative dispute resolution, but that left small businesses over the threshold locked out of that recourse to redress and recompense. Ofgem later expanded that offer to small businesses and required the energy giants to be transparent about commissions they were paying to brokers and where they were adding the cost on to consumers' bills.

However, Ofgem still does not have direct regulatory powers over third-party intermediaries. A consultation on regulation closed nine months ago, so will the Minister set out what the Government will do to introduce a mandatory authorisation regime with standards, registration and enforcement, and when? Businesses deserve transparency and protection. It was encouraging to hear of the kitemarking system that the hon. Member for Tamworth is championing, together with businesses. That shows that there are third-party brokers that are doing this well and want to help businesses, and we need to celebrate that where it is happening.

There are also systemic problems that need to be addressed. They include overcharging, about which we have heard distressing stories from all hon. Members. In May, Ofgem confirmed that 10 suppliers paid out more than £7 million in compensation for overcharging errors. That alone should be cause for alarm. Ofgem data shows that 23% of claims from non-domestic consumers were about billing, and nearly half of all complaints were unresolved. They include incorrect meter readings, inflated charges and poor customer service. Ofgem has now extended its standards of conduct to all business customers, not just microbusinesses. That is welcome, but guidance is not enough, as has been said. We need enforcement and a cultural shift among suppliers. They treat businesses as easy revenue sources, not valued customers.

The Department for Energy Security and Net Zero is currently reviewing Ofgem's powers, remit and effectiveness, and rightly so. The Department has a big hill to climb, because trust in the energy sector is really low. The non-domestic market in particular has long been the wild west of energy regulation. Ofgem must be equipped not only to set standards but to enforce them, to act swiftly against abuses and to be accountable for the outcome it delivers. I therefore ask the Minister again to tell us about the response to the review. Businesses deserve more than warm words; they need action.

10.7 am

Nick Timothy (West Suffolk) (Con): I am pleased to respond to the debate on behalf of the Opposition. I congratulate the hon. Member for Tamworth (Sarah Edwards) on securing it. She gave a serious and passionate speech about the injustices experienced by too many

[Nick Timothy]

businesses, and I commend her campaign and encourage all small businesses to visit her website so that they can tell their stories and give their evidence.

Every Member's speech confirmed what a significant problem this is. The hon. Member for Strangford (Jim Shannon) reminded us of the effects on our high streets. With his usual journalistic flair for arresting language, my hon. Friend the Member for Dumfries and Galloway (John Cooper) questioned Ofgem's wide remit, which ranges from regulating careless errors, such as mix-ups between night and day meter readings leading to intimidating demands for bills as high as £18,000, to systemic failures and cynical malpractice. We need the Government to act.

Even apparently innocent mistakes come with a terrible burden for small businesses. We all know the pain and stress of the bureaucracy we have to handle when there is a problem, and sometimes that bureaucracy feels like a deliberate hurdle that has been constructed by the businesses in question. Small firms have to contend not just with high costs, but with lost time, which is a highly precious commodity for them.

We must also consider the systemic problems. The hon. Member for Tamworth mentioned kickbacks for brokers who push more expensive contracts, and she rightly asked about the powers available to deal with errant companies. I thought her comparison with fines for breaches of data laws was apposite. Will the Minister tell us when we can expect the review of Ofgem to conclude? Can we expect increases in the fines levied against companies when they fall short?

As the hon. Member for Stevenage (Kevin Bonavia) suggested, high energy costs themselves are a huge problem. It is not just about the conduct of businesses; we must explore the effects of wider Government policy, too, because no country in history has ever made itself richer by making energy more expensive. First fossil fuels and then nuclear powered the industrial and technological revolutions of the 19th and 20th centuries, and yet it is the policy of our Government to increase the price of energy and make its supply less reliable. They are defying common sense by pushing up demand for electricity with their ideological targets for decarbonising the grid and rolling out heat pumps and electric vehicles. Large-scale electrification is pushing the grid to its limits; it is already struggling to supply new homes, factories and data centres. We can clearly see the effect on energy bills for businesses.

The Climate Change Committee—an unelected and unaccountable quango against which Ministers offer little or no resistance—says the cost of electrification must be shifted on to bills for gas and oil. For years the climate lobby insisted that renewables were cheaper than gas, but now that they have to put their money where their mouth is, they want to put the public's money where their mouth is—now that the world can see the truth, they want to transfer the massive cost of renewables on to gas bills.

The renewables obligation, feed-in tariffs and the capacity market are all direct costs to business. Environmental levies are already projected by the Office for Budget Responsibility to increase from £9.9 billion last year to £14.8 billion by 2030. Those hidden costs support the complex web of public subsidies that prop

up wind and solar. Wind and solar generators are given billions of pounds in subsidies paid through green levies. Without those subsidies, most of them would not be commercially viable. The levies are not the only costs created by a dependence on unreliable renewables; customers also bear the balancing costs that are paid to generators to switch their power on and off. As wind and solar expand, those costs will triple to £8 billion by 2030.

Grid decarbonisation will create a carbon price of £147 per tonne of CO_2 , which is 2.7 times higher than the current level. Ever-rising carbon prices will be locked in under the EU reset deal, which will keep us aligned with the EU emissions trading system. We already have the highest industrial energy prices in Europe. Our energy consumption fell last year by 0.1%—we were the only G7 country where that happened, apart from Japan and Germany. Despite global energy demand getting ever higher, our energy supply fell by an average of 2.1% per year between 2014 and 2024. Output from energy-intensive industries has fallen to its lowest level since the 1990s.

Decarbonisation is undoubtedly fuelling deindustrialisation. Just last week, it was announced that a facility in Teesside, one of the largest chemical plants in the country, will be permanently closed. The Grangemouth oil refinery stopped processing crude oil last April. British Steel has been brought to its knees. Yesterday, we heard the sad news about the Prax Lindsey oil refinery.

The Energy Secretary wants to blame international gas prices for our insane energy prices, when he has been throwing policy costs on to British industry to subsidise expensive and unreliable renewables. Now he says he will subsidise heavy industry to counter the cost of the renewable subsidies he is making it pay. There are countries, such as the United States, that rely much more on fossil fuels and have lower energy costs than we do. Labour is trying to con the public by blaming global prices, when it is the one that is piling on policy costs.

10.13 am

The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Miatta Fahnbulleh): I thank my hon. Friend the Member for Tamworth (Sarah Edwards) for introducing this important debate, and all hon. Members for their insightful contributions. I assure them all that the Government are taking this issue seriously, and we are working at pace to respond to it.

The experience of Roasters reflects the issues that consumers face in an energy market that, quite frankly, is not working for them. Let me be clear that reforming the energy market so that it works for consumers and is fair is a key priority for this Government. We have made progress already, which I will set out, but we must do more.

I was extremely disappointed to learn of another example of a customer receiving incorrect bills and back-billing requests. Ofgem supply licence conditions are very clear: suppliers must take all reasonable steps to reflect accurate meter readings in bills or statements where these have been provided by a customer or taken by a supplier. Suppliers must also take all reasonable steps to obtain meter readings at least twice annually. They must provide historical consumption information to all customers upon request and explain how a customer's bill was worked out.

Sarah Edwards: I thank the Minister for giving us lots of information on challenges and things that companies should be doing. Roasters café had four different smart meters fitted, none of which worked. When my constituent raised the alarm 12 months in and said she did not feel that the final meter was working, she was told, "It's absolutely fine—it works. There's no problem." As we know, there was a problem; it was not making the readings, and it was certainly not smart. Can the Minister speak about the fact that energy companies are imposing these meters, charging for the privilege of going to check them and then claiming that they still work?

Business Energy Supply Billing:

Regulation

Miatta Fahnbulleh: We know we have a challenge with smart meters. The majority of smart meters work, but there are far too many cases where they do not. We are working with the DCC and suppliers to make sure that we have connection across the piece and that there is a clear obligation on suppliers to respond to meters that are not working. Ofgem is reviewing this at the moment, and we will set out what we will do to introduce further obligations and ensure compliance on the specific issue of smart meters.

On the wider question about back billing, let me be clear: suppliers cannot back-bill domestic or microbusiness consumers for energy use more than 12 months ago. A company is classed as a microbusiness when it has fewer than 10 employees and turnover of less than £2 million, or where it falls under certain energy-usage thresholds. In February, the Secretary of State wrote to the chief executive officer of Ofgem, asking him to accelerate the regulator's work on reviewing the back-billing rules as part of its ongoing consumer confidence reforms. Ofgem is in the process of doing that.

The Secretary of State and I have constant meetings with the regulator to make sure that this matter is proceeding with the pace and urgency it requires. It is very clear that suppliers can back-bill consumers only in very specific circumstances; we need to clarify what those circumstances are and ensure far tighter compliance and enforcement on this issue.

My hon. Friend raised a point about the Energy Ombudsman, and what it should do to support businesses such as those in her constituency. We announced an expansion of the ombudsman's service in December so that small and medium-sized enterprises with fewer than 50 employees can now access it. That means that 99% of businesses in this country can now access that important service. In recognition of the impact on businesses when things go wrong, the maximum award for new business disputes that go through the ombudsman has been doubled to £20,000.

We know that much more must be done to ensure that the ombudsman and the redress service are working for all customers. We have committed to consulting on a range of issues that would strengthen the ombudsman, including introducing automatic referrals to it rather than consumers having to do that themselves. We think that will speed up the process.

We are also looking to reduce the referral waiting time from eight weeks to four weeks so that customers are not waiting in a long and frustrating process before their issue gets redress. Critically, as part of that, we are looking to increase the value of the compensation that is paid to customers when things go wrong and the ombudsman has clearly put in place a judgment that suppliers are not responding to. We also want to make compensation automatic, because that is how we can expand and drive deterrence in the system.

Business Energy Supply Billing:

Regulation

We will look to see how, in instances of, for example, excessively long call waiting times, which consumers find desperately frustrating, unacceptably high bills when suppliers fail to adjust their direct debits, and suppliers not responding to complaints in time or not complying with the Energy Ombudsman, there can be automatic compensation so that consumers get the redress without having to go through the hassle.

Sarah Edwards: I thank the Minister for all the additional details and information on where we are hoping to get to. One thing I learned about was the problem of deemed contracts. When a business moves into a premises, they are put on an assumptive contract, but that has caused lots of problems. The ombudsman and Ofgem have decided that they cannot make any rulings on deemed contracts and when a deemed contract becomes an actual contract, and the issues around the money that is then made. Does the Minister have anything to say about deemed contracts, which contribute to a lot of complaints?

Miatta Fahnbulleh: We will raise the issue of deemed contracts with the regulator and the ombudsman. More broadly, my hon. Friend has raised specific concerns about the ombudsman's approach. There is a clear complaints procedure, so if constituents feel that they have not had the service that they require, there is a process to escalate their complaint up the hierarchy of the ombudsman and consumers should use it.

My hon. Friend also raised the important issue of the Ofgem review, as did other Members. I could not agree more; we need a regulator with teeth that is on the side of consumers. As part of our manifesto, we promised to strengthen Ofgem, to ensure that it can hold companies to account for wrongdoing and require higher standards of performance, and to make sure that customers receive automatic customer compensation for poor service. To address that, in December, we launched a comprehensive review of Ofgem. We are in the weeds of that review, which will conclude in the autumn. Critically for me, the review will establish Ofgem as a strong consumer regulator. It will ensure that Ofgem is equipped to address unacceptable instances of customer failing and, importantly, we want it to reset consumers' confidence in a system that, quite frankly, they have lost confidence in.

In response to the hon. Member for Dumfries and Galloway (John Cooper), the review will specifically look at whether Ofgem has the right remit, mandate, tools and powers to do the job that consumers expect. We want to ensure that all the examples are represented, so we have done a big call for evidence. We are doing huge amounts of engagement to make sure that all the evidence informs the final conclusions of the review. Critically, it will also look at redress, because we know that we need to get that right. The point has been made over and over again that it is about setting in place the right regulatory framework, but also about making sure that there are repercussions when compliance does not happen, and that there are clear enforcement mechanisms. We want to ensure that the regulator has all that.

[Miatta Fahnbulleh]

We know that the cost of energy is a massive issue for businesses across the country, particularly small businesses. This issue, and the question of whether we cap energy bills for non-domestic customers, was raised by my hon. Friend the Member for Stevenage (Kevin Bonavia) and the hon. Member for South Cambridgeshire (Pippa Heylings). We have taken the judgment that the way that we respond to energy bills that are too high is to sprint in order to deliver clean power and break our dependence on fossil fuel markets so that we can drive down costs and bills for consumers. The shadow Minister is wrong: this is not and never was ideological. We have seen the worst energy crisis in a generation and our dependence on fossil fuels was at the root of that. That crisis, not on our shores, meant that businesses and consumers across the country were paying the price. That is why diversifying our energy mix, whether Members believe in net zero or not, and generating home-grown clean energy that we control are the routes out of this bind and out of volatility. That will deliver energy security for families and fundamentally secure family and business finances.

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Nick Timothy: The Minister, as Ministers do, made a point about the volatility of gas prices. When wholesale gas prices fell and the price cap was lowered, the Labour party put out posters saying, "Labour have just cut your energy bills." Will she accept that it was wrong for the Labour party to do that, when that fall was because of the reduction in wholesale prices and nothing to do with policy costs, which were actually increasing?

Miatta Fahnbulleh: My words were very clear. We welcome the reductions in energy prices, but we were very clear that we are on a rollercoaster: prices go up and prices go down. We must get off the rollercoaster so that we deliver energy security. That will deliver price stability and fundamentally secure family finances.

Nick Timothy: Will the Minister give way on that point?

Miatta Fahnbulleh: I will make some progress.

I want to end by addressing the issue of energy brokers, which has been raised. We know that many energy brokers can help businesses to save money on their bills with contracts tailored to their needs. However, we have also seen evidence of opaque charging structures and unfair sales practices. We are hugely conscious of that, and last year the Government launched a consultation on introducing regulation of third party intermediaries such as energy brokers, aimed at enhancing consumer protection, particularly for non-domestic consumers, where we have recognised that there is an issue that must be addressed. The consultation has now closed, and I can assure my hon. Friend the Member for Tamworth that the Government are working through the huge volume of responses that we received and will respond in due course.

Finally, to the hon. Members—

Jim Shannon: Forgive me for pushing on this matter, but I did ask about the Utility Regulator in Northern Ireland.

Miatta Fahnbulleh: I was just coming to that.

Jim Shannon: Isn't that fantastic? Thank you so much.

Miatta Fahnbulleh: That was my concluding point, to hon. Members from Northern Ireland, who have raised a really important issue: we are working closely with the Northern Ireland Government to ensure that the improvements we make in the UK market are aligned and that lessons are learnt to ensure that, where we develop stronger and better practice, it is shared with the regulator and the Northern Irish Government. In the end, we must ensure that we have a system that works for all consumers across these isles.

Let me conclude by again saying a huge thank you to my hon. Friend the Member for Tamworth for raising this important issue, and by offering, if she wishes, to meet to talk in more detail about some of the issues she has raised. I am clear that, without a fair, functioning energy market, our clean power mission will not succeed, energy bills will not come down and consumers will not get justice or access to a system that works for them. That is an absolute imperative for us; that is the priority; that is the thing that drives everything we do. We look forward to working with all hon. Members to achieve that outcome.

10.27 am

Sarah Edwards: I am so pleased to have had the support of hon. Members; I remark on the stories that highlight some of the regulatory differences across the

Caps for business energy, or some kind of cap on deemed contracts, could help to bring prices down without costing the Government and would help to get the market into some kind of equilibrium. The attempt to enforce estimated bills is causing absolute havoc. Enforcement must be a priority for the Government, so I welcome what the Minister said about its being front and centre of the reviews and particularly the recognition that more must be done. We must ensure that there are incentives for energy suppliers to businesses to behave appropriately and stop their malpractice.

It is so disappointing that no action has been taken yet to tackle the sector, with no punishment for that poor practice or for the dodgy brokers who are making businesses pay. Those costs get passed on to consumers, and they have made our businesses uncompetitive. It is an abuse of a lax system that is failing every day to protect our valued businesses, so I again call on businesses to fill in my survey and share their stories, and say to them: "Don't answer unsolicited phone calls; question whether the deal is really a good deal, and help me to call on our Government to continue with the commitments they have made to supporting our SMEs."

This is no time for half-measures and empty promises. Small businesses, the backbone of our communities, deserve protection, fairness and transparency in their energy dealings. The Government have known about this issue since 2013, so I call on this Government to urgently strengthen the powers of the Energy Ombudsman and outlaw back billing beyond six months. I highlight the abuse of deemed energy rates and half-hourly settlement meters, which are causing all kinds of issues for SMEs, which cannot get the appropriate rate even when they have switched to smart meters. Brokers and third party

intermediaries must be fully regulated and held to a strict code of conduct. Many people are calling for fraudsters and excessive bad brokers to be driven out of the sector

We need more dispute resolution schemes, particularly for brokers. I also urge immediate empowerment to regulate the sector effectively, whether through Ofgem or the Financial Conduct Authority. I call on energy companies to commit to fair and transparent billing and responsible practices. While the industry waits for stronger regulation, I am committed to working with experts, trade bodies and businesses to launch a trusted kitemark, and to publishing fair energy data.

Good brokers typically make between 1p and 1.5p per kWh. We need to create a directory of those reputable brokers that give power back to businesses. Let us act now, before more businesses suffer, before more fraud occurs and before more jobs are lost. One example of excessive profits can be read in law. Expert Tooling had its broker take a 35% profit margin. It paid £125,000 for energy, but the law said that was okay. That is not okay; the future of our high streets, towns and communities depends on decisive action today.

Question put and agreed to.

Resolved

That this House has considered regulatory powers over billing of energy supply to businesses.

10.31 am

Sitting suspended.

ADHD: Impact on Prison Rehabilitation and Reoffending

11 am

Peter Dowd (in the Chair): I remind Members that they may only make a speech with prior permission from the Member in charge and the Minister. I understand that there will be interventions, but I exhort Members to keep them very tight. The Minister has kindly and charitably said that he will take 10 minutes, which gives us until 11.20 am for other Members, who should bear that in mind with good faith. As is the convention, there will not be an opportunity for the Member in charge to wind up.

Tessa Munt (Wells and Mendip Hills) (LD): I beg to move,

That this House has considered the impact of ADHD on rehabilitation and reoffending in the prison system.

It is a pleasure to serve under your chairmanship, Mr Dowd. I think we all accept that our prison system faces significant challenges, including poor rehabilitation, high reoffending rates, overcrowding, limited resources and prisoner numbers that have doubled over the last 30 years and now exceed 87,000. The Minister will know that recent estimates suggest that prisoner numbers could surge to almost 100,000 by the end of next year.

In preparing for this debate, I drew on a number of publications with which the Minister will be familiar, but it is noteworthy that many of the studies were undertaken by those with links not only to justice but to the Home Office, the police, health and social care, planning, education, social equality and good government.

Adam Dance (Yeovil) (LD): I have spoken to people who found out in prison that they have neurodiverse conditions such as attention deficit hyperactivity disorder, which I also have. If they had been supported at school, things would have been different. Does my hon. Friend agree that we need to roll out universal screening for all neurodiverse conditions at primary school level?

Tessa Munt: I could not agree more; that might help us to understand the interaction between behaviour and authority.

Jim Shannon (Strangford) (DUP): I commend the hon. Lady for securing this debate, and she is right to raise this issue, which is very prevalent in Northern Ireland. There is a lack of specialist staff and training in adult ADHD, which is becoming a bigger part of the conversation. More needs to be done to rehabilitate in a certain way to ensure that prisoners are in a position to learn. Does the hon. Lady agree that, specifically for adult ADHD, the Government need to allocate more to training to ensure that prison staff are equipped to support people in prison settings who have ADHD?

Tessa Munt: I agree with the hon. Gentleman and will come to that in a moment.

The impact of ADHD on rehabilitation and reoffending sits at the junction of many different interests. It seems likely that supporting people with ADHD could be a critical part of delivering the Government's aim of rebuilding confidence in the criminal justice system.

[Tessa Munt]

There is a clear link between ADHD and contact with the criminal justice system, and ADHD is significantly over-represented in prisons. While just 3% to 4% of people in the general population are currently identified as living with ADHD, the National Institute for Health and Care Excellence estimates that the proportion is up to 25% in the prison population. Up to a quarter of people in prison are living with ADHD, but studies show that 41% of women in UK prisons meet the criteria for an ADHD diagnosis.

Warinder Juss (Wolverhampton West) (Lab): Prisoners often leave the prison system with just one week's worth of medication, and they then have difficulty getting back into the healthcare system. Does the hon. Member agree that we need a holistic approach to the Probation Service that co-ordinates the health and social care system to act as a bridge between the criminal justice system and wider community services?

Tessa Munt: Indeed, I do agree. Our interaction with the NHS needs to be far better. I will come to that later.

In December 2020, the then Lord Chancellor and Secretary of State for Justice took the important step of commissioning an independent review into neurodiversity in the criminal justice system. The review was led by the chief inspector of prisons, Charlie Taylor; the chief inspector of probation, Justin Russell; and the chief inspector of constabulary and fire and rescue services, Sir Thomas Winsor. The resultant report concluded that when ADHD goes unrecognised or unsupported, the cycle of

"crime, arrest, court, prison, probation and reoffending" will repeat itself. That is likely to be because the root cause driving that cycle of constant repetition is not currently being addressed in a structured or uniform way in the criminal justice system.

