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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES
(HANSARD)**

Monday 11 July 2022

HER MAJESTY'S GOVERNMENT

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(FORMED BY THE RT HON. BORIS JOHNSON, MP, DECEMBER 2019)

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THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE THIRD SESSION OF THE FIFTY-EIGHTH PARLIAMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 17 DECEMBER 2019]

SEVENTY-FIRST YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES

VOLUME 718

FIFTH VOLUME OF SESSION 2022-2023

House of Commons

Monday 11 July 2022

The House met at half-past Three o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Mr Speaker: As the House will be aware, we have started our proceedings an hour late today because of the leak of some water into the Chamber from an air conditioning unit to an office nearby—not the one to the Chamber. I have been assured that it is safe for us to sit in the Chamber. All of today's business has protected time, so no debates have been curtailed as a result of the delayed sitting. I am grateful to Members for their patience, and to the House staff who have ensured that we are able to sit today; thank you everybody.

Oral Answers to Questions

WORK AND PENSIONS

The Secretary of State was asked—

Cost of Living Payment: UC Claimants in Gedling

1. **Tom Randall** (Gedling) (Con): What estimate she has made of the number of universal credit claimants in Gedling constituency who will receive a cost of living payment. [900970]

The Parliamentary Under-Secretary of State for Work and Pensions (David Rutley): Despite what has happened today, our spirits will not be dampened, and I am sure that the Chamber will be in full flow before we know it.

Universal credit claimants who received at least 1p during assessment periods that ended between 26 April and 25 May 2022 will be eligible for the first instalment of a cost of living payment worth £326. Latest statistics show that 4,800 households in Gedling were in receipt of universal credit in February 2022.

Tom Randall: Will my hon. Friend confirm when the more than 10,000 households in my Gedling constituency that are eligible for a cost of living payment should expect to receive that help from the Government?

David Rutley: The first instalment of the means-tested cost of living payment of £326 will be paid to eligible households from 14 July. I am pleased to remind colleagues that the payment is the first in a £15 billion package of measures to help households this year.

Disabled People: Support in Work

2. **Marion Fellows** (Motherwell and Wishaw) (SNP): What steps she is taking with Cabinet colleagues to help ensure that disabled people are supported in work. [900971]

The Minister of State, Department for Work and Pensions (Chloe Smith): We are absolutely delighted to see 1.3 million more disabled people in work than in 2017, smashing our commitment of 1 million lives changed by 2027 five years early. We remain committed to reducing the disability employment gap and, over the next three years, we will invest £1.3 billion in employment support for disabled people and people with health conditions.

Marion Fellows: The UK has the highest levels of in-work poverty this century, which, as the Minister will know, disproportionately impacts groups facing higher living costs, such as disabled people. In the middle of this Tory man-made cost of living crisis, will she ensure that the UK Government's health and disability White Paper addresses the suitability of the current statutory sick pay system, increase the Access to Work fund and end the payment cap, as well as create statutory timescales for the implementation of reasonable adjustments?

Chloe Smith: As is the hon. Member's wont, she introduces a series of serious points, which I look forward to continuing to discuss with her here and in other places. I can confirm that we shall be bringing forward our health and disability benefits assessment White Paper, and I very much look forward to discussing the full breadth of the contents with her. I can also confirm that our goal is to help as many disabled people as possible and as appropriate to start, to stay and to succeed in work, because that is one way of being more resilient to economic crises. That is in addition to our extensive cost of living support.

Mr Speaker: I call the shadow Minister, Vicky Foxcroft.

Vicky Foxcroft (Lewisham, Deptford) (Lab): The Government-commissioned National Centre for Social Research report confirms that many disabled people live in poverty. Ministers claim that work is a route out of poverty, yet the disability employment gap remains stubbornly at 28%. We have a bureaucratic Access to Work scheme, with an ineffective spending cap, which, ironically, is not available in all accessible formats. A mere £128 million is spent on it, compared with £64 billion on disability benefits. What does the Minister say to those disabled people who want to work, but who are faced with a system that, frankly, is not fit for purpose?

Chloe Smith: I think the hon. Member is wrong to say that the disability employment gap is static at 28%. It is moving in the right direction, which is important to acknowledge. While we have made progress, we need to be able to make more. It is important to recognise what has gone on, in that we have more disabled people in work and the disability employment gap is reducing. We need Access to Work to be a strong part of the solution. There is a great deal of work going on to transform Access to Work to make it even more effective in helping disabled people to start, stay and succeed in work. Those will all be continued priorities of this Government and this Department.

Cost of Living Increase: Pensioners

3. **Martyn Day** (Linlithgow and East Falkirk) (SNP): What steps her Department is taking to support pensioners in the context of the increase in the cost of living. [900972]

The Parliamentary Under-Secretary of State for Work and Pensions (Guy Opperman): Mr Speaker, I hope to be a better Pensions Minister than the one from whom I have just inherited the job.

The United Kingdom Government have provided £37 billion-worth of support for those most in need, including pensioners. Some pensioners will receive in excess of £1,500 over and above the state pension, which is up this year.

Martyn Day: I thank the Minister for that answer, but pension credit figures show that an estimated £1.7 billion goes unclaimed. Not only are 850,000 families missing out on this essential support, but they are also ineligible for the £650 cost of living payment. Will the Minister consider extending the cut-off date for entitlement to that payment to next March? Will the Department finally look at a proper benefits take-up strategy such as the one we have in Scotland?

Guy Opperman: The hon. Member will be aware that, by reason of the pension credit awareness campaign from April and in particular the pension credit day of action on 15 June, the numbers for pension credit have massively increased—by well over 275% for that period. He will also be aware that there is a huge effort being made to ensure that pension credit take-up increases. I ask all hon. Members please to encourage their communities to apply. Finally, he will also be aware that pension credit is retrospective, so people have until 24 August to apply and still be entitled to the £650 cost of living payment that this Government will be making from Thursday.

Mr Speaker: I call shadow Minister Matt Rodda.

Matt Rodda (Reading East) (Lab): Following the resignation of the Prime Minister, there is a real risk that the House turns in on itself. I want to draw the Minister's attention to the serious cost of living crisis facing families and pensioners in this country. Sadly, the Government broke their promise to keep the triple lock on the state pension at the very time that inflation was starting to rise. As a result, pensioners struggling to get by have each lost more than £500 this year. How can the Minister possibly justify letting down pensioners in this way?

Guy Opperman: I was the Minister who saw that the Labour party at the time did not object to our taking the actions we did in respect of the triple lock. The hon. Gentleman talks about a loss but, as he knows, the state pension was less than £100 in 2009, before the Government changed in 2010. He also knows that we have now virtually doubled the state pension and that there is in excess of £1,500 extra money going to pensioners this year, by reason of the winter fuel payment, the cost of living support for those who are most vulnerable, the council tax rebate worth £150 and the energy support fund, which arrives on or around 1 October.

Mr Speaker: We now come to SNP spokesperson, Alan Brown.

Alan Brown (Kilmarnock and Loudoun) (SNP): The reality is that even before the Pensions Minister scrapped the triple lock, taking £500 out of the pockets of pensioners, the UK had pensioner poverty rates higher than small independent European countries. We now know that the Chancellor is reviewing the corporation tax rates, which were intended to raise £50 billion over the lifetime of this Parliament. How can he guarantee that the triple lock will not be sacrificed once more, trapping pensioners in poverty just to pay for Tory tax giveaways?

Guy Opperman: As the hon. Gentleman will be aware, the United Kingdom Government have provided £37 billion-worth of support—[*Interruption.*] Oh, we most definitely have. That takes the form of four different payments over the next six months and is a real support to the most vulnerable in our community. Without a shadow of a doubt, we will continue to support those most vulnerable.

Pension Credit Campaign: New Claims

4. **Mr Philip Hollobone** (Kettering) (Con): What estimate she has made of the number of new Pension Credit claims submitted in (a) Kettering constituency, (b) North Northamptonshire and (c) England since the start of her Department's Pension Credit campaign in April 2022. [900973]

The Parliamentary Under-Secretary of State for Work and Pensions (Guy Opperman): It was an honour and a privilege to visit my hon. Friend's Kettering constituency. Although the figures on new pension credit claims cannot be broken down by constituency or region, the pension credit campaign has been highly successful, with more than 10,000 claims received across Great Britain during the week of the pension credit day of action on 15 June. That was an increase of 275% for the relevant period compared with 2021, which also saw an increase.

Mr Hollobone: I congratulate my hon. Friend on being the longest-serving Pensions Minister ever and thank him for visiting Kettering on Friday 1 July and supporting the Kettering Older People's Fair. I urge him to use the fact that pension credit is a gateway benefit in encouraging people to take it up. Not only could it be worth £3,300 in itself, but it gives access to extra help with council tax, heating bills, NHS dental treatment and free TV licences.

Guy Opperman: As my hon. Friend knows, I am in day three of being the Pensions Minister—but the previous one was very good, I did hear. The practical reality is that pension credit is a difficult benefit to try to get out, because everybody has to apply. It is very much our role as Members of Parliament across all parties to ensure that we send out the message that, if anybody is in doubt, they should apply. That can apply to any particular member of our community because the circumstances differ in any particular way, but my hon. Friend is right that this benefit is a springboard to so much else, with £3,300 on average that people can apply for.

Anne McLaughlin (Glasgow North East) (SNP) *rose*—

Mr Speaker: I am not quite sure of your connection with this question, as a Scottish MP, because obviously it is about Northamptonshire and England. There must be one, but I cannot see it. Are you sure there is a connection to the question? *[Interruption.]* It is limited to three areas—the responsibility is for those areas. I call James Sunderland.

Fraud and Error in Welfare System

5. **James Sunderland** (Bracknell) (Con): What steps her Department is taking to reduce the level of fraud and error in the welfare system. [900974]

The Parliamentary Under-Secretary of State for Work and Pensions (David Rutley): In May this year, we published “Fighting Fraud in the Welfare System”, which details our proposals for reducing fraud and error, including legislative change and closer working across Government.

James Sunderland: The claimant rate in Bracknell is way below the national average. My constituency enjoys high employment, but we still have lots of job vacancies. What steps is the Department therefore taking to ensure that the remaining claimants are helped into work?

David Rutley: With a record 1.3 million vacancies, our focus is not only on tackling fraud but on continuing to help people to get back into work and to progress in their careers. A multi-billion-pound plan for jobs will continue to help our constituents and people across the UK to find work and progress in employment.

Christian Matheson (City of Chester) (Lab): With regard to DWP issues, one of the largest problems I see in my mailbag is people who go for assessed benefits, such as the personal independence payment, being turned down at the first stage, having to go to appeal and, in huge numbers, winning on appeal. Why are there so many errors in the assessment process?

David Rutley: I thank the hon. Member—another good Cheshire MP—for his question. We are working hard to make the right decisions first time, every time. All health professionals undertaking assessments on behalf of the Department must be registered practitioners who have also met requirements around training and competence. We are working hard to make sure that we can further improve the quality of those assessments with clinical coaching and monthly performance meetings.

Phoenix House DWP Office: Proposed Closure

6. **Simon Fell** (Barrow and Furness) (Con): What assessment she has made of the potential impact of the proposed closure of her Department's office based in Phoenix House in Barrow-in-Furness on the ability of her Department to deliver specialist services in that area. [900975]

The Parliamentary Under-Secretary of State for Work and Pensions (Guy Opperman): The Department's priority will be to retain, retrain and redeploy colleagues either within the Department for Work and Pensions or within other Government Departments in the area, and with no reduction in the overall services people receive.

Simon Fell: The plan to close Phoenix House in Barrow will result in more than 40 specialist jobs leaving the area. This matters because the people there are the only team in the country able to deal with the really complicated industrial disablement benefits that they process. Only recently, largely due to our industrial heritage in Barrow, we were confirmed as having the highest rate of mesothelioma in the UK. The team at Phoenix House help not just Barrow residents but people across the UK with such complex diseases. I have written at length to the Secretary of State about this, with detailed testimonies from charities, service users, staff members and third-party organisations that want to keep the centre open. Will my hon. Friend meet me to discuss how we can find a way to make this work?

Guy Opperman: My hon. Friend is a doughty campaigner for his constituency and for the wider area, and the jobs that he is concerned with, and I give him great credit for that. I am not the responsible Minister, and I know that that letter has only recently arrived into the Department, but I will ensure very definitely that the Minister in respect of this particular decision will meet him in the near weeks so that there can be a proper discussion in respect of the situation for impacted staff.

Disabled People in Work

7. **Andrew Jones** (Harrogate and Knaresborough) (Con): What further steps the Government plan to take to help increase the number of disabled people in work. [900976]

The Minister of State, Department for Work and Pensions (Chloe Smith): As I said to the hon. Member for Motherwell and Wishaw (Marion Fellows), we are absolutely committed to being able to continue to increase the number of disabled people in work. There is a range of Government initiatives to achieve this, including the Work and Health programme, the Intensive Personalised Employment Support programme, Access to Work, Disability Confident, and supporting partnerships with the health system.

Andrew Jones: My office is part of the Disability Confident scheme started by the Department. I strongly support the scheme because it encourages employers to think differently about disability, and to take action to improve how they recruit, retain and develop disabled people in their workplace. How will my hon. Friend work to promote that scheme, which is a valuable tool to close the employment gap that we have already talked about today?

Chloe Smith: First, I thank my hon. Friend and any other hon. and right hon. Members who are members of that scheme, because it is incredibly important that we do that from this place as we encourage employers of all shapes and sizes to be involved in the scheme. Secondly, we will continue to promote the scheme from the Department as widely as possible through a variety of communications. Thirdly, because our goal to continue to reduce the disability employment gap remains at the forefront, we want to grow commitment and action across and outside of Government. It has to be a shared ambition across society and that is well encapsulated in the Disability Confident scheme.

Mr Speaker: I call the Chair of the Select Committee, Sir Stephen Timms.

Sir Stephen Timms (East Ham) (Lab): The Government's response last November to the Select Committee's report on the disability employment gap promised key improvements to Access to Work to make it easier for people to use. Can the Minister give us an update on progress with that? Specifically, the trial of Access to Work passports started last November, so that people can take their support from one job to another. Can the Minister tell us whether that will be extended to everybody on the scheme and when we can expect that to happen?

Chloe Smith: These are incredibly important details and aspects of the Access to Work scheme, and the right hon. Gentleman is correct that those improvements are in the pipeline. We have been able to pilot a number of different passports. I will write to him with details and I am also with his Committee next week, where I can provide the precise details of that. By way of example, a passport now in operation assists freelancers and people who work in contract form to be able to carry their requirements with them from job to job, so that it is easier for them to stay and succeed in work, which is the goal we are talking about. I also look forward to talking further with him about the digital improvements we want to make to the process, again to help people get that support earlier and faster, so that they can get the benefits of being in work.

Unemployed People: Help into Work

8. **Rob Butler (Aylesbury) (Con):** What steps her Department is taking to help unemployed people into work. [900977]

The Parliamentary Under-Secretary of State for Work and Pensions (Julie Marson): It is a privilege to be here, and I take this opportunity to pay tribute to the former Minister, my hon. Friend the Member for Mid Sussex (Mims Davies), for all her incredible work in this role. We want everyone to be able to find a job, to progress in work and to thrive in the labour market, whoever they are and wherever they live. On 26 January 2022, we launched the Way to Work campaign, moving more than 520,000 job-ready claimants into work by the end of June.

Rob Butler: I warmly congratulate the Minister on her appointment. Unemployment is at extremely low levels across the country, which is very welcome, but in my constituency of Aylesbury, we still have some small areas where some people struggle to find a job, despite there being vacancies nearby, often because they do not have the skills required to take those jobs. How can my hon. Friend's Department help those who need new skills to get back into work?

Mr Speaker: I also welcome the Minister to the Dispatch Box.

Julie Marson: Thank you very much, Mr Speaker. My hon. Friend raises the important issue of skills. We empower work coaches to build individual, tailored support packages to help claimants into work and to progress into better work. The DWP has a range of programmes that work coaches can use to help claimants to gain new skills in areas of local labour market need. That includes sector-based work academy programmes and DWP Train and Progress.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): I also welcome the Minister to her new job. Can I ask her to give someone a good kick on the kickstart scheme? It was the skill delivery mechanism for this Government, and it has quietly been put down in some back room. The fact of the matter is that this country needs more skills and this Government are not interested in skills and are not doing their job. Can she not get on with it, and get on with it now?

Julie Marson: I thank the hon. Gentleman for his question. Kickstart has delivered more than 163,000 starts, and I think that is hugely to be welcomed. One of the things that is so amazing to me in this role is to recognise the absolute impact on the individual people concerned of those 160,000 job starts. That is something we should welcome.

Mims Davies (Mid Sussex) (Con): I congratulate the Secretary of State and her updated DWP team on their successes up and down the country. It is okay that it is my hon. Friend the Member for Hertford and Stortford who is at the Dispatch Box, rather than anyone else. Delivering help and opportunities up and down the country—true levelling up in action in jobcentres—has been the difference for the Way to Work campaign. Can I ask my hon. Friend, the new Minister, how she is looking to continue to progress for everybody, building on the success of getting half a million people into work through the Way to Work scheme?

Julie Marson: Again, I pay tribute to all the amazing work that my hon. Friend did in her role. She is right to talk about the way to work scheme. We are pleased that we have the DWP youth offer, which will continue to offer huge opportunities to people in that age group, and which extends to 16 and 17-year-olds. There are also a multitude of other valuable schemes, such as the 50-plus champions, the job entry targeted support scheme and in-work progression—a whole host of schemes—that we are working hard to deliver.

Dan Jarvis (Barnsley Central) (Lab): I welcome the Minister to her new role. Does she share my concern at recent data showing up to 70,000 armed forces veterans in receipt of universal credit? Does she think that the 50 armed forces champions around the country, who are no doubt doing their absolute best, have the capacity to provide the support to those who have served our country so that they can weather the cost of living crisis?

Julie Marson: That is a vital area. Our veterans deserve our respect and every bit of help and assistance that they can receive. We are extending the veterans champions scheme; I will be looking at that in much more detail. This is day one, but I look forward to focusing on that and ensuring that I engage with the hon. Gentleman and others who are concerned about it.

Mr Speaker: I call the shadow Minister.

Alison McGovern (Wirral South) (Lab): I welcome the new Minister to her role. She joins the Government at a unique and special time. I also take the opportunity to pay tribute to the work done by the hon. Member for Mid Sussex (Mims Davies). I do not agree with her very much on employment, but I know how hard she worked and that many people in the Department will miss her greatly.

As the Minister is new, I will ask her an easy question—all I am looking for is a single number. By the time she leaves office, how many of the 1 million people who are estimated to have left the labour market will be back to work?

Julie Marson: It seems churlish, on day one, to mention the Labour party's record on jobs. Every time it has left power, it has left more people unemployed than when it started.

Living Cost Increases: Benefit Claimants

9. **Chris Stephens (Glasgow South West) (SNP):** What support her Department is providing to benefit claimants to help meet increased living costs. [900978]

The Parliamentary Under-Secretary of State for Work and Pensions (David Rutley): Our £15 billion cost of living package includes a one-off £650 cost of living payment to low-income households in receipt of a means-tested benefit, a one-off £150 disability cost of living payment, and a £300 top-up to the winter fuel payment for pensioners. That is on top of a wider package of measures that takes the total Government help for households to £37 billion this year.

Chris Stephens: The Minister will be aware that during a recent Work and Pensions Committee meeting, the Secretary of State told me that she was not satisfied with the progress of bereavement benefits for cohabiting partners, and that she was meeting her officials the next day. When will the second remedial order be laid so that people who would qualify for that benefit can meet their living costs?

David Rutley: The hon. Member is a determined terrier on this issue, and understandably so. Important issues have been raised and it is vital that we get it right. We are carefully considering the issues and we will lay the order before the House as soon as we are able. In parallel, DWP officials are working at pace on implementation plans for the order, as I have discussed with him separately.

State Pension: Cost of Living

11. **Dr Rupa Huq (Ealing Central and Acton) (Lab):** What assessment she has made of the adequacy of the state pension in meeting the rising cost of living. [900981]

18. **Tony Lloyd (Rochdale) (Lab):** What assessment she has made of the adequacy of the state pension in meeting the rising cost of living. [900988]

The Parliamentary Under-Secretary of State for Work and Pensions (Guy Opperman): The Government have announced a £37 billion package of support to help people with the cost of living. The full basic state pension is now £2,300 a year higher than in 2010 and is supported by many other measures.

Dr Huq: It is good to see the Minister back; there is nothing like organised labour to effect progress.

In reality the state pension has not managed to keep up with the multiple crises we face: we have the Ukraine crisis pushing up food and fuel prices on top of the existing cost of living crisis. Yet the Ministerial and other Pensions and Salaries Act 1991 dictates that last week's non-returning Ministers, including an alleged groper, are set to net £423,000 in severance payments. Given the widespread public revulsion among our constituents feeling the pinch, including state pensioners, does the Minister not see that there is an argument for the non-exercise of that provision in this instance, because—

Mr Speaker: Order. I am not quite sure about the significance of this; the question is not that wide.

Dr Huq: This is about the pensions Act, Mr Speaker; I asked about this on Thursday. Does the Minister not see that this looks really bad to the general public in a cost of living crisis and that there is a good argument for the non-exercise of the Act in this instance?

Mr Speaker: Minister, can you pick something out of that?

Guy Opperman: This matter will be dealt with by an urgent question that follows. I can confirm it definitely does not apply to me, and frankly I do not think it is an appropriate question for today.

Tony Lloyd: The Minister is not new to his job. In the order of 1 million pensioners who should be in receipt of pension credit are still not receiving it, and he will know that they lose out not simply on the credit but on all manner of other benefits. Will he show some urgency and compassion for those struggling with the cost of living increases?

Guy Opperman: I sincerely hope that the hon. Gentleman joined in on Pension Credit Day of Action on 15 June, because it is incumbent on all Members of Parliament to get behind the efforts of the Government, and successive Governments, to improve pension credit take-up. The fact of the matter is that this Government have done more to increase take-up and the number of claims than any previous Government. There is no doubt whatsoever that we should all get people to apply, with £3,300-worth of benefits applying for those receiving pension credit.

Universal Credit Migration: Disabled People

12. Dame Nia Griffith (Llanelli) (Lab): What assessment her Department has made of the impact on disabled people of the move from legacy benefits to universal credit as part of the managed migration process. [900982]

The Minister of State, Department for Work and Pensions (Chloe Smith): We estimate that 600,000 people on employment and support allowance will be better off on UC, which is of course a modern, flexible benefit that includes targeted support for disability and which helps to simplify the benefits system, providing support in times of need and making work pay. I can add that the Department holds regular engagement sessions with external stakeholders, including of course disabled people and others in the health and disability sector, seeking their input into the process.

Dame Nia Griffith: In 2019 the then Secretary of State promised that the Department would pause the migration to UC after a pilot of 10,000 cases, would report back and would provide parliamentary scrutiny of legislation for the wider roll-out. Instead of breaking this promise, does the Minister accept that migration to UC will make thousands of people worse off in real terms just when inflation is going through the roof, and will she now pause the process?

Chloe Smith: The answer is no, and that is because, first, my right hon. Friend the Secretary of State updated the House through a written ministerial statement only recently in which she explained precisely the point about the prior piloting and exploratory work. Secondly, Parliament voted in 2012 to end legacy benefits and replace them with a single, modern benefit system, and on top of that, committed to providing transitional financial protection. That is the key point in this case: where a claimant may not already be better off—as we have said, in the majority of cases, they are—they are supported.

Ms Karen Buck (Westminster North) (Lab): The truth is that many people migrating will be worse off because of the timing—in a period of high inflation. We know that the legacy benefit group to be transferred on to UC is on average much more vulnerable than those in the existing UC caseload; the great majority of legacy ESA

clients are in the support group. Can the Minister tell us exactly how the migration process is going? Has it been tested at scale to ensure that it is safe for vulnerable clients?

Chloe Smith: As my right hon. and hon. Friends have laid out extensively to the House, the process being followed is one of initial discovery. After that, it will be possible to provide fuller answers to the House of Commons about how the broader process will work. The vast majority of claimants will either be better off or no worse off, and I want to lay on record one more time that 55% of people will see an increase in their award, 10% will see no change, and 35% will be protected transitionally.