According to the report, the identification, support and management of neurodiverse individuals, including those with ADHD, is "patchy, inconsistent and uncoordinated". It exposed

"serious gaps, failings and missed opportunities at every stage of the system."

To put it simply, the report identified that the system was not adequately supporting neurodiverse individuals.

There are many elements of the prison environment that can cause distress to neurodiverse people, including busy and noisy wings, cell-sharing and frequent changes in daily routine. There is no consistent approach to screening for ADHD across prison services, and no single screening tool is used as a standard across the system. The lack of consistent screening means that people who come into the system with ADHD are not identified in a timely manner, or indeed at all.

Carla Lockhart (Upper Bann) (DUP): Does the hon. Member agree that there is also a real problem with data collection, which means that the extent of the problem in our prison service is not known? We experience that problem in Northern Ireland, and I am sure it is the same across the United Kingdom.

Tessa Munt: Indeed, there is no consistent data collection. That is a problem not only in Northern Ireland, but in England and Wales, which the debate is primarily about.

If someone is identified and diagnosed, it can be hard for them to access the right care and support due to fragmented care pathways. That is compounded by limited awareness and understanding of ADHD in the prison services.

Clive Jones (Wokingham) (LD): I think all Members present will have heard from desperate parents whose children cannot get the ADHD medication that they need. Does my hon. Friend agree that the scandalous failure to provide care sets those children up to fail and that, tragically, the consequences are that some end up as the offenders we are discussing, instead of fulfilling their full potential?

Tessa Munt: I could not agree with my hon. Friend more. His point is similar to the one made by my hon. Friend the Member for Yeovil (Adam Dance): the earlier we screen, the better we will be able to understand how people learn. In the long run, if life is not education, I do not know what it is—I am sure the Minister will have some sympathy with that point, because he and I both served on the Education Committee between 2010 and 2015. We need to make sure we have far better screening so that people can understand how both young and older people learn. We should never finish learning.

The report observed that only 24% of prison staff had received some level of training about neurodiversity. I accept that that was back in 2021, but I doubt it is much different now. A basic level of awareness of neurodiversity and the needs of neurodiverse people was lacking among frontline staff. The lack of training, combined with staff shortages in prisons, can impact the management of neurodiverse prisoners. Those working in prisons must be able to recognise that the behaviour of some prisoners may be linked to ADHD, and a lack of training for those in mental health teams can result in misdiagnoses or suboptimal treatment. There is an ongoing need to better embed training for prison officers and extend the establishment of neurodiversity support managers across prisons in England and Wales, as mentioned earlier.

The structural changes that are taking place in NHS England, which has commissioning responsibility for offender health services, might provide an important opportunity to consider some of the challenges, and to develop new models for supporting people with health and care needs to access the right care and treatment in the community. That is particularly important where an unmet need has the potential to have a direct impact on an ex-offender's likelihood of reoffending. Will the Minister outline the measures that are currently in place, and what he plans to offer, in the way of support and continuity of care for neurodiverse prisoners after their release, particularly in healthcare settings?

The Ministry of Justice's cross-Government neurodiversity action plan, published in 2022 in response to the independent review, was a step forward in the official recognition of the unmet need around neurodiversity in the criminal justice system. Some promising steps were taken to advance the commitments in the plan, such as the recruitment of more than 100 neurodiversity support managers in prisons and the roll-out of neurodiversity training in some settings. But data remains insufficient and fragmented, as the hon. Member for

Upper Bann (Carla Lockhart) said, and that poses challenges to the effective assessment of the impact of interventions. Will the Minister outline what steps the Government are taking to monitor the number and availability of neurodiversity support managers in prisons across the country, and what measurements are being used to assess the impact of their work?

It is important to keep up the momentum behind the neurodiversity action plan. However, the 18-month review and update committed to under the action plan, which was due in early 2024, has not been published. I would be grateful for further details from the Minister on his plans to continue the implementation of the neurodiversity action plan. Will he outline what steps were taken last year and will be taken to implement the plan? When will the 18-month review, which was due in early 2024, be published?

The ADHD taskforce was established in 2024 and recently published an interim report on the state of play in ADHD care, with its final report due this summer. The taskforce has taken a cross-Government approach, rightly recognising criminal justice as a key focus. The taskforce interim report highlights a number of important and pressing issues, particularly the need for better data to understand where and how people with ADHD are interacting with public services; the relationship between education, health and wider support in relation to outcomes for people with ADHD, including contact with the criminal justice system; and the value of earlier intervention.

What steps have the Government taken and will they take to engage with the ADHD taskforce and wider stakeholders to address the barriers and implement the recommendations highlighted in its interim report and forthcoming final report? Many reports show us that people with ADHD are more likely to struggle with impulse control, emotional regulation and memory recall. We understand that those behaviours can lead to early school expulsions, unstable employment and contact with the criminal justice system.

Once someone is in the system, ADHD can affect how they interact with the police, legal advisers, the judiciary, court staff and probation officers. That can increase exponentially the risks around unreliable statements, misunderstood behaviours and disproportionate sentences. Responses to their environment can lead neurodiverse people to exhibit challenging behaviour that could result in their being disciplined or sanctioned, and affect their engagement or consideration for rehabilitation programmes.

Other reports, such as that published in December 2024 by Takeda, on reforming justice and tackling the unseen challenge of neurodiversity in the criminal justice system, have concluded that there is a need to reassess our approach to managing offenders and consider more innovative ways to interrupt the cycle of reoffending. That includes better approaches to addressing the unmet needs of neurodiverse individuals, where conditions such as ADHD may have a direct impact on offending. Does the Minister agree that, in the light of the challenges, criminal justice services should adjust the way people with ADHD are managed, to improve rehabilitation and reoffending outcomes?

Will the Minister address the matter of women who meet the criteria for ADHD in prisons? ADHD in women is often misdiagnosed or missed altogether. Women are more likely to mask symptoms, presenting as anxious, depressed, having eating disorders or as emotionally distressed. That means that for many women and girls their ADHD is often diagnosed late or not at all. More work is needed to understand the experience of women in the criminal justice system who have ADHD. They are likely to experience multiple barriers and may be impacted by co-occurring mental health issues or other disadvantages. For example, one in three women in prison self-harms—the rate is eight times higher than that on the men's estate—and there is a strong correlation between ADHD in women and self-harming.

These issues are directly relevant to the Government's wider ambition to reform the way female offenders are managed in England and Wales, including the intention to close one women's prison and increase the management of female offenders in the community. That in part recognises that many women are imprisoned for lower-level offences. For example, in 2023, theft from shops was cited as the most frequent offence committed by female offenders, accounting for 40% of women's prison sentences shorter than six months.

Evidence also demonstrates that the incarceration of women can have a broader impact on families and children. Many women are primary carers, and their imprisonment can result in children being displaced, amplifying cycles of trauma and disadvantage over the generations.

The establishment of the Women's Justice Board presents an opportunity to address these issues, so will the Minister outline whether the board is currently considering neurodiversity and the impact of ADHD on women in prison within its remit? Will the Minister commit to ensuring that ADHD is meaningfully embedded and accounted for in the work of the board in order to ensure that the experiences of women with ADHD in the criminal justice system are a priority? The Government have stated an ambition to address the challenges of prison capacity and to shift the approach taken to women offenders. It is important to recognise that ADHD screening, a coherent care pathway and improved awareness and training in prisons could play a part in achieving that ambition.

In summary, my current membership of the Justice Committee and my membership of the Education Committee during my service here between 2010 and 2015, along with my meeting experts in ADHD and criminal justice more recently, has emphasised to me the need to take a different approach to identifying and supporting neurodiverse prisoners to help those individuals to make new lives and thereby to help the Government to make sure that prison is effective and efficient at turning prisoners' lives around.

A new campaign focusing on the unique experience of neurodiverse individuals with ADHD in the criminal justice system explores evidence-based opportunities to improve support and outcomes. Will the Minister meet me and representatives of that campaign to discuss the challenges facing individuals with ADHD in the criminal justice system and the steps that might be taken to meet people's needs and improve outcomes in relation to rehabilitation and reoffending? I have asked a number of questions, which I provided to the Minister and his team. I recognise that he will not necessarily be able to answer eight questions right now, but would he possibly give me the honour, first, of a meeting and, secondly, of a response to my questions?

11.18 am

The Parliamentary Under-Secretary of State for Justice (Sir Nicholas Dakin): It is a complete joy to serve when you chair, Mr Dowd, and a pleasure to respond to the contribution made by the hon. Member for Wells and Mendip Hills (Tessa Munt) to set out this very important matter. I will do my best to answer her eight questions.

I thank all Members, on both sides of the Chamber, for their considered contributions to today's debate. This has been a measured and helpful discussion underscoring the importance of recognising and responding to the needs of neurodivergent offenders, including those with attention deficit hyperactivity disorder. There is a huge prevalence of neurodiversity in our prisons: studies have estimated that at least half of the offenders in our jails have some kind of neurodivergent need, though the figure is likely to be even higher, with about a quarter of prisoners thought to meet the ADHD diagnostic criteria. As the hon. Member for Wells and Mendip Hills said, NICE calculates that figure as up to 25%, including 41% of women. As the inspectorates have highlighted, for these offenders prison can be particularly difficult and distressing, leading to challenging behaviour that could result in their being unnecessarily sanctioned or disciplined.

Prison is rightly first and foremost a punishment, but it must also reduce reoffending. Offenders deserve the opportunity to turn their lives around so that they can play their full part in society on release. We need to make better citizens, not better criminals. Above all, we want to ensure that every offender gets the rehabilitation they need to protect the public. That relies on ADHD and other neurodivergent needs being picked up quickly, and on offenders getting the support that they need so that they can engage with support, treatment and education. There is a great deal of good work already under way.

I will answer the questions asked by the hon. Member for Wells and Mendip Hills. On what measures are currently in place and what we plan to offer in way of support and continuity of care to neurodiverse prisoners on their release, my hon. Friend the Member for Wolverhampton West (Warinder Juss) rightly identified the key role of probation. There is guidance and training for probation staff to help them to understand ADHD, how needs can look different for different individuals, and that some needs are not visible. Probation staff are skilled at taking a strength-based approach in assessments for pre-sentence reports and sentence plans. Together, that can help our practitioners to adapt the work they do with offenders, whether that is in a one-to-one context, such as supervision appointments, in group settings in a behaviour programme, or in unpaid work placements.

In addition, the Probation Service has commissioned neurodiversity specialists in five probation regions: Yorkshire and the Humber, the north-west, the west midlands, the south-west, and Wales. Those services offer direct support to people who are diagnosed with or suspected to have a neurodivergent condition; supporting engagement with their orders or licences, they provide briefings to probation staff designed to help them to identify factors that may be related to neurodivergent conditions, and give guidance on how best to support the rehabilitation of these individuals.

The hon. Member for Wells and Mendip Hills asked about neurodiversity support managers. We have neurodiversity support managers in all our public prisons, and they have a whole-prison approach to neurodiversity. That includes: improving processes to identify and support prisoners with neurodivergent needs; providing training and guidance for prison staff; and ensuring that neurodivergent prisoners can access education, skills and work opportunities within the prison.

Neurodiversity support managers also ensure that reasonable adjustments are made to prison environments to make them more supportive of neurodivergent needs. They are frequently recognised in His Majesty's Inspectorate of Prisons reports for their positive impact in prisons, with recent reports from HMP Kirklevington Grange and HMP Warren Hill highlighting their support for prisoners as an example of good practice.

The 2021 joint inspectorate neurodiversity review of evidence, which the hon. Member for Wells and Mendip Hills cited in detail, suggested that at least 50% of prisoners have a neurodivergent need, although many will not be diagnosed. In response to the review, the previous Government published a cross-Government neurodiversity action plan in July 2022, with updates in the January and September of 2023. I am pleased to tell hon. Members that we will publish a final update to the action plan later this year, which will respond directly to the joint inspectorate's report and set out a cross-system strategy to further improve outcomes for neurodivergent people, building on the vital work of the ADHD taskforce.

I welcome the publication of the ADHD taskforce's interim report. It is a timely and important piece of work that outlines the systemic challenges in ADHD services across the country and sets out both short and long-term recommendations to improve support for people with ADHD. Many contributions made by Members highlighted the issues in other services, which is why the report is important. I am grateful to colleagues across Departments who have worked collaboratively to shape the recommendations.

The report rightly makes clear that no single Department can resolve the challenges alone. ADHD, when left unsupported, can lead to a cascade of negative outcomes: school exclusion, unemployment, substance misuse, involvement in crime, and, tragically, sometimes suicide. We will continue to work with the taskforce and together across Government to achieve the report's aims.

In youth justice, youth offending teams are increasingly tailoring interventions to children's specific needs, including those with neurodiverse conditions, with 95% of practitioners reporting that assessments and planning now take into account individual vulnerabilities. Where children are detained in youth custody, all children receive a comprehensive health assessment that screens for a range of needs, including mental health and neurodiversity when they first arrive. All education providers across the three public young offender institutions also have a special educational needs co-ordinator who, in collaboration with NHS England, conducts assessments for children who may have undiagnosed needs, including ADHD. We are having a roundtable later today with education providers to look at alternative education providers outside of the youth justice estate to look at ways of bringing their expertise into the youth custody system so that we can learn from others and improve the way we do business in the youth custody service.

The hon. Member for Wokingham (Clive Jones) drew On the issue of women, the Prisons Minister in the attention to focusing on and analysing needs. His Majesty's other place, Lord Timpson, leads on the Women's Justice Prison and Probation Service takes a needs-led approach Board—indeed, he chairs it. It is a passionate area of to supporting people in prison, including those with interest for him and the Lord Chancellor. I will write to ADHD. This ensures that needs are identified as early Lord Timpson to flag the issue of ADHD, but I am sure as possible so that appropriate reasonable adjustments it is already on his radar and in his work plan. If it is and support are provided throughout custody. To improve not, it will be soon. There is a neurodiversity support current screening processes, HMPPS is procuring a new manager in every female prison and they have all had needs assessment tool. I am pleased to confirm that specific training on women with ADHD. Do-IT Solutions has been awarded the contract for this Mr Speaker, I am grateful once again to the right tool, which will be introduced as part of the new prisoner

Tessa Munt: Will the tool be used for every entrant to the prison estate or is it for those who might be suspected of having some sort of neurodiversity?

education service. The tool will identify individual strengths

and additional learning needs, including those associated

with autism spectrum conditions and ADHD.

Sir Nicholas Dakin: My understanding is that it will be, but I will write to the hon. Lady to confirm the details.

To pick up on the point made by the hon. Member for Upper Bann (Carla Lockhart), data on prisoners with ADHD may be held locally by prison healthcare providers, but is not held centrally by NHS England. Where it is known, 55% of prisoners who took an initial assessment via the prison education service and then enrolled on a course had a learning difficulty or disability. We continue to work to improve our data collection and information sharing. This includes plans to integrate screening results and any information relating to additional need into digital learning and work plans to support prisoners' education, skills and work progress through custody. But this area needs more work.

Mr Speaker, I am grateful once again to the right hon. and hon. Members who have contributed to the debate, particularly the hon. Member for Wells and Mendip Hills, who led it. I am very happy to meet her at a later date to further explore the matter. As the ADHD taskforce has rightly pointed out in its interim report,

"ADHD, when unsupported, is a potent route into educational failure, long-term unemployment, crime, substance misuse, suicide, mental and physical illness."

We have made significant progress to support neurodiverse people in the criminal justice system, including those with ADHD, but there is still much more to do, which is why this debate and the interest and commitment of the hon. Lady and other hon. Members is so valuable and helpful to all of us. I look forward to continuing to work with the taskforce and colleagues across Government to ensure that neurodiverse offenders are given the support they need to turn their backs on crime for good.

Peter Dowd (in the Chair): I thank the Minister for his largesse and for promoting me to Speaker.

Question put and agreed to.

11.29 am

Sitting suspended.

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Hospitality Sector

[Dawn Butler in the Chair]

2.30 pm

Mike Wood (Kingswinford and South Staffordshire) (Con): I beg to move,

That this House has considered Government support for the hospitality sector.

I draw Members' attention to my entry in the Register of Members' Financial Interests; I have also received hospitality from UKHospitality and from the British Beer and Pub Association that falls below the registrable threshold.

I am pleased to open this debate on a subject of national and local importance: the future of our hospitality sector. From pubs and restaurants to hotels and leisure centres, hospitality is more than just a convenience; it is the beating heart of our communities. It provides first jobs, second chances, career ladders and gathering places. It employs 3.5 million people and contributes £140 billion in economic activity and £54 billion in tax receipts to the Exchequer each year. Yet the sector faces an existential threat—not from a lack of demand, but from deliberate political choices made in last autumn's Budget and the spring statement.

Those choices have hit hospitality harder than any other part of the economy. The Government's 2024 Budget, far from being fair or progressive, has dealt a brutal blow to our high streets and local economies. The cumulative effect of increased employer national insurance contributions and cuts to business rate relief, alongside the increases in the national living wage, has added £3.4 billion to the sector's annual cost base. Let us be clear: those numbers are not abstract. They represent shifts that businesses feel every single week and to which they are taking action in response.

Early Government figures show that 100,000 jobs were lost in just one month. That is not a warning sign —that is a siren. Part-time and entry-level workers have been the hardest hit; not highly paid City graduates, but bar staff, kitchen porters and hotel receptionists in every village, town and city across our country. The problem is even more damaging because it flies in the face of the Government's own stated missions. The Government claim to want regional growth and better living standards across the UK, but the Budget has cancelled investment, reduced hours and led to closures in exactly the communities that need regeneration the most. The hospitality sector has outgrown the wider economy in recent years, yet it barely even features in the Government's new industrial strategy. There are just three mentions of hospitality in the whole strategy, and one of those was because the Government had mis-spelled "hospitals".

Hospitality is a proven route to social mobility and opportunity, accessible to everyone, not just a privileged few. Yet the Government's actions directly contradict their levelling-up agenda. They talk about growth, but strangle the sectors that deliver it. They talk about fairness, but penalise the poorest workers. They talk about opportunity, but crush the businesses that provide it. They have forgotten that enterprise is not just about spreadsheets—it is about people, purpose and pride.

Even before the Budget, hospitality businesses were paying twice as much tax as financial services relative to their profits. That is an astonishing imbalance. Of course, hospitality was particularly hard hit by the pandemic and by lockdowns. Many hospitality businesses are still carrying the burden of covid debts, with repayments that have taken them from being thriving businesses to ones that barely break even.

Gregory Stafford (Farnham and Bordon) (Con): I held a pub and hospitality roundtable in my constituency, where publicans stated that the changes in the Budget had been worse than covid for their balance books and the viability of their businesses, because at least during covid the then Conservative Government gave relief and help to them; this time, they have received nothing.

Mike Wood: My hon. Friend is absolutely right. The changes to employer national insurance contributions have meant that 774,000 workers, many of them on lower incomes or working part time, are caught in a net that punishes job creation. The cut in business rate relief from 75% to 40% has driven otherwise viable businesses into the red, hitting pubs such as the Green Man in my constituency, which has seen its business rates bills rise from about £140 a month to nearly £350 a month—before a single customer has been served or a single pint pulled. A third of hospitality businesses now operate at a loss. That is not sustainable, and it is not fair.

According to UKHospitality, the Government's measures will cost the sector at least £3.4 billion, including a £1 billion cost from the national insurance contribution increases alone. Of course, those tax rises came in at exactly the same time as the increase in the national living wage, adding even more pressure to small business employers such as the tea room at Ashwood Nurseries, in my constituency, which already operate on tight margins.

Let me be clear: no one opposes fair pay. I am proud that the previous Government introduced the national living wage, and increased it to give workers' incomes a boost. However, if the Government want sustainable wage increases, they cannot also pile on non-wage costs at the same time—and that is before the impact of their employment rights package, which comes into force next year. The data already shows the consequences starkly. The Office for National Statistics confirms that since the October Budget, the hospitality sector has shed 69,000 jobs, even before the latest figures from His Majesty's Revenue and Customs. That is 3.2% of all hospitality jobs. To put that in context, the overall economy lost 1.2% of jobs in the same period, so hospitality's job losses were 266% higher than the national average.

Mr Alistair Carmichael (Orkney and Shetland) (LD): I too remind the House of my entry in the Register of Members' Financial Interests. In Orkney and Shetland, the food and drink sector is an integral part of our local visitor economy, as is the hospitality sector, but neither is part of the Government's industrial strategy. Does the hon. Gentleman agree that, if we were to bring food and drink and hospitality into the industrial strategy, we would not suffer the salami slicing of over-regulation that we are seeing, especially in Scotland, where the self-catering industry is now being hit with another round of regulatory burdens?

Mike Wood: The right hon. Gentleman is clearly correct. One of the dangers of trying to pick winners is that those that do not make the priority list are, almost by definition, left behind. Major sectors such as hospitality and food and drink employ so many people, in every

constituency, right across the age groups and in every demographic possible; leaving them out sends a very unfortunate signal, at the very least, and could be very damaging, if not corrected quickly.

A third of hospitality businesses report that they operate at a loss, with jobs lost, hours cut, investment cancelled and, sadly, many businesses closing. The Office for Budget Responsibility warns that 60% of the national insurance contributions burden will be passed on through lower wages, hitting workers despite the Chancellor's promises. These are not abstract statistics; they are real people's lives. Overwhelmingly, young, part-time, ethnic minority and lower-income workers are disproportionately represented among those hit, despite those being the very groups that the Government claim they want to support. The Government's policies are deeply regressive.

It does not have to be this way. Hospitality is not asking for handouts, but for a level playing field. The sector is resilient. After the 2008 crash and during covid, it helped to revive communities and restore confidence and, within the right framework, it can do so again. It has the potential to grow six times faster than the wider economy, to create half a million jobs by 2030, and to breathe life into areas across the country, not just in the overheating south-east.

In order for the sector to do that, however, the brakes must be taken off, and there are simple, targeted steps that the Government could take now. They could protect the high streets by quickly introducing a proper reform of business rates, with a maximum discount for venues under £500,000 rateable value. They could scrap the proposed additional levy on larger hospitality businesses, which are so important to many of our communities and provide so many jobs. They could create a new lower rate of national insurance contributions for those earning between £5,000 and £9,100, to reverse April's job losses and make it easier to hire again.

The Government could also extend the differential duty rate introduced by my right hon. Friend the Member for Richmond and Northallerton (Rishi Sunak), to help to put pubs, bars and clubs on a level playing field with supermarkets by charging lower duty on draft beer in cask and kegs than is charged on bottles and cans. They could look at ways to reschedule those covid-19 loans, to give firms some breathing space to increase the chance of them actually being able to repay those debts as successful businesses. Each of those measures would stimulate growth, protect jobs, and help every region of the UK to thrive.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): It is perhaps a pity that one particular political party in Scotland is not represented in this debate today, because this summer, in the village of Achiltibuie in north-west Ross and Cromarty, I spoke to a barman who could not stay for the rest of the year because he had nowhere to live. Accommodation is a critical problem in the remote parts of the highlands. The SNP Government should address that; I dearly hope that this debate will be looked at, read up and acted upon, because this is a critical issue.

Mike Wood: Hospitality, as I have said, is so important in every part of the United Kingdom. We need Governments in every part of the United Kingdom to recognise that and to take the appropriate action, although I hope the hon. Gentleman will excuse me if my focus is primarily on those decisions that can be taken in Westminster and by the Government at a national level.

My challenge to the Minister today is simple: will he listen, if not to me, then to representatives from across the hospitality sector who are clear that the Government are getting this wrong? Will he support a sector that contributes £54 billion in tax receipts—far more than it gets back? Will he stand by his Government's own missions of fairness, opportunity and growth, or will he continue policies that undermine them at every turn?

Hospitality is being taxed out of existence, and that is a political choice. We need a change of course not just for the sector, but for every community that depends on it. We need policies that reflect the value that hospitality brings—economically, socially and culturally—and we need action now.

Dawn Butler (in the Chair): I remind Members that they should bob if they would like to contribute to the debate. Informally, speech times should be around four minutes.

2.42 pm

1 JULY 2025

Jayne Kirkham (Truro and Falmouth) (Lab/Co-op): I thank the hon. Member for Kingswinford and South Staffordshire (Mike Wood) for leading today's debate on a subject that is important for all regions in the UK, but particularly for mine. For Cornwall, the visitor sector is still an important core industry. Cornwall is a top UK tourist destination, with tourism providing 15% of Cornwall's economy. Tourism and hospitality account for one in five jobs in the Duchy and well over 90% of our visitors come from within the UK.

In my constituency alone, there are 1,761 hospitality businesses—placing us 21st out of all UK constituencies with a turnover of more than £4.5 million. Cornwall is a national landscape. People come from far and wide to visit our beautiful beaches and dramatic coastline. They stay in our hotels, B&Bs and holiday lets, drink in our pubs and eat in our array of brilliant cafes and restaurants. The hospitality sector in Cornwall is dynamic, creative, and one of the mainstays of our economy. However, our reliance on what is often still a seasonal sector can make us vulnerable. After the post-covid boom, Cornwall really suffered and by summer 2024 Tim Jones, chairman of South West Business Council, argued that tourism in the south-west as a whole was at its lowest for 10 years.

During the peak season, the Cornish population grows fivefold, putting strain on local NHS, water, roads and policing. To give an example, around 700 people turned up to A&E in Cornwall on August bank holiday Monday. Fair Funding for Cornwall is a campaign that Cornish politicians of all stripes have been pushing for years. I am very pleased that this Government have recognised visitor numbers, coastal areas and sparsity in the recent local government funding review and in the review of the Carr-Hill formula for NHS GP funding. I hope that follows through into more support for our services and infrastructure.

I have spoken to many businesses since I was elected a year ago, and I know that some of them have been struggling. Rising costs, high energy bills, staff shortages and pandemic debts have forced some to close up, or to consider doing so. That will have a knock-on effect

[Jayne Kirkham]

on the number of employment and apprenticeship opportunities available to our young people, who have already suffered from years of broken education and isolation during covid, and a lack of special educational needs and disabilities support in schools over the last decade. The businesses themselves are often family-run, close-knit and the centres of their communities, so their loss is felt greatly.

Hospitality Sector

The Government have taken some steps to support hospitality. I served on the Bill Committee for the Non-Domestic Rating (Multipliers and Private Schools) Act 2025 last year, and I welcome the provisions it contained to introduce permanently lower rates for retail, hospitality and leisure businesses with rateable values below £500,000 from 2026-27.

Mr Angus MacDonald (Inverness, Skye and West Ross-shire) (LD): When the hon. Lady was on that Bill Committee, did she consider the fact that a large part of the hospitality sector in Scotland would have no business rate relief, even though businesses in the south could get it? It was a favour done for England and Wales, but did not help Scotland.

Jayne Kirkham: As I recall it, we did not specifically consider Scotland—or I certainly did not. The Government did prevent a business rates cliff edge in April 2025 in England by extending business rate relief at a rate of 40% for 2025-26. I would welcome the Minister's confirmation that those permanently lower rates will compare to current rates, rather than the pre-pandemic ones.

I look forward to the launch of the Government's holiday let registration scheme later this year. If that includes registration of safety check documents and, potentially, inspection, it will ensure safety and quality standards, levelling the playing field between hotels, B&Bs and short-term lets. There are more holiday lets and second homes in Cornwall than there are people on the housing waiting list, which stands at more than 25,000. The industry in Cornwall is supportive of a scheme where safety checks are required for holiday lets, as the good providers are doing those anyway. Registration would also show us where the gluts of holiday let properties are.

For people working in the hospitality sector to live in the communities in which they work, we need investment in public transport and to tackle the housing crisis. Measures on second homes and the Government's pledge to build more council and affordable homes on stuck sites, such as the Pydar development in Truro in my constituency, are welcome. I look forward to a strategic place partnership with Homes England to make that happen for Cornwall.

Cornwall's chamber of commerce has said that better transport connectivity is the No. 1 priority for the businesses it represents, so I welcome the Government's transport funding announcements. Recent upgrades to the A30 were helpful, but protection of our airport public service obligations and upgrades to our rail service—upgrading to electric power or batteries, and providing better wi-fi to make the journey of more than five hours from London to Falmouth more bearable—would be very welcome. Improved bus services are obviously very

important. I welcome the commitment to the £3 fare cap, but in rural areas, getting to work and back home is often difficult, particularly after 6 pm, and that needs tackling.

There are many opportunities and challenges facing Cornwall and its tourism industry. The challenges include wages and secure working hours, as many jobs in hospitality are insecure. The Government's new commitment to end zero-hours contracts if—crucially—the employee does not want them, and to provide average-hours contracts, will help. Cornwall has been awarded accreditation as a living wage place, and many firms are very proud of that. The rises in the minimum wage over the years, along with the increase in training needs after the pandemic, have made life difficult for hospitality businesses, but they recognise that paying good wages is crucial for the retention of staff.

The potential of a tourism tax—how it could be levied and collected in a way that was not detrimental to our hotels, B&Bs and holiday parks, and that would encompass direct booking websites—has been discussed for a long time in Cornwall. The continuation of funding for local visitor economy partnership programmes, such as Visit Cornwall and the Tourism Industry Council, is important to enable our hospitality sector to market itself at home and abroad. Our hospitality sector in Cornwall has the potential to thrive, but it needs the right conditions and support to do so.

2.49 pm

Mr Angus MacDonald (Inverness, Skye and West Ross-shire) (LD): At the start, I declare an interest, as my children and I own a cinema, restaurant and big visitor centre in Fort William, employing more than 100 people. I was brought up in a rural inn and my brother has a brewery. I am steeped in the hospitality sector.

At the autumn Budget, the Government increased the rate of NIC by 8.7%, which, added to other measures, resulted in an increase of 12.4% in payroll for hospitality businesses like mine. That is four times the rate of inflation. The hospitality sector in my constituency and other remote areas faces additional challenges, particularly the cost of energy. Businesses that cannot access mains gas often have to use electricity, which is four times the price of mains gas. A hotel in rural Britain, whether it be in Cornwall or the highlands, would need to pay £100,000 to heat itself using electricity; using mains gas, the cost would be £25,000, and if it were in America, heating would cost £10,000.

Environmental tariffs are on the wrong energy source. They are on renewable energy and not on imported carbon fuel mains gas. That is just so wrong. The Government declared that they are a growth Government; we now know that they meant growth in costs rather than growth in revenue. The impact of the autumn Budget was a 2% increase in the cost of the public sector and a 2% reduction in the private sector. It seems that the hospitality sector is bearing the brunt of that.

I would say that the hospitality sector in rural Britain has not struggled more in my lifetime. Both the last two Governments have plucked the golden goose of hospitality so often that it no longer has any feathers.

2.51 pm

Anna Gelderd (South East Cornwall) (Lab): It is a pleasure to serve under your chairship, Ms Butler. I thank the hon. Member for Kingswinford and South Staffordshire (Mike Wood) for securing this important debate

Hospitality Sector

For many in this Chamber, I imagine that the first thing that comes to mind when I mention Cornwall is our world-leading beaches, our coastal villages and our incredible hotels and restaurants. Tourism is a key part of our local economy, and our wide range of hospitality venues, powered by hard-working, often local staff, are what make that offer possible. In South East Cornwall, hospitality supports many local families and households, but the work is often seasonal, unreliable and involves unsociable hours. It can be a difficult way to make a living and the difficulty is compounded by an affordable housing crisis in Cornwall. I welcome the Government's efforts to fix that.

We need more first homes for local families. Alongside my Cornish colleague and hon. Friend the Member for Truro and Falmouth (Jayne Kirkham), I look forward to a strategic place partnership for homes in Cornwall. That is why I welcome the Government's efforts to improve employment rights in the hospitality sector. The Employment Rights Bill, currently progressing through the other place, tackles exploitative zero-hours contracts and one-sided flexibility, and ensures day one rights.

There is more we can do to support a modern, vibrant hospitality sector—one that reflects Cornwall's rich heritage and unique position. Our venues celebrate Cornish-grown and Cornish-made products through local food, local art and Cornish talent. That helps our communities, strengthens our economy and builds pride in place, but we need more year-round employment, as residents need that security and are often left struggling in the off-season, and align education and training with actual local job opportunities. Cornwall has so much to offer, which is reflected in the number of visitors we attract each year, but we need a strong system that supports and improves our communities and welcomes visitors.

We have so many brilliant local businesses, such as the Finnygook Inn in Crafthole. The pub, which I know well, employs local people, supports regional producers and offers a warm welcome to all. Like many other pubs, the Finny plays an essential role in the fabric of my local community but, like others in the sector, it is struggling under the pressure of high VAT rates, and the UK's hospitality rate is higher than that in many other countries. For venues that focus on fresh, homecooked meals, VAT recovery is limited, which creates a real financial strain. That issue was raised during the pandemic.

I ask the Minister: what support is available for vital businesses like the Finnygook Inn, and how are the Government working to deliver more sustainable solutions that reflect the value that these venues bring to our economy, and to the life and wellbeing of our communities? I know just how important this topic is to businesses and communities across South East Cornwall.

2.54 pm

Damian Hinds (East Hampshire) (Con): It is a great pleasure to see you in the Chair, Ms Butler, and a privilege to take part in these proceedings under your

guidance. I congratulate my hon. Friend the Member for Kingswinford and South Staffordshire (Mike Wood) on setting out his case—our case—so comprehensively and compellingly.

It is a shame that hospitality does not make the cut as a growth sector for the Government's industrial strategy, for it is a huge part of this country's economy and employment. We must never forget that there are relatively few power sectors in employment, and principal among them are hospitality, retail and personal care. In my constituency, hospitality accounts for about 200 outlets, and about 2,000 people are employed in the sector. As in retail, employment in that sector really does go throughout the entire country.

As it happens, hospitality was my career before I came to this place. We used to define the term "hospitality" a bit more narrowly—it really used to mean hotels. That was the business that I worked in, and latterly I worked a little in the licensed trade. In my time as a Member of Parliament and a Minister, I have worked very strongly with the sector, particularly on employment opportunities, as it is foremost in getting young people into work. There is a debate going on in the main Chamber that is very relevant to this issue. Hospitality helps people who are furthest from the labour market to come back into work, and it also supports a lot of people in part-time work.

The sector has just withstood two very big blows: first, the cut in business rates relief, which has a major effect on the fixed cost of businesses even before a pint has been poured, as a number of Members said; and, secondly, the enormous increase in national insurance contributions. We often talk about the rate going up from 13.8% to 15%, which does not sound very much, but the bringing down of the threshold has a huge effect. As I said, the sector employs a lot of part-time people, and it is with those people in particular, and of course with younger people coming into the workforce for the first time, that that is felt.

There are many things that we could talk about, but time is short and colleagues are many, so I will concentrate on one issue: the Employment Rights Bill, which the hon. Member for South East Cornwall (Anna Gelderd) talked about, and specifically zero-hours contracts. I am afraid that that type of contract has a totemic significance for Labour politicians, way beyond the number of people affected or involved. It dates back to the time when the last leader of the Labour party, who now sits as an independent, made bringing down the number of people on zero-hours contracts one of his great crusades. When I was at the Department for Work and Pensions, we looked a bit more deeply at how many people are on such contracts, and it turns out that fewer than 3% of people rely on a zero-hours contract for their primary job; on average, they worked not zero hours but 25 hours a week, and most were not seeking more hours. They also—this came as the greatest shock to people in general—had higher average job satisfaction than people not on zero-hours contracts.

Gregory Stafford: In Farnham, the Nelson Arms pub uses zero-hours contracts, and it needs them. I spoke to a staff member who said that the reason he was so keen on them is that he is actually a paramedic, and between his shifts he worked at the pub. That worked for him and the pub, because it gave them both flexibility.

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is scarce. Recent decisions taken by this Government have hit the sector hard. The increase in national insurance has pushed up costs for local hospitality businesses in my constituency. Will the Government now look at supporting small hospitality businesses that can only afford to employ people on lower wages, by reducing the rate on earnings between £5,000 and £9,100?

Damian Hinds: And the national health service—sorry, I am coming back to hospitality, Ms Butler. As it turns out, one of the biggest users of zero-hours contracts in the country is the national health service.

Jayne Kirkham: I think that the right hon. Gentleman may not have heard that I said in my speech that, on the zero-hours contract provisions in the Employment Rights Bill, there is a choice. If the employee chooses to work under a zero-hours contract, that is fine. The right is to be offered after four weeks.

Damian Hinds: I am coming on to that; the hon. Lady must give me space. These are forms of employment that have existed for a long time. At a certain point, I realised that my own first job in the hospitality sector was on a zero-hours contract; it is just that nobody had coined the term at that point. It is a very common type of employment. In my case, it was collecting glasses and washing dishes. Everybody who worked in that way did so on a zero-hours contract.

These kinds of contracts can work in any sector where there is fluctuation in demand and in the need for labour, and principal among those is the hospitality sector. The thing that some people struggle with—I am not saying the hon. Lady does—is the idea that they also work for individuals. It is not necessarily something that people do only because there is nothing else available. Some people choose; supply teachers choose to be supply teachers rather than full-time employed teachers. I hear from businesses, pubs and restaurants in my constituency that students whose home is in the constituency work when they are at home and can stay on the books when they go away to university or college. They might want to reduce the amount of time that they give to work when their exams are on, but they stay on the books.

I do not think that the proposals in the Employment Rights Bill are very helpful, but if the Government insist on keeping them, they could make two important changes. The first change is to the length of the 12-week reference period, which does not work in a hospitality business that has significant seasonality. It should be much longer. Secondly, they could change the requirement to make repeated offers of a guaranteed-hours contract, and instead state, as the hon. Member for Truro and Falmouth rightly said—she may even be sort of nodding in agreement—that it should be up to the individual. If the individual wants to opt in, fine, but the Government should not create the additional bureaucracy, dead-weight and cost of having to make those repeated offers if that individual does not seek them.

3.1 pm

Llinos Medi (Ynys Môn) (PC): I congratulate the hon. Member for Kingswinford and South Staffordshire (Mike Wood) on securing this debate. I declare that I am chair of the all-party parliamentary group for hospitality, events, major food and drink businesses in Wales, and a member of the all-party parliamentary group for hospitality and tourism.

A report from the Wales Tourism Alliance found that tourism and hospitality contribute £3.8 billion to the Welsh economy and employ more than 11% of people in Wales, rising to up to 20% in areas such as my constituency of Ynys Môn, where alternative employment

Another cost to the hospitality sector has come from the changes to inheritance tax. Family-run caravan parks such as Kingsbridge, in Beaumaris on Ynys Môn, have expressed to me their concerns that these changes will have a dramatic impact on their viability. I call on the Government to listen and change course, to ensure that local businesses are protected from the damaging effects of the changes.

The current business rates system is also unfair and needs to be reviewed. At present, local hospitality businesses pay far more than major chains on the outskirts of towns. The Welsh Government recently announced a review of the business rates system, but hospitality businesses were left out. I call on the Welsh Government to go further and include this crucial sector in the review. Businesses such as pubs, restaurants and hotels have not only an economic, but a social value. They are places that unite communities and breathe life into our towns and villages. That should be reflected in the business rates system by rebalancing it in a fair way to support local bricks and mortar businesses over major retailers.

The last five years have been incredibly difficult for hospitality businesses. Food and drink inflation has been consistently higher than the main rate. The peak of food inflation was 19.2% in October 2022, while the peak of overall inflation was 11.1% in the same month. Large retailers have been much better placed to withstand these pressures than smaller businesses. For example, during covid-19, when pubs had to close their doors to keep communities safe, large retailers benefited from increased alcohol sales.

North Wales also pays some of the highest energy bills in the United Kingdom. Businesses in north Wales pay £161,000 a year for electricity—8% higher than the UK average and 13% higher than those in London, at £142,000 a year. This is because third-party charges on Welsh energy bills are higher, including grid costs. The Government's industrial strategy said nothing about ending that disparity. We need action to address this wholly unfair situation, to ensure that Welsh businesses pay the same amount for their energy as businesses elsewhere in the UK.

Support for hospitality, which is a key sector on Ynys Môn, is vital if we want our communities to remain vibrant and work opportunities to be available to local people. I urge the Government to listen to the calls to back the industry with the support it needs to thrive.

3.5 pm

Jim Shannon (Strangford) (DUP): It is a real pleasure to serve under your chairship, Ms Butler. I thank the hon. Member for Kingswinford and South Staffordshire (Mike Wood) for applying for the debate and setting the scene so well. I also thank all those who have contributed.

The Northern Ireland perspective on the hospitality sector is coming up, as it always does from me and other colleagues from Northern Ireland. Hon. Members will have heard me speak repeatedly about the hospitality

industry in Northern Ireland, which I am incredibly proud of. The reputation for hospitality ensures that as soon as someone comes to Northern Ireland, they feel they have come home from home. That is what we do in Northern Ireland; we make people welcome, wherever they come from, so that they want to come back again.

That is why many refer to hospitality as the backbone of our tourism industry. Hospitality Ulster outlined in recent communications that it is not widely known that in Northern Ireland, four out of five jobs in tourism-related industries are in the hospitality sector. The strategic value of the hospitality sector in Northern Ireland cannot be ignored. It supports 77,500 jobs and gives £1.9 billion to the economy. To understand that, information and communication brings in £1.6 billion, and agriculture and fisheries account for £1.3 billion. The hospitality sector makes up almost one in 10 regional jobs.

Although the increases in employer national insurance contributions and the living wage are solely under the control of Westminster, the Northern Ireland Assembly cannot escape the consequences of the refusal to pass on the Barnett consequential moneys that come to Northern Ireland, when English hospitality and retail businesses were given a rates reduction due to the cost of living crisis. That has left the Northern Ireland hospitality industry in an even worse position to deal with the fallout of the Budget.

I will explain what that means. The changes to employer NICs and the national living wage will add an additional £2,500 per person employed in the sector, based on a staff member earning the national living wage and working 38 hours a week. In Northern Ireland, 63% of jobs in accommodation and food are part time, the highest share across all sectors by a considerable margin. It is important to focus quickly on the fact that those are significant additional cost burdens on a sector that is already under huge pressure from costs, sales and profitability.

Staying in business is very challenging, as the fallout from covid continues for the sector, plus huge additional costs. Heaping on additional completely unexpected costs only fuels the journey towards crisis point for many in the hospitality sector. I say that with respect to the Minister, and reassure him that he is not responsible for all the ills of the world, but I want to outline this issue.