Poverty Levels: April 2023

13. Alex Cunningham (Stockton North) (Lab): If she will make an estimate of projected poverty levels in April 2023. [900983]

17. Stephanie Peacock (Barnsley East) (Lab): If she will make an estimate of projected poverty levels in April 2023. [900987]

The Secretary of State for Work and Pensions (Dr Thérèse Coffey): It is not usual to project poverty levels in terms of statistics—[*Interruption.*] Does someone want to join in? [*Interruption.*] I just cannot hear. Somebody is talking. Projecting poverty levels is not something we normally do. However, the latest official statistics show that in 2021, some 8 million people were in poverty in absolute low-income before housing costs, which was a fall on the previous year. I am very conscious of the challenge of the cost of living right now, which is why we are providing a £15 billion support package targeted at the most in need, but I am proud of the fact that we are getting more and more people into work—over half a million in just the past five months. We know that for most people, the best way to get out of poverty is to get into work.

Alex Cunningham: Even using the Government's preferred measure of absolute child poverty, the proportion of children living in absolute poverty rose in every north-east local authority area between 2014-15 and 2019-20, and continued to rise in the first year of the pandemic. In Stockton, that figure is up by 7.1 percentage points; in Hartlepool, it is up by 7.2; in Darlington, it is up by 7.9; in Redcar, it is up by 9.4; and in Middlesbrough, it is up by a colossal 13.9 percentage points. Those are not just numbers: they represent thousands of children. Can the Minister tell the House which of the Tory leadership candidates will be content to see children in places such as Stockton go hungry, and which of them will take action to ensure they do not?

Dr Coffey: I would be grateful if the hon. Gentleman would give me the specific source of his statistics, because I believe that statistically, child poverty has actually fallen, something of which Government Members are proud. Nevertheless, he will be pleased by the fact that people have opportunities and are getting into work. That is what we will continue to do, because we know that children in workless households are undoubtedly more likely to be in poverty. That is why we continue to focus on getting their parents into work.

Stephanie Peacock: One in three children in Barnsley are living in poverty. My constituent cares for his disabled eight-year-old son. He recently started a part-time job to supplement his income, but after working just two hours' overtime, he had a whole month of carer's allowance deducted. The Secretary of State has just said that the best route out of poverty is to get into work, so can she explain why those who receive carer's allowance are penalised for doing just that?

Dr Coffey: I expect that the hon. Lady's constituent is receiving the caring element of universal credit, rather than carer's allowance specifically, which is a slightly separate approach. Universal credit is a dynamic benefit. It reflects the fact that when a person is working more, they receive less support from other taxpayers, and—just as happened at the beginning of the covid pandemic—when taxpayers are working less, they immediately started receiving more. That is the success of universal credit, and we will continue to encourage people to get into work.

Workplace Pension Auto-enrolment: Crawley

14. **Henry Smith** (Crawley) (Con): How many people have been auto-enrolled in workplace pensions in Crawley constituency since 2012. [900984]

The Parliamentary Under-Secretary of State for Work and Pensions (Guy Opperman): Some 35,000 people have been automatically enrolled into a workplace pension in the Crawley constituency since 2012. We thank the 1,690 employers who have declared compliance with their enrolment duties. Some 10.7 million people across the country are now saving into a workplace pension.

Henry Smith: I am grateful to receive those figures from the Minister, and I congratulate the Government on the record numbers of people auto-enrolled into workplace pensions, both in my Crawley constituency and across the country. Will he also pay tribute to some of the pension providers, such as B&CE, the People's Pension, which is headquartered in Crawley?

Guy Opperman: I know the People's Pension very well, and have met its staff many times. I have had the great privilege of coming to Crawley and meeting the team behind such a great organisation. It is a much-valued employer that is doing great work in making pensions accessible to the working population, both in Crawley and all across the country. That matters, because we used to have 26% of young people and 40% of women saving for a pension, and those figures are now well above 80% across the country.

Young People: Support into Work

15. **Nick Fletcher** (Don Valley) (Con): What steps she plans to take to support young people into work following the closure of the kickstart scheme. [900985]

The Secretary of State for Work and Pensions (Dr Thérèse Coffey): Following the success of kickstart, which has seen over 163,000 jobs started by young people, with approximately 30,000 still on that scheme, the DWP youth offer remains in place to support those who still need help. That includes youth hubs, which bring together partner organisations and the DWP in local communities to provide employment and skills support.

Nick Fletcher: I have spoken with many young people since becoming an MP. They believe that waiting and fighting for their dream job is the right thing to do. Does the Secretary of State agree with me that our young people should take opportunities that arise which will get them earning while still applying for their dream job, as that will not jeopardise their chances but will, most probably, do exactly the opposite?

Dr Coffey: As ever, my hon. Friend talks common sense. It is really important that people realise that the heart of our Way to Work campaign is ABC—any job, better job, career. We know that having a job already allows people to build a lot of skills so they can progress, perhaps in the job of their dreams. Through support such as the DWP youth offer, work coaches will continue to help unemployed young people move into a range of roles. The skills and work experience that people can gain from a job will help them to progress.

Universal Credit: Performers and Creative Workers

16. **Sir Robert Neill** (Bromley and Chislehurst) (Con): If she will make an assessment of the impact of the universal credit minimum income floor on performers and creative workers with unpredictable and fluctuating earnings. [900986]

The Parliamentary Under-Secretary of State for Work and Pensions (David Rutley): We recognise that earnings can fluctuate for all self-employed people, including performers and creative workers, and that it takes time to establish a business. That is why we offer a 12-month start-up period, giving claimants time and support to grow their earnings and reach their agreed minimum income floor before it is applied.

Sir Robert Neill: I understand the objective of the minimum income floor, to get into sustainable employment, but perhaps the Minister does not appreciate that for people in the performing arts and creative sectors it is not just a short-term period for which they have unpredictable and fluctuating incomes. By the nature of theatre, music, performance and so on, shows are cancelled at short notice. In fact, established performers with viable careers still get hit disproportionately by the minimum income floor. Would it not be sensible to collect the data on a sector-by-sector basis, so that we do not have a one-size-fits-all approach but can tailor it to achieve the objective he wants, which is to reach the need of each specific sector?

David Rutley: Universal credit supports self-employed people and the Department ensures fairness by treating all sectors equally. I have already talked about the 12-month start-up period, which is designed to strike the right balance between supporting claimants to make a success of their business and protecting public funds.

Cost of Living: Disability Benefit Claimants

19. **Kerry McCarthy** (Bristol East) (Lab): What steps her Department is taking to support people in receipt of disability benefits with the rising cost of living. [900989]

The Minister of State, Department for Work and Pensions (Chloe Smith): Six million people in receipt of an eligible disability benefit will receive a £150 disability cost of living payment, as well as the £400 energy bill discount.

Many will also be eligible for the £650 cost of living payment for lower-income households, the first instalments of which are being paid this week.

Kerry McCarthy: I thank the Minister for that response, but at the time when the then Chancellor came up with that support package in May, Ofgem's cap prediction was that a typical bill would rise to £2,800 in October. It now looks as though it could be something like £450 more than that, with yet another rise in January. What additional support will whoever the Chancellor is, or will be in a couple of weeks' time, come up with to ensure people with disabilities can manage to pay their fuel bills?

Chloe Smith: The helpful thing I can add here is that disabled people can, of course, also benefit from the package previously announced in the spring statement, which continues in the format of the household support fund. Many millions of pounds have already been allocated to local authorities, which are best placed to direct help to those who need it most.

Topical Questions

T2. [900996] **Rachel Hopkins** (Luton South) (Lab): If she will make a statement on her departmental responsibilities.

The Secretary of State for Work and Pensions (Dr Thérèse Coffey): At this moment, I am delighted to have a team who are making sure that the wheels of government keep turning. That is particularly true given that we are the biggest delivery Department in Whitehall, on which so many vulnerable people rely.

It is certainly my focus to deliver help for households. As the Minister of State, Department for Work and Pensions, my hon. Friend the Member for Norwich North (Chloe Smith) pointed out, we will be sending out the first instalment of the £650 cost of living payments, starting from this Thursday.

We are also building on our successful Way to Work scheme, having smashed our ambition to get half a million people into a job in just five months, thanks to help from my hon. Friend the Member for Mid Sussex (Mims Davies). Dare I say, Mr Speaker, that that is way to go for Way to Work!

We are now putting more focus on those further from the labour market who are economically inactive or most at risk of inactivity, whether through the lifetime MOT offer or the £1.3 billion-worth of employment support for disabled people. That will help to grow the economy and ensure that more people are on the path to prosperity and prospects through work.

Rachel Hopkins: Many of my Luton South constituents are struggling to make ends meet. In fact, across the east of England, 50% of Citizens Advice debt clients are in a negative budget, with their monthly expenditure on essentials exceeding their income; that is up 12% from the same period in 2019. Does the Secretary of State still think that it is a good idea for the Government to raise taxes this year, when the UK is the only G7 country to do so?

Dr Coffey: The hon. Lady will be aware of the £37 billion package that is going to households, £15 billion of which is being deployed this year. People will already have received some elements of that through council tax

support, and I have outlined the cost of living payment support. I could add to that the lifting of the national living wage to £9.50 an hour and the reduction in the taper rate to 55% for people who are working and on universal credit. We are targeting support at the most challenged low-income households, and we will continue to do that. Meanwhile, we will continue to try to do what we can to grow the economy to help households, so that we can tackle inflation overall.

T3. [900997] **Elliot Colburn** (Carshalton and Wallington) (Con): Will my right hon. Friend outline how, thanks to the work incentives built into universal credit, some 11,600 Carshalton and Wallington residents—in working households, which is welcome—will receive a cost of living payment in the coming days, and will she set out what she is doing to ensure that even more people from Carshalton and Wallington can get into work?

Dr Coffey: My hon. Friend continues to be a champion for his constituents. He will be aware of aspects of the Way to Work campaign that are different from how they were in the past. Far more job fairs are happening, bringing employers into jobcentres for interviews. That enables us to make quicker decisions, find out what is going wrong in the process and support people so that they can more quickly get the pay packet that they cherish.

Jonathan Ashworth (Leicester South) (Lab/Co-op): As we have heard, it is expected that the energy price cap will rise by £450 more than was anticipated when the Government announced their cost of living package. A typical household will face energy bills of £3,250; that is more than a third of the value of the state pension. How on earth does the Secretary of State expect pensioners and families to cope this winter?

Dr Coffey: I think the right hon. Gentleman is referring to an external analyst's prediction of what might happen with energy prices. Nevertheless, the Government have responded. We deliberately made sure that our cost of living payment package came out when Ofgem made its announcement, and that is why we tailored the cost of living payment support to help households. We will make sure that support for household energy costs goes to every single household in the country, in addition to our comprehensive package. My right hon. Friend the Secretary of State for Business, Energy and Industrial Strategy leads on fuel poverty. I am conscious that in making decisions, he will consider the vulnerable the most, as all of us in the Government do.

Jonathan Ashworth: I appreciate that the Secretary of State may not be in her place come this October—who knows?—but she is currently in a Cabinet with a Chancellor and a Foreign Secretary, and she shares the Government Benches with a whole host of colleagues, who have made £30 billion to £40 billion-worth of unfunded tax cut commitments. Is not the truth that those tax cuts can be paid for only by further cuts to the state pension, further cuts to universal credit and further cuts to disability benefit, and that the reality is that the next Tory Prime Minister will make the cost of living crisis even worse?

Dr Coffey: Far from it; as has been shown yet again, this Conservative Government have stepped up to deal with the cost of living challenge, just as we did through covid, and we will continue to do so. That is why we will be spending £37 billion on this. As for support going forward, I am conscious that people who are running to be leader of the Conservative party and the future Prime Minister want, quite rightly, to make sure that we have an active, growing economy. I will leave them to be judged on their policies. I am the Secretary of State for Work and Pensions, and we are going ahead with the additional payments, starting this week. Many households will be looking forward to them, and I am pleased that we are able to deliver them.

T6. [901002] **Mrs Sheryll Murray** (South East Cornwall) (Con): I frequently get complaints from people in the agriculture sector that they cannot get the workers they need from the UK jobs market. What more can the Department do, perhaps working with educational facilities such as Duchy College in Cornwall, to get jobseekers into these important roles?

The Parliamentary Under-Secretary of State for Work and Pensions (Julie Marson): As always, my hon. Friend is a fantastic advocate for her constituents in South East Cornwall. Jobcentres work with employers in all sectors to help them to connect with jobseekers who are looking for work, and to fill their vacancies. I encourage any employer to reach out to their local jobcentre. DWP staff recently held events alongside the National Farmers Union to promote jobs in agriculture and connect people to our sector-based work academy programmes.

Mr Speaker: I call the SNP spokesperson.

Kirsty Blackman (Aberdeen North) (SNP): The UK Government recently rejected the Work and Pensions Committee report's recommendation to

"extend Child Benefit to all British children irrespective of their parents' immigration status."

People with no recourse to public funds do not qualify for the additional cost of living payments. Children are literally starving and suffering malnutrition because of this cruel policy. Does the Secretary of State believe that this is acceptable in the 21st century?

Dr Coffey: The hon. Lady refers to the fact that people without recourse to public funds are not eligible for benefits. When people arrive, I accept that they are not going to be eligible for child benefit. Any family in a state of difficulty can apply to the Home Office for a review of that status; it is for them to do so. At the same time, as I think we confirmed to the Select Committee when we discussed the matter at the hearing last week, it is for local councils to design the way they do the household support fund. It may be possible for people without recourse to public funds to apply to their local authority.

Sir Edward Leigh (Gainsborough) (Con): Will the Secretary of State confirm that support for the welfare state depends on a kind of social contract where people realise that those who are pensioners or out of work should be helped because they have paid their taxes? How is support for the welfare state improved when 60,000 people a year are pouring across the channel,

paying illegal smugglers—these are not the poorest of the poor—and being kept on social security, maybe for 10 years, without ever being deported? By the way, what does it cost?

Dr Coffey: I am conscious that through the help—the visa schemes—being put forward for Ukrainian citizens and for Afghan resettlement, there is access to public funds. My right hon. Friend will be aware that people who arrive in the country illegally are given a payment via the Home Office, I think, of a very small amount of money to pay for the day-to-day, but they are not eligible directly for benefits.

T4. [901000] **Ian Byrne** (Liverpool, West Derby) (Lab): One in five pensioners in the UK is living in poverty, 1.3 million retirees are undernourished and 25,000 people die each year because of cold weather. The situation is dire and is getting worse and worse by the day. What discussions will the Secretary of State have with her new colleague the Chancellor to reverse the cruel Government cuts to the state pension and provide the 5,360 women in Liverpool, West Derby who are affected by the changes to the women's state pension age with the full restitution that they fully deserve?

The Parliamentary Under-Secretary of State for Work and Pensions (Guy Opperman): The hon. Gentleman will be aware that the state pension has almost doubled under the coalition and this Conservative Government. He will be aware that pensioner poverty is going down. He will be aware that the state pension is up on last year and the year before. He will also be aware that we are paying £1,500-worth of support. He should very much be aware of pension credit and should be making the case for it to all his constituents who can access the £3,300, on average, plus the household support fund. I am sure he is making the case to each and every one of his constituents.

T8. [901004] **Tony Lloyd** (Rochdale) (Lab): Four in 10 of those who are refused a disability benefit do not appeal. Of those who do, two in three win their appeal, but it is months and months before they come before a tribunal. Are the Secretary of State and her team not ashamed of that? This is about poverty among tens of thousands of people.

The Minister of State, Department for Work and Pensions (Chloe Smith): The hon. Gentleman raises an important point that we take very seriously in the Department. We want to get the correct support to people as early as possible and in a way that engenders trust and the proper levels of support from our Department. He will, I am sure, be an avid reader in due course of the health and disability assessments White Paper, which will go into some of these points in greater detail, following on from the Green Paper, to which we had 4,500 consultation responses. However, I can assure him, and all other right hon. and hon. Members, that we want to be able to ensure that the right decisions are made in the first place, and considerable resources are being put into the Department for that purpose.

Wendy Chamberlain (North East Fife) (LD): Last year there were 337,000 overpayments as a result of errors by the DWP, with the debt waived in only 10 cases. Claimants spend these funds in good faith, but are then

required to make repayments that they simply cannot afford. Will the Minister agree to bring universal credit in line with legacy benefits by making no-fault debts non-repayable?

The Parliamentary Under-Secretary of State for Work and Pensions (David Rutley): It is obviously important to ensure that we get our payments right, and we are working hard to do that, but it is also important to balance the needs of the taxpayer with those of benefit recipients. We do need to get that balance right.

Steve McCabe (Birmingham, Selly Oak) (Lab): The Department's annual report, released last week, has revealed that the estimate of the number of women who have been short-changed over their retirement pensions has risen by a further 103,000. That is not quite the rosy impression that the Select Committee was given when the Secretary of State and the permanent secretary appeared before it recently. Just how long will these women have to wait before they receive their legal entitlement, and can the Minister confirm that there will not have to be a further upward revision of these estimates?

Guy Opperman: It is unquestionably the case that this Government are trying to resolve matters that date back some 20 years. I might have wished that some of my predecessors who occupied the illustrious position of Pensions Minister, some of whom now sit on the Opposition Benches, had made a better job of monitoring these matters. We are fixing the problem. We have—definitely—more than 500 people working on it now, and, as I explained to the Select Committee, we will have upwards of 1,000, rising to 1,300, working on it on an ongoing basis; so it will be fixed in the very near future.

Anne McLaughlin (Glasgow North East) (SNP): I know what the Government have said they are doing to increase the uptake of pension credit, and that is good; I do not want to hear it again, though. I also know that people can backdate their claims for pension credit, so anyone who makes a successful application by 24 August this year will receive the £650. However, I have been campaigning for the deadline to be extended to the end of the fiscal year, because I think that as we go into the winter, that is what will concentrate people's minds when they have to make the very real choice between heating and eating. I am not asking the Minister to commit himself to doing this today, but will he commit himself to at least considering extending the deadline to 31 March next year?

Guy Opperman: The uptake of pension credit is clearly to be applauded, and I sincerely hope that the hon. Lady was behind the pension credit day of action and is behind the messages that we are all trying to put out. That is not all, however. On Thursday we will make the £326 cost of living payment, which will drop £1 million in payments every single working day, and there will be a further £324 payment in the autumn. We are also providing the energy support grant of £400, which will go to every individual in the country, as well as the £300 winter fuel payment, the council tax rebate, and various other household support grants. All those are available to individuals up and down the country, and will also support pensioners.

Mr Speaker: Order. If there are no further questions, I will suspend the sitting for two minutes.

Sitting suspended.

Ministers' Severance Pay

4.30 pm

Fleur Anderson (Putney) (Lab) (*Urgent Question*): To ask the Chancellor of the Duchy of Lancaster if he will give a statement on severance pay for Ministers.

The Parliamentary Secretary, Cabinet Office (Mrs Heather Wheeler): The severance pay for Ministers is established in legislation that was passed by Parliament in 1991 and that has been used by successive Administrations over several decades. The Ministerial and other Pensions and Salaries Act 1991 states that where a Minister of eligible age ceases to hold office and is not reappointed to a ministerial office within three weeks, they will be entitled to a severance payment of a quarter of their ministerial annual salary. The context of this legislative provision is the reality that ministerial office can end at very short notice indeed, that reshuffles are a fundamental part of the operation of Government and, by their nature, routinely remove Ministers from office, and that, unlike in other employment contexts, there are no periods of notice, no consultations and no redundancy arrangements. Section 4 of the Act therefore makes provision for severance payments.

This is a statutory entitlement, and it has existed and been implemented for several decades, by Governments of all stripes. Severance payments were made and accepted by outgoing Labour Ministers between the Blair and Brown years, as well as during the Administration in 2007, and by Liberal Democrat Ministers during the coalition. To ensure transparency, severance payments are published in the annual reports and accounts of Government Departments. As an example of the previous operation of this provision, the data published in 2010 indicated that severance payments made to Labour Ministers in that year amounted to £1 million. Finally, let me be clear that although this is a statutory entitlement, Ministers are able to waive such payments. This is not a matter for the Government; it is an entirely discretionary matter for the individuals concerned, and this is an approach that has been taken before.

Fleur Anderson: Thank you very much for granting this urgent question, Mr Speaker. I welcome the fact that there is a Minister to respond. In the middle of a cost of living crisis, and with families struggling to make ends meet and get to the end of each month, the British public will be rightly watching this distracted Government with disgust. They are too busy infighting to provide real solutions, and to add insult to injury, thousands of pounds of people's hard-earned taxes will be handed out to former Ministers. By my reckoning, £250,000 of severance pay will be given to Ministers who have not been reinstated. Five former Secretaries of State will receive more than £16,000 each, including the former Secretary of State for Education, who was in post for 36 hours and is due to receive close to the annual starting salary for a teaching assistant.

This unprecedented wave of resignations and the avalanche of abdications make this a unique case. The vast majority were not sackings or forced resignations. The departures were caused entirely by a discredited Prime Minister clinging to office and a Conservative party unwilling to deal with it. Now our constituents are forced to foot the bill, paying for this Government's

chaos yet again. So I ask the Minister: what is the exact cost of these resignations to the taxpayer? Have any payments already been made to former Ministers? If so, how much and to whom? Will Ministers receive the severance in a one-off payment to their bank account? How do these payments represent good value for money to the public, and what arrangements are there to ensure that they can be waived, as she identified, and returned to the Treasury? Former Ministers need to look themselves in the mirror and decide if their constituents would wish them to accept this payment, and this whole Government must tell us if they can really defend this use of our money.

Mrs Wheeler: As I said earlier, and to answer the hon. Lady's question, at this point no Ministers who resigned are entitled to receive a severance payment. We have a three-week window.

Michelle Donelan (Chippenham) (Con): Does my hon. Friend agree that it is disingenuous of the Opposition to reference my alleged severance pay, as I made it clear almost immediately after resigning that I would not be taking such money?

Mrs Wheeler: Indeed, and I thank my right hon. Friend for confirming that she has already talked to the permanent secretary of the Cabinet Office and that she will not be receiving the payment.

Mr Speaker: We now come to the SNP spokesperson, Brendan O'Hara.

Brendan O'Hara (Argyll and Bute) (SNP): Could there be a more fitting end to the tenure of one of the most discredited Prime Ministers in living memory than to have a slew of his former Ministers, motivated in the main by naked self-interest, finally abandoning the ship that everyone else could see was sinking months ago and, in the process, costing the public purse hundreds of thousands of pounds? It is quite astonishing, particularly when, for so many people across the United Kingdom, keeping body and soul together at this time of crisis is a daily challenge that will only get tougher.

I appreciate that the Minister has said that this payment is discretionary and that no one is forced to accept it, so will she join me in asking everyone in receipt of such a payment to refuse it, to return it or to donate it to charity? Will that be made public when it is done? Does she agree that this system, whereby a disgraced Prime Minister—one who is heading out the door, we think—can appoint Ministers knowing they will be entitled to severance pay in a few months' time, is fundamentally broken and requires an immediate overhaul?

Mrs Wheeler: I am afraid I do not agree with the hon. Gentleman. It is quite clear that, within the three-week period, Ministers who have left can decide for themselves whether they should accept the money and make that decision clear to the permanent secretary so that no money leaves the Treasury before having to come back. I hope that is totally clear.

Selaine Saxby (North Devon) (Con): Does my hon. Friend agree that it is outrageous that the Liberal Democrats put out an article last week stating that I, as a Parliamentary Private Secretary, was paid £22,375 for a job we all know is unpaid, and that I received £5,594

[Selaine Saxby]

in severance pay? Does she also agree that this type of libellous statement, which the Liberal Democrats choose to put out about us, has earned them the nickname of “the Fib Dems”?

Mrs Wheeler: That is an astonishing thing for the Liberal Democrats to put out. It is a straight, flat lie that they should know very well should not be put out by any political party. When the hon. Member for North East Fife (Wendy Chamberlain) stands to ask a question, which is a perfectly reasonable thing for her to do, I sincerely hope she apologises and confirms that the Lib Dems will put out a clarification as large as the original piece.

Barry Gardiner (Brent North) (Lab): I make it clear that I do not want to cast aspersions on any individual Minister.

This morning I visited the care workers of the St Monica Trust in Bristol. One worker told me that the average wage is between £16,000 and £17,000, and that the trust is asking them to take, in one case, a reduction of £6,000. The House will consider legislation later today that enables agency workers to undercut striking workers, in an atmosphere in which we are talking about levelling up. Does the Minister understand that these payments should not be made where a Minister resigns voluntarily? I understand it if a Prime Minister says, “Your services are dispensed with,” but to make any such severance payment following a voluntary resignation is really wrong.

Mrs Wheeler: I recall that, during the Blair and Brown years, the Labour party decided it did not need to change the legislation. The legislation is as it is, there is a three-week period, and I think that is completely fair.