The UK Budget has made Northern Ireland a more expensive place than our neighbour the Republic of Ireland to employ staff. With a further reduction of VAT likely, the Republic of Ireland has a competitive advantage over Northern Ireland. That will not only drive investment from north to south but also consumers, as our hospitality businesses will not be able to compete with Republic of Ireland counterparts.

Carla Lockhart (Upper Bann) (DUP): My hon. Friend is right that the hospitality sector is important to Northern Ireland. It is probably one of the most difficult sectors, with long hours, high costs and low margins. Does he agree that one of the most challenging things is the VAT disparity with the Republic of Ireland? Does he therefore agree that, if the UK Government were to do something about VAT for the hospitality sector, it would be a silver bullet?

Jim Shannon: My hon. Friend and colleague is right. I mentioned the clear VAT imbalance. To put it in simple equations, to explain the issue and understand it better: in the simplest example, a couple getting married in Enniskillen would find that a significantly cheaper wedding reception is just a few miles away across the border. I hope that explains the matter a wee bit better.

There is a vital need for the introduction of a reduced rate of VAT for the hospitality and tourism sector. Hospitality Ulster has flagged the creation of a new employer national insurance contribution band from £5,000 to £9,000, with a lower rate of 5%, or the implementation of an exception for lower-band taxpayers working fewer than 20 hours a week. The difference and the tight margin between viability and closure is right there for us in Northern Ireland. I look to the Minister for consideration of these proposals.

Businesses can and will thrive if supported to do so. Every pound of support sees a direct benefit for local economies. I know that support for the hospitality industry will help businesses in every corner of the UK. I know that that is the desire of every person who has contributed to this debate and of the Minister, who is an honourable person. However, we really need to take steps to ensure that all of this great United Kingdom of Great Britain and Northern Ireland can thrive. The Minister can make it happen, and I look forward to his contribution.

3.10 pm

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Sarah Bool (South Northamptonshire) (Con): It is a pleasure to serve under your chairmanship, Ms Butler.

With the weather we are experiencing at the moment, topping out at 33°C here today in London, who needs to travel abroad? We can head to our bars, restaurants, tourist attractions and have a staycation in the beautiful UK. South Northamptonshire has more than 220 hospitality businesses, which employ around 3,000 people. We will experience much focus this weekend because we have the grand prix at Silverstone and I declare I am looking forward to seeing some of that racing. However, the focus goes far beyond that, because we have to think about our smaller hospitality businesses, whether that is the Plough at Shutlanger, the Red Lion in Brackley, the Red Lion in Bozeat, the White Hart in Hackleton or the Rose and Crown in Yardley Hastings— I literally have too many to name, but they are vital to our sector-

Hon. Members: Go on!

Sarah Bool: There would be at least 95 to name.

We ask all those who run these businesses to take a risk. We ask them to keep our communities together and to offer jobs, but we do not give them the environment in which to flourish. They are working so very hard, but it is a real struggle with employer national insurance increases, business energy costs remaining incredibly high and the national minimum wage increase of about 17% in little over a year. Nationally since April, 220 pubs have had to shut and more than 1,000 have shut in the last year. What are the Government going to do to turn this around? I ask the Minister to consider the measures proposed by my hon. Friend the Member for Kingswinford and South Staffordshire (Mike Wood).

We must remember—this is a word of warning—that in rural areas, we do not have the luxury, as we do in cities such as London, of being able to go to a pub or restaurant in another street. The loss of a pub, restaurant

[Sarah Bool]

or hotel leaves a vast desert. Covid, when we all had to isolate, reminded us of the importance of social interaction and contact. I say to the Minister, "Please do not deny rural communities these opportunities through poor policy."

3.12 pm

Edward Morello (West Dorset) (LD): It is a pleasure to serve under your chairmanship, Ms Butler. I congratulate the hon. Member for Kingswinford and South Staffordshire (Mike Wood) on securing this debate. It is unusually cruelly timed, as I feel that I have not stopped sweating in about three days and quite frankly I can think of nowhere I would rather be than on a beach in West

I am not alone in that. Our Jurassic coast, our rivers and fields, our chocolate box villages and historical market towns attract millions of visitors each year. This landscape underpins a vital part of our economy: hospitality. Our pubs, cafés, hotels, holiday parks and B&Bs support thousands of jobs and provide livelihoods for families across West Dorset.

In West Dorset, 85% of local businesses are microenterprises. Those small businesses are the backbone of our tourism industry. They create jobs, keep high streets alive, and provide essential services. Rising costs driven by inflation, energy, staffing and tax are now threatening their survival.

In 2024, West Dorset recorded more than 4,200 sewage spills discharged into our rivers and seas for more than 48,000 hours. Tourists are now checking pollution alerts before they swim. In an area where tourism brings in more than £320 million and supports more than 5,000 jobs, it is unacceptable that inaction by the Government is putting our hospitality businesses at risk.

Mike Martin (Tunbridge Wells) (LD): It is fascinating that the vast majority of the tourism businesses in West Dorset are microbusinesses. Can my hon. Friend think of a worse policy for those businesses than reducing the NI threshold to the level it was reduced to in the Budget? Can he think of a policy that would do more economic damage to the hospitality sector in his constituency?

Edward Morello: I would struggle to think of a policy that would be worse for microbusinesses.

Meanwhile, transport and parking infrastructure across rural West Dorset is stretched to breaking point, something made worse by the 42% surge in population during peak season. If visitors cannot reach our businesses or cannot park, it is local traders that will lose out. As my hon. Friend just mentioned, in April we saw a rise in national insurance contributions and an increase in business rates—that was the other thing I was struggling to think of that might be worse for small businesses. Since then, more than 220 pubs have shut down. I heard directly from The George in West Bay in my constituency, which has seen its business rates increase from £8,000 to £27,000 a year. That is basically its entire operating profit margin.

UKHospitality reports that a third of businesses in the sector are now operating at a loss. Most have had to raise prices, cut hours, lay off staff or cancel investment.

As I am sure the Liberal Democrat spokesperson, my hon. Friend the Member for Richmond Park (Sarah Olney), will outline, we would replace business rates with a commercial landlord levy. We would keep the 75% business rate relief for hospitality and freeze the small business multiplier until the new system is in place.

We are also calling for a dedicated Minister of State for tourism and hospitality to give those sectors the leadership and support that they desperately need. In places such as West Dorset, hospitality is the economy. For every small business that closes, we lose part of our community. We need action. We need to stand up for hospitality businesses, because when they thrive, all of West Dorset thrives.

3.16 pm

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Tim Farron (Westmorland and Lonsdale) (LD): It is a genuine pleasure to serve under your guidance this afternoon, Ms Butler. I pay tribute to the hon. Member for Kingswinford and South Staffordshire (Mike Wood) for leading this debate so incredibly well.

It is my great honour to stand here on behalf of the communities of Westmorland and Lonsdale, a huge chunk of the Lake district, much of the western part of the Yorkshire dales, beautiful parts of the Eden valley-Kirkby Stephen, Appleby and so on—that are not in the national park, and Grange and the Cartmel peninsula, which likewise are beautiful places not in a national park. The hospitality and tourism sector is the fourth biggest employer in the United Kingdom, but in Cumbria it is comfortably the biggest, with 29% of the entire workforce of our county earning their living through hospitality and tourism—some 60,000 people, with 46,000 full-time equivalents, and a value to the economy of £4.7 billion a year. Every single year, 20 million people visit the lakes and dales of Cumbria. We think that, after London, that makes us Britain's biggest visitor destination.

Before I talk specifically about hospitality and tourism, let me say a word about the backdrop to that industry. People come to the lakes and the dales not only because our hotels and our hospitality provision are awesome, but because the backdrop is quite awesome. The Lake district has world heritage site status. It is worth pointing out that when UNESCO granted that status, it gave as much credit to the farmers for creating that landscape over the last several hundred years as it did to the glaciers that gouged them out in the first place. Let me say a word to this Government and the Minister: we need to work tirelessly to protect family farmers, so that they maintain the backdrop to that stunning environment that underpins that important industry.

We have a wonderful relationship with Cumbria Tourism, the representative body that speaks for our industry across the whole of the county. It speaks with great concern about the impact of inheritance tax changes not only on farmers, but on other small businesses. One in four people in the workforce in my constituency work for themselves, and small family businesses are the backbone of our economy. National insurance rises have negatively impacted 73% of Cumbrian tourism businesses. We have already heard about the impact of the business rates changes. In reality, we have seen businesses going from paying 25% of the business rate to 60%—more than a doubling in real terms. It is a

reminder that this Government need to get their act The other thing that the Government ought to do is together on business rates—and quickly—and rightly to recognise that communities such as mine need migrant shift the burden on to the big online retailers, which pay next to nothing despite taking advantage of Britain's public services.

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Sorcha Eastwood (Lagan Valley) (Alliance): Hospitality has also been hit by the apprenticeship levy. We used to have entry-level jobs in hospitality and tourism that gave our young people a chance to skill up, but those are now gone because of decisions on national insurance and the levy. Does the hon. Member agree that that needs to change?

Tim Farron: I totally agree that we need to be really careful about piling extra costs, including the apprenticeship levy, on to businesses. I understand why the Government felt that they needed to make the national insurance rise, to increase the tax take to plug the hole that they inherited, whatever size it may be. But if economic activity is reduced, that reduces the tax yield. It is basic economics. Not only have the Government harmed our businesses in the lakes and the dales, and I am sure in Northern Ireland as well, but they have harmed the Exchequer's take and damaged the economy in the process. The increased costs on our businesses are undoubtedly a major issue, as is the impact of a workforce that is too small for the job it needs to do in the lakes and the dales. Some 34% of Cumbrian tourism businesses say that their inability to recruit staff is undermining their viability.

Jamie Stone: My hon. Friend has an honourable and proud record of talking about affordable housing in his part of the United Kingdom. Without housing for workers, hospitality businesses are in real trouble. That must be taken very seriously indeed, and not just in the rural parts of the highlands. It is extremely difficult in many parts of the UK, including perhaps in the west country. Without housing, people will not come or, like the barman I spoke about in Achiltibuie, they will leave and not come back.

Tim Farron: I completely agree. Given that time is running out, I will restrict my remaining remarks to the topic that my hon. Friend referred to. I have one last stat: 66% of hospitality tourism businesses in the Lake district are operating below capacity because they cannot find enough staff. The demand is there, but they are not meeting it. What a waste of potential growth.

The staff are not available for a number of reasons. The first is that it is just not a very populated part of the world: 80% of the working-age population who live in the Lake district are already working in hospitality and tourism, so there is no great reservoir of staff. A lot of that is down to the collapse of the long-term private rented sector into Airbnbs and the absolute scourge of excessive second home ownership that runs through our communities. The Government have failed to tackle that issue. They had the opportunity to bring in a change of use for short-term lets and for second homes; they failed to do either, and that is shameful. They should do that right now. They should provide more affordable housing backed with more housing grant in communities such as ours and provide socially rented homes for local people, helping them to work in all the parts of our local industries, including hospitality and tourism.

labour. They should get on with agreeing and delivering the youth mobility scheme visa, to help our young people to travel and to bring in the people who underpin our tourism economy. My final ask is simply this: the Minister should listen to the British tourism and hospitality industry. It has so much to contribute, yet it seems so rarely to be listened to.

3.22 pm

Sarah Olney (Richmond Park) (LD): It is a pleasure to serve under your chairmanship, Ms Butler. I thank the hon. Member for Kingswinford and South Staffordshire (Mike Wood) for his work in securing this important debate. It has been a real pleasure to hear from so many of my Liberal Democrat colleagues about their constituencies. That underlines the fact that Liberal Democrats represent all the best places in the UK, and that is why tourism and hospitality is a very important sector for us.

I was lucky enough last summer to do a little tour through the constituencies of Inverness, Skye and West Ross-shire; Caithness, Sutherland and Easter Ross; and Orkney and Shetland, so I can very much confirm that all three constituencies have excellent hospitality businesses that are very welcoming to visitors. This Easter, I was lucky enough to spend a few days in West Dorset in the wonderful town of Lyme Regis, and I have spent many happy family holidays in Westmorland and Lonsdale.

There are also many hospitality businesses in my constituency of Richmond Park. Just last Friday, I hosted a representative of VisitBritain, who came to see me because Kew Gardens in my constituency is second only to the Tower of London in this year's list of the most-visited paid attractions in the UK. We had a long conversation about the issues affecting the tourism sector, and I was very interested to find that the Government have recently cut funding for efforts to promote domestic tourism. Those who are not as lucky as I am in having many colleagues who represent constituencies in such wonderful parts of the UK do not know enough about domestic tourism. I would like the Minister to comment

As my many wonderful colleagues have already alluded to, the current economic landscape is really challenging for many businesses and industries. Years of dire economic mismanagement by the last Conservative Government have led to businesses facing huge challenges, ranging from recruiting and retaining good staff to soaring energy costs and the increase of trading obstacles following their botched trade agreement with the EU. However, many of those challenges are now being compounded by decisions taken by this Government.

Last autumn's Budget hit the hospitality sector with an extra £3.4 billion of annual costs through the cumulative impact of changes to employer NICs, increases in the national living wage, and the near halving of business rates relief for retail, hospitality and leisure businesses. A recent survey conducted by UKHospitality of its members found that, since the autumn Budget, a third of hospitality businesses are now operating at a loss, with 75% having increased prices, two thirds reducing hours available to staff and six in 10 cutting jobs. Those cuts are a last-ditch attempt by many businesses to stay afloat, as they are crying out for support.

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[Sarah Olney]

The Liberal Democrats welcomed many aspects of last week's industrial strategy, but very little in it will alleviate the heavy burdens imposed on the hospitality sector by Labour's tax reforms. The Liberal Democrats have called for the hospitality industry to be exempt from the hikes in NICs announced in the Budget, as we recognise the difficult position that many business owners have been in since the pandemic.

Small businesses are the beating heart of our economy and at the centre of our communities, and they create the jobs that we all rely on. We are glad that raising the employment allowance will shield the very smallest employers, but thousands of local businesses, including many in the hospitality sector, will still feel the damaging impact of many of the changes. That is why my Liberal Democrat colleagues and I have voted against the changes to employer NICs at every opportunity, and I once again urge the Government to scrap these measures.

More broadly, we will continue to call on the Government to introduce vital reform to the business rates system. In 2019, the previous Conservative Government promised a fundamental review of the business rates system, but failed to deliver it. Meanwhile, the current Government pledged in their manifesto to replace the system, but still no action has been taken. The Liberal Democrats have called for a complete overhaul of the unfair business rates system, replacing it with a commercial landowner levy, which would shift the burden of taxation from tenants to landowners.

The current system penalises manufacturers when they invest to become more productive and energy efficient. It leaves pubs and restaurants with disproportionately high tax bills and puts our high street businesses at an unfair disadvantage compared with online retail giants. In too many places, pubs, restaurants and shops are being forced to close, taking with them jobs, opportunities and treasured community spaces.

More broadly, this outdated system inhibits business investment, job creation and economic growth, holding back our national economy. It has existed for too long, and it is time that the Government took action. Our proposals for fair reform would cut tax bills, breathe new life into local economies and spur growth. Equally, they would provide long-term certainty for businesses, which is what the economy across the UK needs.

With regard to long-term planning, I am glad that the Government introduced the industrial strategy last week. I welcome this commitment to stability, and I am pleased that it will allow businesses to look and plan for the future with more certainty. As the Government unveil their strategies to bring together skills development plans and a long-term industrial strategy to ease the pressures that so many employers face, we have reservations about the cohesion between these schemes. What steps are the Government taking to ensure effective collaboration and transparency across different strategies and public bodies?

We welcome last week's announcement in the industrial strategy that we will see a funding boost for skills and training. However, the announcement stops well short of the fundamental reform that we need to address the workforce shortages that many industries are facing. British businesses must be able to hire the people they need with the skills they need.

A key cause of workforce shortages is ill health, and to tackle the problem, the Government must invest in our NHS and social care so that people can get the healthcare they need to rejoin the workforce more quickly. We have called on the Government to fix NHS backlogs, cut ambulance waiting times and raise the minimum wage for care workers by £2 an hour to boost our social care system and get people out of hospital quicker.

Any business will tell us that the apprenticeship levy does not work. They cannot get the funding they need to train staff, and hundreds of millions of pounds go unspent. The Liberal Democrats have been calling for the apprenticeship levy to be replaced with a wider skills and training levy that will give businesses more flexibility over how they spend money to train their staff. Will the Minister accelerate the reform of apprenticeships and empower Skills England to act as a properly independent body, with employers at its heart?

Finally, as we look more broadly at factors impacting workforce shortages, I once again urge the Government to act with much more urgency in introducing their youth mobility scheme. The changes to the immigration system implemented in April 2024, increasing the minimum salary threshold for skilled worker visas, shrank the talent pool from which hospitality businesses can recruit, contributing to greater staff shortages. Around three quarters of the hospitality workforce is filled by UK citizens, but international talent has always been attracted to work in the UK due to our pedigree for hospitality and developing careers.

A 2024 survey of 1,650 employers from across a range of sectors, including hospitality, adult social care and manufacturing, found that 49% of employers with hard-to-fill vacancies said that a reduction in the availability of migrant workers was one of the main causes. At a time when recent Government decisions in the Budget have added to the overall tax burden on hospitality businesses, with many considering whether their business remains viable, we must provide the tools that hospitality needs to help businesses grow so that it can boost the wider economy, including ensuring access to global talent.

I have heard from stakeholders in the hospitality sector, including business owners and supply chain managers, who have said that they would welcome proposals that would bring more stability to the sector, allowing them to make longer-term plans as part of a more predictable and robust regulatory framework. Again, will the Minister set out a timeline for the introduction of a youth mobility experience, which would be good for our economy, easing some of the burdens that the hospitality sector is facing?

3.30 pm

Andrew Griffith (Arundel and South Downs) (Con): It is a pleasure to serve under your chairmanship, Ms Butler. As we have heard, the hospitality sector forms a cornerstone of not only our economy, but our society and community. In my beautiful Arundel and South Downs constituency—I beg to differ with the hon. Member for Richmond Park (Sarah Olney)—it binds together communities, as we come together in cafés, pubs, restaurants, hotels and even garden centres.

As we heard from my hon. Friend the Member for Kingswinford and South Staffordshire (Mike Wood), hospitality plays a disproportionate role in providing

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the next generation with their first step on the career ladder, offering rewarding employment and what has always been a fair and balanced offering of flexible work. It gives many people their second chance in life, as well as many people a chance to supplement their retirement.

The industry employees 3.5 million people, with the vast majority of those jobs in small and medium-sized businesses that any Government should be on the side of, and we heard wonderful examples of that from my hon. Friend the Member for South Northamptonshire (Sarah Bool). My right hon. Friend the Member for East Hampshire (Damian Hinds) discussed its impact on employment and the flexible nature of the working, and he gave his insights about the higher job satisfaction, which we also heard from others.

I look forward to the Minister's response to the debate, and how it will no doubt obfuscate around the frankly hostile environment that this Government have created for the hospitality industry. Colleagues should listen attentively, because what it does not mention will be as revealing as that which it does. Last summer—in fact, this time last year—prospective Labour MPs toured their constituencies and the airwaves, and they promised anyone who would listen that they would not raise taxes. Just a few short months later, the Chancellor slapped a jobs tax on every single employer across the land.

Pubs, bars, restaurants and hotels now face the £3.4 billion extra cost. It was a political choice, imposed by this Government, that has almost uniquely ravaged the hospitality industry—it was a perfect storm for the industry -particularly, as we heard from many Members, through the change in the threshold from £9,100 to £5,000 a year. Apparently, that change was made capriciously by the Treasury at the last moment, when its Chancellor once again failed to get her sums to add up.

One of the UK's leading hospitality entrepreneurs, Luke Johnson, put it best:

"It is heartbreaking that Britain's proud record of innovation, flexibility and business success is being thrown away thanks to that old knee-jerk Labour instinct of taxing success.

The reality is that one third of hospitality businesses are now operating at a loss because of the Chancellor's tax on jobs. Unemployment is already rising; in fact, it is up in every one of the nine months for which Labour has been in office. Six out of 10 hospitality businesses report that they have had to take the decision that no business owner ever wants to take. We should remember that many of these are family businesses that provide employment to the local people they live and work alongside. However, 63% say they have no alternative but to reduce the hours available for staff. Kate Nicholls, the chief executive officer of UKHospitality, said that

"will simply force businesses to cut jobs, freeze recruitment, cancel planned investment, reduce trading hours and, in the worst-case scenario"-

as we heard about with pubs today—

"close their doors for good."

It is difficult to overstate the catastrophic impact that this Government are having on the hospitality industry.

Once again, I pay tribute to my hon. Friend the Member for Kingswinford and South Staffordshire for securing this important debate, to which there have been contributions from across the House. But as some

Members have said, there is another iceberg on the way that this Government and this Chancellor are steering us straight towards: the trade-union written, 1970s-inspired Employment Rights Bill. No Labour Minister has ever been able to name a real business that supports it—imagine that—and I invite this Minister perhaps to do so when he winds up. The reality is that very few employers in the hospitality sector will actually be aware of the perils facing them. They will be so focused on running their business, rather than wading through 300 pages of tightly typed Whitehall speak. It is available in the Table Office right now, should anyone feel difficulty sleeping on these hot summer nights.

The Bill, just like the Chancellor's tax measures, disproportionately impacts on the hospitality industry. It will remove the valued freedom that employers and employees have to adjust their hours flexibly. What sort of business do we think that will hit? It will hit seasonal businesses, and most hospitality businesses have a strong element of seasonality. This will force young people, the vulnerable and sometimes those with a chequered employment record out of employment.

Once again, it is even worse for pubs, because the Bill reserves a special measure for the fact that landlords, hotel owners and restaurant managers will be forced to act as banter bouncers, asking punters whose private conversations may conceivably cause any unknown offence to their staff to leave their premises. By the way, that is nothing to do with sexual harassment, which is dealt with in a separate clause, and is rightly already illegal. The outcome will be a £5 billion bill for business under the Government's impact assessment and countless literally tens of thousands—of job losses.

Let me be clear: even Tony Blair or Gordon Brown, a socialist in office, saw it as wise to give this sort of economic self-harm a wide berth. On top of that, if someone's business is still surviving, and they have the temerity for it to be a private, family-owned business, they will face the family business death tax.

I do not want to pre-empt the Minister, who is a decent man. I suspect we will hear a little go a very long way. He will talk about the 40% business rate relief coming to the aid of hospitality, despite the reality that the Government have in practice more than doubled business rates bills for businesses in the sector, compared with the 75% relief on offer under the previous Government.

We may also hear about the 1p cut on beer duty—that old trope that Governments of all flavours, if we are being honest, like to trot out. But the reality—the hard truth—is that the average pub would have to sell an additional 850,000 pints a year for that 1p cut to offset the additional costs imposed on them by the Chancellor's job tax. I do not necessarily believe that most of us are equal to that particular challenge.

We may hear of the Government's unequivocal support for hospitality, but words are cheap. It is difficult to reconcile that premise with the Government's actions this time last week, when they left this sector, which employs millions of people and keeps our communities and high streets alive, entirely missing in action from their industrial strategy.

The truth is that the Government have done nothing to support our hospitality businesses, which have been entirely let down and treated as cash cows by the Chancellor at No. 11. I think the Minister knows that,

[Andrew Griffith]

but he is a loyal man who is keen to keep his job at a time of rising unemployment, and it is probably being offered to many of his colleagues who are thinking of rebelling this afternoon. The truth is that the Government have removed incentives, laid out insurmountable burdens, and over-taxed our hospitality sector at every opportunity. It is a great regret, but I am glad that we have the chance, on behalf of the sector, to debate that this afternoon.

3.39 pm

The Parliamentary Under-Secretary of State for Business and Trade (Gareth Thomas): It is a pleasure to serve under your chairmanship, Ms Butler, for I think the first time, and I hope it is the first of many. I congratulate the hon. Member for Kingswinford and South Staffordshire (Mike Wood) on securing this important debate. I recognise that he has long been an enthusiast for hospitality businesses in his constituency, and I welcome the opportunity to consider the important contribution that all hospitality businesses make to our communities up and down the country. Indeed, I think of some of the great hospitality businesses in Harrow, in my constituency, such as the great Trinity pub or the wonderful Battels café.

As well as the hon. Member for Kingswinford and South Staffordshire, we heard from the hon. Member for Inverness, Skye and West Ross-shire (Mr MacDonald), the right hon. Member for East Hampshire (Damian Hinds), and the hon. Members for Ynys Môn (Llinos Medi), for Strangford (Jim Shannon), for South Northamptonshire (Sarah Bool), for West Dorset (Edward Morello) and for Westmorland and Lonsdale (Tim Farron).

We also heard particularly important and strong contributions from my hon. Friends the Members for Truro and Falmouth (Jayne Kirkham) and for South East Cornwall (Anna Gelderd). They referenced the significance of the visitor economy for hospitality businesses, and I am sure that they will welcome the fact that, this autumn, the Department for Culture, Media and Sport will publish a new visitor economy strategy. That has been co-designed with the new Visitor Economy Advisory Council, which includes UKHospitality. They referenced the dynamic and creative hospitality sector in Cornwall, and I was grateful to have the chance to personally sample some of those opportunities recently. My hon. Friends also referenced the case for fair funding for Cornwall, and the significance of a partnership between Cornwall and Homes England. I will make sure that their points are heard by colleagues in the Ministry of Housing, Communities and Local Government.

The hospitality sector contributes over £50 billion to the UK economy, spread across all corners of the UK, and employs millions of people. The sector makes not just a significant economic contribution, but an important social one because, as one or two hon. Members referenced, hospitality is also an opportunity for people. Working in pubs, restaurants and bars is often a key entry point, particularly for young people who need to gain essential skills and experience to progress in life. It is also often an entry point for those being given a second chance in life. For example, the excellent Greene King is working with 65 prisons across the UK to provide inmates with hospitality training. The company aims to hire 400 prison leavers by the end of this year. The Pret Foundation does fantastic work with homeless people, and has an ambition to get 500 people who face homelessness into jobs in their stores by 2028. The hospitality sector's unique ability to employ and train people from all walks of life makes its economic contribution so much more than just that.

Hospitality is also crucial to our communities and personal lives. Hospitality businesses such as pubs support community cohesion. They provide welcoming spaces for those who feel isolated and alone to enjoy the company of others. In short, hospitality is the backbone of our high streets, towns and villages; it is the lifeblood of all our communities.

I fully understand the significant challenges that the sector faces, many of which are a hangover from the pandemic lockdown restrictions and the cost of living crisis. Depleted cash reserves and increased debt levels have hampered the ability of many hospitality businesses to invest and grow. These challenges are sometimes not helped by a regulatory landscape that does not always function as effectively as it could, holding back growth from many hospitality operators, which simply want to grow and invest in their local communities.

Let us not forget that this Government inherited a very challenging fiscal situation, which meant the Chancellor had to take difficult decisions in relation to tax and spending. Schools, police and local hospitals in all our constituencies are set to be better funded because of the difficult decisions she had to take in the Budget last year. The investment in infrastructure, or in social and affordable housing, that all our constituents need would not be happening without the decisions the Chancellor made last October. I know that many hospitality businesses have been impacted by those tough choices, but they are important for delivering the long-term stability and growth that our country needs and that our hospitality businesses, as well as the rest of the economy, will benefit from in the long run.

We will deliver on our manifesto commitment to create a fairer business rate system that protects the high street, supports investment and is fit for the 21st century. The Chancellor has committed to reforming business rates from 2026-27, with a permanently lower multiplier for retail, leisure and hospitality businesses. For many years the hospitality sector has asked for that, and we will deliver it.

I recognise the contributions from a number of hon. Members about the situation in Scotland, where—despite having had their biggest ever increase in funding as a result of the decisions the Chancellor took last October—the Scottish Government have not chosen to extend hospitality relief in the fullest way to all hospitality businesses.

Jamie Stone: I am a fair-minded person, and I would not dream of laying responsibility for the lack of affordable housing at the Minister's feet. But does he agree that a message should be sent to the Scottish Government to get going on this one? I have just seen some terrifying statistics for north-west Sutherland about young people leaving. The old monster of highland depopulation is staring us in the face in that part of the highlands.

Gareth Thomas: The hon. Gentleman is right to make his point. One would hope that the Scottish Government would be as committed to taking action as the Government

here in the UK. I hope he and other Scottish colleagues will see a change of heart and approach from the Scottish Government.

I understand the sector's concerns about employers' national insurance contributions. We are protecting the smallest businesses by increasing the employment allowance to £10,500. That means 865,000 employers will pay no national insurance contributions at all, and more than half of employers will see no change or gain from the package. The majority of hospitality businesses are micro-sized, so many will benefit from the increase.

We are also committed to reducing the regulatory burdens facing the hospitality sector. We recently launched a licensing taskforce to come up with recommendations for cutting red tape and removing barriers to business growth. We have received a report from the licensing taskforce containing many extremely interesting and thoughtful proposals, and we will make an announcement on our response to the taskforce work shortly.

We have also introduced a hospitality support scheme to co-fund projects, aligned with the priorities of the Department for Business and Trade and the Hospitality Sector Council. That includes support initiatives such as Pub is the Hub, to encourage local investment in rural communities—the hon. Member for South Northamptonshire made a point about that. In addition, we are extending the growth guarantee scheme, where Government will help smaller businesses to access loans and other kinds of finance up to £2 million, by covering 70% of the potential losses for lenders.

Later this summer, we will publish our strategy to support SMEs over the long term. The paper will focus on boosting scale-ups across key policy areas, such as creating thriving high streets, making it easier to access finance, opening up overseas and domestic markets, building business capabilities and providing a strong business environment.

The SME strategy will complement the industrial strategy in helping to create the conditions for further economic growth. The industrial strategy will support the whole economy by creating an improved operating environment to create long-term stability and generate greater dynamism for new start-ups to emerge. Supporting industrial strategy sectors will have spillover benefits for the rest of the economy—from innovation pull-through to technology diffusion. As an example, growth in the creative industries will create spillover opportunities for hospitality businesses.

As we look ahead, we will continue to work closely with the hospitality industry to co-create solutions to ensure that we generate growth together. In particular, we will work with the sector to iron out the issues that are of most concern. For example, we understand the current challenges relating to dual-use packaging under the extended producer responsibility scheme. We are therefore working with hospitality businesses to develop exemptions for waste disposed of commercially through the use of agreed evidence to show that that would be highly unlikely to end up in household waste streams.

Also, as we set out our ambitious plan to raise the minimum floor of employment rights, we will strike the right balance between fairness for workers and business investment and growth. Improving employment conditions benefits economic growth. It helps to put more money in employees' pockets, which will help all businesses,

including hospitality businesses, in the long term. We will do this by working in partnership with business, including the hospitality industry, to deliver our plan to make work pay, and we will consult on key proposals such as zero-hours contract reform in the autumn.

We will of course continue to work closely with the Hospitality Sector Council to co-create solutions and achieve growth in collaboration with the industry. That includes identifying regulatory barriers to investment and growth, and addressing skills shortages. We have established Skills England. We are reforming the existing apprenticeship offer into a growth and skills levy that allows more flexibility for both employers and learners wanting to pursue the apprenticeship route. The Department for Education has said that it will explore one of the key asks of the hospitality sector—the idea of foundation apprenticeships for hospitality. We are determined to help the hospitality sector to continue to unlock innovations and improve sustainability, and in that way bring down its costs. We will also look at how the Hospitality Sector Council can help us to deliver on our priorities for wider investment and growth, and support work to reinvigorate our high streets.

We all know that hospitality businesses are fundamental. They are crucial to our economy, crucial to our communities and fundamental to our high streets. And they matter to all of us individually, to our friends and to our families. The Government recognise the role of hospitality in creating places that people want to live, to work and to invest in, and we will continue to work in partnership with the industry to deliver growth and to break down barriers to opportunity.

Dawn Butler (in the Chair): For a two-minute wind-up, I call Mike Wood.

3.53 pm

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Mike Wood: I thank the Minister for his response, even if there was little in it that will bring much comfort to the hospitality businesses that are struggling as a result of the Chancellor's choices. I thank all hon. and right hon. Members from across the Chamber who have made such effective contributions, underlining the importance of hospitality in all our constituencies.

This is more than an economic issue. Hospitality offers the first rung on the ladder for millions of young people, and second chances to those rebuilding their lives. It brings people together across classes, backgrounds and regions. It is the ultimate vehicle for social mobility. It gives people a chance to run their own million-pound turnover business, even if they do not have the start-up capital or the right connections. For example, the Streets Ahead programme run by McCain, one of the largest employers in my constituency, supports dozens of hospitality start-ups and trains hundreds from disadvantaged backgrounds in the hospitality sector, and the charity Only A Pavement Away helps people who are facing homelessness by offering opportunities in hospitality. That is what real social mobility looks like—not a press release, but a purpose.

Hospitality can do so much in return for so little, but it can do so only if it is given the right framework and a tax system that does not hit labour-intensive businesses disproportionately hard. Hospitality can drive the growth that we all want to see. It can create high-quality jobs

[Mike Wood]

and offer good opportunities in every one of our constituencies, but it needs and deserves our support. I thank hon. Members for supporting this debate, and for their continuing work to push the Government to increase their support and understanding towards this important sector.

Question put and agreed to.

Resolved

That this House has considered Government support for the hospitality sector.

3.55 pm

Sitting suspended.

Waterloo-Reading Line: Class 701 Trains

4 pm

Dawn Butler (in the Chair): I will call Clive Jones to move the motion and then call the Minister to respond. I remind other Members—one Member—that they may make a speech only with prior permission from the Member in charge of the debate and the Minister. There will not be an opportunity for the Member in charge to wind up, as is the convention for a 30-minute debate.

Clive Jones (Wokingham) (LD): I beg to move,

That this House has considered the introduction of Class 701 trains on the Waterloo-Reading line.

It is a pleasure to serve under your chairship, Ms Butler. I am honoured to have secured this debate on a matter close to the hearts and frayed nerves of many in my Wokingham constituency.

Imagine, Ms Butler, that you are one of my constituents commuting to London or Reading. You spot your train on the horizon—the all-too-familiar blue face and red shell of the class 455 train, built in 1983 and rattling along for 42 years. That sight will produce an inevitable sigh of despair from all at the train station: it will not be a comfortable journey. Hon. Members might wonder what is so bad about that rolling relic. For starters, on a day like today, when we have 34 degrees of heat, if they step inside the train, they will be treated to a delightful 45°C sauna, courtesy of no air conditioning and poor ventilation.

Despite the journey from Wokingham to Waterloo taking an hour and 12 minutes, there are no toilet facilities on board. Speed restrictions apply exclusively to the 455 on the Waterloo to Reading route, which means slower journeys and greater delays. That is why the class 455 is being replaced by the new, sleek class 701, also known as the Arterio. The Arterio train will mean air conditioning, real-time passenger information, more seating and actual toilets. However, the journey to introduce the new trains has encountered unacceptable delays, setbacks and uncertainty that go unresolved to this very day, despite the fact that they were promised nearly eight years ago.

Adam Dance (Yeovil) (LD): Many feel that the railway services in Yeovil are not good enough. Does my hon. Friend agree that in rural areas we need to replace the old trains that we rely on, some of which are more than 40 years old—a lot older than I am—and improve access and staffing at railway stations so that constituents with disabilities can use trains in a safe manner?

Clive Jones: I completely agree with my hon. Friend; we do need to improve rolling stock. Part of our problem on the South Western Railway line, Wokingham to Waterloo, is that it is old rolling stock, which is what this debate is about. He also mentioned better access for disabled people, and I 100% agree that that is absolutely needed.

Although I am aware of a few Arterio trains running on the South Western Railway network, that is still not the case on the Waterloo to Reading line, which my constituents use every day. Numerous promises have been made by South Western Railway and the Department for Transport, but almost all of them have been broken.

In 2019, the Department for Transport claimed that in the coming months new trains would be introduced on the South Western Railway network, but what has happened? Nothing. In 2020, the Arterio was destined to be first rolled out on the Waterloo to Reading line. In 2022, the South Western Railway business plan stated that SWR would

"introduce the new Arterio fleet as soon as possible".

Two years ago, the Department for Transport stated that the trains would be in service as soon as possible in 2023. Last year, SWR stated that the roll-out of the full fleet would take up to 18 months from January 2024, and I was informed that the trains would be ready for me to travel in to Parliament by June 2025. Now, in 2025, SWR still does not have a final timeline for when my constituents will get to benefit from the new trains. Every year promises have been made, and every year promises have been broken.

With SWR nationalised, the Department for Transport must scrutinise the project relentlessly until it is properly delivered. I ask the Minister: when will the Arterio trains be in service on the Waterloo to Reading line? I would also be grateful if he would set out in detail what steps are being taken to ensure that the Department for Transport does not allow the delays to be extended any further.

I remind Members that the previous Conservative Government were completely complacent on this matter. No contractual penalties were imposed on the owning company of SWR, despite its failure to deliver with taxpayers' cash. Did the Department for Transport consider imposing penalties when Labour was elected in July 2024? If not, why not?

On 9 June 2025, in response to a written parliamentary question tabled on 30 May 2025, the Minister stated:

"The new Managing Director of SWR is now developing a detailed plan"

for introducing the Arterio fleet. Did such a plan not exist under the previous, privatised version of SWR? When can we expect the plan to be completed, and will it be available for scrutiny by Members of this House? Finally, will the Minister extend an invitation from me to meet the Minister of State for Rail to discuss these issues in more detail?

4.7 pm

The Parliamentary Under-Secretary of State for Transport (Simon Lightwood): It is of course a pleasure to see you in the Chair, Ms Butler. I congratulate the hon. Member for Wokingham (Clive Jones) on raising this issue.

The Department is keen to provide the significant improvements to the passenger experience and capacity that travellers on the South Western Railway network deserve, and we are working with SWR to ensure the continued roll-out of the 701 Arterio trains as soon as possible. The Government are determined to turn this situation around, but we inherited, frankly, an abject mess from the previous train operating company, which, over six years, failed to get the new fleet of trains into service

SWR entered into the class 701 rolling stock lease contracts with Alstom in 2017, and the new class 701 fleet was due to be delivered between 2019 and 2021. The delays were initially caused by manufacturing and software issues, and later by the operator seeking to

agree a safe plan for driver training and platform infrastructure readiness. Prior to transfer to public ownership, the Secretary of State invited FirstGroup and MTR, the then owning groups of SWR, to an urgent meeting to discuss the issues affecting the 701's introduction, their plans to resolve the issues, the robustness of the roll-out plan and the factors that led to such a material delay in the introduction of the fleet. At the time, officials requested an urgent plan for SWR to resolve the issues, and held SWR to account for those plans to introduce further units as soon as possible.

SWR successfully transferred into public ownership on 25 May under the leadership of the new managing director, Lawrence Bowman. This was a watershed moment in our work to return the railways to the service of passengers. Mr Bowman has written to the hon. Member for Wokingham offering a meeting, and would welcome the opportunity to expand on his emerging plans and to hear the hon. Member's concerns.

Adam Dance: Will the Minister and the Government agree that it is vital to try to get more electric trains across the south-west? After meeting with the railways, I know they are concerned that they will find it hard to replace the diesel stock with electric stock down in Somerset. Can we urge them to push and look at getting more investment into electric trains?

Simon Lightwood: I am sure that the Rail Minister will have heard that comment.

The new managing director of the publicly owned SWR has been tasked with producing a plan to introduce the 701 fleet as quickly as possible. The delays to its introduction have happened under what I would say is a flawed franchising system, not under public ownership. While there have been significant delays as a result of manufacturing and software issues, those long-standing issues are not related to public ownership.

Out of a total of 90 units, 11 are now running daily in passenger service, and the 12th service will be introduced in the week commencing 7 July. A total of 181 drivers have also been trained. Positively, since day one of public ownership, four further 701s have been brought into passenger service. That compares to only one additional unit being introduced in the six months prior to the transfer. Passengers on the Waterloo to Reading line should hope to see class 701s gradually entering service shortly.

The 701 fleet will significantly improve performance by reducing cancellations and short formations. Other benefits of the new fleet include a 50% increased capacity compared with the 455 fleet; accessible toilets—the hon. Member for Yeovil (Adam Dance) quite rightly referenced accessibility—air conditioning, something that we can all appreciate today; charging points at every seat; real-time information screens; onboard wi-fi and walk-through carriages. Customer feedback on the 701s has been positive, with people welcoming improved on-train information screens—a 21% improved score—and a 22% improved score on cleanliness compared with the current 455 fleet in use.

The Government are pushing ahead with an ambitious programme of transfers into public ownership. Three operators' services will have transferred by the end of 2025, at which point seven of the 14 operators for which

[Simon Lightwood]

the DFT is responsible will be publicly owned, and we expect all currently franchised services to have transferred by the end of 2027.

This Government's bold vision for railways will see a unified and simplified rail system that relentlessly focuses on improved services for passengers and freight customers, and better value for money for taxpayers, ending years of fragmentation and waste. The Government will put passengers back at the heart of our railways and introduce new measures to protect their interests. That includes paving the way for a powerful new passenger watchdog, which will give passengers an independent voice and hold train operators to account.

The railways Bill will enable the biggest overhaul of the rail sector in a generation. It will streamline the current fragmented system by establishing Great British Railways—GBR—as a new directing mind for the industry, unifying track and train under a single public body to deliver better services for passengers and customers and, crucially, better value for money for taxpayers.

The Bill will also ensure that the benefits of a streamlined, integrated network are felt right across communities at a local level by establishing a new statutory role in governing, managing, planning and developing the rail network for devolved Governments and mayors. That means that local communities will be at the heart of decision making, ensuring that the railways work to meet their needs, connecting them to jobs and opportunities across the country.

I thank the hon. Member for Wokingham once again for securing this debate, and the hon. Member for Yeovil for attending in support.

Question put and agreed to.

4.14 pm

Sitting suspended.

Refugee Citizenship Rights

4.30 pm

Brian Leishman (Alloa and Grangemouth) (Lab): I beg to move.

That this House has considered refugee citizenship rights.