Wendy Chamberlain (North East Fife) (LD): First, I commit to responding directly to the hon. Member for North Devon (Selaine Saxby) and the Minister on what statements were put out.

This seems to be a situation entirely of the Conservatives' making. We are potentially at risk of making a mockery of our system. Given that the Minister says it has been more than 30 years since this legislation was looked at, does she agree that now is the time to revisit it and that, at the very least, we should look at a minimum term of service before a Minister or Secretary of State is entitled either to waive or to receive a severance payment?

Mrs Wheeler: That is a fair question. The answer I would give the hon. Lady is that, obviously, the Liberal Democrat who resigned during the coalition did not think it was worth looking at either.

Steve McCabe (Birmingham, Selly Oak) (Lab): Does the hon. Lady think the public will consider any resigning Minister who is a Tory leadership candidate to be setting the right example by trousering this cash?

Mrs Wheeler: Fortunately, I am going to make absolutely no comment about the fact that we have many, many wonderful candidates to be our next leader who, frankly, will knock the Labour party into a cocked hat when they are elected.

Matt Western (Warwick and Leamington) (Lab): I understand that approximately £400,000 will be paid out in severance payments. Will the Minister agree to publish a full list of the amounts being paid out to those individuals? Will she confirm that these moneys will be coming from Departments, such as the Department for Education, and will therefore have an impact on the budgets of much-pressed Departments and, for example, on schools or other institutions?

Mrs Wheeler: The hon. Gentleman asks a perfectly reasonable question. It is laid out in statute how the amounts and payments are made, and it is in the annual accounts of the Departments.

David Linden (Glasgow East) (SNP): A supermarket worker from Shettleston would not get thousands of pounds in a severance payment. Why should Rishi Sunak, the richest man in Parliament, get a severance payment?

Mr Deputy Speaker (Mr Nigel Evans): Order. Do not name Members by their names, please. You could say former Chancellor of the Exchequer—

David Linden: Prime Ministerial hopeful, surely.

Mr Deputy Speaker: Order. You stand corrected.

Mrs Wheeler: Thank you, Mr Deputy Speaker. Absolutely, we do not use names, do we? I thank the hon. Gentleman for the question. It is very simple: this is a matter of statute law, it has been around since 1991, and all the different political parties have taken use of it. That is where we are.

Mr Deputy Speaker: Mr Brown, let's see if you can do better than your colleague.

Alan Brown (Kilmarnock and Loudoun) (SNP): Thank you, Mr Deputy Speaker. When the new Education Minister gave a one-fingered salute to the crowd outside Downing Street, that was symptomatic of this Government, who have been putting two fingers up to the entire UK for the tenure of the former Prime Minister. Given that we have a zombie Government, with Ministers who are clearly in place on a temporary basis, does this Minister agree that they should not take severance payments when they rightfully get sacked when a new Tory leader comes in?

Mrs Wheeler: The hon. Gentleman is slightly off point regarding the Education Minister; I would like him to remember that the lady in question has had seven death threats against her, and the way the baying mob were reacting at the time was astonishing. As regards anything else, people will use the three-week window to decide whether they take the severance payment or not, and the law is the law.

Ms Marie Rimmer (St Helens South and Whiston) (Lab): It is a sensitive time. People are going hungry, they are going to be cold, although they are not at the moment, and they have to deal with energy prices. Yes, we hear, “This is statute and that is it. It is up to the individual.” We were told this once before, and the individual can do something, but surely at this time,

with all that is going on, when we are in a poor state as regards respect from our public, we should call on the relevant people to reflect the sensitive situation and to say en masse, "We do not want this. We will not accept it." That would go a long way with the public.

Mrs Wheeler: I thank the hon. Lady, whom I know to be an unbelievably caring lady. It is important that comments and sentiments like that are expressed in this Chamber, as they make the House of Commons the sort of place that everybody in a living democracy wants to have. I will reflect on her views. I repeat, loudly, that there is a three-week window and individuals can reflect on the situation themselves, but I do thank her for the question.

BILL PRESENTED

PARLIAMENTARY ELECTIONS (OPTIONAL PREFERENTIAL VOTE) BILL

Presentation and First Reading (Standing Order No. 57)

Paul Maynard, supported by John Stevenson, presented a Bill to introduce the optional preferential voting system for Parliamentary elections; and for connected purposes.

Bill read the first time; to be read a second time on Friday 9 September, and to be printed (Bill 138).

ENERGY (OIL AND GAS) PROFITS LEVY BILL: BUSINESS OF THE HOUSE

Ordered,

That the following provisions shall apply to the proceedings on the Energy (Oil and Gas) Profits Levy Bill:

Timetable

(1) (a) Proceedings on Second Reading and in Committee of the whole House, any proceedings on Consideration and proceedings on Third Reading shall be taken at today's sitting in accordance with this Order.

(b) Proceedings on Second Reading shall (so far as not previously concluded) be brought to a conclusion two hours after the commencement of proceedings on the Motion for this Order.

(c) Proceedings in Committee of the whole House, any proceedings on Consideration and proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion four hours after the commencement of proceedings on the Motion for this Order.

(d) This paragraph shall have effect notwithstanding the practice of the House as to the intervals between stages of a Bill brought in upon Ways and Means Resolutions.

Timing of proceedings and Questions to be put

(2) When the Bill has been read a second time, it shall, despite Standing Order No. 63 (Committal of bills not subject to a programme order), stand committed to a Committee of the whole House without any Question being put.

(3) (a) On the conclusion of proceedings in Committee of the whole House, the Chair shall report the Bill to the House without putting any Question.

(b) If the Bill is reported with amendments, the House shall proceed to consider the Bill as amended without any Question being put.

(4) For the purpose of bringing any proceedings to a conclusion in accordance with paragraph (1), the Chair or Speaker shall forthwith put the following Questions in the same order as they would fall to be put if this Order did not apply:

(a) any Question already proposed from the chair;

(b) any Question necessary to bring to a decision a Question so proposed;

(c) the Question on any amendment, new Clause or new Schedule selected by the Chair or Speaker for separate decision;

(d) the Question on any amendment moved or Motion made by a Minister of the Crown;

(e) any other Question necessary for the disposal of the business to be concluded; and shall not put any other questions, other than the question on any motion described in paragraph (9)(a) of this Order.

(5) On a Motion made for a new Clause or a new Schedule, the Chair or Speaker shall put only the Question that the Clause or Schedule be added to the Bill.

(6) If two or more Questions would fall to be put under paragraph (4)(d) on successive amendments moved or Motions made by a Minister of the Crown, the Chair or Speaker shall instead put a single Question in relation to those amendments or Motions.

(7) If two or more Questions would fall to be put under paragraph (4)(e) in relation to successive provisions of the Bill, the Chair shall instead put a single Question in relation to those provisions, except that the Question shall be put separately on any Clause of or Schedule to the Bill which a Minister of the Crown has signified an intention to leave out.

Miscellaneous

(8) Standing Order No. 82 (Business Committee) shall not apply in relation to any proceedings to which this Order applies.

(9) (a) No Motion shall be made, except by a Minister of the Crown, to alter the order in which any proceedings on the Bill are taken, to recommit the Bill or to vary or supplement the provisions of this Order.

(b) No notice shall be required of such a Motion.

(c) Such a Motion may be considered forthwith without any Question being put; and any proceedings interrupted for that purpose shall be suspended accordingly.

(d) The Question on such a Motion shall be put forthwith; and any proceedings suspended under sub-paragraph (c) shall thereupon be resumed.

(e) Standing Order No. 15(1) (Exempted business) shall apply to proceedings on such a Motion.

(10) (a) No dilatory Motion shall be made in relation to proceedings to which this Order applies except by a Minister of the Crown.

(b) The Question on any such Motion shall be put forthwith.

(11) (a) The start of any debate under Standing Order No. 24 (Emergency debates) to be held at today's sitting shall be postponed until the conclusion of any proceedings to which this Order applies.

(b) Standing Order No. 15(1) (Exempted business) shall apply in respect of any such debate.

(12) Proceedings to which this Order applies shall not be interrupted under any Standing Order relating to the sittings of the House.

(13) (a) Any private business which has been set down for consideration at a time falling after the commencement of proceedings on the Motion for this Order shall, instead of being considered as provided by Standing Orders or by any Order of the House, be considered at the conclusion of any proceedings to which this Order applies.

(b) Standing Order No. 15(1) (Exempted business) shall apply to the private business so far as necessary for the purpose of securing that the business may be considered for a period of three hours.—(*Mr Simon Clarke.*)

Energy (Oil and Gas) Profits Levy Bill

Second Reading

4.45 pm

The Chief Secretary to the Treasury (Mr Simon Clarke): I beg to move, That the Bill be now read a Second time.

People across the country are facing rising energy costs and an increase in the overall cost of living. Of the basket of goods and services that we use to measure inflation, a record proportion are seeing above average price increases. Indeed, the country is now experiencing the highest rate of inflation for 40 years, which is causing acute distress to the people of this country. In May the Government announced a series of measures to help the British people during this difficult time, in which we have seen oil and gas prices reach new highs; oil prices have nearly doubled since early last year and gas prices have more than doubled. This is a global phenomenon that is driven by factors out of any single Government's control, in large part resulting from Russia's illegal war.

With increased prices at the global level, profits from oil and gas extraction in the United Kingdom have also shot up. These are unexpected, extraordinary profits—above and beyond what forecasters could have expected the sector to earn. Because of these extraordinary profits, and to help fund more cost of living support for UK families, the Government are introducing an energy profits levy. The temporary levy is a new 25% surcharge on the extraordinary profits. When oil and gas prices return to historically more normal levels, it will be phased out.

Stephen Flynn (Aberdeen South) (SNP): I would welcome some clarity from the Minister as to what his Government regard normal prices to be, because those involved in the industry will be watching on at this moment.

Mr Clarke: The answer is: prices of an order that we saw prior to Russia's invasion of Ukraine and prior to some of the inflationary pressures resulting from the covid disruption—prices more akin to those seen in 2021. Indeed, we could also refer to factors that predate that, back to 2019. The system has clearly been in flux, but I would certainly not want to encourage the artificially low prices of 2020 to be seen as a baseline for these purposes.

Stephen Flynn: I thank the Minister for giving way again. Getting investment into the industry is one of the Government's big arguments for the tax break incentives they are providing to the industry. How can that possibly happen when they do not even say what a normal price is?

Mr Clarke: I will set out more about our investment incentives in a moment. We are not going to tie ourselves to a specific price level, but will obviously look towards a return to more normative market conditions—not, as I said, the artificial lows of 2020—such as the pre-crisis situation in 2019 and some of the much healthier pattern of last year, prior to what Russia has done in Ukraine, which has obviously driven prices to new highs. That gives the House a sense, but we will obviously set out our thinking well in advance of repealing the levy.

I am firmly committed to our net zero strategy.

Alan Brown (Kilmarnock and Loudoun) (SNP): Will the Minister give way once more?

Mr Clarke: No, I will not; I am going to make some progress.

As set out in the energy security strategy, the North sea will still be a foundation of our energy security for years to come. Currently, about half our demand for gas is met through domestic supplies. In meeting net zero by 2050, we have to be realistic; we will still be using about a quarter of the gas that we use now. It is therefore necessary to incentivise investment in oil and gas, and to encourage companies to reinvest their profits to support the economy, jobs, and our energy and security, but it is possible to tax extraordinary profits fairly and to incentivise investment. That is why, within the energy profits levy, a new “super-deduction” style relief has been introduced to encourage firms to invest in oil and gas extraction in the UK. We expect that the energy profits levy, with its investment allowance, will lead to an overall increase in investment. Indeed, one oil and gas company has already said that the immediate investment allowance should spark further investment in the North sea. The new 80% investment allowance will mean that, overall, businesses will get a 91p tax saving for every £1 they invest, providing them with a clear incentive to do so. This nearly doubles the tax relief available and means that the more investment a firm makes, the less tax it will pay. Unlike Labour's windfall tax in 1997, this levy both incentivises investment and raises more revenue.

The energy profits levy contains an investment allowance that doubles the overall investment relief for oil and gas companies, unlike Labour's proposal of a few weeks ago. Our levy raises around £5 billion over the next 12 months against Labour's estimate of around £2 billion for its proposals. Its windfall tax would raise less than £70 per household, not £600 as it claimed. In fact, the Opposition's regressive VAT plans would give millionaires in mansions more off their bills than those in need. They are now caveating their windfall tax costings by stating that their £600 per household support will be supported by “other measures”. By that I presume they mean more public spending and a higher rate of taxation for hard-working people across this country. As usual with Labour, the sums sadly do not add up.

The new tax we are introducing today ensures that the extraordinary and unexpected profits from which oil and gas companies have benefited are taxed fairly and provide a significant investment incentive. This is a sensible considered move and one that will be warmly welcomed across the House.

Our plans mean that the oil and gas producers can claim the allowance when their spending on investment is actually incurred. This is unlike the allowance under the existing permanent tax regime for oil and gas companies, which can be claimed only once income is received from the field, subject to the investment, and, as some Members of the House will know, that can take several years.

I want to make it clear what the investment allowance will apply to. First, if capital or operating expenditure qualifies for supplementary charge allowance, it will qualify for the energy profits levy allowance. As the levy is targeted at the extraordinary profits from oil and gas upstream activities—that is the profits that came about

owing to global price increases—it makes sense that any relief for investment must also be related to oil and gas upstream activities.

Secondly, such spending can be used to decarbonise the oil and gas production, for example through electrification. Therefore, any capital expenditure on electrification, as long as it relates to specific oil-related activities within the ringfence, will qualify for the allowance.

Stephen Flynn: I thank the Minister for giving way once again; he is being very generous. On that specific point, the Financial Secretary to the Treasury stated the same last week. It is good to have that clarification, but why is it not written into the text of the Bill?

Mr Clarke: I can provide that assurance from the Dispatch Box. Examples of electrical expenditure on plant and machinery will be things such as generators, which include wind turbines, transformers and wiring. I also remind the House that there are other tax and non-tax levers to support non-oil and gas investments, such as in renewables. Those levers include the super-deduction and our competitive research and development tax credit regime. Importantly, the returns on these investments are taxed at 19% rather than at 65% as for UK oil and gas profits.

We have been listening closely to feedback from industry. Late last month, my right hon. Friend the former Chancellor met industry stakeholders in Aberdeen to discuss the levy and to make sure that it works as the Government intend it to. As my right hon. Friend the Financial Secretary to the Treasury confirmed in a debate last week, the Government have changed the legislation, which is reflected in the Bill before us today.

Tax repayments that oil and gas companies receive for petroleum revenue tax related to losses generated by decommissioning expenditure will not be taxed under the levy. These are repayments that are typically taxed under the permanent tax regime. However, as wider decommissioning expenditure is also left out of the account for the levy, this change is both consistent and fair. I wish to reiterate my thanks to those in the industry with whom we have engaged on this matter, and to again reassure the House that, with this change, the Government still expect the levy to raise around £5 billion over the next year.

On how long the levy will be in place, it will take effect from 26 May this year and, when oil and gas prices return to historically more normal levels, it will be phased out. The sunset clause in the Bill ensures that the levy is not here to stay. There are very few taxes that have their expiry date set in law, so this provision demonstrates the Government's commitment to keeping the levy temporary and gives oil and gas companies further reassurance as they seek to plan their investments.

Our permanent oil and gas tax regime is competitive globally against similar operating environments and is lower than that of Norway, the Netherlands or Denmark. However, it is both fiscally prudent and morally right that we have a temporary and targeted levy that applies to extraordinary profits in our oil and gas sector and reflects an extraordinary global context.

Through the Bill, the levy will raise some £5 billion of revenue over the next year so that we can help families with the cost of living through significant and targeted support to millions of the most vulnerable. These are

extraordinary times and we are seeing extraordinary prices, and that requires extraordinary Government action.

I did not come in to politics to raise taxes, nor did this Government, but we are about delivering the action required to support families in their time of need. At the same time, the Government are clear that we want to see the oil and gas sector reinvest its profits to support our economy, jobs and energy security. For those reasons, I commend the Bill to the House.

4.55 pm

James Murray (Ealing North) (Lab/Co-op): I thank the Minister for setting out how North sea oil and gas producers will be affected by the measures the Bill seeks to introduce—even though he seemed unable to say the words “windfall tax” when referring to it at any point during his speech.

This Bill is long overdue. We are finally debating this legislation in Parliament, more than seven months after the shadow Chancellor first set out Labour's plans for a windfall tax on oil and gas producers' profits. In the seven months since Labour first called for a windfall tax, cost of living pressures for people have grown relentlessly, and in those seven months, oil producers' profits have soared.

Since the start of this year, energy bills have spiralled by £700 for a typical household, inflation across the board has hit 9.1%, the highest in 40 years and, despite Tory smoke and mirrors with thresholds, average earners will still be paying £300 more in national insurance contributions by 2027.

Alan Brown: The hon. Gentleman is making the point that Labour has campaigned on this for seven months. At the same time, the SNP has been calling for a much wider profits levy to address excess profits of other companies. Why is Labour not looking at that? I will give an example: Tesco chair John Allan, as we know, called for the windfall tax on oil and gas, but Tesco trebled its profits from £636 million to more than £2 billion. Why not an excess profit levy on Tesco and others that have profited through the pandemic?

James Murray: I look forward to the hon. Gentleman supporting Labour's amendments and new clauses to the Bill as we seek to cut some of the loopholes the Government have introduced, which I will turn to in a moment.

Let us not forget that, while cost of living pressures on people across the country have soared relentlessly, oil and gas producers' profits have climbed too, with some tripling this year. A fair solution has been staring the Government in the face: levy a one-off windfall tax on North sea oil and gas producers' profits and use that money to help to cut people's energy bills at home.

Yet when, on 9 January this year, the shadow Chancellor first called on the Government to levy just such a tax, Conservative MPs opposed it outright. Leading that opposition the very next day was the then Education Secretary, the right hon. Member for Stratford-on-Avon (Nadhim Zahawi). He is now of course the Chancellor, so this is his Bill. At the time of our announcement, the now Chancellor, who was an oil industry executive before becoming an MP, came out firmly against the tax

[James Murray]

on the grounds that oil producers were “already struggling”. When she responds, I would be grateful if the Financial Secretary to the Treasury confirmed whether the Chancellor supports his own legislation today.

Back in January, of course, it was not only the now Chancellor who opposed the tax. The Business Secretary opposed it too, saying:

“I have never been a supporter of windfall taxes.”

The then Northern Ireland Secretary, the right hon. Member for Great Yarmouth (Brandon Lewis), said that he thought a windfall tax sounded attractive, but did not work. The Deputy Prime Minister claimed it would be disastrous. Ministers and their Back-Bench Conservative colleagues then went on to vote against our plan for a windfall tax on three separate occasions.

Andrew Bowie (West Aberdeenshire and Kincardine) (Con): This demonstrates the difference between Opposition Members and Conservative Members, in that we do not come lightly to the decision to increase taxes on successful British industries. Labour and the SNP would tax anything that moved; we take a long time to think through our plans carefully. That is why we are presenting this plan today, which is far removed from Labour’s plan. That would decapitate the oil and gas industry—which, by the way, Labour does not support—and we would have the taps turned off tomorrow.

James Murray: The hon. Member is right that Conservative Members have taken a long time to come round to this. They have taken seven months to come round to it—seven months in which the cost of living pressure on people across the country has risen relentlessly and in which oil producers have seen extraordinary profits. That delay has not been without cost.

Despite our common-sense plan for a windfall tax having wide support across the country for many months, with even oil bosses backing its logic, Conservative Ministers and their colleagues on the Back Benches simply refused to get on board—until 26 May, the day after the Sue Gray report was published. That was the day the Prime Minister and the former Chancellor suddenly changed their minds. It seemed clear that what had finally caused the Conservative leadership to change course and back a windfall tax was not the deafening calls from people across the country for help with their energy bills, nor the blatant unfairness of oil and gas producers’ profits soaring in the middle of a cost of living crisis; rather, it was the need for a different set of headlines in that week’s news. That is a grubby way to govern, and it is proof, if further proof were needed, that the Conservatives are not fit to lead our country.

Now, after months of refusing to act, Ministers are rushing this Bill through Parliament with just one day of debate and with a consultation period on the draft legislation of just seven days. As Tax Justice UK, working with the campaign group Uplift, has said, such a short period of just one week for consultation on the draft Bill is

“a breach of well-established legal principles of procedural fairness.”

As it points out, having a longer consultation period would not delay the levy taking effect, as the Bill names its start date as 26 May. It fears that the shorter consultation period the Government have chosen offers

“those with most resources—such as oil and gas producers—more opportunity to influence the shape of the legislation.”

Alan Brown: It is good that the hon. Gentleman mentioned Tax Justice UK. It is probably worth speaking to it about pandemic profits and a wider profits levy, because that is what it advocated. Hopefully when he is discussing the oil and gas stuff with it, he will discuss a wider profit levy as well.

James Murray: I thank the hon. Gentleman for his intervention. We discuss many matters with Tax Justice UK, not least its response to the ridiculously short consultation period on the draft of the Bill that the Government are now seeking to rush through Parliament in a day.

Despite the fact that Ministers may be in a rush today, we know that their story until recently has been one of delay. Those months of delay in backing a windfall tax mean that the public finances have missed out on billions of pounds of tax revenue that could have gone towards further help for people struggling with the cost of living. But whatever it took to get the Prime Minister and the former Chancellor over the line, we were relieved that they finally agreed to back a windfall tax. On behalf of the people we represent across the country, we were relieved that some help with soaring energy bills was finally on its way. That help is set to include a payment of £400 to all domestic energy bill payers. We welcomed that promise of support announced alongside the windfall tax, and we were relieved that the Government had finally listened to what we and so many others had been saying as they agreed to drop the “buy now, pay later” compulsory loan scheme that had been promised before. But we were dismayed to learn that some of the people who need the help least will be getting that £400 payment several times over. Because this package has been cobbled together at the last minute, people who live in more than one home will get £400 for each of them, so a total of £200 million of public money will go towards people with multiple properties. That is not fair, it is not a good use of public money, and, as we see far too often, it is public money being casually wasted by this Government.

While that particular loophole may have been the result of carelessness or haste, the Bill contains another loophole that has been created by design—a brand-new tax break for oil and gas producers that will give money back to the same firms that were supposed to be paying their fair share through the windfall tax. This tax break means that oil and gas producers will receive an unprecedented level of subsidy for their spending on oil and gas-related activities. For every £100 an oil and gas producer invests in the North sea, they will receive £91.25 from the taxpayer. That compares with £25 that companies receive for investing in renewable energy—a figure that will fall to just £4.50 from April 2023.

Andrew Bowie: Although the hon. Gentleman is talking about how the Labour party likes to support working people, he is quite obviously abandoning all those working people who rely on the oil and gas industry for their employment, including the many thousands who live in my constituency. Given that he has had so many months to think about this, how many times have he and his shadow Cabinet colleagues actually met those in the oil industry to discuss this and see how it impacts on them?

James Murray: I and my hon. Friends have had discussions with them many times, and it is absolutely clear that even oil company bosses agree with the logic of a windfall tax, saying that it would not affect their investment plans.

Andrew Bowie *rose*—

James Murray: No, I am not going to give way. I have been generous in giving way, and I am going to make some progress now.

This is a subsidy that not even oil executives think is necessary. BP's chief executive, who in November last year said that soaring global commodity prices had made his company a "cash machine", told shareholders in May that the company's £18 billion of investment plans were

"not somehow contingent on whether or not there is a windfall tax."

Yet despite even oil executives questioning its worth, the Government are pushing ahead with this tax break. Our analysis has shown that this means a third or more of any revenue from the new levy could be handed straight back to oil and gas producers.

The truth is that this tax break means that money that is supposed to be helping people struggling with their home energy costs will instead go back to the very oil and gas producers that have been making record profits during the energy crisis. Furthermore, that money will subsidise projects that almost certainly would have happened anyway. There is no requirement in the Bill for investments claiming this tax relief to be additional to what was already planned.

I wonder whether the Financial Secretary to the Treasury wants to correct what she said in this Chamber on 6 June. That day, she said:

"The investment relief should not be available for investments that are deadweight. It should be for new investments."—[*Official Report*, 6 June 2022; Vol. 715, c. 546.]

Yet there is nothing in the Bill to make sure the tax relief it introduces goes towards investments that are new. Above all, let us remember that we are currently holding the COP26 presidency and being trusted with a position of leadership in the world's efforts to tackle the climate crisis. It is astonishing and appalling that, at this of all times, we are giving 20 times more in taxpayer incentives to oil and gas producers than will be offered to firms investing in renewable energy.

While this Bill has plenty to say about tax breaks for oil and gas producers making extraordinary profits, it is silent on the idea of a windfall tax on the electricity generation sector. We know the Government were planning to tax the sector's profits, as it was widely briefed in late May that the former Chancellor had ordered Treasury officials to draw up plans for a windfall tax on electricity generators. The uncertainty created by this will-they-won't-they hokey-cokey on taxing profits from electricity generation risks discouraging vital investment in our future energy security.

As the Government are well aware, the price of electricity generated from renewable sources is currently linked to the price of gas. The spike in gas prices we are facing has therefore pushed up electricity prices, despite the costs of generating electricity from renewable sources not having changed, yet there is nothing about the

electricity generation sector in today's Bill and no detail on any wider plans from the Government to delink electricity prices from the price of gas. All we were promised in the explanatory notes published with the draft Bill was a vague intention that

"the government will urgently evaluate the scale of these extraordinary profits and the appropriate steps to take."

I therefore urge the Financial Secretary in her response to take this opportunity to say, once and for all, whether the Government will or will not be introducing additional taxes on this sector, and when the Government will bring forward urgent legislation to delink the price of electricity from the price of gas. We are not claiming that a solution to this is simple, but it is the job of Ministers, and a sign of leadership in government, to plan ahead and solve the challenging issues our country is facing.

The windfall tax is a way to offer immediate help to people now, but we need to be investing in the long term to keep energy bills down and make our economy more secure and more sustainable. That is why the Government should be adopting not just our plan for a windfall tax, but also our wider plan to improve energy security and keep energy bills lower in the future. Labour's plan would see us accelerate home-grown renewables and new nuclear, double onshore wind capacity, reform our broken energy system and retrofit 19 million homes to save households an average of £400 a year on their bills. From the Government, however, all we have in front of us today is a Bill that gives a tax break for oil producers' continued spending in the North sea. Once again, this Government lurch from crisis to crisis with no plan to fix our broken system and provide the security we need.

We are relieved that the Government are finally proceeding with the windfall tax, and we will be supporting this Bill today, but we will come back to the detail of it in Committee of the whole House. At that stage, we will urge Ministers to make right their delay in introducing the windfall tax and to drop the unnecessary tax break for oil producers that undermines the impact of this windfall tax and our country's wider efforts to tackle the climate crisis.

The Conservatives' approach to the windfall tax shows that they are not fit to govern. When we called for a windfall tax, they wasted months opposing it before finally changing course. Now they are undermining their own windfall tax with a new tax break for oil companies. When it comes to the long-term challenges we face, they simply do not have the plans we need for the future. That goes for the former Chancellor, the current Chancellor and all the Conservative leadership candidates as much as it does for the outgoing Prime Minister. Changing the person at the top of the Conservative party will not change anything. We need a change of Government, and that means we need a Labour Government.

5.10 pm

Peter Aldous (Waveney) (Con): This Bill is of particular interest to me, as not only is the cost of living crisis hitting hard in the Waveney constituency, but we need jobs based on the North sea to revitalise the local economy. I should also point out that I chair the British offshore oil and gas industry all-party parliamentary group, as the industry is a significant employer in the Lowestoft and Great Yarmouth area.

[Peter Aldous]

It is necessary to balance the need for short-term measures to support people through an unprecedented challenge, caused by covid and exacerbated by Russia's brutal invasion of Ukraine, against our long-term priority of promoting investment in the UK continental shelf, which will not only revitalise coastal communities but help us achieve our net zero obligations. It is important to point out that the activities taking place on the UK continental shelf are not just the extraction of oil and gas, but those in emerging new lower carbon industries such as offshore wind, hydrogen production and carbon capture, utilisation and storage, all of which are inextricably linked. Any levy on the oil and gas sector, if poorly thought through and poorly drafted, could have a negative impact on investment in those emerging industries, which are so vital to our future.

There is concern that there is a lack of a coherent long-term energy strategy. This Bill, printed on 5 July, in many respects conflicts with the Energy Bill published the very next day. The latter Bill aims to boost the UK's energy independence and security, attract private investment, reindustrialise the economy and create jobs through clean technologies. What is required is a seamless thread that runs through all aspects of energy policy, from our long-term strategy for producing energy to the need for a major step change in how we insulate our homes and our businesses, right through to the support for those who need it most at the current time. Those latter initiatives should build on policies already in place, such as the energy price cap, the warm home discount and the energy company obligation. We should also look to add to them with support such as the social tariff.

Underpinning this integrated approach should be how we ensure that we fully realise the great opportunity to create exciting, new jobs and how we can best provide people with the necessary skills. In mapping out the strategy with particular regard to this levy, the Government should have in mind the following considerations. The first is the vital importance of not inhibiting investment in decarbonised projects that will create jobs and help us meet our net zero obligations.

Secondly, the Government must have it in mind that investment in energy projects is global and footloose and, if we have an unstable fiscal regime, business will go elsewhere. Thirdly, they must ensure, and not undermine, the security of our energy supply. Fourthly, they should have regard to the negative impact on not just those high-profile oil and gas majors, but the supply chain companies located in many constituencies that are invariably highly innovative small and medium-sized enterprises and are the lifeblood of our local economies. Fifthly, notwithstanding that the Bill contains a sunset clause, there remains some uncertainty on the levy's timeframe, which I hope the Minister will clarify.

Taking those considerations into account, the amendments and clarification that the Government have made are welcome. They include the exclusion of petroleum revenue tax rebates from the levy, reassurance that capital expenditure on electrification linked to oil and gas is included in the investment allowance, and the inclusion of the aforementioned sunset clause.

That said, more changes would be welcome to reduce the fiscal uncertainty, so I would be grateful if the Government considered the following suggestions.

To support SMEs, they should introduce a small profit allowance to allow companies with small profits to be exempt from the levy. That would assist small companies that have been investing for many years. They accumulated significant losses when oil and gas prices were low and are now making only marginal profits.

There should also be support for decarbonisation schemes to ensure that projects such as the electrification of oil and gas production facilities benefit from the capital allowance. A regular review mechanism should be included to ensure that the levy is delivering on its aims and is not having any unintended consequences. There is also a need for regular ongoing dialogue with the industry and the sector's investors.

I understand why the Bill is being introduced—we are in unprecedented and deeply troubling times—but I am mindful that unintended consequences could undermine much-needed inward investment into the UK, particularly along the North sea coast, which is vital to the regeneration of towns such as Lowestoft. I therefore urge the Government to do all they can to address those concerns, and I hope that the Minister will do that in her summing up.

5.17 pm

Stephen Flynn (Aberdeen South) (SNP): It would be remiss of me as MP for Aberdeen South not to reflect on the fact that last week marked 34 years since the Piper Alpha disaster. It is all well and good for Members to talk about the Bill, but it is important to reflect on the sacrifices that many people have made in the North sea, particularly my constituents and those of the hon. Members for Banff and Buchan (David Duguid) and for West Aberdeenshire and Kincardine (Andrew Bowie), who continue to work in inhospitable terrain daily. I also reflect on the ultimate sacrifice that was paid by so many people long ago; I am sure the Minister will join me in that in her summing up.

On a less serious note, it is funny that we are in the midst of a leadership contest where all we hear about is tax cuts—some have promised £200 billion of tax cuts—yet the Chief Secretary to the Treasury is in the unenviable position of coming to the Chamber to tell us that he will hike taxes to 65% on the oil and gas sector. The irony of that will not be lost on anyone present. Importantly, that tax hike is four times greater than the £1.2 billion that the Opposition pushed for in January, so I congratulate him on being the only Conservative at this moment who appears to want to hike taxes.

Seriousness is important in this debate, however, because we are talking about why the legislation is needed. All hon. Members present are aware of the severe challenges that people up and down the country are facing. Energy prices are absolutely skyrocketing and we have all seen the troubling news in the last couple of days that they are expected to go higher than even Ofgem anticipated. There is also the knock-on impact of inflation, which is away to hit double figures. Fuel costs are skyrocketing. Clothing costs are skyrocketing. Food costs are skyrocketing. Interest rates are going up. Whichever way people turn, irrespective of where they live on these isles, they are getting squeezed and hammered. And the situation is not going to get better: we know the UK under the leadership of the current United Kingdom Government has the slowest growth in the entire G20 outside of Russia and the true effects of Brexit continue to be felt.

So implementing a policy that puts money into people's pockets is necessary and we of course support the principles of what the Government are seeking to do in that regard. It is worth reflecting on the fact that we are now at a point where the UK Treasury has coined some £400 billion from Scotland's North sea oil and gas sector. Is it not a pity that we are returning to the well once again? We look enviously across the North sea at Norway, which has a sovereign wealth fund from its own oil and gas sector. It is a bigger basin there, but that fund sits at around \$1 trillion. What a comparison to this Government. Not only are they going back to the Scottish well to try to put in place financial support for people, but they are at this crux, where they do not necessarily know what it is and where they are seeking to go, because the Bill was undoubtedly hastily written on the back of Sue Gray's report, as the Minister acknowledged earlier, when he could not even tell us at what price the levy would be removed. He talks about a normal price for oil and gas. I do not know what a normal price is for oil and gas; I am the MP for Aberdeen South and I have no idea what a normal price for an oil and gas barrel should be, and I do not think any Members on the Government Benches do. That offers absolutely no certainty to industry, irrespective of what the Government seek to suggest.

Perhaps the most glaring omission from the Bill is the fact that the Government are going to offer tax incentives in relation to further exploration, but we will not have anything in the Bill on renewable technologies directly linked to the offshore industry. Those tax incentives are not going to be applied to the renewables industry itself. We were told that is outwith the scope of the Bill, but it is a great disappointment that the Government had an opportunity to seriously incentivise investment in renewables and chose not to do so.

We are of course talking about the wider picture at the present time and I reflected earlier on the UK Government's desire to cut taxes, but we have not heard about climate change from any single Tory leadership candidate; what are their views on climate change? It is disappointing that there is no talk in relation to this Bill about the journey to net zero or the climate compatibility checks that I think we all across this Chamber, and indeed in industry, agree with.

It is clear, from looking at the situation at the moment, why the Bill is needed. The Government chose to introduce it when they did for reasons of political expediency, but we cannot allow the Bill to simply go through without attempting to improve it and I look forward to doing that at Committee stage.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. I ask Members to respect the maiden speech conventions as I call and welcome Simon Lightwood.

5.24 pm

Simon Lightwood (Wakefield) (Lab/Co-op): Thank you, Mr Deputy Speaker. It is with great pleasure that I rise to make my maiden speech today. The people of Wakefield have placed their trust in me to restore their rightful voice in this place, and I hope I will reflect their affinity for no-nonsense straight talking in my contributions in this House. I will speak briefly on the Energy (Oil and

Gas) Profits Levy Bill before begging Mr Deputy Speaker's indulgence to speak about the wonderful constituency that I now proudly represent.

What took you so long? It has been seven months since the shadow Chancellor, my hon. Friend the Member for Leeds West (Rachel Reeves), first set out Labour's plans for a windfall tax on oil and gas giants—seven long months of dither and delay as Government Members attacked the common-sense, compassionate plan to help millions of people facing soaring energy bills and the choice between heating and eating. Why? Pride. The Government could not possibly embrace an idea proposed by the Labour party, so instead of focusing on the people crying out for help, they attacked and ridiculed the idea, while millions worried about how to make ends meet.

I have spent the past few months telling people that this was their chance to tell the Prime Minister he should go. I am delighted that the voters of Wakefield took my advice, but am slightly surprised that 53 Conservative Ministers did, too. We need a change in Government and a fresh start for Britain. Everywhere we look, we see things that are broken, but under this Government, nothing gets fixed. They are incapable of governing in the national interest, and should move aside and call a general election. Those, perhaps, are not the words expected of a Member still exhausted by the rigours of a by-election, but it is an important message to deliver when the Government show such a clear detachment from reality.

I was not born in Wakefield, but I was made in Wakefield. It opened my eyes to a world of opportunity, and I fell in love with the people and the place when I moved to West Bretton to study for my theatre acting degree at Bretton Hall College, which is nestled in the glorious grounds of the world-renowned Yorkshire Sculpture Park. The city also boasts the Hepworth gallery, which was designed by the British architect David Chipperfield and takes its name from the artist and sculptor Barbara Hepworth, who was born and educated in the city. Wakefield constituency includes Wakefield—the merrie city, as it is known—and a large rural area to the south-west. It also includes the towns of Horbury and Ossett, each with their proud history and unique identities.

Wakefield has a proud mining heritage, and I pay tribute to those who powered our nation and kept our lights on. At the National Coal Mining Museum, situated in Wakefield, people come from all over the country to learn about that important industry and its important place in our history. While we cherish our proud heritage, we also have our eyes set towards the future, as shown by the recent opening of CAPA College, which is inspiring, training and educating the next generation of performers, creatives, designers and technicians. I was also pleased to visit the construction site of Tileyard North a couple of weeks ago. That exciting 135,000 square feet creative industries hub, based at Rutland Mills, is transforming the site into the UK's largest creative community outside London.

As is tradition, I would like to pay tribute to some of my predecessors, including Mary Creagh, who I watched from the Gallery delivering her maiden speech some 17 years ago. A tenacious campaigner and advocate for the people of Wakefield, she successfully introduced the Children's Food Bill in 2005, which sought to introduce

[Simon Lightwood]

minimum nutritional standards for all school meals. She went on to hold various positions, including shadow Secretary of State for Environment, Food and Rural Affairs, and was pivotal in delivering the new Pinderfields Hospital.

I also pay tribute to David Hinchliffe, who represented Wakefield from 1987 to 2005. He was Chair of the Health Select Committee and, in 1988, became the founder and first secretary of the all-party parliamentary rugby league group—coincidentally, the first all-party parliamentary group I joined upon my election. Finally, I pay tribute to the right hon. Walter Harrison MP, who represented Wakefield from 1964 to 1983. He proudly served as a Government Whip from 1966 to 1970, and as Deputy Chief Whip from 1974 to 1979. I believe Walter remains the only half vote recorded in *Hansard*, having jammed his foot in the Lobby door just as it was about to close, after being delayed in a lift.

It will not have escaped the notice of Members that I have omitted my most recent predecessor, who left the people of Wakefield without a voice in Parliament, but what I would like to do is pay heartfelt tribute to all victims of sexual abuse for their bravery in pursuing justice. Their actions leave the world a safer place and send a message to those who perpetrate such heinous crimes that we, as a society, will not tolerate sexual violence and abuse. No matter what your status, you are not above the law.

The reality of sexual violence and abuse in England is truly shocking: one in four women have been raped or sexually assaulted as an adult; one in 20 men have been raped or sexually assaulted as an adult; and one in six children have been sexually abused. Those are staggering statistics and represent an uncomfortable truth that must be heard—and, more importantly, urgent action must be taken. Our justice system is failing when only one in 100 rapes are reported to police and charged that same year. Sadly, most victims and survivors of rape do not report it to the police: five in six women and four in five men do not report it.

The biggest tribute we can pay to victims is our action, our perseverance and our commitment to demanding better, to doing more and to being honest with ourselves and admitting that when victims and survivors are forced to wait three years for their case to get to court something is badly wrong. We can and must do better. So, I pay tribute to all victims and survivors of sexual violence and abuse, and promise to always be straight-talking on this issue, and to ensure that the voices of victims and survivors are always heard.

Before taking my seat, I proudly worked for the national health service and witnessed the sheer exhaustion and the struggle that those on the frontline continue to face, and the frustration of those seeking to access NHS services stretched far beyond their limits. I worked with some real-life superheroes. As we move into a world where we live side by side with covid, I urge all colleagues to remember that for the NHS, the impact will be with us for many years to come. They deserve our respect, our patience and our gratitude for all they continue to do.

The people of Wakefield are weary of our politics and their trust has been eroded, but I promise to rebuild that trust every day and be their strong voice in Parliament, fighting every day for the betterment of my constituency.

Mr Deputy Speaker (Mr Nigel Evans): Congratulations on your maiden speech. You will remember this day forever.

5.31 pm

Wera Hobhouse (Bath) (LD): I congratulate the hon. Member for Wakefield (Simon Lightwood) on an excellent speech. He told us about the wonderful heritage, arts and culture in his constituency. I went to Yorkshire Sculpture Park, a long time ago now, and it was absolutely beautiful. I encourage everybody to go. I hope he will not suffer the fate of one his predecessors and get his foot jammed in one of the Lobby doors. Maybe if he comes early for voting, he can avoid that fate.

We Liberal Democrats have been calling for a windfall tax since last year. It was my right hon. Friend the Member for Kingston and Surbiton (Ed Davey) who first suggested, last October, a windfall tax on the super profits of the oil and gas giants that were taking millions of pounds in profit while households were starting to struggle badly. For months the Government tried to resist a windfall tax, defending the indefensible. The Government have finally caved in, but too late for many. For example, my constituent wrote to me in January saying that he had to stay in bed because he could not heat his home. Our Liberal Democrat analysis shows that more than double the amount could have been raised if the Government's levy was tougher now and had been implemented earlier. The equivalent of £200 is lost to each household because the Government are doing too little too late.

Imran Hussain (Bradford East) (Lab): The hon. Lady is making an absolutely excellent and pertinent point. Does she agree that the Government have had ample opportunities, but voted no fewer than three times in this House against bringing a levy in earlier?

Wera Hobhouse: I could not agree more. The Government have dithered and delayed. They could do something about it and back our amendment, which would ensure that the new levy on oil and gas companies is backdated to last October. That would at least reflect the dither and delay and do something about it.

What should we make of the proposals to exempt those companies investing in new oil and gas exploration? There is nothing in the Bill to incentivise investment in renewables. That flies in the face of the Government's commitment to get to net zero. In fact, it demonstrates once more how quickly they are prepared to U-turn on their promises, making it harder for struggling households to get on top of soaring energy bills now and in future and failing to take serious action on climate change. What is more, where is the programme to transform the pace of home insulation, which is lagging shockingly behind? Where are the planning laws to ensure that we build zero-carbon homes now rather than allowing developers to build homes that will require very costly retrofitting in a few years' time?

We need bold and swift action to help families with the soaring cost of living and energy prices. The cheapest form of energy is onshore wind. When will the Government drop their effective ban on onshore wind and turbo-charge its revival? That would be the surest way to help struggling households to bring their energy bills down in the near future. The Government, however, can only fire-fight, and they have no vision and no real ambition.

Under Liberal Democrat plans, we would cut most emissions by 2030. That would be good not only for the climate, but for people's pockets as we wean ourselves off global oil and gas markets as soon as possible. The Government have to come clean on the fact that even if gas and oil are produced in the UK, that will do nothing for household energy costs, because the price of oil and gas is fixed globally, not nationally.

On new green jobs, cleaner air, warmer homes and lowering living costs, the levy could have done so much more. We Liberal Democrats support the Bill but deplore the lack of a much greater ambition from the Government to rein in soaring energy costs and tackle the climate emergency.

Mr Deputy Speaker (Mr Nigel Evans): I call the shadow Minister, Abena Oppong-Asare.

5.35 pm

Abena Oppong-Asare (Erith and Thamesmead) (Lab): It is a pleasure to respond on Second Reading on behalf of the official Opposition. I thank all hon. Members; this has been a good debate with many interesting contributions from across the Chamber. I particularly congratulate my hon. Friend the Member for Wakefield (Simon Lightwood) on his excellent maiden speech—isn't it great to see Wakefield turn red again? I know that he will be a great champion for Wakefield and his constituents, and I look forward to hearing many more of his speeches. I also thank the hon. Members for Waveney (Peter Aldous), for Bath (Wera Hobhouse) and for Aberdeen South (Stephen Flynn), who made interesting speeches; it is good to hear them supporting Labour's policy.

The message that we have heard loud and clear from hon. Members today is that the Tory cost of living crisis is far from over. In fact, the financial pressures that many people are facing grow larger and larger. Food, fuel and energy bills continue to rise and families across the country are already worrying about the winter that lies ahead, as we all see reflected in the emails that we get from our constituents across the country. As my hon. Friend the Member for Wakefield mentioned, in that context, we are finally considering this long-overdue Bill, seven months after my hon. Friend the Member for Leeds West (Rachel Reeves), the shadow Chancellor, set out Labour's plan for a windfall tax on oil and gas producers—I repeat: seven months.

As my hon. Friend the Member for Ealing North (James Murray) said, since Labour first called for the windfall tax on oil and gas producers, energy bills for typical households have risen by a shocking £700, inflation has rocketed to its highest level in 40 years, and, of course, people's taxes have gone up as the Government have pressed ahead with the national insurance increase. In that period, oil and gas producers' profits have soared. Indeed, we estimate that between Labour first calling for the windfall tax in January and the former Chancellor and soon-to-be former Prime Minister finally accepting our arguments at the end of May, nearly £2 billion of tax revenue could have been raised to help people with the cost of living crisis. In that time, Conservative MPs voted against our plans for a windfall tax not once, not twice, but three times. Ministers repeatedly claimed that such a plan would not work. Famously, the current Chancellor said that oil and gas producers were "already struggling"; I would be very interested to hear from the Chancellor whether he has changed his mind about that.

It is shameful that it took the Government so long to come to their senses and finally do the right thing. That is yet more evidence, if we needed it after last week, that this Government are on their last legs, out of touch, out of ideas and now truly out of time. With the windfall tax and with so many other issues, it is Labour that leads and the Conservative party that follows. We are relieved that the Government are finally legislating for a windfall tax, and we will not oppose the Bill today, but there are several areas of concern for us.

Several hon. Members have mentioned the Bill's tax break for oil and gas producers. We simply do not think it right that the Bill will hand back money to the same companies that are supposed to be contributing their fair share to tackling the cost of living crisis. As my hon. Friend the Member for Ealing North said, for every £100 that an oil and gas company invests in the North sea, it will receive £91.25 from the taxpayer. How is that right? I compare that with the £25 that companies receive for investing for renewable energy, which is set to fall even further. A third or more of the revenue from the windfall tax will be handed straight back to oil and gas producers. How can it be right that we are subsidising oil and gas projects, which companies have said would happen anyway, to this level? It is an insult to families who are struggling and it makes a mockery of our climate commitments.

I turn to electricity generation and the excess profits in the electricity sector.

Stephen Flynn: The hon. Member is making a very passionate case. A similar question was asked earlier of her Front-Bench colleague, the hon. Member for Ealing North (James Murray), but I would be keen to know when shadow Ministers last met industry representatives in Aberdeen to discuss their views on the matter. I ask out of interest.

Abena Oppong-Asare: As the hon. Member knows, Labour has been consulting regularly with organisations and stakeholders about the matter. We are willing to meet anybody who would like to meet us. Our door is open.

We called for the windfall tax months ago and are glad to see that the Government are taking it forward, but I have to say that they have been all over the place on the issue. In May, it was suggested that the Chancellor had asked the Treasury to draw up plans for a windfall tax on excess profits by electricity generators. I really wish that the Government had been vocal on the issue when Labour raised it months ago. As hon. Members will know, the price of electricity is closely linked to the price of gas; electricity prices have therefore been pushed up, although the costs of generating electricity from renewable sources have not changed. That is leading to significant profits for the sector. It was reported that such a windfall tax could raise up to £10 billion, but the Bill says nothing about the electricity generation sector.

As the Government have gone quiet on wider plans to decouple electricity prices from the price of gas, I would be grateful if the Financial Secretary would shed some light today on the Government's plans for the electricity generation sector. It is clear that the market needs urgent reform so that it delivers for consumers and businesses. I hope that she can tell us why the

[Abena Oppong-Asare]

Government are delaying bringing forward an energy market reform Bill that will finally break the link between gas and electricity prices.

Hon. Members have mentioned the support announced alongside the windfall tax. Of course it is a relief to our constituents that the Government have finally brought forward payments to help with energy bills and have scrapped their proposed “buy now, pay later” scheme, but we think it simply wrong that owners of multiple properties will receive the £400 payment for each and every property that they own and live in. There are surely far better uses for the money than that, so I urge the Government to think again.

Although we will support it today because we have long argued for a windfall tax on oil and gas producers to help people with soaring energy bills, we know that the Bill will not be enough. It is simply not ambitious enough. We need a long-term plan to guarantee the UK’s energy security and bring down bills for families. We have called for an acceleration of home-grown renewables and new nuclear, a plan to double onshore wind capacity and reform our broken energy system, and a national mission to retrofit 19 million homes to save households an average of £400 a year on their bills.

Alan Brown: Will the hon. Lady give way?