It is a pleasure to serve under your chairship, Ms Butler. Refugees should not be reduced to statistics. After all, refugees are human beings, and every human being deserves to be treated with dignity, respect and compassion, and with empathy for their vulnerability and their need for safety. How we treat each other is a basic measurement of us as people and of the kind of society that we live in. Every day we see prejudice, oppression and war. It would be easy to consider those issues as mere news items, but they demand a co-ordinated international response of co-operation based on humanity, social inclusion and integration.

On 10 February, the Home Office introduced significant amendments to the good character requirement guidance for British citizenship, which will have profound and lasting impacts on thousands of people who are already here in the UK and have been granted protection status following a well-founded fear of persecution or violence. They will likely be denied citizenship just because of the way in which they came to the UK, and that will include people who travelled by small boat or in other ways. We should bear in mind that those are people who have made their new home and life here, and they have been working and contributing to our economy and culture. The change was made in the back of a document, without any significant parliamentary scrutiny, and today's debate, over five months later, will be the first time that it has been substantively discussed in this place. Given that we are elected officials and legislators, that is simply not good enough.

Under the policy, anyone who arrived in the UK via a dangerous journey or entered irregularly will normally be refused British citizenship. It will not matter how long they have lived here or how they have integrated into our society. Although there may be exceptional situations in which applications are approved, the Government have not provided clarity on how that discretion will be applied. It is understood that most applications will be rejected. Will the Minister provide clarity on how discretion will be applied?

Pete Wishart (Perth and Kinross-shire) (SNP): The hon. Gentleman is making good and valid points. He is not entirely right, as I tabled a series of amendments on this very issue in Committee on the Border Security, Asylum and Immigration Bill, which were supported by the Liberals, of course. I am grateful that he has been able to bring the issue to Westminster Hall today, but the situation is worse than he says. With a lack of safe and legal routes to access the UK, migrants have no other option but to arrive irregularly, such as in the small boats that the hon. Gentleman describes. What is happening as a result of these measures is a disenfranchisement of practically everybody who comes to the UK. Surely he agrees that cannot ever be right.

Brian Leishman: The hon. Gentleman is a champion on this topic, and his parliamentary record stands up there with the very best—although I did not vote for him to be my MP. I thank him very much for his contribution, and I agree with him.

It looks as though refugees will have to argue for an exemption to the blanket denial of citizenship. It would make for much fairer and effective policy if all cases were treated on a case-by-case basis, rather than a blanket ban being introduced, and I would appreciate it if the Minister could also address that point in her response.

Refugee Citizenship Rights

I want to talk about people's personal experiences of the policy, and I acknowledge the Scottish Refugee Council and Together with Refugees for supplying case studies for the debate. Sabir Zazai, the chief executive officer of the Scottish Refugee Council, would not be eligible for citizenship if he were applying now. Sabir has three honorary doctorates and an OBE; it is difficult to imagine a more compelling example of integration. But because he arrived here in the back of a lorry from Afghanistan, this Government would exclude him from ever being a British citizen.

The policy does not discriminate between refugees, victims of trafficking and children. It does not consider the unique vulnerabilities and complex backgrounds of people seeking protection, many of whom have fled circumstances that we could only imagine. For example, Gulan, a refugee from Iraq, shared how she escaped torture with her young children, risking death to survive. Despite years of integration and contributing to her local community, she feels like this policy makes her a second-class member of society.

Bambos Charalambous (Southgate and Wood Green) (Lab): I congratulate my hon. Friend on securing this important debate and making such a great speech. He is absolutely right that treating people differently based on how they arrived in this country affects community cohesion, which has a detrimental effect on our society. What we need are safe routes that allow people to come here legally rather than risk coming via irregular routes, which is why the policy was introduced in the first place.

Brian Leishman: I thank my hon. Friend for his contribution. Absolutely: more safe routes are a necessity, in the name of human decency.

British citizenship is a key building block of integration, but there are also significant pragmatic considerations. Without it, people do not have the right to vote, to stand for election to this place or to work in many government jobs, nor do they have the freedom to live in, or travel in and out of the UK without restriction. If they do manage to travel, they require access to consular services; but worst of all, they remain at risk of detention or, worse, deportation.

One example is Mohammad, a refugee from Sudan. He said that he feels like a perpetual outsider, being vulnerable to deportation despite years building his life here. We saw an extremely laissez-faire attitude to international law and obligations from the previous Government. It was damaging to the UK's international standing and to our relationships with countries all over the world. Continuing in the same manner would be the wrong approach for the Government to take.

Seamus Logan (Aberdeenshire North and Moray East) (SNP): Forgive me for interrupting the hon. Member's excellent speech, but he will note the complete absence of Members from the official Opposition party, apart from the shadow Minister, and of Members from the Reform party. My inbox is flooded with queries about various aspects of immigration. Does the hon. Member agree that the aspect of policy to which he is referringwhich affects, for example, family members disunited from the rest of their family, asylum seekers, refugees and students—demonstrates that his own party is now following a cold-house policy? Does he accept that specific and special circumstances apply in Scotland, as distinct from the rest of these islands?

Refugee Citizenship Rights

Brian Leishman: I thank the hon. Member for his contribution; I can appreciate the political nature of what he has said. Yes, Scotland is a nation, and it has its own unique needs. This is something that both Governments need to collaborate on, to try to thrash out something for the benefit of Scotland.

The United Nations High Commissioner for Refugees has expressed serious concerns about the UK's updated guidance on the good character requirement for citizenship. It has been clear that the policy risks breaching article 31 of the 1951 refugee convention, which prohibits penalising refugees for irregular entry when fleeing persecution. The lack of clarity from the Government and the presumption of refusal may deter eligible refugees and stateless individuals from even applying for citizenship, especially given the exorbitant cost of applying—British citizenship applications are non-refundable and cost £1,630.

The refugee convention also explicitly requires states to facilitate, as far as possible, the naturalisation of refugees and stateless persons. That is a particularly interesting article, because not only is the UK a signatory to the treaty, but the British Government of the day are widely credited with incorporating the article into the convention. Not only are we abandoning our international obligations; we are abandoning the very international obligations for which the UK historically advocated.

This policy change undermines the very values of cohesion, unity and fairness that the UK aspires to uphold. It denies people who have sought protection from us the dignity and security of citizenship. I want to see a system that welcomes refugees not as second-class residents but as full members of our society, with the rights and recognition they deserve as human beings. Before my final questions to the Minister, here are the thoughts and feelings of a young man with refugee status in Glasgow:

"I have lived in Glasgow since 2017, after gaining refugee status the same year. I work and study civil and environmental engineering full time at Strathclyde University. I've had indefinite leave to remain since 2022 and was about to apply for citizenship, having already passed the UK life test and English language assessment. These are my thoughts:

Denying people the right to gain British citizenship after waiting for the legally required amount of time and upon gaining indefinite leave to remain is modern-day segregation. It splits people into different classes by keeping some stuck as second-class citizens. Not having the right to be a UK citizen stops me from being equal with my local community. People who have already the UK had no idea that they one day would not be allowed to become a citizen because they were claiming asylum—it feels like you have been targeted.

Throughout my journey, other countries rejected me—Italy gave 48 hours to leave the country, France gave 72 hours to leave the country. Coming to the UK is not necessarily something you can control yourself; it was my only option. However, fulfilling the good character requirements, which are things you can control yourself after entering the UK, should remain important.

[Brian Leishman]

This policy completely erases the point of people showing they have good character, and instead rejects us based only on something that I could not control. This new guidance does not encourage contribution to the community, if you are not one day going to be a proper part of the community by being a full and equal citizen."

Refugee Citizenship Rights

1 JULY 2025

I put it to the Government that they should reconsider their stance, in the light of Lords amendment 186 to the Border Security, Asylum and Immigration Bill. First, it would ensure that the good character requirement is not applied in a manner contrary to the UK's international legal obligations. Secondly, it would uphold the best interests of children by prohibiting the consideration of a child's irregular entry or arrival. Thirdly, it would remove retrospectivity, to further uphold the rule of law

An adult's irregular entry or arrival may be taken into account only to the extent specified in guidance that was published when they entered or arrived in the UK. Previously, the guidance permitted a person to acquire citizenship so long as 10 years had passed since their irregular entry. At present, the guidance applies to someone whether they arrive two months or two decades ago. It cannot serve as a deterrent to people who are already here. It serves only as a penalty and a scarlet letter.

Dawn Butler (in the Chair): Order. I remind hon. Members that they should bob if they wish to speak.

4.43 pm

Tim Farron (Westmorland and Lonsdale) (LD): It is a pleasure to serve under your guidance again this afternoon, Ms Butler, and a great pleasure to follow the hon. Member for Alloa and Grangemouth (Brian Leishman), who made a stunning and impressive speech on a matter he clearly cares about, as do I. I draw hon. Members' attention to my entry in the Register of Members' Financial Interests, for the support I get from the Refugee, Asylum, Migration and Policy Project for a part-time member of staff in my office. I take that support because I care passionately about this issue.

To give the Government some credit, in the Border Security, Asylum and Immigration Bill, they are repealing the legislative ban imposed by the previous Government on people applying for and gaining citizenship if they arrived irregularly. I commend the use of the word "irregular" rather than "illegal". No one is an illegal asylum seeker; they have a right to do it.

Although I commend the Government for that, that is as far as I can get. The guidance mentioned by the hon. Gentleman, which was issued in February, creates a situation where we change the good character requirement, so that someone who arrives here irregularly

"will typically be refused citizenship regardless of the time elapsed since entry."

That is wrong; the guidance contains no clear exception for refugees, stateless persons, victims of trafficking or children. It applies retrospectively, to people who arrived in the United Kingdom before the change was introduced. The Government say that people can apply for citizenship; indeed, they are encouraged to test to see whether the policy applies to them. However, for a family of four there is a non-refundable charge of £5,898 for that test—a rather expensive, cruel and prohibitive one.

I can think of one man I met in Barrow not long ago who was being processed—he had been an interpreter for UK and US forces in Afghanistan. We had left him behind. He found his way, by hook or by crook and through appalling personal experiences, to this country by an irregular route. He would not be allowed now: he would not get through. He could test whether the rules or guidance applied to him, but it is extremely unlikely that it would. He would be left outside.

I can think of so many other people, as other hon. Members could as well, whose lives will be affected by this deeply and unjustly. It is not a deterrent, either. The possibility of being denied citizenship and maintained on indefinite leave to remain is hardly a calculation that a 17-year-old young man in Eritrea makes when deciding to flee in the middle of the night, knowing that within the next 48 hours he will otherwise be conscripted to murder his own people. That is not the kind of calculation anyone would make—it is a far-off, future consideration. It will not be any kind of deterrent, but instead will simply be a penalty based on the means by which someone got here.

There would be a case for this—maybe, just maybe—if the Government allowed safe routes for these people, but in real terms there are no safe routes for people from Iran, Eritrea or Sudan. People will do dangerous things in order to escape despicable, awful experiences. I would say that competence is the best deterrent. I commend this Government for doing better than their predecessor when it comes to removing people who have not been successful through the asylum process, but the people we are talking about here have been successful. This Government have decided that they are refugees, so why are we denying them the ability to settle here as full citizens?

This is all part of, and a consequence of, an awful, toxic debate. It feels like this Government are not the generators of that toxicity, but are scared of it, and cannot stand up to those who would demonise people who have fled from persecution, in fear of their lives. We know that 85% of refugees stay in the place next door to the one from which they fled. We know that, if we were to be put back into the European Union—if we were, we would be able to control our borders a whole lot better—we would be the 17th out of 28 in the league table of countries taking refugees.

It is a dishonest debate we are having nationally, and in this place we should be honest. We should not be scared of being vaguely humane and decent. This guidance works against integration and creates a divided society. Encouraging citizenship is a good thing, because it creates stability, a sense of belonging and inclusion. It offers hope to those who come to us for sanctuary. It is a decent thing for us to do—we should do it. This guidance should be scrapped.

4.47 pm

Warinder Juss (Wolverhampton West) (Lab): It is a pleasure to serve under your chairship, Ms Butler. First, I thank my hon. Friend the Member for Alloa and Grangemouth (Brian Leishman) for securing this important debate.

I speak today as a member of the Citizenship Network, which was launched by Citizens UK last year. It is a cross-party group that brings together parliamentarians, policy experts and those with lived experience of the

citizenship and settlement process, with the shared goal of exploring how we can improve our pathway to citizenship to ensure fairness and efficiency.

Last week, I co-hosted an event in Parliament alongside the Citizenship Network, where we were joined by my constituents from Wolverhampton West and community leaders from across the country. It was so inspiring to see those passionate individuals come to this place and speak about how they have benefited from our immigration system.

I was not born in this country; I was born in east Africa and came to Wolverhampton at the age of four. I believe that, by being a citizen of this country, I have been able to contribute to it in the way that I hope others will be able to as well. We heard stories from people who, although entitled to be in this country, are now facing barriers in their journeys to citizenship. The stories they told brought home the human cost of our current system and the urgent need for reform.

The reality is that, instead of helping people to thrive, our current system too often creates unnecessary barriers to opportunity and to a sense of belonging and a dignity, which is so needed by those who are entitled to be in this country. Many people in my constituency of Wolverhampton West have called the UK their home for years. They have worked here, raised their families here, and have contributed to our economy and society. Despite that and their deep ties to this country, they continue to face challenges in securing British citizenship, often spending huge amounts of money and time and then waiting for years just to be able to get citizenship.

Let me be clear: border security is important. Every country has the right, and indeed the responsibility, to protect its borders and ensure the integrity of its immigration system. However, this must not come at the expense of fairness, compassion or humanity. A truly effective system is one that balances security with justice, ensuring that we treat people not just as cases or numbers, but as human beings who bring their own stories about their families and futures. We must move away from a system that is overly complex, prohibitively expensive and riddled with delays and inconsistencies. The current system is not only failing individuals but is failing our country.

I accept that settlement is a privilege and not a right, but we must have an immigration system that offers real protection to those who are fleeing persecution. We must have a clear, achievable and affordable pathway to settlement and citizenship for those who have chosen to make the UK their home, so that they can enrich not only their lives but the lives of others and properly contribute to our country as citizens.

4.51 pm

Jim Shannon (Strangford) (DUP): It is a real pleasure to serve under your chairship, Ms Butler, for what I think is the second time today. It is, and always will be, a pleasure.

I thank the hon. Member for Alloa and Grangemouth (Brian Leishman). In the short time that he has been here, he has made a reputation for himself as a fighter and a person who speaks up for his constituents. I sit straight across the Chamber from him and I am always impressed by him. We do not agree on everything but today, on this subject matter, he and I agree. This is one thing we can definitely agree on, and well done to him.

I am grateful to address this House on an issue that tests not only our policies but our principles, and that is how we treat those who come seeking refuge and hope. Today I speak on refugee and citizen rights in the United Kingdom, a subject of both legal importance and moral imperative. This March, the Government imposed a blanket ban on citizenship for individuals who entered the UK irregularly, even if they have been granted asylum and have lived here for years. The Refugee Council estimates that some 71,000 refugees who have already been granted asylum may now be blocked from ever obtaining British citizenship. I ask the Minister, who as she knows I respect immensely, to answer the question of those 71,000 who have lived here for a number of years: will they have the opportunity of getting British citizenship?

This week, Parliament will be considering crucial legislation, including the Universal Credit and Personal Independence Payment Bill and the ongoing Border Security, Asylum and Immigration Bill. This moment offers a real opportunity to safeguard the future of those who have made the UK their home. I love the diversity that I have in Newtownards. It is not as big as in London, but there are people from Nigeria, India, Pakistan, Bangladesh, Ukraine and all over eastern Europe. They bring history, culture, friendship and social engagement and they enrich us as a society. I believe we should try to maintain that.

The UK has a long history of standing shoulder to shoulder with those fleeing conflict, persecution and violence. We have honoured our international obligations under the refugee convention and the European convention on human rights. Yet recent policy changes may have the unintended consequence—I believe it would be unintended; I do not believe it is a policy of Government—of leaving some recognised refugees without a clear pathway to fully participate in society. I want to see them having that right. It is vital that we ensure that those who have been granted asylum are not left in long-term uncertainty.

A clear and fair pathway to citizenship is an important part of helping individuals to put down roots, contribute fully and feel a genuine sense of belonging in the communities that they now call home. Citizenship is more than just paperwork; it represents civic responsibility, stability and inclusion. As Parliament continues to examine the Border Security, Asylum and Immigration Bill, we must be mindful of our humanitarian responsibilities. That includes ensuring timely decisions on asylum claims, restoring service standards that offer clarity and dignity, and protecting the right to family reunion, which means so much to all of us here. Such steps are not just compassionate; they are also practical and necessary for social cohesion.

Furthermore, we must take care to ensure that assessments of good character do not rest solely on whether someone arrived through irregular routes, which is often a last resort for those fleeing persecution. Each case should be looked at individually, with a recognition of context and care, not with a one-size-fits-all approach that risks deepening hardship for those already in vulnerable situations.

As chair of the all-party parliamentary group for international freedom of religion or belief, I see the consequences of exclusion every day—not because I am better than anybody else, but because I focus on that and I see more of it happening. That is why it is important to me. Forced statelessness or permanent limbo adversely

[Jim Shannon]

affect mental health, community cohesion and integration. We must speak not with condemnation, but with compassion and reason. The hon. Member for Westmorland and Lonsdale (Tim Farron) and I share those personal beliefs.

Refugee Citizenship Rights

I always try to leave these things with a Bible quotation. The Bible reminds us in Hebrews 13:2:

"Be not forgetful to entertain strangers: for thereby some have entertained angels unawares."

That verse speaks to the heart of our shared humanity. It is a reminder that how we treat the stranger, the refugee and the vulnerable reflects the depth of our national character as individuals. This House has long stood as a voice for those in need, and we must continue in that tradition. Let us show leadership not only in lawmaking, but in compassion. Let us ensure that our policies uphold both justice and mercy, and let us do so with humility, conviction and care. In defending the rights of refugees, we reaffirm the values that have long made the United Kingdom of Great Britain and Northern Ireland a place of refuge, opportunity and hope.

4.57 pm

Tulip Siddiq (Hampstead and Highgate) (Lab): It is a pleasure to serve under your chairship, Ms Butler. I thank my hon. Friend the Member for Alloa and Grangemouth (Brian Leishman) for bringing this important debate to the House; I am sure his constituents are very proud of the powerful speech that he made here today. I know that there are brilliant grassroots charities in his constituency offering sanctuary and support to new Scots from Syria, South Sudan and Ukraine.

Our constituencies are hundreds of miles apart from each other, but we are united in the belief that we have to give refugees our compassion and support. I wanted to speak in today's debate because my constituency of Hampstead and Highgate has had a proud history of supporting refugees for years and years. During the first world war, 250,000 Belgians fled to England to escape the invading Germans. It was in Kilburn in my constituency that synagogues, churches and homes opened their doors to families who faced persecution.

I should say that Kilburn—or County Kilburn, as it is often called—was also a place of refuge for those fleeing the Irish famine in the mid-1800s. I am delighted to say that in Kilburn we now have the largest Irish community living in London. In Highgate, a new part of my constituency, Camden council provided refuge to families escaping the Taliban in Afghanistan. These are people who risked their lives and are now in Camden—our doctors, nurses, translators and civil servants.

My constituency of Hampstead and Highgate has a proud legacy of welcoming refugees, and I intend to continue supporting that legacy. For many of us in this room, watching what is happening in Gaza, the war in Ukraine, and of course the violence between Israel and Iran, it feels like the world is in disarray. The unfortunate truth is that it is innocent civilians who often suffer the consequences of conflict.

Of course we have to have an immigration system that is controlled, well managed and fair. I think everyone in this room would want that. However, we cannot lose the compassion that our country and my party prides itself on, and has done for many years. I am proud to represent constituents who made that dangerous journey to Britain, who claimed asylum and are now British citizens. I know they are of good character: they have made an incredible contribution to our country, to the constituency, to public life and to culture. One does not have to look too far to find them in my constituency.

I want to talk about my friend Camron Aref-Adib, who you may know, Ms Butler. His family was forced to flee from Iran on foot in the dead of night after an arrest warrant was issued for his father because of his political affiliations. Their journey to Camden was marked by constant distress, fear and uncertainty, as they were smuggled from Turkey to Yugoslavia and eventually western Europe.

Throughout that time, no safe and legal routes were available, but since reaching the UK Camron, his parents and sisters have given back more than 100 years of combined service to the NHS. I am pleased to say that Camron now serves as a Labour party councillor in Camden as well. These are the kinds of characters who have made Britain their home and who give so much back to our community.

I wrote to the Immigration Minister about my concerns and was assured that, when assessing good character, immigration breaches are likely to be disregarded if the journey was outside the applicant's control. That is likely to be the case if, for example, they were a child when they made the dangerous crossing to the UK. I thank the Department for that assurance. However, I believe that a person's access to safe and legal rules is also out of the applicant's control.

Given the recent escalation of conflict in the middle east, Camron's family story feels more pertinent than ever. I have heard directly from the Iranian community in Hampstead. They told me that they are frightened for their family members who are still in their country of origin. They also told me that they feel forgotten about and dehumanised by the lack of asylum routes available to them.

On behalf of families such as Camron's, I ask the Minister: when the Department is assessing asylum applications on a case-by-case basis, will the insufficient provision of safe and legal routes be considered as a compelling or mitigating circumstance? I thank the Minister in advance for her response and the time she will take to address this debate. As a House and a country, we need to think deeply about the fact that these refugees are people; they are not just statistics.