Abena Oppong-Asare: I think that I have already been very generous.

Given the crisis facing the Conservative party, I do not have much confidence in them to deliver these essential priorities for Britain. While they spend the summer arguing among themselves, we on this side of the House will continue to provide the leadership that our country needs, just as we have with the windfall tax. We will stand up for families through the cost of living crisis, we will back British businesses and we will provide economic security for our country.

5.46 pm

The Financial Secretary to the Treasury (Lucy Frazer):

It is a pleasure to close this important debate on behalf of the Government. We have talked today about the context of the Bill: the high oil and gas prices, and the extraordinary profits that are being received by the industry while working people struggle with the cost of living. We are introducing a temporary, targeted levy to fund cost of living support, at the same time as encouraging companies to invest.

Let me start by responding to some of the points made by the hon. Member for Ealing North (James Murray). He criticised our levy for not raising enough, but, as was pointed out by the hon. Member for Aberdeen South (Stephen Flynn), Labour’s proposal would have raised only £1.2 billion at the time when it was made, whereas our levy will raise £5 billion—more than the £4 billion called for by Greenpeace, more than the £3.7 billion called for by the Green party, and, as I have said, significantly more than the amount proposed by the Labour party.

The hon. Member for Ealing North criticised our scheme because it will encourage investment, while the hon. Member for Erith and Thamesmead (Abena Oppong-Asare) said that we needed domestic energy security.

We are ensuring that the important oil and gas sector will continue to invest so that we have that domestic energy security. The hon. Gentleman criticised us for not listening to industry, but I noted that neither of the Labour Front Benchers was able to say how or when they had engaged with industry. As Conservative Members know, last month the Chancellor held an industry roundtable which was attended by me and by the former Exchequer Secretary, my hon. Friend the Member for Faversham and Mid Kent (Helen Whately).

Let me quote some of what has been said by representatives of the industry about our investment proposal. Orcadian Energy has said:

“We believe the immediate investment allowance, included in the Energy Profits Levy, has transformed the attractiveness of domestic oil and gas projects for companies extracting oil and gas in the UK and it should spark further investment in the North Sea.”

Cornerstone Resources has said that there has been

“more interest in partnering with us”

in the last few weeks. I could go on, but what we are trying to do is raise money to help with the cost of living, at the same time as encouraging industry to invest in a vital sector.

Let me now answer some of the questions put to us by the hon. Member for Ealing North. First, I can confirm that the Chancellor supports the Bill. I also want to respond to the point about consultation. The hon. Gentleman was, of course, encouraging us to do this a long time ago, but now he says that we should have consulted for longer and, therefore, introduced the measure later. We have sought to engage, and put the industry on notice, as much as possible regarding the announcement of the levy. Ministers in my Department have been in regular contact with the industry and we also undertook a short period of technical consultation on the legislation for the levy. Hon. Members will know that draft legislation was published on 21 June, with stakeholders able to provide technical feedback on it until 28 June.

The hon. Member for Ealing North asked what we were doing about the electricity generation sector. As the former Chancellor said at the time, that is something we are urgently looking at. The hon. Gentleman said that we should follow Labour’s plan. Well, let us remember what Labour’s plan is. Labour has put forward £100 billion-worth of spending proposals, of which only £10 billion-worth are fully funded.

I would like to mention the passionate and important speech from my hon. Friend the Member for Waveney (Peter Aldous). He rightly identified the need to balance short-term measures with long-term investment, and I hope that that is what we are doing. He raised the importance of renewables. As I have had the opportunity to discuss with him before, there are other tax levers and non-tax levers to support non-oil and gas investment, including the super deduction and the UK’s research and development tax credit scheme. There is also the contracts for difference scheme, which provides developers of low carbon electricity generation with direct protection from volatile wholesale prices, and the £1 billion carbon capture infrastructure fund.

My hon. Friend also asked about the timeframe. That is an important point, because this is a temporary measure. There is a sunset clause in the legislation. It is rare to include a sunset clause, but we have done so to

underline that this is a temporary measure with a timeframe of 2025. He raised the importance of dialogue with the industry, and I reassure him that we have engaged fully with the industry and will continue to do so.

Alan Brown: On carbon capture infrastructure, the Minister is well aware that the Scottish cluster has been made a reserve and been let down yet again. Can she define what “reserve” means, because nobody seems to know? Does she expect one of the two selected projects to fail, at which point the reserve would step up, or is it a question of dangling a carrot in front of it? What does “reserve” really mean, and why do the Government not just make the Scottish cluster a track 1 cluster?

Lucy Frazer: The hon. Member makes an important point, because we value the investment and work that is going on in Scotland in the oil and gas sector and in renewables. He knows that, because I and Ministers from the Department for Business, Energy and Industrial Strategy have stood at this Dispatch Box and engaged with him regularly on this. He is right to identify that that cluster is in reserve, and I am sure these matters are being discussed with the relevant Ministers in BEIS.

I recognise the points that the hon. Member for Aberdeen South made about the sacrifices made by those who work in this sector. I am grateful to him for making those points, which I am happy to associate myself with. He asked what the normal price was, and I would like to refer him to the comments that the former Chancellor made when he was questioned on this by the Treasury Committee. He said:

“The last time this was done, a price target was published, which was \$74 or \$75 for Brent...If you look at average Brent price over the last five or 10 years, that will give you something like \$60 or \$70 for oil...so that gives you a sense.”

This is something we will be considering in due course.

Stephen Flynn: I was of course aware of the former Chancellor’s fluff in relation to this topic. Is the Minister confirming to the House and to the industry, which will be watching, that if the price of oil falls to around \$60 or \$70 a barrel, the levy will be no more?

Lucy Frazer: As I have just said in responding to the hon. Gentleman’s earlier point, the former Chancellor said that that “gives you a sense”, and I too am happy to relay that sense of where the prices would be, but we also have the long-stop date, which should give the industry some certainty as to when this will finally come to an end.

I welcome the hon. Member for Wakefield (Simon Lightwood) to this place. I was born and made in Leeds so I am very pleased to welcome a neighbour, in one sense of the word, and to hear him extol the virtues of Wakefield. He made a passionate speech about standing up for victims of sexual abuse and I welcome him to his place in the House of Commons.

The hon. Member for Bath (Wera Hobhouse) asked for bold and swift action, and that is what this Bill is about. Tonight this House has the opportunity to support the introduction of an energy profits levy on the extraordinary profits of UK oil and gas producers. It has the opportunity to support investment in the North sea through the levy’s investment allowance, and to support the automatic expiry of the levy in law, giving companies additional reassurance that the levy is temporary. This is a balanced approach that allows the Government to deliver support to families while encouraging investment and growth. For those reasons, I urge Members of this House to support the Bill.

Question put and agreed to.

Bill accordingly read a Second time.

Energy (Oil and Gas) Profits Levy Bill

Considered in Committee (Order, this day)

[MR NIGEL EVANS *in the Chair*]

Clause 1

CHARGE TO TAX

Question proposed, That the clause stand part of the Bill.

The Second Deputy Chairman of Ways and Means (Mr Nigel Evans): With this it will be convenient to consider the following:

Amendment 9, in clause 2, page 2, line 42, at end insert

“, which may include electrification investment that decarbonises upstream oil and gas activities”.

This amendment would put on the face of the bill that electrification investment which decarbonises upstream oil and gas activities is eligible for relief.

Clause 2 stand part.

Clauses 3 to 11 stand part.

Amendment 1, in clause 12, page 9, line 32, after “levy” insert

“and the amount of tax relief on additional expenditure treated as incurred that the responsible company is claiming under section 2 of this Bill.

(2A) The data submitted by responsible companies under subsection (2) of this section must be published in aggregate on a quarterly basis.”

This amendment requires companies making a payment of the levy to also provide information to HMRC about the amount of extra tax relief they are claiming under section 2 of the Bill, and requires the total amounts of levy received and tax reliefs claimed every quarter to be published.

Clause 12 stand part.

Clauses 13 to 19 stand part.

That schedule 1 be the First schedule to the Bill.

That schedule 2 be the Second schedule to the Bill.

New clause 1—Assessment of revenue effects of a higher Energy Profits Levy—

‘The Chancellor of the Exchequer must, no later than 30 September 2022, lay before the House of Commons an assessment of the effects on—

(a) tax revenues, and

(b) oil and gas company profits

of the Energy Profits Levy being charged at 45%.’

This new clause would require the Government to publish an assessment of the effect on tax revenues and on oil and gas company profits of charging the Energy Profits Levy at 45% rather than 25%.

New clause 2—Review of the impact of tax relief on additional expenditure treated as incurred—

‘The Chancellor of the Exchequer must, by 26 August 2023, publish an assessment of the impact of the tax relief provided by this Act on the UK’s energy market, including the impact on—

(a) net zero obligations;

(b) energy security;

(c) renewable energy supplies; and

(d) fracking.’

This new clause requires an assessment, within three months of the end of the first year of the levy being in place, of what impact the Bill’s extra tax relief for investment expenditure by oil and gas companies would have on the UK’s net zero obligations and other aspects of the energy market.

New clause 3—Review of impact of earlier start date of the levy—

‘The Chancellor of the Exchequer must, within three months of this Act receiving Royal Assent, publish an assessment of how much the levy would have raised between 9 January 2022 and 25 May 2022 if it had been in place from 9 January 2022.’

This new clause requires an assessment, within three months of the Bill becoming law, of how much extra revenue would have been raised if the levy had been introduced on 9 January 2022 rather than 26 May 2022.

New clause 4—Review of the amount of tax relief on additional expenditure treated as incurred—

‘The Chancellor of the Exchequer must, within three months of this Act receiving Royal Assent, publish an assessment of—

(a) how much tax relief on additional expenditure treated as incurred under sections 2 to 7 of this Act will be claimed; and

(b) how much of the tax relief expected to be claimed is estimated to be in respect of investment that would have taken place if the tax relief had not been in place.’

This new clause would require the Government to assess the amount of tax relief for investment expenditure introduced by this Bill expected to be claimed by oil and gas companies, and to estimate how much of this is a deadweight cost.

New clause 5—Review of the impact of limiting the scope of the tax relief on additional expenditure treated as incurred—

‘The Chancellor of the Exchequer must, within three months of this Act receiving Royal Assent, publish an assessment of the impact of making ineligible for the tax relief on additional expenditure treated as incurred any investments that—

(a) do not align with the IEA’s net zero emission scenario for a 1.5 degree temperature increase;

(b) have been announced before 26 May 2022; or

(c) are incurred by companies that have engaged in share buy-backs in the three previous financial years.’

This new clause would assess the impact of limiting the scope of the tax relief introduced by this Bill to exclude investments on the basis of their impact on climate change, whether they had already been announced, and whether the company making the investment had engaged in share buy-backs in the last three years.

New clause 6—Environmental impact of exploration activity on which levy relief is claimed—

‘The Government must undertake an environmental impact assessment in relation to any claim for relief in respect of exploration activity, which must include an assessment of whether the exploration activity is consistent with the Government’s net zero commitments.’

This new clause would require the Government to assess against its net zero commitments any investment in oil and gas exploration activity against which levy relief is claimed.

New clause 7—Regular reviews in relation to oil and gas market—

‘The Government must publish a review of the oil and gas market by 26 November 2022 and every six months thereafter during the period of the levy, which must include an assessment of—

(a) whether there is a continued need for the levy, and

(b) whether the levy should be continued in order to promote further decarbonisation of upstream oil and gas activities.’

This new clause would require a six-monthly review by the Government of the oil and gas market to assess whether the levy is still needed and whether it should continue in order to promote decarbonisation of upstream oil and gas activities.

New clause 8—Assessment of revenue from a permanent levy rate of 30%—

‘The Government must within six months of Royal Assent lay before the House of Commons an assessment of the expected change in levy revenue if the levy is set at a permanent rate of 30% so that taxation on oil and gas company profits was permanently set at 70%.’

This new clause would require the Government to produce an assessment of the amount of revenue which would be generated if the level of taxation on oil and gas company profits was permanently raised to the global average of 70%.

New clause 9—Assessment of levy revenue if investment relief not permitted—

‘The Government must within six months of Royal Assent lay before the House of Commons an assessment of the revenue that the levy would yield if no relief was permitted in respect of investment expenditure.’

This new clause would require the Government to produce an assessment of how much revenue would be generated by the Energy Profits Levy if the investment allowance were removed.

New clause 10—Assessment of investment allowance on compliance with climate change targets—

‘The Government must within six months of Royal Assent lay before the House of Commons an assessment of the impact of the levy investment allowance on compliance with the requirements of the Climate Change Act and the global agreement to limit global heating to 1.5 degrees.’

This new clause would require the Government to produce an assessment of the impact of the investment allowance on achieving Net Zero by 2050 and limiting global temperature increase to 1.5 degrees.

Just to remind everyone: as I am sitting down here, I am the Chair of the Committee and not Mr Deputy Speaker, so it is “Mr Evans”, “Chair” or “Chairman”. Anything like that will do.

5.55 pm

Lucy Frazer: Thank you very much, Mr Chair. I open this debate by reminding the Committee of the purpose of the energy profits levy. The levy is a temporary 25% surcharge on extraordinary profits being made by the oil and gas sector as a result of the substantial rise in energy prices precipitated by the Russian invasion of Ukraine. It will help to fund the cost of living package for UK families that we announced in May. It will raise around £5 billion over the next year and will apply to companies within the ringfenced corporation tax regime. Specifically, these are companies involved in the exploration for and extraction of oil and gas in the UK and on the UK continental shelf.

The Government have been clear that they want the oil and gas sector to reinvest its profits to support the economy, jobs and UK energy security. That is why the Bill includes the 80% investment allowance. This new super deduction-style relief is being introduced to encourage firms to invest in oil and gas extraction in the UK. In future years, if oil and gas prices return to historically more normal levels, the Government will phase out the levy. However, the first clause in the Bill specifies that the levy will automatically cease to apply after 31 December 2025. I want to highlight this to the House, as it demonstrates the Government’s commitment to keep the levy temporary. Very few taxes have their expiry date set in law. Before I address the clauses and schedules in the Bill in turn, I would like to say that I have noted the amendments and new clauses tabled by Opposition Members and I will respond to them later in the debate.

Clause 1 gives the Government the ability to collect the energy profits levy. It sets the 25% rate and the levy’s main scope. The clause sets out that the levy applies to accounting periods for when the measure is in effect. It also sets the adjustments to ringfence profits for the purposes of calculating taxable profits for the levy. The levy is a tax on profits that companies are realising from oil and gas activities during what is an exceptional period. It is only fair that the measure of profit on which the EPL is charged should not be reduced by the amount of decommissioning expenditure or losses incurred from previous years. Therefore, those adjustments, which include finance costs, decommissioning costs and historic losses, are left out of account. However, the repayment of petroleum levy revenue tax arising from decommissioning is also left out of accounts. As I mentioned on Second Reading, the Government have responded to feedback from the industry in making this change. Although such repayments remain taxed under the ringfenced corporation tax and supplementary charge, they are not taxed under the levy. Another adjustment to profits is the new 80% investment allowance, which is deductible against profits.

6 pm

Clause 2 defines the investment allowance, which applies to capital expenditure incurred on oil-related activities. It also includes certain operating and leasing expenditure. The allowance will be calculated in the same way as the investment allowance for the existing supplementary charge. However, it is both more immediate and more generous, as it will be available to companies at the point of investment. It is also worth emphasising that qualifying expenditure can be used on the decarbonisation of upstream activities, including electrification.

This is important to the industry, and members of the industry—and, indeed, Members of this House, including my hon. Friend the Member for Banff and Buchan (David Duguid)—have raised it with us. Any capital expenditure on electrification, as long as it relates to specific oil-related activities within the ringfence, will therefore qualify for the allowance. This will include, for example, expenditure on plant and machinery such as generators—including wind turbines—transformers and wiring.

Clauses 3 and 4 set out the types of operating and leasing expenditure that are eligible for the investment allowance, and they are modelled on the provisions for the supplementary charge investment allowance. For operating expenditure, the expenditure must have been incurred for one of the listed purposes, such as increasing oil extraction rates or oil reserves, and must be incurred in relation to a qualifying facility or oil well. However, the allowance is not available for routine repair and maintenance. Leasing expenditure must be for leases of at least five years, and must be for mobile production or storage assets such as floating production storage and offloading ships.

Alan Brown: The right hon. and learned Lady sent a letter to MPs saying that electrification will be covered in the offsetting, but does she agree that it should really be in the Bill? Ministers and Prime Ministers come and go, as we have seen, so the only way the industry can have full certainty and clarity is to have something in the Bill about electrification, which is the purpose of SNP amendment 9.

Lucy Frazer: I have read amendment 9 and will address it in due course. In response to the hon. Gentleman's point, that will be included in guidance. I said it at the Dispatch Box last week, and my right hon. Friend the Chief Secretary to the Treasury has also said it at the Dispatch Box, so I think that point is quite clear.

Clause 5, on the meaning of "disqualifying purposes," is an anti-avoidance provision to ensure that expenditure is not eligible for the investment allowance if it arises because of any tax avoidance arrangements. Clause 6 ensures that additional expenditure for the investment allowance is available only for new assets, including the acquisition of an interest in an oilfield. It prevents the allowance from being generated on assets that have already been taken into account for the purposes of the levy or that would have been had the levy been in force.

Clause 7 determines when investment expenditure is incurred. For capital expenditure, it is as per the rules set out in the existing capital allowances legislation; for operating and leasing expenditure, it is the date on which it is paid. The clause also makes it clear that expenditure incurred before 26 May 2022 or after 31 December 2025 is not to be treated as expenditure incurred in an accounting period to which the levy applies.

Clauses 8 and 9 define financing and decommissioning costs and are modelled on existing legislation. Clause 10 and schedule 1 set out the loss regime within the levy. This includes group relief and the losses that companies carry back or forward under the levy, such as carrying forward losses to a future qualifying period. Clause 11 applies general corporation tax principles to the levy, which is treated for administrative purposes as an amount of corporation tax. It also prescribes the framework within which the levy will operate.

Clause 12 introduces a requirement for companies making a levy repayment to provide information about that payment to HMRC, so that receipts from the levy can be monitored. Clause 13 provides for necessary adjustments to be made if alterations are made to a company's ringfenced profits or losses. Clause 14 introduces schedule 2, which makes consequential amendments to enactments in the light of this Bill.

Clauses 15 to 17 set out the rules for apportioning profits for accounting periods that straddle the levy's start or sunset dates. These rules identify which profits are chargeable to the levy by treating the periods before and after the start or end date as separate accounting periods. In particular, this requires companies to apportion their receipts, expenses, assets and liabilities on a just and reasonable basis. Clauses 18 and 19 simply set out the Bill's legal interpretation and short title in the usual manner.

This Bill delivers the energy profits levy, a 25% surcharge on the oil and gas sector's extraordinary profits. The levy will raise around £5 billion over the next year, and it will go towards supporting people via the cost of living measures we announced in May. The Bill also provides for the new 80% investment allowance, which means that businesses will overall get a 91p tax saving for every £1 they invest. Finally, the Bill provides certainty through a sunset provision. It will therefore give businesses further reassurance that the levy is indeed temporary.

James Murray: I will now address the detail of the Bill's key clauses, as well as the amendments and new clauses tabled in my name and those of my hon. and right hon. Friends.

As I set out on Second Reading, this Bill is long overdue. The Government have finally agreed to introduce a windfall tax many months after they should have done. As I noted earlier, Ministers still cannot bring themselves to say "windfall tax" in relation to these measures, so we offer them amendment 8, which would rename the Bill, as one last chance to call this new tax what it is.

It has been six months since, on 9 January, the shadow Chancellor first set out Labour's plans for a windfall tax on oil and gas producers' profits to help to fund a cut to people's home energy bills. Until their U-turn in late May, Ministers were falling over each other to attack our plans. In all the time they opposed our plans, people's energy bills and oil producers' profits both soared. Those months of opposing our plans left the public finances missing out on billions of pounds of tax revenue. Those extra funds could have given people further help with their energy bills. Today we are giving the Government the chance to right that wrong.

Clause 1 makes it clear that the windfall tax will apply from 26 May 2022. Our new clause 3 would require the Government to recognise how much extra tax revenue would be raised if the levy instead applied from 9 January. We urge all Conservative MPs to support our amendment and apply the windfall tax from 9 January, the day the shadow Chancellor first laid out Labour's plans for a windfall tax, rather than leaving it to start only from 26 May, the day the former Chancellor finally changed his mind.

Those extra months would raise an extra £1.9 billion for the public finances, which we would then urge the Government to put toward removing VAT on domestic energy bills for the rest of this year. We have been urging the Government to scrap VAT on this year's domestic energy bills since last autumn. We know that a VAT cut would provide immediate help to families now. Furthermore, taking VAT off energy bills would help to push inflation downwards from its current 40-year high. Funding for this should come from applying the windfall tax from January this year, when Labour first called for it, rather than only from May, when the Government finally came round.

Conservative leadership hopefuls have been talking a lot over the weekend about how keen they are on tax cuts, although they and their supporters have all failed to explain how any of those would be paid for. Today, we offer them a fully funded tax cut that will help people immediately with the cost of living. Today, we are asking them to follow our plan to cut VAT on home energy bills by applying the windfall tax on oil producers from the start of the year, as should always have been the case. The principle of backdating a windfall tax is not only well established—given that the very principle of windfall taxes is to tax unexpected profits that have occurred—but is included in this Bill, which backdates the levy in its first clause.

We know that oil producers such as BP and Shell reported bumper profits in the first quarter of 2022. As drafted, however, the Government's Bill ignores those profits entirely, as their levy will not apply until well into the second quarter of this calendar year. I realise that the Financial Secretary has said that she will not support our new clause and that the current Chancellor, a former oil industry executive, is unlikely to change his mind after coming out so firmly against a windfall tax on oil and gas producers back in January, on the grounds

that those producers were “already struggling.” But given the situation in the Conservative party, I wonder whether colleagues of the Minister may feel able to think more openly about how to vote. I wonder whether any of the other Conservative leadership candidates may like to support our plan for an immediate, fully funded tax cut to help people with the cost of living and tackle inflation. Later this evening, when we vote on new clause 3, we will find out what judgment they have made.

We would also like to know what judgment those people have made about the Government’s decision to undermine the levy by shamefully giving a third or more of any money raised straight back to the oil producers through the new tax break introduced by clauses 2 to 7. This new tax break offers oil and gas producers an unprecedented subsidy for their spending on oil-related activities. As we made clear on Second Reading, for every £100 an oil and gas producer invests in the North sea, they will receive £91.25 from the taxpayer. That is an astonishing 20 times the £4.50 that companies investing in renewable energy will receive from April next year.

Any argument by Ministers that this tax break is necessary to support investment in oil-related activities has been challenged by the bosses of the oil producers themselves. BP’s chief executive told shareholders just two months ago that the company’s £18 billion investment plans were

“not somehow contingent on whether or not there is a windfall tax”.

Yet despite even oil executives questioning its worth, the Government are pushing ahead with this tax break. Our analysis has shown that that means a third or more of any revenue from the new levy could be handed straight back to oil and gas producers. That money will subsidise projects that almost certainly would have happened anyway, as there is no requirement in the Bill for investment to be additional to what was already planned, and this move stands totally at odds with the paramount need to invest in renewable energy sources.

It is critically important and urgent for us to invest in renewable energy to strengthen our energy security while bringing down people’s bills and tackling the climate crisis. We have set out Labour’s plan to do just that. Alongside insulating 19 million homes over 10 years to cut people’s bills, we would strengthen our energy security and reduce our carbon emissions by doubling our onshore wind capacity, tripling solar power, backing tidal power and nuclear power, and further investing in hydrogen. Yet the Government are today introducing a tax break that seems to fly in the face of tackling the climate crisis.

That is why we have tabled new clause 2, which would force the Government to come clean about the impact of their unnecessary tax giveaway to oil producers on our country’s net zero obligations, energy security and renewable energy supplies. This new clause also asks the Government to spell out what impact their tax break will have on fracking, given the deeply concerning reports in the media that legal advice provided to the campaigning group Uplift suggests that fracking companies would also be eligible for this tax break, based on the way the Bill has been written. I urge the Government to accept new clause 2, to make it clear what impact the tax break in the Bill will have on fracking. If the Minister refuses to do that, will she at least come clean today and confirm or deny whether this tax break could lead to public money being channelled toward dangerous, unpopular and expensive fracking projects?