5.2 pm

Chris Murray (Edinburgh East and Musselburgh) (Lab): It is a pleasure to serve under your chairpersonship, Ms Butler. I congratulate my hon. Friend the Member for Alloa and Grangemouth (Brian Leishman) on securing this really important debate. Before we begin, I declare an interest: my office receives support from the Refugee, Asylum and Migration Policy Project, or RAMP.

I would like to make a couple of points about refugee citizenship. First, it is important to set out that there has been no concrete change in the way we treat refugees. The change was made because the Government repealed sections of the Nationality and Borders Act 2022 and the Safety of Rwanda (Asylum and Immigration) Act 2024. Those are two of the most regressive and pernicious

pieces of immigration legislation. They totally distorted indeed, almost collapsed—the asylum and refugee system in this country. Good riddance to them.

Refugee Citizenship Rights

It was right that one of the first things that the Government did on immigration policy when elected was to get rid of those two pieces of legislation. That meant that the citizenship rules had to be altered to align them with the status quo ante, which is what happened, but that does not mean that we should not have a wider debate about citizenship for refugees, as well as all migrants. I was pleased to see that the Government's White Paper on immigration has kicked that discussion off.

It is also great to hear many Members extol the virtues of refugees and champion them in their communities. I add my name to that list: Edinburgh has a long history of welcoming people, whether they are Ukrainians recently or English refugees hundreds of years ago—although it has been a while since then.

I also want to make a couple of points about citizenship specifically, and the actual concrete meaning of "citizenship" in Britain today. Our citizenship rules developed haphazardly and organically, basically from the empire onwards. There are four pathways to British citizenship: Commonwealth, European, refugee and for people from the rest of the world. In each pathway, people acquire rights and entitlements at various points in the process.

We need to be clear that there is no bright, clear line of distinction between the rights of a citizen and the rights of a settled person in Britain, refugee or not. The rights to benefits, to work, to integrate and even to vote, are not contingent on citizenship. People make full contributions to our society long before they naturalise, and some choose not to naturalise at all—whether because their home country forbids dual citizenship or because they simply do not want to. People who are not citizens are still full, participating members of British society, and refugees with settled status are fully within that

Of course, that is not to say that citizenship does not have value. Obviously, it has very specific benefits: it gives a person a passport, protects them from deportation, as my hon. Friend the Member for Alloa and Grangemouth said, and gives them consular protection. But it is not a prerequisite for a meaningful life in Britain. Citizenship has political and social value—it shows that a person is one of us, and that they have made a commitment to the country—but I would argue that we have essentially erased the distinction between citizenship and settlement. The distinction now is simply one of time, as the person has to wait a year or two after settlement, and of money, as they have to pay a whopping great fee. Those are the only distinctions in people's lived reality.

Pete Wishart: I think the hon. Gentleman is sort of saying that citizenship is a good thing and a bad thing, but it is a central aspect of life within our society—an entitlement to so many things that he and I take for granted. If his citizenship were ever taken away from him, God forbid, he would feel it in a minute. Another thing: this is perhaps the most profound change to the good character requirement that I have ever seen—it has gone from lapsing after 10 years to not at all. He should recognise that that is an appalling new change to our immigration system.

Chris Murray: The hon. Gentleman and I have debated this issue a lot. I was not debating whether citizenship is a good or a bad thing—I fully believe it is a good thing. My point was that citizens do not get many more rights and entitlements in Britain today than people who are settled. We could have a wider debate about whether that is fine—I think we should—but a lot of things, such as applying to institutions, colleges or universities, or entitlement to benefits, to housing or to vote, are contingent not on citizenship, but on settlement. The distinction on voting depends on whether the person is a Commonwealth citizen or not. My argument is that in Britain, unlike other countries, we do not make a clear distinction between settlement and citizenship. The distinction between citizenship and indefinite leave to remain—settlement—makes little material difference for refugees living in our communities.

Refugee Citizenship Rights

That brings me to my second point. There is clearly a case for citizenship reform in this country. It has been decades since we seriously looked at the issue. I welcome the fact that we are having the debate and that the immigration White Paper has kicked off a discussion about the distinction. The system should be managed, controlled and fair. As I said, the real distinction with citizenship is whether the person has been here an extra year or two and whether they can pay the fee. That is how they get citizenship.

However, some people come to this country and work hard, obey the rules, pay loads of tax, volunteer, do good in their communities and make a huge contribution. Some go on to score goals and win medals for us. Other people come here and do not do any of those things. They do not commit a huge offence, but they do not do any of those things. Is it right that the system treats those people just the same? I would argue that we should differentiate between them.

Madeleine Albright's family fled the Nazis. They came first to Britain, and the question they were asked was, "Okay, you are refugees and are welcome here, but how long until you leave?" Then they went to the US-

Dawn Butler (in the Chair): Order. I would also like to give Brian Leishman two minutes to wind up.

5.9 pm

Mr Will Forster (Woking) (LD): It is a pleasure to serve under your chairmanship, Ms Butler. I start by complimenting the hon. Member for Alloa and Grangemouth (Brian Leishman) not only on securing the debate but on how he introduced it; his speech was excellent.

I am proud to represent Woking for many reasons, and one is our long history as a constituency of supporting and welcoming refugees. Ockenden International, originally Ockenden Venture, one of the first refugee organisations set up after the second world war, started in Woking. I used to live on the road where it once existed. We have since welcomed Afghans, Syrians and Ukrainians. One of the former MPs for Woking, a Conservative, set up the immigration advice service that a lot of my constituents, and I imagine others, have used. Where has that moderate, compassionate conservatism gone? I fear that the Labour party is going the same way.

The Liberal Democrats are strongly critical of the Government's move to permanently bar refugees who have arrived here by irregular routes from ever obtaining

[Mr Will Forster]

British citizenship. Giving a hard, bureaucratic "no" to people in such situations, which are incredibly varied and complex, is wrong. It means, in effect, that refugees who have fled persecution and sought sanctuary are condemned to live as second-class citizens for the rest of their lives—never truly able to belong, assimilate or become British.

Refugee Citizenship Rights

Earlier this year, the Liberal Democrats tabled a new clause to the Border Security, Asylum and Immigration Bill that would have required the Home Secretary to change the Home Office guidance. That guidance currently states that anyone who entered the UK illegally, no matter how long ago or what the circumstances, will normally be refused citizenship if they apply after 10 February 2025. Our amendment would have ensured that illegal entry was disregarded as a factor when assessing whether someone meets the so-called good character requirement for naturalisation. We believe that to be fair and reasonable: human beings should be judged on their merit, not their status. Refugees are not criminals because of the way they arrive. They are often in desperate situations, fleeing torture, conflict or persecution. Many are fleeing death.

We have heard that this new Government wish to preserve the rule of international law in making policy decisions. That is why, they say, they made the Chagos Islands decision: to uphold such claims. Let us acknowledge that international law is fundamental to refugees. Those seeking asylum who have no choice but to enter a country irregularly should not be punished: that is what the 1951 refugee convention says. We are at risk of falling foul of that international law.

Many refugees who have been granted citizenship describe it as one of the proudest moments of their lives—a hugely amazing moment that they share with their friends and family. Yet we risk depriving them of that opportunity. If we strip away that possibility, we risk deepening divisions in our society, effectively telling thousands of our newest residents and constituents that they do not and will never fully belong. That is not the Britain that I know and love or the one I want to represent in Parliament.

Instead, we should have a fair and effective asylum system that upholds our obligations and treats people with dignity. Banning refugees from citizenship is not one of those things. The Liberal Democrats urge the Government to think again, change their approach and show that Britain is still great at standing up for the values of compassion, fairness and the rule of law.

5.13 pm

Matt Vickers (Stockton West) (Con): It is a pleasure, as always, to serve under your chairmanship, Ms Butler. I congratulate the hon. Member for Alloa and Grangemouth (Brian Leishman) on bringing forward his interesting debate, although I am sure it will come as no surprise that my view is very different from his.

Britain is a compassionate and caring country. We have shown support and welcomed those from Ukraine, Afghanistan and Hong Kong as well as others in desperate need. In fact, our compassion and care are without limits. But the reality is that our resources are limited, as we have seen from the pressure on housing, public services, public finances and, yes, our criminal justice system.

The promise of citizenship for those who arrive illegally will only incentivise yet more people to cross by small boat. Uncontrolled migration has real consequences. What would Members proposing such a promise say to the youngster struggling to get on the housing ladder, to the person who has been waiting months for an operation or to the victim of crime who has just seen their attacker released from prison early? What is being discussed today is not those who have been welcomed, but those who have come to this country illegally.

Citizenship is a privilege, and we should not grant it to those who have broken our laws to enter the country. I listened to the proposals of the SNP and the Liberal Democrats in the Border Security, Asylum and Immigration Bill Committee, and I have listened to those of the comrades of the Socialist Campaign Group in this debate, and the idea of disregarding that restriction is simply preposterous. How can we possibly say that lawbreaking should not be considered when assessing whether someone is of good character? The problem with the Government is that they fall between two stools: they want to appease the madness within their own party, but they also recognise the public's desire to secure our borders.

The consequences of the Government's inability to take strong action have been clearly demonstrated. Before the election, progress was being made on reducing the number of crossings, the number staying in hotels was going down and the proportion of those being removed was going up, but everyone understood that much, much more needed to be done. However, since the election, we have seen the number of arrivals increase by more than 38%. Yes, we are only in July, but already we have reached a record level of small boat arrivals this year. The number staying in hotels is up, and the number of those who have arrived illegally and been removed is at a record low. However it is measured, that is a failure on the part of the Government. It has left the Government's pledge to "smash the gangs" in tatters, exposing it as the façade it always was.

We can all see that the problem is greater than the gangs. The heinous criminals who organise the crossings are responding to demand. There is a market for people wanting to cross the channel from a safe third country. A truly compassionate response would be to put in place a system that completely deters crossings by removing those who have come here illegally, yet the Government cancelled that plan before it even began. To deport anyone who comes to this country illegally is the fair option, and it would send a clear message. It is the right thing for those who go on the boats in extreme danger, it is the fair thing for the women and children refugees whom we cannot help while we lack control of our borders, and it is the fair thing for the British people who are picking up the tab, yet the Government baulk at such proposals.

Now it appears that the Government's policy rests on the French Government riding out to the rescue. Relying on the French to save Britain seems about as likely to succeed as relying on them to look out for the interests of our British fishermen—it is technically possible but characteristically implausible. Ultimately, the Government are right to keep the guidance. However, the best approach would be to reverse the failures, implement a proper policy that ensures that those who come here illegally do not remain here and avoid the conversation about citizenship for illegal immigrants altogether.

5.17 pm

The Parliamentary Under-Secretary of State for the Home Department (Seema Malhotra): It is a pleasure to serve under your chairmanship, Ms Butler, and to respond to the debate.

Refugee Citizenship Rights

First, I will respond to some of the points made by the Opposition spokesperson, the hon. Member for Stockton West (Matt Vickers). I feel as though, once again, the Conservative party is in a state of amnesia. The Conservatives completely avoid talking about their own record, yet they know—we all know—that there were 800 people arriving by boats in 2018. The Conservative Government completely lost control of our immigration and borders system and allowed criminal gangs to get embedded across our border. They should apologise for that rather than continuing to pass the buck.

Matt Vickers: Will the Minister give way?

Seema Malhotra: I will not, actually, because I want to respond to all the points that have been made in the debate. I also remind the hon. Gentleman that, of the 30,000 returns made between the election and the middle of May, almost 8,000 were enforced returns. That is a staggering 23% increase in enforced returns compared with the same period 12 months previously.

I congratulate my hon. Friend the Member for Alloa and Grangemouth (Brian Leishman) on securing this important debate. We have had a number of discussions on this issue in the House, but, notwithstanding that, I know that this is an important debate here and in the other place and I am grateful for the opportunity to make these remarks.

My hon. Friend and other Members spoke about our long and proud history of offering sanctuary to those who are fleeing persecution, conflict and tyranny, as well as our responsibility towards refugees, which we must take very seriously. Our country is an interconnected and outward-facing nation, and I am incredibly proud of that. Our history and geography mean that for generations British people have travelled overseas to live and work, but also that people have come to the UK to work, study, invest, join families or seek sanctuary. British citizens draw on heritage from all over the world, and that has made us the country that we are today.

However, there is another backdrop to the debate, which is that immigration must be controlled and managed. I think we all know that the last Government completely lost control of our borders and we saw net migration reach record highs. It is important, for public confidence and our nation's security, that we are able to control our borders and who comes to our country.

We have heard about the importance of making sure that we continue our compassion and support for those who are fleeing persecution, war or other risks to their lives. We should be incredibly proud of the support that we provide to refugees and displaced people, whether it is through our UK resettlement scheme, the Afghan resettlement programme, our route for Hong Kong British nationals or our Homes for Ukraine sponsorship scheme. It is testament to those efforts that the UK is the sixth largest recipient of refugees referred from the United Nations High Commissioner for Refugees, and the third largest in Europe.

Since 2015, some 674,000 individuals have been offered a route into the UK, with just under 30,000 resettled through resettlement schemes and over 34,000 through our Afghan schemes. The invasion of Ukraine, in particular, is an issue close to the hearts of people up and down our country, and I acknowledge the particular welcome that people from Ukraine have received in Scotland, which has its super sponsor scheme, which I was able to discuss on my visit to Scotland in February.

The Government recognise the contribution that people arriving through such schemes make to our economy and our society. The immigration White Paper sets out our intention to review resettlement and community sponsorship models, allowing businesses, universities and communities to sponsor refugees to live, work and study in the UK. Those schemes deliver better outcomes for both refugees and the communities that welcome them. We are taking this approach because we believe in supporting refugees to integrate into British society fully, and we have been clear that every active working-age person with the right to work in our country should be able to work and contribute to the growth of our economy. It is not just the right thing to do; it is in our national interest.

Refugees and displaced people who have had to leave their home country because of persecution often lack the opportunities to apply for jobs or to work in the UK, even where they have the talent and the training to do so. That is why, in the immigration White Paper, we talk about looking to new safe and legal routes—for example, drawing on the experience of the displaced talent mobility pilot—and we will be exploring reforms to allow a limited pool of UNHCR-recognised refugees and displaced people overseas to apply to come to the UK through skilled worker visas and existing sponsor routes where they have the skills to do so, giving them an opportunity to contribute to the UK and rebuild their lives.

In the few minutes remaining, I want to address some of the questions that have been raised, in particular regarding the changes to strengthen the good character guidance. There are already rules that can prevent those who arrive illegally from gaining citizenship. Indeed, from 10 February 2025, anyone who enters the UK illegally, including via dangerous journeys such as small boat crossings, faces having their citizenship application refused. As I have said, the UK must always play its part in supporting those fleeing persecution, but we are also clear that we must do all we can to prevent people from making dangerous small boat crossings, risking their lives as criminal gangs with no thought for their safety profit.

As has been mentioned, British citizenship is a privilege and not a right. The requirement for an individual to be of good character is a statutory one—one that is considered reasonable and proportionate when assessing whether to grant them British citizenship. The good character policy is compliant with our international obligations, including those under the refugee convention. It is important to note that the guidance on the policy is clear that decision makers have the ability to exercise discretion on a case-by-case basis. That includes the ability to disregard immigration breaches if it is accepted that they were outside the applicant's control—for example, if the person was a victim of modern slavery or trafficking, or if they entered illegally when they were a child.

[Seema Malhotra]

It is important to say in response, in particular, to the contribution by my hon. Friend the Member for Edinburgh East and Musselburgh (Chris Murray) that we will be looking at new thinking and new models around earned settlement and earned citizenship in the consultation that we will launch later this year.

Refugee Citizenship Rights

It is important to recognise that these issues concerning those who come to our country via irregular routes are an international problem, and they require an international solution. Any UK Government—it is disappointing that the previous Government did not do this enough—must work with our international partners to make sure that we have solutions and alternatives for those who seek to come to the UK in this way. The Government are determined to restore order to the immigration system so that every part of it—border security, case processing, appeals and returns—operates swiftly and effectively. That is a necessity for our national security and also a moral imperative.

5.28 pm

Brian Leishman: I thank the Minister for her comprehensive response and many hon. Members present for their wonderful contributions. Refugees are victims of war, famine, oppression and environmental catastrophes.

The previous Government failed in their international obligations to refugees, and to allow people to exercise their right to seek asylum. I have to say that I found the speech by the Conservative shadow Minister, the hon. Member for Stockton West (Matt Vickers), equal parts insulting, distasteful, xenophobic and, frankly, classist. However, I respect his right to air his views—that is free speech, after all.

I also respect my hon. Friend the Member for Edinburgh East and Musselburgh (Chris Murray) and have a lot of time for him personally, but I fundamentally disagree with this sort of hierarchy of humanity. Personally, I do not care whether someone is an Olympic athlete or does a perceived lesser job—or, in fact, no job at all. As the Labour party in government, we have to combat the 14 years of austerity, division and classism that have ripped this country apart. Now that we are in government, we have to do better on a whole raft of issues, and everything that we do should always have basic, core humanity at its heart.

Question put and agreed to.

Resolved,

That this House has considered refugee citizenship rights.

5.29 pm

Sitting adjourned.

Written Statements

Tuesday 1 July 2025

BUSINESS AND TRADE

Employment Rights Bill: Implementation Road Map

The Parliamentary Under-Secretary of State for Business and Trade (Justin Madders): I am notifying Parliament today of the publication of the Employment Rights Bill implementation road map. The road map will provide clarity for workers and businesses, as well as parliamentarians, on how and when the Government will consult on the implementation of the Bill measures, and when they should expect these measures to come into effect.

The plan to make work pay is the Government's ambitious package of reforms that will upgrade our employment rights framework, ensuring it is fit for a modern economy, empowers working people and contributes to economic growth. It will support the delivery of the Government's plan for change by tackling the low pay, poor working conditions and poor job security that has been holding the UK economy back. The Bill is a crucial step in delivering these reforms.

We will continue to engage and consult comprehensively on the implementation of the measures in the Bill to make sure these changes work for all. While the Bill sets out the policy in primary legislation, key details of how many of the individual measures will work in practice will be consulted on, agreed, and then set out in secondary legislation and regulations, subject to the Bill receiving Royal Assent.

The road map will allow employers, unions and workers to plan ahead to ensure that they can prepare for these important reforms. By engaging closely with our stakeholders, we will ensure our changes work for all.

[HCWS764]

Parental Leave Review

The Parliamentary Under-Secretary of State for Business and Trade (Justin Madders): I wish to make a statement on the parental leave review.

The plan to make work pay

This Government are committed to making life better for families. The current parental leave and pay system does not work as well as it could. We have already taken action to improve the system by legislating, in our landmark Employment Rights Bill, to make paternity leave and unpaid parental leave "day one" rights. The Bill will also put in place legislation that makes it unlawful to dismiss pregnant women, mothers on maternity leave, and mothers who come back to work for a six-month period after they return—except in specific circumstances.

We committed to a review of the parental leave system in the plan to make work pay, and through this launch today we are delivering on this commitment. Review: context

The review will form part of delivering the plan for change, linking to two of the Government missions: to kickstart economic growth and break down barriers to opportunity. The work of this review will support our ongoing work to raise living standards, give children the best start in life and alleviate child poverty.

This review presents a much-needed opportunity to consider our approach to the system of parental leave and pay, giving due consideration to balancing costs and benefits to both businesses and the Exchequer. All current and upcoming parental leave and pay entitlements will be in scope of the review.

Review: lead Departments

This review will be co-led by the Department for Business and Trade and the Department for Work and Pensions—the two Departments that have the main responsibility for the current parental leave framework. These Departments will work closely with other Government Departments on this cross-cutting and important policy.

Review: objectives

The current system does not have an overarching set of objectives and has grown gradually over time. This review presents an opportunity to reset our approach and the understanding of parental leave and pay and what we want the system to achieve.

We will assess the current system against the following objectives:

Our first objective is to support the physical and mental health of women during pregnancy and after giving birth to a child.

Our second objective is to support economic growth by enabling more parents to stay in work and advance in their careers after starting a family. This will particularly focus on improving both women's labour market outcomes and the gender pay gap.

Our third objective is to ensure that there are sufficient resources and time away from work to support new and expectant parents' wellbeing. This will also include facilitating the best start in life for babies and young children, supporting health and development outcomes.

Our fourth objective is to support parents to make balanced childcare choices that work for their families, including enabling co-parenting, and providing flexibility to reflect the realities of modern work and childcare needs.

Review: engagement

This will be an evidence-based review that reflects and considers the perspectives and experiences of those who engage with the parental leave and pay system.

There will be opportunities for stakeholders to contribute views and expertise throughout the review, including through a call for evidence that also launches today. This call for evidence seeks initial evidence specifically in relation to the objectives that will set the foundation for what we want our system to deliver.

Review: timeline

We expect the review to run for a period of 18 months. The Government will conclude the review with a set of findings and a road map and will set out next steps for taking any reforms forward to implementation.

DEFENCE

UK Defence Innovation and Cyber & Specialist Operations Command

The Secretary of State for Defence (John Healey): Today this Government are outlining two major developments in our commitment to reform defence and the delivery of our strategic defence review. The establishment of the new UK Defence Innovation organisation and the renaming of the UK Strategic Command to become the "Cyber & Specialist Operations Command (CSOC)", reflecting the command's evolved role and enhanced responsibilities.

UKDI is a new body which will harness and exploit technology for our armed forces. It will be the focal point for innovation within the Ministry of Defence, backed by a ringfenced annual budget of £400 million, supporting the Government's plan for change by driving defence as an engine for UK growth and creating highly skilled jobs in the dual-use technology sector.

It will consolidate and streamline the existing MOD landscape into a single coherent system, as demanded by the SDR, with the mandate to bring innovative technology to the hands of frontline troops faster and to foster a thriving and world-leading UK defence tech sector. The UKDI will be in the new National Armaments Director Group within the MOD as part of the new operating model being established through Defence Reform.

The SDR highlighted the rapidly evolving threat landscape and the critical need for the UK to maintain its technological edge. UKDI will play a pivotal role in implementing the review's recommendations by breaking down barriers between defence and commercial innovation, ensuring that game-changing technologies can be identified, developed, and deployed to the frontline at pace.

It will take a new approach by moving quickly and decisively, using different ways of contracting, to enable UK companies to scale up innovative prototypes rapidly, by setting out a clear pathway to growth, working with the rest of Government, from initial production to manufacturing at scale.

And will make the UK a defence innovation leader through funding and supporting firms of all sizes to take state-of-the-art technology from the drawing board to the production line.

The UKDI has been formally established today, with further design, transition and implementation work to be developed over the next 12 months. UKDI will be fully operational by July 2026.

This comes alongside another significant development within the Military Strategic Headquarters, under the command of the Chief of Defence Staff, with UK Strategic Command being renamed as the Cyber & Specialist Operations Command. This change reflects the command's changed role and reinforces its responsibilities following the SDR, particularly its leadership of the cyber domain, which the SDR demanded a greater focus on across defence and Government as a whole. It follows the MOD, and Government partners, having to protect UK military networks against more than 90,000 "sub-threshold" attacks in the last two years.

The new name firmly places leadership of this crucial domain for defence and the armed forces with the new command. It also better represents CSOC's "Lead Command" responsibilities for those specialist capabilities critical to operational success, ranging from intelligence, special forces, through to deployed medical capabilities and command and control as well as the permanent joint headquarters. CSOC, through Commander CSOC—General Sir Jim Hockenhull—will continue to be under the command of the Chief of the Defence Staff and the newly formed Military Strategic Headquarters, created under Defence Reform.

These are part of the far-reaching changes that will ensure we get cutting-edge innovations to our armed forces faster, enhancing military capability while driving economic growth in every corner of the UK.

[HCWS762]

Afghan Resettlement Schemes

The Minister for the Armed Forces (Luke Pollard): For two decades, more than 150,000 UK armed forces personnel served with great courage and distinction in a bid to bring stability and security to the people of Afghanistan. They were helped in this difficult mission by thousands of equally brave Afghans performing in a variety of supporting roles. We can be proud as a nation that, following the Taliban's seizure of power in 2021, we have honoured our obligation to those who put their personal safety at considerable risk by offering one of the most generous Afghan resettlement programmes in the world. We can be equally proud of what that programme has accomplished.

Today I want to provide an update on the latest progress of the Afghan Resettlement Programme. The ARP was announced by the Defence Secretary on 18 December 2024 as a means of bringing together different resettlement schemes across Government—including the Afghan Relocations and Assistance Policy and the Afghan Citizens Resettlement Scheme—to drive efficiency and improve outcomes for UK taxpayers and our Afghan friends and allies. Through the ARP, the Government are continuing to honour our commitment to all Afghans eligible to come to Britain. So far, over 34,000 Afghans have successfully relocated to the UK and started rebuilding their lives in this country. This is an incredible achievement, and I would like to thank Members across the House for their support, as well as former Ministers.

While the Government will continue to support the ARP, we have said all along that these schemes cannot continue indefinitely. When announcing the launch of the ARP last year, the Defence Secretary told the House that we would update colleagues when the time came to stop taking on new applicants. I repeated that commitment to the House in May. That time has now come.

Throughout the past year, we have regularly assessed progress, and carefully considered the right time to stop taking on new applications. Four years on from the ARAP scheme's launch we have now reached the right point. We are currently finding over 95% of first-time applications to be ineligible. This shows that we have honoured our obligation and commitment that we set out to repay when the scheme was established.

As of today, the Home Office has laid the necessary immigration rule changes where ARAP will no longer take on new principal applications. To be clear, all applications received to date will continue to be processed. Those who are found eligible will still have their immediate family members—such as one spouse and children under 18—automatically considered for relocation. They will also still have 30 days from accepting their ARAP offer to make an application to relocate any additional family members to the UK.

We expect the current pace of arrivals to remain at the same level for the duration of this Parliament as we clear applications, process requests for an additional family member, and complete relocations. There remains a lot of work to be done, but it is our intention to finish the process and honour our obligation in full by the end of this Parliament.

As I stated in my written ministerial statement in May, we will also continue to progress phase 2 of the Triples review, and I will continue to keep the House updated on this.

Those within scope of phase 2 of the Triples review are not affected by this change. All of the cases within scope have already applied for ARAP and will in due course receive a new eligibility decision or a confirmation they remain ineligible.

Despite the programme's achievements, however, I am also conscious that some ARAP cases have waited a long time for decisions. We inherited a large backlog of cases from the previous Administration, and colleagues across the House have contacted the Department raising ARAP cases over the years that have faced long waits for decisions. I share their concern, and I am determined to address every outstanding case as quickly as possible, while ensuring that each application is individually assessed. From the autumn, we will introduce key performance indicators for our ARAP caseload. This will help people understand where they stand in the process—and when they should receive a decision.

I am also announcing, on behalf of the Home Secretary, the closure of the Home Office-run Afghan Citizens Resettlement Scheme. This means that the Government will not launch any further pathways nor accept any further referrals. Over 12,800 people have been successfully resettled under the ACRS since 2021. More than half of arrivals have been children, and a quarter women.

To reassure those who have made a referral under the Separated Families Pathway but have not yet received a decision, the Home Office will continue to consider those referrals and issue decisions. Once again, we will honour our commitments to anyone found eligible. We will also honour our commitments to those who have already been found eligible for ACRS but are not yet in the UK.

Relocating over 34,000 eligible Afghans is no small feat and would not have been possible without the support of our partners both at home and abroad.

We are grateful to the local authorities and devolved Governments who continue to help deliver the ARP successfully. Working hand in hand with local government, we will continue our efforts to implement a fair approach to the dispersal of Afghan arrivals across the UK and to empower regions to ensure arrivals are placed in areas that best support their integration. We are also grateful for our international partners. The majority of those eligible have travelled via Pakistan, so I would like to thank the Government of Pakistan for their ongoing co-operation and support.

Finally, I would like to thank all those civil servants and military personnel who continue to work tirelessly to relocate eligible Afghans and to help them rebuild their lives in the UK.

Without the contribution of our Afghan friends and allies, UK personnel who served in Afghanistan would have had an even tougher and certainly a more dangerous job. The Government's goal remains, by the end of this Parliament, to have safely relocated those eligible and honour in full our moral obligation to those who supported our mission in Afghanistan.

[HCWS763]

ENERGY SECURITY AND NET ZERO

Prax Lindsey Oil Refinery: Contingent Liabilities

The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Michael Shanks): Today I am notifying the House of the steps taken by the Government with regard to the insolvency of Prax Lindsey oil refinery and related subsidiaries.

We know that this will be incredibly worrying news for workers at the refinery, as well as the wider community in Lincolnshire. The Government stand with the workers, their families and the community at this difficult time. Given the Energy Security and Net Zero Committee's interest in this, we are updating on the action that the Government are taking.

There have been long-standing issues at the company since it was acquired in 2021. Prax Lindsey oil refinery's financial reports indicated that it has recorded losses of around £75 million up to the financial year ending February 2024 since its acquisition in 2021.

At the end of April, the Government were informed of ongoing commercial difficulties. We repeatedly asked the company what the financial gap was, to work out whether the Government could help bridge that gap, but the company was unable to share that basic information.

As a result of today's decision by the company, an official receiver and an administrator have been appointed to take over different parts of the business. The Government will ensure supplies are maintained, protect our energy security, and do everything we can to support workers.

The company has left the Government with very little time to act. The Government are supporting the official receiver to carry out his statutory duties, including managing the situation on the Prax Lindsey site to determine next steps. This will include urgently reporting back on all potential uses of the site, prior to a wind-down of the refinery.

As to the wider business, there are extensive operational and financing interdependencies within the Prax Group which mean that the refinery's parent company, State Oil Ltd, has also been placed into administration today along with a small number of other group entities.

However, other parts of the group—including the group's retail business in the UK, which provides oil trucks, logistics and forecourt services at a number of filling stations—have not gone into administration. The retail business is profitable, and is not solely supplied with fuels from the Lindsey refinery. This means that alternative supplies for the group's retail network can be sourced as necessary and the administrators will seek to

do that and trade the business as normal while they look to secure a prompt sale of the retail operation in due course.

The Energy Secretary has written to the Insolvency Service to demand an immediate investigation into the conduct of the directors and the circumstances surrounding this insolvency.

The Government's immediate priority is to ensure that affected workers are supported through this difficult time. We will urgently work with the company and trade unions to explore what further support can be offered for workers

I have laid a departmental minute today notifying the House of two contingent liabilities associated with the Government's intervention. I regret that, due to compressed timings and the rapid response the Government have had to prepare, I have not been able to follow the usual notice period of 14 parliamentary sitting days. These liabilities relate to:

Legal indemnity

A legal indemnity has been offered to the official receiver to protect it against financial loss or legal claims incurred in the course of carrying out its statutory functions. The indemnity is a standard mechanism in high-risk or complex insolvencies where appointees are expected to act in the national interest without undue risk to the appointees. Crystallisation is expected to be limited.

Operating cost support

The Government will provide short-term funding to cover the essential operating costs of the refinery. This is required to maintain safe site operations to ensure our energy security during the initial phase of liquidation and to facilitate a controlled shut down or potential sale as a going concern. The funding acts as working capital to ensure the secure transition of the site as well as allowing the fuel sector enough time to adapt supply chains and commercial arrangements so that fuel remains available to end users. The final operating cost support will depend on market conditions and the strategy adopted by the official receiver, and this will be subject to close scrutiny and governance by the Government and the insolvency office holders.

Together, these contingent liabilities are necessary to provide the official receiver and special manager with the necessary tools to fulfil their duties in a beneficial way for creditors and taxpayers. If the liability is called, provision for any payment will be sought through the normal supply procedure. The Treasury has approved the proposal in principle.

I will update Parliament on any developments in this contingent liability.

[HCWS761]

FOREIGN, COMMONWEALTH AND DEVELOPMENT OFFICE

Armenia and Azerbaijan: Arms Embargo

The Minister of State, Foreign, Commonwealth and Development Office (Stephen Doughty): This statement supersedes the written ministerial statement of 2 July 2014 on the "Arms Embargo (Azerbaijan and Armenia)" —[Official Report, 2 July 2014; Vol. 583, c. 60WS.]

The UK regularly reviews export policy to embargoed destinations in light of our international obligations and the situation on the ground, to ensure that implementation continues to be legally robust, diligent and consistent with the terms of the sanctions in place.

The Government will apply the Organisation for Security and Co-operation in Europe arms embargo to weapons, ammunition and munitions that might be used on the land border between Armenia and Azerbaijan by military, police, security forces and related Government entities. Weapons, ammunition and munitions are those items specified in entries ML1, 2, 3 and 4 of the UK Military List of the Export Control Order 2008. Supplies of such equipment to other end users, such as humanitarian, peacekeeping, research or media organisations, will not be considered subject to the embargo unless there is a risk of diversion to the land border for use by the military, police, security forces and related Government entities of either state.

This is a change from the 2 July 2014 UK interpretation of the arms embargo, which included the supply of all military list equipment to military, police and security forces and related governmental entities, where this equipment could be used in the Nagorno-Karabakh region, or on the land border between Azerbaijan and Armenia.

This revision is consistent with the precursor to the OSCE, the Conference on Security and Co-operation in Europe's declaration of 1992, which requested an embargo on

"all deliveries of weapons and munitions to forces engaged in combat in the Nagorno-Karabakh area".

Export and trade licence applications for Armenia and Azerbaijan will continue to be assessed on a case-by-case basis against the UK strategic export licensing criteria, and the Government will not issue a licence where to do so would be inconsistent with any of the criteria. The UK will continue to monitor the situation on the ground and keep the arms embargo under review.

We strongly support the efforts of both parties to find a lasting peace.

[HCWS760]

HEALTH AND SOCIAL CARE

NHS Pensions: McCloud Remedy Implementation

The Minister for Secondary Care (Karin Smyth): On 31 March 2025, I issued a written statement on the delivery of remediable service statements to NHS pension scheme members affected by the discrimination identified by the McCloud judgment. In it, I set out the extended deadlines by which the NHS Business Services Authority, which acts for the Secretary of State as the administrator of the NHS pension scheme, must provide affected members with remediable service statements.

Those deadlines were informed by a delivery plan put forward by the authority. However, as statements have been produced, it has become clear that the resource required to implement that plan was significantly underestimated.

I regret to inform the House that the NHS Business Services Authority will not be able to meet a number of these deadlines, including for those members who were due to receive a statement by 1 July 2025. The authority has begun issuing these statements, and enacting members' consequential decisions, and as of 27 June 2025, 1,359 have been issued.

I stated on 31 March 2025 that I will hold NHS Business Services Authority to account against those extended deadlines for the delivery of remediable service statements. I will be meeting with the chief executive of the NHS Business Services Authority this week to express my disappointment with the progress that has been made and will be asking the recently-appointed independent chair of the NHS Pension Board to review the capacity, capability and delivery plans of the authority's McCloud remedy functions and report to me before recess. The NHS pension scheme is a key part of the reward package for NHS staff who should expect an excellent service.

When I have agreed a revised delivery plan with the authority, one which is endorsed by the authority's board, I intend to set new deadlines, including for those members who were expecting a statement by 1 July 2025, and will update the House as soon as possible. It is important to me that members have realistic timeframes for when they will receive their statements, and that the Government fulfil their obligations to them at the very earliest possible opportunity.

I know this will be disappointing news to affected members and the organisations that represent them. I want to assure them that we will continue to prioritise members based on their likelihood of facing financial detriment, that the authority are continuing to issue statements while a revised delivery plan is developed, and that they will receive 8% interest on pension arrears they are owed following receipt of their statement and enactment of their choice.

[HCWS766]

HOME DEPARTMENT

Immigration Rule Changes

The Parliamentary Under-Secretary of State for the Home Department (Seema Malhotra): My right hon. Friend the Home Secretary is today laying before the House a statement of changes in immigration rules.

Changes to the skilled worker and other work routes as set out in the immigration White Paper

These changes implement the first phase of reforms to work visas set out in the immigration White Paper, "Restoring Control over the Immigration System", published on 12 May 2025.

The key change is raising the threshold for skilled worker visas from occupations at regulated qualifications framework level 3 and above (approximately A-level skills) to occupations at RQF level 6 and above (mainly graduate professions).

Salary requirements for work visas are being raised in line with the latest Office for National Statistics data, ahead of an upcoming thorough review of salary requirements (including discounts) by the independent Migration Advisory Committee.

The immigration salary list and a new, interim temporary shortage list provide time-limited and conditional access to the skilled worker route for occupations below the new RQF level 6 threshold, but with no ability for applicants to bring dependants. The ISL will be phased out in future and the TSL will be reviewed by the MAC.

Skilled worker entry clearance applications for care workers and senior care workers are being closed, while maintaining in-country switching applications for a transition period until 22 July 2028.

The changes include transitional arrangements, allowing existing skilled worker visa holders to continue to extend their visas, bring dependants, change employment and take supplementary employment in occupations below RQF level 6, while applying the new rules to applicants from overseas and those applying to switch from other routes.

The changes to the immigration rules are being laid on 1 July 2025.

The changes relating to the skilled worker and other work routes will come into effect, as detailed in the statement of changes, from 22 July 2025.

An additional change is also included in this package of rules changes that will close the Afghan relocations and assistance policy to new principal applications. Detail of that change is being announced today in a statement by the Minister for the Armed Forces from the Ministry of Defence.

Alongside the closure of ARAP, we will also be closing the Afghan citizens resettlement scheme. This means that HMG will not launch any further pathways nor accept any further referrals. Over 12,800 people have been successfully resettled under the ACRS since 2021 and over half of these arrivals have been children and a quarter women.

The Home Office will continue to consider those referrals that were made under the ACRS separated families pathway, but that have not yet received a decision. This Government will honour our commitments to anyone found eligible, and to those who have already been found eligible for the ACRS but are not yet in the UK.

[HCWS759]

JUSTICE

Hague 2019 Judgments Convention

The Parliamentary Under-Secretary of State for Justice (Alex Davies-Jones): My noble Friend the Parliamentary Under-Secretary of State for Justice (Lord Ponsonby of Shulbrede) has today made the following statement:

"Today, 1 July 2025, the Hague convention of 2019 on the recognition and enforcement of foreign judgments in civil or commercial matters—hereafter: 'Hague 2019'; 'the Convention'—enters into force for the UK.

The convention will provide greater certainty and predictability for citizens and businesses dealing in cross-border civil and commercial disputes, allowing for easier recognition and enforcement of judgments between the UK and other contracting parties. This will reduce the costs for litigants of determining whether a judgment obtained in one contracting state is enforceable in another. The convention will help increase confidence in the UK legal system, support international trade, investment and cross-border mobility, and enhance access to justice. It is also a significant step in improving recognition and enforcement of foreign judgments between UK and EU businesses, as this is the first new agreement in this area of law to apply between the UK and the EU since EU exit

The UK signed the convention on 12 January 2024 following an overwhelmingly positive public consultation and ratified on 27 June 2024. In accordance with its provisions, the convention enters into force for the UK on 1 July 2025.

1 JULY 2025

26WS

This is a significant step in strengthening the UK's co-operation with our international partners, enhancing our position as a global hub for dispute resolution, reaffirming the UK's position as a leader in private international law and boosting our legal services sector. It will apply to judgments given in proceedings that commence on or after 1 July 2025 across the whole of the UK or in other participating countries.

While the decision to join Hague 2019 is a reserved matter, the implementation of the convention is devolved to Scotland and Northern Ireland. Officials in England and Wales, Scotland and Northern Ireland ensured the swift implementation of court rule amendments necessary to bring Hague 2019 into force simultaneously across the UK.

Concluded under the Hague conference on private international law, the convention has a potentially global reach. There are currently 30 contracting parties to Hague 2019 -the 27 EU member states, the EU, Ukraine, Uruguay and now of course the UK. The convention is also set to enter into force for both Albania and Montenegro on 1 March 2026 and for Andorra on 1 June 2026. There are also six signatories— Costa Rica, Kosovo, Israel, North Macedonia, the Russian Federation, the USA—who have not yet ratified. The UK can decide by way of declaration not to operate the convention with any country that joins in the future. Such declarations may be subsequently modified or withdrawn at any time.

A copy of the UK Government's implementing legislation for Hague 2019, the Recognition and Enforcement of Judgments (2019 Hague Convention etc.) Regulations 2024, is available online."

https://www.legislation.gov.uk/ukdsi/2024/9780348260960 [HCWS765]

TRANSPORT

NATS Technical Failure of August 2023: CAA Report

The Parliamentary Under-Secretary of State for Transport (Mike Kane): The Civil Aviation Authority has today published a report on the progress made in relation to the 34 recommendations that were made in the independent review's final report into the NATS technical IT failure of August 2023.

I would like to express my gratitude to the CAA, NATS, airlines and airports for the progress they have made in responding to the recommendations that were made by the independent panel. Today's report confirms the positive approach that has been made in responding to the recommendations by all stakeholders.

NATS has delivered its recommendations, with many of these already having been confirmed as completed by the CAA. The CAA expects to have completed validation of all recommendations made to NATS during the summer. Airlines and airports have committed to reviewing their practices for communicating and assisting their passengers during periods of disruption. The CAA is reviewing these plans and will monitor compliance through an extended compliance programme, along with establishing an industry code of conduct. The CAA will continue to hold airlines and airports to account for how they meet their obligations to consumers.

The CAA is making good progress in responding to its recommendations. In particular, it has focused its efforts in response to the panel's recommendations relating to the expansion of its work on improving industry compliance and the rights of aviation consumers. The CAA will commence a programme of work related to the next price control review period for NATS (NR28), which will directly address a number of the recommendations made by the panel.

My Department remains steadfast in our commitment to delivering on the recommendations that the panel has made for Government, and we will make the required legislative reforms on which this is dependent when parliamentary time allows, to ensure that air passengers have the highest level of protection possible.

The CAA will provide a further report on progress with the recommendations towards the end of the year. The expectation is that most of the recommendations made by the panel will have been validated and completed by the end of 2026.

[HCWS758]

Petition

Tuesday 1 July 2025

PRESENTED PETITION

Petition presented to the House but not read on the Floor Fire engine in Nuneaton fire station

The petition of residents of the constituency of Nuneaton,

Declares that Nuneaton fire station retains two engines and crews.

The petitioners therefore request that the House of Commons urges the Government to ensure that Nuneaton fire station retains two engines and crews.

And the petitioners remain, etc.—[Presented by Jodie Gosling.]

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