6.15 pm

Astonishingly, despite offering such a generous, unnecessary, and counterproductive tax break in this Bill, the Government still do not seem able to say how much it will cost. I note that the tax information and impact note, published just a few hours ago, gave no figures on that at all. To make sure the Government are open about the impact of this tax break, we have tabled amendment 1, which requires them to be transparent on the details of this tax relief once the levy is in place, by collecting and publishing the figures on how much it will cost. We have also tabled new clause 4, which forces the Government to do what they really should do without our needing to ask, which is coming clean now on how much they estimate this Bill’s new tax relief will cost. New clause 4 also forces them to come clean on the simple question of how much of the tax relief is estimated to be claimed in respect of investment that would have taken place anyway. As I highlighted on Second Reading, the Financial Secretary seemed clear in this Chamber on 6 June that:

“The investment relief should not be available for investments that are deadweight. It should be for new investments.”—[*Official Report*, 6 June 2022; Vol. 715, c. 546.]

Yet there is nothing in the Bill to make sure the tax relief it introduces goes toward investments that are new. We are therefore left unclear how she could have been so confident that the relief will not be available for investments that are deadweight, and our new clause seeks clarity on that point. If she will not accept our amendment, perhaps she can at least confirm whether she may have unintentionally misled the House on 6 June by suggesting the tax relief will not be available for investments that are deadweight, and that it will all go toward new investments.

Let us take a step back from the details. We simply do not believe this tax break is right; it undermines the windfall tax, it does not even work on its own terms and it flies in the face of the urgent need to respond to the climate crisis. That is why we have tabled amendments 2 to 7. When we conclude this debate, we intend to vote against clause 2 to remove this tax relief in its entirety. For months, we have opposed the Government’s tax rises on working people. In the past few days, we have heard Conservative leadership candidates talking a lot about tax cuts. If potential Tory leaders refuse to back us tonight, one of the very first votes they cast since launching their campaigns will be to cut taxes for oil producers. If they keep refusing to back us tonight, they will be opposing our fully funded plan to cut VAT on home energy bills. That will simply confirm what we all already know to be true: that changing the person at the top of the Conservative party is not going to change anything at all. We need a change of Government, and that means we need a Labour Government.

Craig Mackinlay (South Thanet) (Con): I was asked on 26 May by one of the main newspapers what I thought about this proposal of a windfall tax, on the back of what Labour had proposed some time before. I gave this fairly high-octane statement:

“Whichever way you look at it, a 65% tax rate applied to an industry that we need to encourage to help us through our energy policy mess seems topsy-turvy.

Higher taxes can never mean lower prices.”

[Craig Mackinlay]

And this was the statement that caused some alarm and was widely reported:

“All in all, I’m disappointed, embarrassed and appalled that a Conservative Chancellor could come up with this tripe.”

With the change of Chancellor, I had hoped that we would have quietly disposed of the Bill and not progressed to Second Reading. It should sensibly have been scrapped, but although the former Chancellor has gone, the Chief Secretary to the Treasury, my right hon. Friend the Member for Middlesbrough South and East Cleveland (Mr Clarke), is still here and presented the Bill this afternoon. I fully understand public disquiet about the supranormal profits that have been earned by the oil and gas industry over the period. The hon. Member for Ealing North (James Murray), who speaks from the Labour Front Bench, has made those points, which form the backbone of some of Labour’s new clauses.

The comments of various chief executives of the oil and gas industry—calling their profits “cash machines” and all that—were particularly unhelpful; they did not do themselves too many favours. Such companies lost similar amounts of money during covid, when, as we all recall, the gas and oil price completely collapsed. Owing to storage issues, there were a few days when oil was trading at a negative rate, which was rather bizarre; I wish I had had a few barrels to fill at the time.

We already did some rather strange things in years past. Under the Finance (No. 2) Act 2017, we restricted the carry-forward of losses. There is an allowance of £5 million, but the amount of profit that can be relieved with carried-forward losses is restricted to 50% on the rest. We have created a tax regime whereby we are happy to take the profits and tax them, but we are not willing appropriately to relieve the losses, and I am not sure that any of Labour’s new clauses would address that.

I have had discussions with various Front Benchers prior to today. Labour has objected to many parts of the Bill, because in its analysis of life—shadow Ministers have given quite a lot away—anything less than taking 100% of everything is a loss of tax. I am not sure that it was quite what the hon. Member for Ealing North intended to say, but he clearly suggested that that is Labour’s view of tax: it is necessary to take the lot, as anything less is a sort of tax give-back.

Geraint Davies (Swansea West) (Lab/Co-op): The hon. Member may know that over the last few decades, the five biggest oil companies have made \$2 trillion of profit, and the profit that they have been making is over the normal operational costs. What we have now, thanks to Putin’s war, is a massive price hike. That windfall profit is literally that—the companies have done nothing to earn it; they have simply stolen money from the pockets of people using transport and filling their cars. Is the hon. Member saying that that theft should simply be kept by the oil companies, which have done nothing other than exploit an illegal war? What sort of statement is that?

Craig Mackinlay: The hon. Gentleman has merely clarified what I have been trying to say; yes, of course there were supranormal profits on the back of Ukraine war and coming out of covid, when the entire planet was getting its factories back up and running and life

was returning to normal. I had hoped I was making the clear point that there were substantial losses by similar companies in years past. Given the hon. Gentleman’s analysis, I assume that grain wholesalers would face a similar tax from Labour. Semiconductor manufacturers supplying their goods from South Korea would similarly, through artificial means, have earned good profits at this time. It seems that the Labour party would definitely want to tax everybody on anything that it considered to be an inappropriate amount of profit, whatever that might be.

I have a number of objections to the levy. Labour’s new clauses 7 and 8 go some way to clarifying a little of what I am saying, although I will not support them tonight. Let me turn to the relevant North sea businesses that will be caught by the levy. Since 1 January 2002, we have had the ringfenced corporation tax at 30%—more than our current headline rate of corporation tax. The supplementary charge, which goes on top of that, has been up and down over the years. It commenced on 17 April 2002 and peaked during the coalition period—very relevantly, between 24 March 2011 and 31 December 2014—at 32%. Of course, the then Department for Business, Innovation and Skills was held by the Liberal Democrats in the coalition, so that gives us a little insight as to what they think of tax: it is generally a high one.

We had a 62% tax during that period, but immediately prior to this legislation the supplementary charge had been down to 10%. We were bobbling along with massive profits and were taking 40% of the total to the Treasury. Whichever way I look at it, I see that as a goodly rate of tax. However, under clause 1, which has just been outlined by the Financial Secretary to the Treasury, my right hon. and learned Friend the Member for South East Cambridgeshire (Lucy Frazer), this new energy profits levy is 25%.

Let me be very clear about my objections: a 65% tax rate is excessive in any tax regime. We are asking the self-same companies to go all out—“Please go all out!”—for more oil and gas in the North sea at this time of energy crisis, energy insecurity and very high prices. Why have they not, thus far, explored those parts of the North sea that we are now asking them to explore? It is because they are more complicated, deeper and more hostile environments. The profits derived from those tougher locations—the higher hanging fruit, rather than the lower hanging fruits—will be less, as the costs are higher.

I am aware of what I perceive as the tax nudge, but I am afraid that it is a little bit like Baldrick’s cunning plan. We are trying to nudge companies—this is about the only good thing about the Bill—by saying, “You make the right investments to get more oil and gas out of the North sea that we desperately need, and we will give you a very substantial tax relief.” And that tax relief is substantial, at 91.25%. I am afraid that the Chief Secretary to the Treasury has let the cat out of the bag; if that is the Baldrick cunning plan, which I can see the benefit of, how can we have estimated £5 billion as the amount of tax to be raised? That cunning plan is not going to work fully; many companies will not take the option of relieving the variety of taxes that are now before them, they will not invest, and we will be taking £5 billion out of the industry.

We are not only asking the companies to undertake new investment in the North sea. We are asking them to undertake some rather fresh thinking and research,

with unknown outcomes, on the net zero pathway. I know for a fact that BP is doing a lot of work in this field—its people have been in one of the dining rooms of this House—and good luck to it, but as has been highlighted by the Labour Front Benchers, there is nothing in the Bill that nudges such investment in the net zero field.

“Profit” is not a dirty word. Profits pay our salaries, every salary of every civil servant, and every single pension in this country; they are all on the back of profits. “Profit” is a good word—a word that makes the world turn. Another objection I have to the levy is that the self-same companies, which are earning good profits, are the backbone of many blue chip investments that can be found in practically every pension fund in the land, because they are good dividend payers. Millions of pensioners rely on those dividends—a long and usual flow that can be relied on year in, year out. By the Government taking the extra 25%, those dividend flows will have to be lessened. We cannot take another 25% out of a profit and expect the dividends to flow at the same rate.

6.30 pm

Most importantly—and I really do wish that this Bill had been smothered—what does a tax rate of 65% say about doing business in the UK? Does it say, “Do well, and we may change the tax rate rather quickly on future profits, because you are doing rather too nicely”? My hon. Friend the Member for Waveney (Peter Aldous) made the point on Second Reading that these companies are fleet of foot. They can invest wherever they like. There is plenty of oil and gas around this world that they can go to, but where their investments may not be carried out and administered in such an environmentally positive way as in the UK. There might be very little monitoring of how much methane is being vented off and of the actual working conditions of people working off the coast of Brazil or the coast of Africa. I would rather that that was done in the UK, but that is a wider argument about energy security and why we should be doing things for ourselves.

Alan Brown: Is the hon. Member seriously saying that the companies that currently work in the North sea—companies that are environmentally responsible, take workers’ rights very seriously and look after their workers—might just move somewhere else in the world and give up on workers’ rights and the environment? That does not sound like responsible companies, yet that is what he seems to be saying they would do.

Craig Mackinlay: I am saying very clearly that big companies can make investments anywhere they please in the world, perhaps with tax regimes that are more suitable to them and where they are not being taxed at 65%. I would rather that they were investing here and staying here than going abroad to invest, with all the potential consequential impacts on the environment and employment. It seems that the hon. Gentleman agrees with me.

David Duguid (Banff and Buchan) (Con): I rise in response to the hon. Member for Kilmarnock and Loudoun (Alan Brown). I declare an interest: I used to work for BP. I worked in the oil and gas industry for 25 years. I worked for BP in the North sea in this country, and in Angola, Venezuela and a range of different places.

I worked for other companies in other countries as well. It is true that these companies have made their bread and butter in this country, and cut their teeth in the North sea, particularly from a safety point of view. The hon. Member for Aberdeen South (Stephen Flynn) mentioned Piper Alpha, which led to our having one of the highest regulatory regimes on the planet. It is not true to say that companies abandon that when they work elsewhere; it does make it a lot more difficult for them to work in those environments, but it does not stop them.

May I take the opportunity to totally agree with what my hon. Friend was saying before? This legislation, for all its flaws, compared with what Labour is proposing—

Stephen Flynn: Will the hon. Member give way?

The First Deputy Chairman of Ways and Means (Dame Rosie Winterton): Order. The hon. Member for Banff and Buchan (David Duguid) will resume his seat. We are getting interventions on interventions, because the interventions are perhaps a little long, and people are mistaking them for speeches. Please remember that interventions are supposed to be quite short.

Craig Mackinlay: Thank you, Dame Rosie, for clarifying that. I think that we will find that the hon. Member for Aberdeen South (Stephen Flynn) was being a touch facetious.

Caroline Lucas (Brighton, Pavilion) (Green): Will the hon. Member give way?

Craig Mackinlay: I had not developed a point, but, please, make an intervention.

Caroline Lucas: I am grateful to the hon. Member for giving way—I am intervening on a previous point on which he was intervened on. Is he aware that the 65% tax that the Government are proposing is still below the global average? The figure in Angola is actually higher at 70%, so there is not any real logic to what he is saying. These oil companies are already operating in places where the tax is higher.

Craig Mackinlay: Let me take a couple of those points. The hon. Lady makes the point that tax rates on the oil and gas industry are higher elsewhere in the world. Well, that may be the case. I know that some will be fundamentally opposed to the whole concept of being energy secure in the UK. Gas, in my view, is part of an interim solution as we get on the path to net zero, but it is a fact of life. I do not have an awful lot of time for the output of the Climate Change Committee, but even it is saying very clearly that we will be using gas and oil up to 2050 and probably beyond. My view is that that gas and oil should be sourced in the UK. Hence my support for the nudge part of this legislation, which may encourage businesses to stay here and invest here.

I did not address properly the point from my hon. Friend the Member for Banff and Buchan (David Duguid). He makes the point that we have the most fantastic environmental standards not just in oil and gas technology, but in practically everything that we do in the manufacturing space in the UK. There will be very few regimes around this world that have such high standards. On the issue of

[Craig Mackinlay]

methane venting, which we have not really addressed, I can be absolutely sure that, with a very robust and advanced regulatory regime, the advanced oil and gas companies of this country will be telling the truth and doing the right thing rather more than may be the case elsewhere, and I think we have to accept that as a fact of life.

Caroline Lucas: First, the hon. Member seems to think that just because gas is exploited in the UK, it will get used in the UK, yet he must know that it gets sold on global markets and therefore might get used anywhere. Secondly, he talks about our environmental standards being higher than others. He will know that we get most of our gas from Norway, where, actually, its carbon footprint is significantly less than it is here in the UK. His argument just does not stand up.

Craig Mackinlay: I am so delighted that the hon. Lady has expanded this debate. This is not somewhere that I wanted to go, Dame Rosie, but I think it is my duty to respond to the intervention. Surely it is obvious, no matter where on the spectrum on net zero we are—I am obviously on the rather more critical part of that spectrum—that we will be having gas in this country. We have a choice: do we import it halfway across the world on a liquefied natural gas ship, with the CO₂ cost of chilling it, transporting it and regasifying it, or do we try to do that domestically?

Caroline Lucas: We sell it on international markets.

Craig Mackinlay: If I may, Dame Rosie, I will address the hon. Lady's questions. On international markets, I do not know any more about economics than this: if we add more capacity to any system, the price should drop. Even if her view of economics holds water and the price does not drop, which I think is the basis of what she is saying, would I prefer the pounds of gas revenue to be at least retained and spent in the UK, or do I want to export those pounds to Qatar? I do not think there is much choice, and the answer is obvious.

I will finish now, Dame Rosie—I am sorry for the time I have taken, but I am grateful for your indulgence. If we take up this type of proposal of penal taxes that can be changed within a month, we will lose in future deferred taxes the opportunity cost of investment. Big companies will say, "Do you know what? The UK is not a place for good investment. I think I will take my money elsewhere." We may get £5 billion out of this tax as a windfall, but over time, in my view, we will lose more than £5 billion in the lost opportunity of businesses being attracted to the UK.

I have never believed, as has said in the House this afternoon, that the investment plans of the big oil and gas companies will be unaffected by this. I have been having discussions with them. There are already signs that they are scaling back their investment activities to the detriment of UK energy security, and I am afraid this Bill does not help with that all. If there is a Division on Third Reading, I will be voting against the Bill this evening.

Stephen Flynn: Repetition is of course a convention of this House, but I am not much for many of the conventions of this House, so I do not intend to say

much more than I did earlier about the Bill in general. I will just reflect very briefly on the amendments in my name and the names of my hon. Friends.

Amendment 9 relates directly to the electrification of North sea assets. We have heard comforting words about that from two Ministers now. I am sure the Minister for Energy, Clean Growth and Climate Change, now sitting beside the Financial Secretary to the Treasury, would agree that it will be in guidance that the electrification of assets will be able to get the taxation incentives. We cannot escape the fact that Ministers come and go, as we have seen so clearly in this place over the course of recent times, but what industry needs in relation to this issue is certainty. The best way—the only way—to provide certainty on the electrification of grids is to put that on the face of the Bill.

I agree with the hon. Member for South Thanet (Craig Mackinlay) on one point he made: it is deeply disappointing that there is not additional scope for the wider renewable sector to get these incentives. If the Government were serious about combating climate change and reaching their net zero ambitions, they would have extended those incentives to that industry.

That takes me on to new clause 6, again in my name and those of my hon. Friends, which aptly relates to net zero. The Government have rightly promoted, and will continue to promote, climate compatibility checks. I think we all in this place agree about those. What we need to be clear about, however, is the implications of this Bill for reaching net zero. The easiest, indeed the obvious, way to do that is to ensure that those climate compatibility environmental checks take place in relation to any investments. I thought that would be a very straightforward thing for the Government to agree with, and I hope they will do so.

Finally, in relation to new clause 7, I have teased this argument out on a couple of occasions in exchanges with Ministers: we know there is going to be a sunset clause on this levy, to end it in a couple of years' time. However, the phrase "normal oil and gas prices" keeps being used again and again. We heard inferences from the former Chancellor that somewhere around \$60 to \$70 a barrel was normal. I just did a very quick calculation of prices. Between 2015 and 2021 the price was \$56 a barrel, but between 2010 and 2015 it was double that, at \$101.4 a barrel. I again ask the Minister—[*Interruption.*] Indeed, oil and gas is a good argument for independence.

David Duguid: Will the hon. Gentleman give way?

Stephen Flynn: I will not give way to the hon. Gentleman. That has nothing to do with this Committee stage, and I would hate to get diverted, as some others did earlier.

What we and the industry need to be clear about is what price the Government regard as normal. If we are to have serious legislation, we need serious answers to the most basic of questions.

Richard Burgon (Leeds East) (Lab): I wish to speak in favour of my new clause 1, new clauses 8 to 10, which I have signed, and of course the amendments from the Labour Front Benchers.

Away from the drama among Government Members over who will be their next leader, the cost of living emergency out there is biting ever harder. Experts now

warn that the energy price cap will surge by another 64% in October to more than £3,200 a year—up £2,000 in just a few months. Millions of people will be thrown even further into crisis. We urgently need further Government interventions to help them, and my new clause offers a way to do that.

In May, after political pressure from the Labour Benches, the Government were forced into imposing a windfall tax on the North sea oil and gas producers' excess profits. Such a tax is certainly needed. The Government's own figures suggest that North sea oil and gas companies will make pre-tax profits of £21.4 billion this year—a staggering increase from the £2.5 billion average over the past five years. We have gone from a £2.5 billion average to £21.4 billion this year.

Let us be clear: these excess profits are not the result of extra investment. They are not the result of innovation. They are an undeserved and unexpected windfall, mainly resulting from Russia's horrific war on Ukraine. They are vast super-profits made on the backs of higher bills for ordinary people. We have a clear choice. Either we allow the oil and gas giants to hoard those excess profits, or we use the funds to help to bail out the vast majority of people hit hard by soaring energy bills.

My new clause 1 calls on the Government to look at setting the windfall tax at 45% on top of normal tax rates, not the current proposed 25%. The aim is to ensure that nearly all of the windfall—the undeserved, unmerited excess profit—goes to supporting families instead of boosting the profits of oil and gas giants.

The windfall tax as it stands will raise £5 billion. The higher windfall tax that my new clause addresses would raise another £4 billion in tax revenues this year alone, which could provide an extra £1,000 payment to the most vulnerable 4 million households. Surely that is more important than boosting oil and gas company profits. North sea oil and gas companies' revenues have risen so much that even with this higher tax they would still make £3 billion in profits this year, which is above their recent average.

6.45 pm

I am also supporting calls for the current windfall tax to be made permanent and brought in line with international averages tax rates of 70%. Norway, another North sea oil and gas-producing nation, has a regular tax rate of 78% on its production, almost double our levels. That could raise billions annually to provide immediate help and to fund a huge home energy efficiency programme to cut energy use, permanently lower bills and tackle one of the biggest sources of carbon emissions.

We also need action against a major loophole in the Government proposal, which allows oil and gas companies to avoid much of the windfall tax through a major tax relief scheme on new investments that gives a 91p tax saving for every £1 they invest. That is a subsidy to oil and gas giants—[*Interruption.*] Conservative MPs laugh in defence of the oil and gas giants. They are in no position to laugh at all. They are an utter disgrace to their party, to the Government and to the country, so I suggest they pipe down. If they are going to speak up, let them start speaking up for the ordinary people hit hard by this cost of living crisis, not for oil and gas giants.

Christian Matheson (City of Chester) (Lab): My hon. Friend has obviously given real thought to his proposals. Does he agree that the vast profits that the oil and gas companies make do not stay with those companies but go to their ultimate owners, the big City institutions which, in my view, the Conservative party represents these days?

Richard Burgon: That is an important point well made by my hon. Friend. That is what this is really about. It is a political choice that we are discussing.

On the Government's major loophole that I referred to, which gives a 91p tax saving for every £1 invested by the oil and gas companies, we need to be clear that it is a subsidy to oil and gas giants. It takes money away from supporting families and encourages further fossil fuel production when we need to be ending all new oil and gas production to avoid climate catastrophe.

With another huge spike in energy prices now expected, much more needs to be done to help families. The Government should start by accepting my amendment and others that would see less going into profits for oil and gas firms, and more into bailing out people facing the biggest crisis in living memory.

Caroline Lucas: It is a pleasure to follow the hon. Member for Leeds East (Richard Burgon), whose new clause 1 I am happy to support. I rise to speak in favour of new clauses 8 to 10 tabled in my name.

First, new clause 8 would require the Government to produce an assessment of the revenue that would be generated if the level of taxation on oil and gas companies were permanently raised to the global average of 70%. That is 5% higher than the total level of taxation with the addition of the Government's levy, but it would be permanent.

I know the new Chancellor may be disinclined to increase taxation on the oil and gas industry, given that he has benefited so handsomely from it in the past, previously earning £1.3 million from his executive position at Gulf Keystone Petroleum, including a whopping £285,000 settlement payment when he stepped down from that role in 2018 after becoming a Minister. However, it is important to understand that the level of taxation that this new clause proposes on oil and gas would simply bring the UK into line with countries such as Angola and Trinidad and is backed by 63% of the public. By way of comparison, it may be interesting to note that the UK's North sea neighbour, Norway, has a taxation rate of 78%, and that does not seem to have done it any harm. I therefore hope that the Government will recognise that this is a very reasonable amendment that it should be easy for them to support.

The reason I am proposing a permanent taxation level is that the UK currently has the lowest tax take in the world from an offshore oil and gas regime. That is not a badge of honour; it should be a badge of shame. Indeed, Norway's tax take from a barrel of oil in 2019 was over 10 times the equivalent here in the UK. The amendment would simply require the Government to assess the impact of ending that shameful state of affairs. Greenpeace estimates that a tax at that level would generate an additional £13.4 billion for the Exchequer in comparison with the status quo—money that, in addition to providing immediate support to households to cope with the cost of living scandal, could be used to invest in much-needed energy efficiency, quite literally insulating households from escalating costs.

[Caroline Lucas]

To date, the Government have spent £37 billion on short-term financial support. Although that support is of course very welcome, gas prices are likely to remain high for several years, and a more long-term approach is necessary, especially when the CEO of Ofgem is warning that the number of households in fuel poverty could reach 12 million in October when the energy price cap rises again. The think-tank E3G estimates that the average household with an energy performance certificate of D or lower will be paying what it calls an inefficiency penalty of £916 per year for adequate heating compared with households with an EPC of C or higher. Investment to kick-start a local-authority-led, street-by-street home insulation programme would save cash-strapped families money not just this year but every year. It would also rectify a glaring omission in the Government's approach so far, with the Climate Change Committee saying clearly in its 2022 progress report to Parliament:

"Given soaring energy bills, there is a shocking gap in policy for better insulated homes."

New clause 9 would require the Government to produce an assessment of how much revenue would be generated by the energy profits levy if the investment allowance were removed. I also support the Labour Front-Bench amendment that would simply delete the clause on the investment allowance, which is nothing less than a scandal. As the Chancellor and his team very well know, it will come at huge cost to the taxpayer. Analysis by the New Economics Foundation suggests that the investment allowance will cost £1.9 billion a year because any subsidised oil and gas projects will not start to return a profit until after 2025—the date of the sunset clause in the Bill.

Geraint Davies: I very much support what the hon. Lady is saying. Is she aware that in Germany for three months in succession people are being offered a €9 a month pass that can be used on all public transport, thereby shifting people on to public transport, reducing energy costs, encouraging environmental green investment, and stopping our addiction to fossil fuels? Does she think that a higher tax could help us to do that and put us on a more sustainable route to a green future?

Caroline Lucas: I am grateful to the hon. Gentleman for his intervention, particularly since it helpfully highlights a party policy of the Greens, who were, as he knows, in coalition Government in Germany. It has absolutely been their policy to introduce those kinds of incentives, and they are being massively taken up because they are incredibly popular.

I was talking about the investment allowance and just how egregious it is. The Institute for Fiscal Studies says that investing £100 in the North sea now will cost companies just £8.75, with the public picking up the remaining investment costs in the form of the forgone windfall tax. What is more, there is a chance that this new subsidy could lead to the development of otherwise economically unviable projects, becoming stranded assets of little or no economic value. Oil and gas companies are benefiting from that right now. For example, according to analysis by Rystad Energy, Shell, which recorded quarterly profits of over £7 billion earlier this year, will pay £210 million less in windfall tax for investment in the newly approved Jackdaw gas field.

The investment allowance also significantly reduces the amount of revenue generated, which is why I can only assume that the Treasury believes that its levy will raise only £5 billion in its first 12 months, especially since oil and gas company profits are expected to reach £11.6 billion this year, with BP's chief executive describing the company as a "cash machine". Let us remember that, as other hon. Members have outlined, these profits are not earned; they are a consequence of high global gas prices fuelled by Russia's illegal invasion and war in Ukraine, and must be urgently redistributed to provide vital support to struggling families. Will the Government now publish their full impact assessment? Will they accept this crucial amendment so that we can have clarity over the cost of their perverse proposal?

The subsidy in the Bill is unfortunately entirely consistent with the Government's approach to subsidising the fossil fuel sector overall. While they refuse to acknowledge that tax reliefs are indeed subsidies and prefer to use the very narrow International Energy Agency definition of a subsidy, Ministers and colleagues will know well that there are much wider definitions in use, including that developed by the World Trade Organisation, which would very definitely include the investment allowance. If the Government go ahead with this subsidy, it will come on top of countless other tax reliefs from which the sector benefits, including those for exploration for new fields, for R&D, and for decommissioning. The latter, for decommissioning, has an especially egregious element in the form of decommissioning relief deeds that guarantee future tax reliefs for oil and gas companies at a given rate. Imagine any other sector being guaranteed tax reliefs in perpetuity with future Governments unable to make changes to that! Companies should pay decommissioning costs, with decommissioning plans required to ensure a just transition for workers. That is the only fair approach. The measures in the Bill will add to the decommissioning tax relief burden faced by the public purse going forward, to say nothing of the impact on fossil fuel extraction.

Geraint Davies: The hon. Lady will be interested to know that people in Swansea University are looking at using the energy from wind farms that is not used by the grid off-peak to create hydrogen that can be put in the gas pipes to dilute the gas to reduce the carbon footprint of everyday gas. Would it not be better to put the money into those sorts of green investments rather than digging more and more holes to destroy the planet?

Caroline Lucas: Again, I am grateful to the hon. Gentleman. Those are precisely the kinds of forward-looking policies that we need rather than the backward-looking, dinosaur policies that seem to think that digging out more and more fossil fuels is the way forward.

Christian Matheson: To make the same point that I made to my hon. Friend the Member for Leeds East (Richard Burdon), can I urge the hon. Lady to follow the money? For as long as these tax credits are given to the oil and gas companies, they are passed on to the people who control the Conservative party in the City—the big hedge fund investment billionaires who have massive incomes because of their ownership stakes in those companies.

Caroline Lucas: The hon. Gentleman puts it perfectly succinctly and I very much agree.

It has been estimated that existing decommissioning relief deeds could enable the extraction of the equivalent of 1.7 billion barrels of oil that otherwise would have remained unextracted, and that will only increase if we continue with the vicious cycle of handsomely subsidising fossil fuel companies to exploit oil and gas reserves. In response to the Glasgow Climate Pact's call for parties to "phase out inefficient fossil fuel subsidies",

the Climate Change Committee said that the Treasury should initiate a review of the role of tax policy in delivering net zero, and was very clear that no fossil fuel subsidy should be considered efficient in the UK. Will the new Chancellor now commit to that review, listen to his own Climate Change Committee, and take its advice?

New clause 10 would require the Government to produce an assessment of the impact of the investment allowance on achieving net zero and on limiting the global temperature increase to 1.5°. It is frankly astounding that the Government need to be reminded yet again that the IEA has been clear that limiting global temperatures to 1.5° necessitates

"no new oil and gas fields approved for development"

as from last year. Yet according to the United Nations Environment Programme, the level of fossil fuel production planned and projected worldwide by Governments in 2030 is more than twice the levels consistent with that goal. The UK has given North sea oil and gas companies almost £14 billion in subsidies since signing the Paris agreement in 2015 alone. This Bill was an opportunity for the Government to change course, but instead they have chosen to double down and to play with fire by bringing forward a Bill that is plainly incompatible with a safe future.

It is patently obvious that the Government should amend the Bill to ensure that oil and gas profits are taxed properly, but I believe fundamentally that that should pave the way for a much wider overhaul of our tax system. We need a carbon tax, which, if implemented properly with a dividend to shield low-income households, could be pivotal in driving the change we need in order to decarbonise our economy fairly. That tax—it has long been Green party policy—would target the big polluters such as oil and gas companies. It is estimated that, starting at a rate of about £100 per tonne of CO₂, it could generate up to £80 billion to fund the transformation necessary to achieve our climate goals. That is the kind of innovative policy we need right now to save ourselves from the climate emergency that is only growing deeper.

Lucy Frazer: Many of the points that have been raised in Committee were considered on Second Reading, but I would like to touch on a few of them and then deal with amendments.

The hon. Member for Ealing North (James Murray) asked how the new investment allowance works. On 6 June, I said I was very happy to look further at this point, and I can reassure him that the investment allowance within the levy will be generated on investment expenditure—that is, capital expenditure and some operating and leasing expenditure—incurred on or after 26 May. The legislation includes an anti-avoidance provision to prevent any recycling of existing assets from getting the allowance, and that is all very clearly set out in clause 6.

I want to deal with some of the points made by my hon. Friend the Member for South Thanet (Craig Mackinlay), because I understand his objections, and no Conservative wants to bring in a tax rise where it is not necessary. I have had the opportunity to talk to him on a number of occasions about these measures, and he will know that they are targeted and temporary. He says he fears for investment coming through, but of course that will be assessed by the OBR in due course. I am not sure whether he was in the Chamber earlier when I quoted some companies that have said that they will be investing and that this encourages investment, but I will mention a further one. Kistos has said that it is

"assessing opportunities in the UK that would enable us to take full advantage of the investment allowances implicit in the recently introduced UK Energy Profits Levy".

I turn to the amendments. Amendment 1 would require companies to report on how much additional tax relief they are claiming as a result of the levy's investment allowance, in addition to the existing requirement to report how much levy is payable. The amendment would also require that data to be published on a quarterly basis. Companies will already be reporting the information to HMRC that allows it to ensure appropriate compliance with the law, and figures on the amount of tax raised through the levy will also be published on a periodic basis in line with other taxes. As a result, this amendment should not be made to the Bill.

Amendment 9 would add clarification to the allowable purposes of expenditure under the levy's investment allowance. I have already dealt with that point on Second Reading, and I confirm to the Committee that HMRC will clarify this in written guidance.

New clause 1 calls for an assessment of the impact on revenue and on oil and gas companies' profits of a 45% levy rate. Similarly, new clause 8 calls for assessments of the revenue impact of a permanent 30% levy rate, which would bring the permanent headline rate of tax for oil and gas companies in ringfence corporation tax to 70%. However, it is not standard—I will be saying this in relation to a number of new clauses—for the Government to publish assessments of the fiscal and economic impacts of measures that they are not introducing, and it is not clear that doing so would be a beneficial use of public resources. Therefore, I recommend that the Committee rejects these new clauses.

Again, new clauses 3, 5 and 9 would require reviews or assessments of policies that the Government are not introducing. New clause 3 would require a review of the revenue that would have been raised had the levy taken place from early January. I set out on Second Reading why we did not bring forward this measure earlier, and I did so last week as well. We are not supporting these measures because, as I have said, it is not usual to bring forward public assessments of measures that we are not introducing.

New clauses 2, 6 and 10 would require reviews or assessments of the impact of the investment allowance on the energy market, climate change commitments and exploration activity. The Government oppose these amendments on the basis that the Treasury already carefully considers the impact of all measures on the energy market and our climate change commitments as a matter of course.

[Lucy Frazer]

New clause 4 would require a review of the amount of investment allowance that will be claimed and how it relates to expenditure that would have happened were the investment allowance not in place. The first point to reiterate here is that the Government expect the combination of the 25% levy and the 80% investment allowance to lead to an overall increase in investment, and the OBR will take account of this policy in the next forecast. HMRC already publishes data on the costs of non-structural reliefs, which will include the investment allowance in due course, once data is available.

Finally, new clause 7 would require the Government to publish regular reviews of the oil and gas market, including assessments of the need for the levy and whether it should be continued to promote further decarbonisation of upstream oil and gas activities. That is also unnecessary, since the Government already monitor the UK oil and gas sector, and data is published on gov.uk on a monthly and quarterly basis.

For all the reasons I have set out, I urge Members to reject all the amendments and new clauses. I commend the clauses and schedules to the Committee.

Question put and agreed to.

Clause 1 accordingly ordered to stand part of the Bill.

Clause 2

ADDITIONAL EXPENDITURE TREATED AS INCURRED FOR
PURPOSES OF SECTION 1

Amendment proposed: 9, page 2, line 42, at end insert

“, which may include electrification investment that decarbonises upstream oil and gas activities”.—(Stephen Flynn.)

This amendment would put on the face of the bill that electrification investment which decarbonises upstream oil and gas activities is eligible for relief.

Question put, That the amendment be made.

The Committee divided: Ayes 41, Noes 298.

Division No. 30]

[7.6 pm

AYES

Blackman, Kirsty
Bonnar, Steven
Brown, Alan
Callaghan, Amy
Cameron, Dr Lisa
Carmichael, rh Mr Alistair
Chamberlain, Wendy
Chapman, Douglas
Cherry, Joanna
Cooper, Daisy
Day, Martyn
Docherty-Hughes, Martin
Doogan, Dave
Farron, Tim
Ferrier, Margaret
Flynn, Stephen
Foord, Richard
Gibson, Patricia
Green, Sarah
Hanvey, Neale
Hendry, Drew
Hobhouse, Wera

Linden, David
Mc Nally, John
McLaughlin, Anne
Morgan, Helen
Newlands, Gavin
Nicolson, John
O'Hara, Brendan
Olney, Sarah
Oswald, Kirsten
Qaisar, Ms Anum
Sheppard, Tommy
Smith, Alyn
Stephens, Chris
Stone, Jamie
Thewliss, Alison
Thompson, Owen
Whitford, Dr Philippa
Wilson, Munira

Tellers for the Ayes:

Richard Thomson and
Marion Fellows

NOES

Adams, rh Nigel
Afolami, Bim
Afriyie, Adam
Aiken, Nickie
Aldous, Peter
Anderson, Lee
Anderson, Stuart
Andrew, rh Stuart
Ansell, Caroline
Argar, Edward
Atkins, Victoria
Bacon, Gareth
Bacon, Mr Richard
Badenoch, Kemi
Bailey, Shaun
Baillie, Siobhan (*Proxy vote
cast by Scott Mann*)
Baker, Duncan
Baker, Mr Steve
Baron, Mr John
Baynes, Simon
Bell, Aaron
Benton, Scott
Beresford, Sir Paul
Bhatti, Saqib
Blunt, Crispin
Bone, Mr Peter
Bottomley, Sir Peter
Bowie, Andrew
Bradley, Ben
Brereton, Jack
Bridgen, Andrew
Bristow, Paul
Browne, Anthony
Bruce, Fiona
Buchan, Felicity
Buckland, rh Sir Robert
Burghart, Alex
Burns, rh Conor
Butler, Rob
Carter, Andy
Cartlidge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Sir Christopher
Churchill, Jo
Clark, rh Greg
Clarke, rh Mr Simon
Clarke-Smith, Brendan
Clarkson, Chris
Cleverly, rh James
Clifton-Brown, Sir Geoffrey
Coffey, rh Dr Thérèse
Colburn, Elliot
Collins, Damian
Costa, Alberto
Courts, Robert
Coutinho, Claire
Crabb, rh Stephen
Crouch, Tracey
Daly, James
Davies, David T. C.
Davies, Gareth
Davies, Dr James
Davies, Mims
Davies, Philip
Davis, rh Mr David
Davison, Dehenna
Dinenage, Dame Caroline

Dines, Miss Sarah
Djanogly, Mr Jonathan
Docherty, Leo
Donelan, rh Michelle
Double, Steve
Dowden, rh Oliver
Drummond, Mrs Flick
Duddridge, James
Duguid, David
Duncan Smith, rh Sir Iain
Dunne, rh Philip
Eastwood, Mark
Edwards, Ruth
Ellis, rh Michael
Ellwood, rh Mr Tobias
Elphicke, Mrs Natalie
Eustice, rh George
Evans, Dr Luke
Everitt, Ben
Fabricant, Michael
Farris, Laura
Fell, Simon
Firth, Anna
Fletcher, Katherine
Fletcher, Mark
Fletcher, Nick
Foster, Kevin
Fox, rh Dr Liam
Frazer, rh Lucy
Freeman, George
French, Mr Louie
Fuller, Richard
Fysh, Mr Marcus
Garnier, Mark
Ghani, Ms Nusrat
Gibb, rh Nick
Gibson, Peter
Gideon, Jo
Glen, John
Goodwill, rh Sir Robert
Gove, rh Michael
Grant, Mrs Helen
Gray, James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Griffith, Andrew
Griffiths, Kate
Grundy, James
Gullis, Jonathan
Halfon, rh Robert
Hall, Luke
Hammond, Stephen
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harris, Rebecca
Harrison, Trudy
Hart, Sally-Ann
Hart, rh Simon
Heald, rh Sir Oliver
Heapey, James
Henry, Darren
Higginbotham, Antony
Hinds, rh Damian
Holden, Mr Richard
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Holmes, Paul
Howell, John

Howell, Paul
 Huddleston, Nigel
 Hudson, Dr Neil
 Hughes, Eddie
 Hunt, Jane
 Hunt, rh Jeremy
 Hunt, Tom
 Jack, rh Mr Alister
 Javid, rh Sajid
 Jenkin, Sir Bernard
 Jenkyns, Andrea
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnston, David
 Jones, Andrew
 Jones, rh Mr David
 Jones, Fay
 Jones, Mr Marcus
 Jupp, Simon
 Kawczynski, Daniel
 Keegan, Gillian
 Knight, rh Sir Greg
 Kruger, Danny
 Lamont, John
 Langan, Robert
 Latham, Mrs Pauline
 Leadsom, rh Dame Andrea
 Leigh, rh Sir Edward
 Levy, Ian
 Lewer, Andrew
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Loder, Chris
 Logan, Mark
 Longhi, Marco
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Mackrory, Cheryl
 Maclean, Rachel
 Malthouse, rh Kit
 Mangnall, Anthony
 Mann, Scott
 Marson, Julie
 May, rh Mrs Theresa
 Mayhew, Jerome
 Maynard, Paul
 McCartney, Jason
 McCartney, Karl
 McPartland, Stephen
 McVey, rh Esther
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Millar, Robin
 Miller, rh Dame Maria
 Milling, rh Amanda
 Mills, Nigel
 Mitchell, rh Mr Andrew
 Mohindra, Mr Gagan
 Moore, Damien
 Moore, Robbie
 Mordaunt, rh Penny
 Morris, James
 Morrissey, Joy
 Mortimer, Jill
 Morton, Wendy
 Mullan, Dr Kieran
 Mumby-Croft, Holly
 Mundell, rh David

Murray, Mrs Sheryll
 Murrison, rh Dr Andrew
 Neill, Sir Robert
 Nokes, rh Caroline
 Norman, rh Jesse
 O'Brien, Neil
 Opperman, Guy
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Philp, Chris
 Pow, Rebecca
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Randall, Tom
 Redwood, rh John
 Rees-Mogg, rh Mr Jacob
 Richards, Nicola
 Richardson, Angela
 Robertson, Mr Laurence
 Robinson, Mary
 Rowley, Lee
 Russell, Dean
 Rutley, David
 Sambrook, Gary
 Saxby, Selaine
 Scully, Paul
 Seely, Bob
 Sharma, rh Alok
 Shelbrooke, rh Alec
 Skidmore, rh Chris
 Smith, Chloe
 Smith, Greg
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Solloway, Amanda
 Spencer, Dr Ben
 Stafford, Alexander
 Stevenson, Jane
 Stevenson, John
 Stewart, rh Bob
 Stewart, Iain
 Streeter, Sir Gary
 Stride, rh Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, rh Rishi
 Sunderland, James
 Swayne, rh Sir Desmond
 Syms, Sir Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Trott, Laura
 Vickers, Matt
 Villiers, rh Theresa
 Walker, Sir Charles
 Walker, Mr Robin
 Warman, Matt
 Watling, Giles
 Webb, Suzanne
 Whately, Helen
 Wheeler, Mrs Heather
 Whittingdale, rh Mr John
 Wiggin, Sir Bill

Wild, James
 Williams, Craig
 Williamson, rh Sir Gavin
 Wood, Mike
 Wright, rh Sir Jeremy

Young, Jacob

Tellers for the Noes:
Craig Whittaker and
Sir David Evennett

Question accordingly negated.

Question put, That the clause stand part of the Bill.

The Committee divided: Ayes 284, Noes 202.

Division No. 31]

[7.19 pm

AYES

Adams, rh Nigel
 Afriyie, Adam
 Aiken, Nickie
 Aldous, Peter
 Anderson, Lee
 Anderson, Stuart
 Andrew, rh Stuart
 Ansell, Caroline
 Argar, Edward
 Atkins, Victoria
 Bacon, Gareth
 Bacon, Mr Richard
 Badenoch, Kemi
 Bailey, Shaun
 Baillie, Siobhan (*Proxy vote*
cast by Scott Mann)
 Baker, Duncan
 Baron, Mr John
 Baynes, Simon
 Bell, Aaron
 Benton, Scott
 Beresford, Sir Paul
 Bhatti, Saqib
 Bone, Mr Peter
 Bottomley, Sir Peter
 Bowie, Andrew
 Bradley, Ben
 Bradley, rh Karen
 Brereton, Jack
 Bridgen, Andrew
 Bristow, Paul
 Browne, Anthony
 Bruce, Fiona
 Buchan, Felicity
 Buckland, rh Sir Robert
 Burghart, Alex
 Butler, Rob
 Carter, Andy
 Cartledge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Chope, Sir Christopher
 Churchill, Jo
 Clark, rh Greg
 Clarke, rh Mr Simon
 Clarke-Smith, Brendan
 Clarkson, Chris
 Cleverly, rh James
 Clifton-Brown, Sir Geoffrey
 Colburn, Elliot
 Collins, Damian
 Costa, Alberto
 Courts, Robert
 Coutinho, Claire
 Crabb, rh Stephen
 Crouch, Tracey

Daly, James
 Davies, David T. C.
 Davies, Gareth
 Davies, Dr James
 Davies, Mims
 Davies, Philip
 Davison, Dehenna
 Dinenage, Dame Caroline
 Dines, Miss Sarah
 Djanogly, Mr Jonathan
 Docherty, Leo
 Donelan, rh Michelle
 Double, Steve
 Dowden, rh Oliver
 Drummond, Mrs Flick
 Duddridge, James
 Duguid, David
 Dunne, rh Philip
 Eastwood, Mark
 Edwards, Ruth
 Ellis, rh Michael
 Ellwood, rh Mr Tobias
 Elphicke, Mrs Natalie
 Eustice, rh George
 Evans, Dr Luke
 Everitt, Ben
 Fabricant, Michael
 Fell, Simon
 Firth, Anna
 Fletcher, Katherine
 Fletcher, Mark
 Fletcher, Nick
 Foster, Kevin
 Fox, rh Dr Liam
 Frazer, rh Lucy
 Freeman, George
 French, Mr Louie
 Fuller, Richard
 Garner, Mark
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gibson, Peter
 Gideon, Jo
 Glen, John
 Goodwill, rh Sir Robert
 Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Griffith, Andrew
 Griffiths, Kate
 Grundy, James
 Gullis, Jonathan
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Hancock, rh Matt

Hands, rh Greg
 Harper, rh Mr Mark
 Harris, Rebecca
 Harrison, Trudy
 Hart, Sally-Ann
 Hart, rh Simon
 Heald, rh Sir Oliver
 Heappey, James
 Henry, Darren
 Higginbotham, Antony
 Hinds, rh Damian
 Holden, Mr Richard
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Holmes, Paul
 Howell, John
 Howell, Paul
 Huddleston, Nigel
 Hudson, Dr Neil
 Hughes, Eddie
 Hunt, Jane
 Hunt, rh Jeremy
 Hunt, Tom
 Jack, rh Mr Alister
 Javid, rh Sajid
 Jenkin, Sir Bernard
 Jenkyns, Andrea
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnston, David
 Jones, Andrew
 Jones, rh Mr David
 Jones, Fay
 Jones, Mr Marcus
 Jupp, Simon
 Kawczynski, Daniel
 Keegan, Gillian
 Knight, rh Sir Greg
 Kruger, Danny
 Lamont, John
 Largan, Robert
 Latham, Mrs Pauline
 Leadsom, rh Dame Andrea
 Leigh, rh Sir Edward
 Levy, Ian
 Lewer, Andrew
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Loder, Chris
 Logan, Mark
 Longhi, Marco
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackrory, Cherilyn
 Maclean, Rachel
 Malthouse, rh Kit
 Mangnall, Anthony
 Mann, Scott
 Marson, Julie
 May, rh Mrs Theresa
 Mayhew, Jerome
 Maynard, Paul
 McCartney, Jason
 McCartney, Karl
 McPartland, Stephen
 McVey, rh Esther
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen

Millar, Robin
 Miller, rh Dame Maria
 Milling, rh Amanda
 Mills, Nigel
 Mohindra, Mr Gagan
 Moore, Robbie
 Mordaunt, rh Penny
 Morris, David
 Morris, James
 Morrissey, Joy
 Mortimer, Jill
 Morton, Wendy
 Mullan, Dr Kieran
 Mumby-Croft, Holly
 Mundell, rh David
 Murray, Mrs Sheryll
 Morrison, rh Dr Andrew
 Neill, Sir Robert
 Nokes, rh Caroline
 Norman, rh Jesse
 O'Brien, Neil
 Opperman, Guy
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Pow, Rebecca
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Randall, Tom
 Rees-Mogg, rh Mr Jacob
 Richards, Nicola
 Richardson, Angela
 Robinson, Mary
 Rowley, Lee
 Russell, Dean
 Rutley, David
 Sambrook, Gary
 Saxby, Selaine
 Scully, Paul
 Seely, Bob
 Selous, Andrew
 Sharma, rh Alok
 Shelbrooke, rh Alec
 Skidmore, rh Chris
 Smith, Chloe
 Smith, Greg
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Solloway, Amanda
 Spencer, Dr Ben
 Stafford, Alexander
 Stevenson, Jane
 Stevenson, John
 Stewart, rh Bob
 Stewart, Iain
 Streeter, Sir Gary
 Stride, rh Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, rh Rishi
 Sunderland, James
 Swayne, rh Sir Desmond
 Syms, Sir Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael

Tracey, Craig
 Trott, Laura
 Vickers, Matt
 Villiers, rh Theresa
 Walker, Sir Charles
 Walker, Mr Robin
 Warman, Matt
 Watling, Giles
 Webb, Suzanne
 Whately, Helen
 Wheeler, Mrs Heather
 Whittingdale, rh Mr John

Wiggin, Sir Bill
 Wild, James
 Williams, Craig
 Williamson, rh Sir Gavin
 Wood, Mike
 Wright, rh Sir Jeremy
 Young, Jacob
 Zahawi, rh Nadhim

Tellers for the Ayes:
Craig Whittaker and
Sir David Evennett

NOES

Abrahams, Debbie
 Ali, Rushanara
 Ali, Tahir
 Amesbury, Mike
 Anderson, Fleur
 Antoniazzi, Tonia
 Ashworth, rh Jonathan
 Barker, Paula
 Beckett, rh Margaret
 Benn, rh Hilary
 Betts, Mr Clive
 Blackman, Kirsty
 Blake, Olivia
 Blomfield, Paul
 Bonnar, Steven
 Bradshaw, rh Mr Ben
 Brennan, Kevin
 Brown, Alan
 Brown, Ms Lyn
 Brown, rh Mr Nicholas
 Bryant, Chris
 Burgon, Richard
 Byrne, Ian
 Byrne, rh Liam
 Cadbury, Ruth
 Callaghan, Amy
 Cameron, Dr Lisa
 Carden, Dan
 Carmichael, rh Mr Alistair
 Chamberlain, Wendy
 Chapman, Douglas
 Charalambous, Bambos
 Cherry, Joanna
 Cooper, Daisy
 Cooper, Rosie
 Cooper, rh Yvette
 Cowan, Ronnie
 Coyle, Neil
 Creasy, Stella
 Cryer, John
 Cummins, Judith
 Cunningham, Alex
 Daby, Janet
 David, Wayne
 Davies, Geraint
 Davies-Jones, Alex
 Day, Martyn
 De Cordova, Marsha
 Debbonaire, Thangam
 Dhesi, Mr Tanmanjeet Singh
 Docherty-Hughes, Martin
 Dodds, Anneliese
 Doogan, Dave
 Dowd, Peter
 Duffield, Rosie
 Eagle, Dame Angela
 Eagle, Maria

Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Elmore, Chris
 Eshalomi, Florence
 Esterson, Bill
 Evans, Chris
 Farron, Tim
 Fellows, Marion
 Ferrier, Margaret
 Flynn, Stephen
 Foord, Richard
 Fovargue, Yvonne
 Foxcroft, Vicky
 Furniss, Gill
 Gardiner, Barry
 Gibson, Patricia
 Gill, Preet Kaur
 Glindon, Mary
 Green, Kate
 Green, Sarah
 Greenwood, Lilian
 Greenwood, Margaret
 Griffith, Dame Nia
 Haigh, Louise
 Hamilton, Fabian
 Hamilton, Mrs Paulette
 Hanvey, Neale
 Hardy, Emma
 Harman, rh Ms Harriet
 Harris, Carolyn
 Hayes, Helen
 Healey, rh John
 Hendry, Drew
 Hobhouse, Wera
 Hollern, Kate
 Hopkins, Rachel
 Howarth, rh Sir George
 Huq, Dr Rupa
 Hussain, Imran
 Jarvis, Dan
 Johnson, rh Dame Diana
 Johnson, Kim
 Jones, Gerald
 Jones, rh Mr Kevan
 Jones, Ruth
 Jones, Sarah
 Kane, Mike
 Kendall, Liz (*Proxy vote cast
 by Mr Pat McFadden*)
 Khan, Afzal
 Kinnock, Stephen
 Lake, Ben
 Leadbeater, Kim
 Lewis, Clive
 Lightwood, Simon
 Linden, David

Long Bailey, Rebecca
 Lucas, Caroline
 Lynch, Holly
 MacAskill, Kenny
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Maskell, Rachael
 Matheson, Christian
 Mc Nally, John
 McCabe, Steve
 McCarthy, Kerry
 McDonnell, rh John
 McFadden, rh Mr Pat
 McGovern, Alison
 McKinnell, Catherine
 McLaughlin, Anne
 McMahon, Jim
 McMorris, Anna
 Mearns, Ian
 Mishra, Navendu
 Morden, Jessica
 Morgan, Helen
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Murray, James
 Newlands, Gavin
 Nichols, Charlotte
 Nicolson, John
 Norris, Alex
 O'Hara, Brendan
 Olney, Sarah
 Onwurah, Chi
 Oppong-Asare, Abena
 Oswald, Kirsten
 Owen, Sarah
 Peacock, Stephanie
 Pennycook, Matthew
 Perkins, Mr Toby
 Phillipson, Bridget
 Powell, Lucy
 Qaisar, Ms Anum
 Rayner, rh Angela
 Reed, Steve
 Rees, Christina
 Reeves, Ellie

Reeves, Rachel
 Reynolds, Jonathan
 Ribeiro-Addy, Bell
 Rimmer, Ms Marie
 Rodda, Matt
 Russell-Moyle, Lloyd
 Shah, Naz
 Sharma, Mr Virendra
 Sheppard, Tommy
 Siddiq, Tulip
 Slaughter, Andy
 Smith, Alyn
 Smith, Cat
 Smith, Jeff
 Smith, Nick
 Smyth, Karin
 Stephens, Chris
 Stevens, Jo
 Stone, Jamie
 Stringer, Graham
 Sultana, Zarah
 Tami, rh Mark
 Thewliss, Alison
 Thomas-Symonds, rh Nick
 Thompson, Owen
 Thomson, Richard
 Thornberry, rh Emily
 Timms, rh Sir Stephen
 Trickett, Jon
 Turner, Karl
 Twigg, Derek
 Vaz, rh Valerie
 Wakeford, Christian
 Western, Matt
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Whitley, Mick
 Whittome, Nadia
 Williams, Hywel
 Wilson, Munira
 Winter, Beth
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Noes:
Colleen Fletcher and
Liz Twist

Question accordingly agreed to.

Clause 2 ordered to stand part of the Bill.

Clauses 3 to 19 ordered to stand part of the Bill.

Schedules 1 and 2 agreed to.

New Clause 3

REVIEW OF IMPACT OF EARLIER START DATE OF THE LEVY

“The Chancellor of the Exchequer must, within three months of this Act receiving Royal Assent, publish an assessment of how much the levy would have raised between 9 January 2022 and 25 May 2022 if it had been in place from 9 January 2022.”
 —(James Murray.)

This new clause requires an assessment, within three months of the Bill becoming law, of how much extra revenue would have been raised if the levy had been introduced on 9 January 2022 rather than 26 May 2022.

Brought up, and read the First time.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 203, Noes 289.

Division No. 32]

[7.31 pm

AYES

Abrahams, Debbie
 Ali, Rushanara
 Ali, Tahir
 Amesbury, Mike
 Anderson, Fleur
 Antoniazzi, Tonia
 Ashworth, rh Jonathan
 Barker, Paula
 Beckett, rh Margaret
 Benn, rh Hilary
 Betts, Mr Clive
 Blackman, Kirsty
 Blake, Olivia
 Blomfield, Paul
 Bonnar, Steven
 Bradshaw, rh Mr Ben
 Brennan, Kevin
 Brown, Alan
 Brown, Ms Lyn
 Brown, rh Mr Nicholas
 Bryant, Chris
 Burgon, Richard
 Byrne, Ian
 Byrne, rh Liam
 Cadbury, Ruth
 Callaghan, Amy
 Cameron, Dr Lisa
 Carden, Dan
 Carmichael, rh Mr Alistair
 Chamberlain, Wendy
 Chapman, Douglas
 Charalambous, Bambos
 Cherry, Joanna
 Cooper, Daisy
 Cooper, Rosie
 Cooper, rh Yvette
 Cowan, Ronnie
 Coyle, Neil
 Creasy, Stella
 Cryer, John
 Cummins, Judith
 Cunningham, Alex
 Daby, Janet
 David, Wayne
 Davies, Geraint
 Day, Martyn
 De Cordova, Marsha
 Debbonaire, Thangam
 Dhesi, Mr Tanmanjeet Singh
 Docherty-Hughes, Martin
 Dodds, Anneliese
 Doogan, Dave
 Dowd, Peter
 Duffield, Rosie
 Eagle, Dame Angela
 Eagle, Maria
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Elmore, Chris
 Eshalomi, Florence
 Esterson, Bill
 Evans, Chris
 Farron, Tim
 Fellows, Marion
 Ferrier, Margaret
 Flynn, Stephen

Foord, Richard
 Fovargue, Yvonne
 Foxcroft, Vicky
 Foy, Mary Kelly
 Furniss, Gill
 Gardiner, Barry
 Gibson, Patricia
 Gill, Preet Kaur
 Glindon, Mary
 Green, Kate
 Green, Sarah
 Greenwood, Lilian
 Greenwood, Margaret
 Griffith, Dame Nia
 Haigh, Louise
 Hamilton, Fabian
 Hamilton, Mrs Paulette
 Harvey, Neale
 Hardy, Emma
 Harman, rh Ms Harriet
 Harris, Carolyn
 Hayes, Helen
 Healey, rh John
 Hendry, Drew
 Hobhouse, Wera
 Hollern, Kate
 Hopkins, Rachel
 Howarth, rh Sir George
 Huq, Dr Rupa
 Hussain, Imran
 Jarvis, Dan
 Johnson, rh Dame Diana
 Johnson, Kim
 Jones, Gerald
 Jones, rh Mr Kevan
 Jones, Ruth
 Jones, Sarah
 Kane, Mike
 Kendall, Liz (*Proxy vote cast
 by Mr Pat McFadden*)
 Khan, Afzal
 Kinnock, Stephen
 Lake, Ben
 Leadbeater, Kim
 Lewis, Clive
 Lightwood, Simon
 Linden, David
 Long Bailey, Rebecca
 Lucas, Caroline
 Lynch, Holly
 MacAskill, Kenny
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Maskell, Rachael
 Matheson, Christian
 Mc Nally, John
 McCabe, Steve
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonnell, rh John
 McFadden, rh Mr Pat
 McGovern, Alison
 McKinnell, Catherine
 McLaughlin, Anne
 McMahon, Jim
 McMorris, Anna

Mearns, Ian
 Mishra, Navendu
 Morden, Jessica
 Morgan, Helen
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Murray, James
 Newlands, Gavin
 Nichols, Charlotte
 Nicolson, John
 Norris, Alex
 O'Hara, Brendan
 Olney, Sarah
 Onwurah, Chi
 Oppong-Asare, Abena
 Oswald, Kirsten
 Owen, Sarah
 Peacock, Stephanie
 Pennycook, Matthew
 Perkins, Mr Toby
 Phillipson, Bridget
 Powell, Lucy
 Qaisar, Ms Anum
 Rayner, rh Angela
 Rees, Christina
 Reeves, Ellie
 Reeves, Rachel
 Reynolds, Jonathan
 Ribeiro-Addy, Bell
 Rimmer, Ms Marie
 Rodda, Matt
 Russell-Moyle, Lloyd
 Shah, Naz
 Sharma, Mr Virendra
 Sheppard, Tommy
 Siddiq, Tulip

Slaughter, Andy
 Smith, Alyn
 Smith, Cat
 Smith, Jeff
 Smith, Nick
 Smyth, Karin
 Stephens, Chris
 Stevens, Jo
 Stone, Jamie
 Stringer, Graham
 Sultana, Zarah
 Tami, rh Mark
 Thewliss, Alison
 Thomas-Symonds, rh Nick
 Thompson, Owen
 Thomson, Richard
 Thornberry, rh Emily
 Timms, rh Sir Stephen
 Trickett, Jon
 Turner, Karl
 Twigg, Derek
 Vaz, rh Valerie
 Wakeford, Christian
 West, Catherine
 Western, Matt
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Whitley, Mick
 Whittome, Nadia
 Williams, Hywel
 Wilson, Munira
 Winter, Beth
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:
Colleen Fletcher and
Liz Twist

NOES

Adams, rh Nigel
 Afolami, Bim
 Afriyie, Adam
 Aiken, Nickie
 Aldous, Peter
 Anderson, Lee
 Anderson, Stuart
 Andrew, rh Stuart
 Ansell, Caroline
 Argar, Edward
 Atkins, Victoria
 Bacon, Gareth
 Bacon, Mr Richard
 Badenoch, Kemi
 Bailey, Shaun
 Baillie, Siobhan (*Proxy vote cast by Scott Mann*)
 Baker, Duncan
 Baron, Mr John
 Baynes, Simon
 Bell, Aaron
 Benton, Scott
 Beresford, Sir Paul
 Bhatti, Saqib
 Blunt, Crispin
 Bone, Mr Peter
 Bottomley, Sir Peter
 Bowie, Andrew
 Bradley, Ben
 Bradley, rh Karen
 Brereton, Jack
 Bridgen, Andrew

Bristow, Paul
 Browne, Anthony
 Bruce, Fiona
 Buchan, Felicity
 Buckland, rh Sir Robert
 Burghart, Alex
 Butler, Rob
 Cairns, rh Alun
 Carter, Andy
 Cartledge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chope, Sir Christopher
 Churchill, Jo
 Clark, rh Greg
 Clarke, rh Mr Simon
 Clarke-Smith, Brendan
 Clarkson, Chris
 Cleverly, rh James
 Clifton-Brown, Sir Geoffrey
 Colburn, Elliot
 Collins, Damian
 Costa, Alberto
 Courts, Robert
 Coutinho, Claire
 Crabb, rh Stephen
 Crouch, Tracey
 Daly, James
 Davies, David T. C.
 Davies, Gareth
 Davies, Dr James

Davies, Mims
 Davies, Philip
 Davison, Dehenna
 Dinenage, Dame Caroline
 Dines, Miss Sarah
 Djanogly, Mr Jonathan
 Docherty, Leo
 Donelan, rh Michelle
 Double, Steve
 Dowden, rh Oliver
 Drummond, Mrs Flick
 Duddridge, James
 Duguid, David
 Duncan Smith, rh Sir Iain
 Dunne, rh Philip
 Eastwood, Mark
 Edwards, Ruth
 Ellis, rh Michael
 Ellwood, rh Mr Tobias
 Elphicke, Mrs Natalie
 Eustice, rh George
 Evans, Dr Luke
 Everitt, Ben
 Fabricant, Michael
 Farris, Laura
 Fell, Simon
 Firth, Anna
 Fletcher, Katherine
 Fletcher, Mark
 Fletcher, Nick
 Foster, Kevin
 Fox, rh Dr Liam
 Frazer, rh Lucy
 Freeman, George
 French, Mr Louie
 Fuller, Richard
 Fysh, Mr Marcus
 Garnier, Mark
 Gibb, rh Nick
 Gibson, Peter
 Gideon, Jo
 Glen, John
 Goodwill, rh Sir Robert
 Gove, rh Michael
 Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Griffith, Andrew
 Griffiths, Kate
 Grundy, James
 Gullis, Jonathan
 Hall, Luke
 Hammond, Stephen
 Hancock, rh Matt
 Hands, rh Greg
 Harper, rh Mr Mark
 Harris, Rebecca
 Harrison, Trudy
 Hart, Sally-Ann
 Hart, rh Simon
 Heald, rh Sir Oliver
 Heappey, James
 Henry, Darren
 Higginbotham, Antony
 Hinds, rh Damian
 Holden, Mr Richard
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Holmes, Paul

Howell, John
 Howell, Paul
 Huddleston, Nigel
 Hudson, Dr Neil
 Hughes, Eddie
 Hunt, Jane
 Hunt, rh Jeremy
 Hunt, Tom
 Jack, rh Mr Alister
 Javid, rh Sajid
 Jenkin, Sir Bernard
 Jenkyns, Andrea
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnston, David
 Jones, Andrew
 Jones, rh Mr David
 Jones, Fay
 Jones, Mr Marcus
 Jupp, Simon
 Kawczynski, Daniel
 Keegan, Gillian
 Knight, rh Sir Greg
 Kruger, Danny
 Lamont, John
 Langan, Robert
 Latham, Mrs Pauline
 Leadsom, rh Dame Andrea
 Leigh, rh Sir Edward
 Levy, Ian
 Lewer, Andrew
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Loder, Chris
 Logan, Mark
 Longhi, Marco
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Mackrory, Cheryllyn
 Maclean, Rachel
 Malthouse, rh Kit
 Mangnall, Anthony
 Mann, Scott
 Marson, Julie
 May, rh Mrs Theresa
 Mayhew, Jerome
 Maynard, Paul
 McCartney, Jason
 McCartney, Karl
 McPartland, Stephen
 McVey, rh Esther
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Millar, Robin
 Miller, rh Dame Maria
 Milling, rh Amanda
 Mills, Nigel
 Mitchell, rh Mr Andrew
 Mohindra, Mr Gagan
 Moore, Robbie
 Mordaunt, rh Penny
 Morris, David
 Morris, James
 Morrissey, Joy
 Mortimer, Jill
 Morton, Wendy
 Mullan, Dr Kieran
 Mumby-Croft, Holly

Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, rh Dr Andrew
 Neill, Sir Robert
 Nokes, rh Caroline
 Norman, rh Jesse
 O'Brien, Neil
 Opperman, Guy
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Philp, Chris
 Pow, Rebecca
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Randall, Tom
 Redwood, rh John
 Rees-Mogg, rh Mr Jacob
 Richards, Nicola
 Richardson, Angela
 Robertson, Mr Laurence
 Robinson, Mary
 Rowley, Lee
 Russell, Dean
 Rutley, David
 Sambrook, Gary
 Saxby, Selaine
 Scully, Paul
 Seely, Bob
 Selous, Andrew
 Sharma, rh Alok
 Shelbrooke, rh Alec
 Smith, Chloe
 Smith, Greg
 Smith, Henry
 Smith, rh Julian
 Solloway, Amanda
 Spencer, Dr Ben
 Stafford, Alexander
 Stevenson, Jane

Stevenson, John
 Stewart, rh Bob
 Stewart, Iain
 Streeter, Sir Gary
 Stride, rh Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, rh Rishi
 Sunderland, James
 Swayne, rh Sir Desmond
 Syms, Sir Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Trott, Laura
 Vickers, Matt
 Villiers, rh Theresa
 Walker, Sir Charles
 Walker, Mr Robin
 Warman, Matt
 Watling, Giles
 Webb, Suzanne
 Whately, Helen
 Wheeler, Mrs Heather
 Whittingdale, rh Mr John
 Wiggin, Sir Bill
 Wild, James
 Williams, Craig
 Williamson, rh Sir Gavin
 Wood, Mike
 Wright, rh Sir Jeremy
 Young, Jacob
 Zahawi, rh Nadhim

Tellers for the Noes:
Craig Whittaker and
Sir David Evennett

Question accordingly negatived.

The Deputy Speaker resumed the Chair.

Bill reported, without amendment.

Bill, not amended in Committee, considered.

Bill read the Third time and passed.

BUSINESS OF THE HOUSE

Motion made, and Question put forthwith (Standing Order No. 15),

That, at this day's sitting, the Motions:

(1) in the name of the Chancellor of the Exchequer, relating to the Energy (Oil and Gas) Profits Levy Bill: Business of the House motion; and

(2) in the name of Mark Spencer, relating to Business of the House (Today)

may be proceeded with, though opposed, until any hour and Standing Order No. 41A (Deferred divisions) shall not apply.—*(Mr Peter Bone.)*

Question agreed to.

BUSINESS OF THE HOUSE (TODAY)

Ordered,

That, at this day's sitting, notwithstanding Standing Orders No. 16 and 17, the Speaker shall put the Questions on the motions in the name of:

(1) Secretary Kwasi Kwarteng relating to the draft Conduct of Employment Agencies and Employment Businesses (Amendment) Regulations 2022; and

(2) Keir Starmer relating to the Liability of Trade Unions in Proceedings in Tort (Increase of Limits on Damages) Order 2022 (SI, 2022, No. 699)

not later than 90 minutes after the commencement of proceedings on the motion for this Order; the business on these motions may be proceeded with at any hour, though opposed; and Standing Order No. 41A (Deferred divisions) shall not apply.—*(Mr Peter Bone.)*

Employment Agencies and Trade Unions

7.45 pm

Madam Deputy Speaker (Dame Rosie Winterton): The Business of the House (Today) motion just agreed to by the House provides for the two motions under item 4 on the Order Paper to be debated together. At the end of the debate, I will put the Question on the first motion. When that is decided, I will ask the Opposition to move the second motion formally, and I will then put the Question on it.

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Jane Hunt): I beg to move,

That the draft Conduct of Employment Agencies and Employment Businesses (Amendment) Regulations 2022, which were laid before this House on 27 June, be approved.

Madam Deputy Speaker: With this we shall take the following motion:

That an humble Address be presented to Her Majesty, praying that the Liability of Trade Unions in Proceedings in Tort (Increase of Limits on Damages) Order 2022 (S.I., 2022, No. 699), dated 22 June 2022, a copy of which was laid before this House on 24 June 2022, be annulled.

Jane Hunt: The purpose of the first instrument is to lift the current ban on employers bringing in agency staff to help them cope with industrial action. The second instrument makes a long-overdue change to the maximum levels of damages the courts can award against trade unions that take unlawful industrial action.

I will start by examining why the Government are making these changes. Our trade union laws are designed to support an effective and collaborative approach to resolving industrial disputes. They rightly seek to balance the interests of trade unions and their members with those of employers and the wider public. While the Government continue to support the right to strike, it should always be the last resort. The rights of some workers to strike must be balanced against the rights of the wider public to get on with their daily lives. Strikes can, and do, cause significant disruption. That is particularly the case when they take place in important public services such as transport or education. It cannot be right that trade unions can, as we saw in the case of the recent rail strikes, seek to hold the country to ransom if their demands are not met.

Alec Shelbrooke (Elmet and Rothwell) (Con): What assessment has my hon. Friend made of the availability of spare teachers, nurses and train drivers to fill the gaps during a strike?

Jane Hunt: I thank my right hon. Friend for his question, which I will take up a little later on in my speech.

Hywel Williams (Arfon) (PC): I am grateful to the Minister for giving way so early on. How does she justify overturning the Trade Union (Wales) Act 2017, which bans the use of agency workers in devolved services, and therefore the intention to overturn the consequences of Welsh democracy?

Jane Hunt: I thank the hon. Member for his question. I will talk about that a little later; it is a reserved right.

Some trade unions appear to be looking to create maximum disruption in a bid to stay relevant, rather than constructively seeking agreement with employers and avoiding conflict. In the light of this, the Government have reviewed the current industrial relations framework and have come to the conclusion that change is needed.

The first change we are making is to remove the outdated blanket ban on employment businesses supplying agency workers to clients when they would be used to cover official industrial action. Employers can, of course, already hire short-term staff directly to cover industrial action, but this change would give them the ability to work with specialist employment businesses to identify and bring in staff. The change in no way restricts the ability of workers to go on strike. It will, however, give employers another tool they can use when trying to maintain the level of service they offer to the public.

Rachael Maskell (York Central) (Lab/Co-op): I am grateful to the Minister for giving way. Has she considered the 100,000 vacancies we currently have in the NHS that we cannot fill? The staff who work for agencies are also unionised and will not cross a picket line, so how will she fulfil this legislation?

Jane Hunt: I thank the hon. Lady for her question. It is, of course, their choice. It is also their choice to take up an agency position.

Jonathan Gullis (Stoke-on-Trent North) (Con): To help the hon. Member for York Central (Rachael Maskell) with her intervention, as a former teacher and a former trade union representative, I am more than happy to go back into any classroom to help out when the disastrous “not education union” is threatening to bring down schools.

Jane Hunt: I thank my hon. Friend for his intervention, and for his expertise and knowledge in the field.

This is a permissive change that will not force employment businesses to supply agency staff to employers to cover strikes. Agency workers will still be able to decline any assignments they are offered and the right to strike is unaffected. This change is simply about giving both employers and employees more freedom and flexibility to decide what works best for them—a freedom that the current outdated regulations deny them.

Barry Gardiner (Brent North) (Lab): Will the Minister give way?

Jane Hunt: If you do not mind, Madam Deputy Speaker, I am going to make some progress.

I have also seen some reports that this changes will somehow put workers or the wider public at risk. This is not the case.

Grahame Morris (Easington) (Lab): Will the Minister give way?

Jane Hunt: I will make some progress.

Employers will still have to comply with broader health and safety—

Grahame Morris *rose*—

Jane Hunt: I understand that the hon. Gentleman will be speaking later.

Employment businesses will still need to be satisfied that the workers they supply are suitably qualified and trained.

Alongside that change, we will increase the levels of damages that a court can award in the case of unlawful strike action. It has long been the case that employers can bring a claim for damages against a trade union that has organised unlawful strike action. The upper limits to the damages that can be awarded are set out in the Trade Union and Labour Relations (Consolidation) Act 1992, and are based on the size of the union that organises the unlawful strike action, but the damages regime has not been reviewed since 1982, so the limits are significantly out of date. As a result, the deterrent effect that Parliament intended has been significantly reduced. The Secretary of State is using powers granted to him under section 22 of the 1992 Act to increase the existing caps in line with inflation. In practical terms, that means that the maximum award of damages that could be made against a union will increase from £10,000 to £40,000 for the smallest unions and from £250,000 to £1 million for the largest.

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): Does the Minister think it is right that the cap on any fines issued by the Electoral Commission for fraud if it was found in the Conservative party is lower than what she is proposing for trade unions? Does she think it is right that fines are higher for trade unions than for preserving the democratic functioning of our country?

Jane Hunt: I thank the hon. Member for his question. I will, in fact, move on.

This is a proportionate change, because we are simply increasing the amounts to the level they would be at had they been regularly updated since 1982. We are increasing the limits in line with the retail prices index, which is a well understood measure of inflation and is the same measure for other employment legislation. By increasing the limits on damages in line with inflation, we are sending a clear message to trade unions that they must comply with the law when taking industrial action.

Strikes should only be as a last resort and should only ever be called as the result of a clear, positive and democratic decision of union members. The key point is that unions that continue to comply with our trade union law will be completely unaffected by this change. The changes we are making will ensure that our trade union and agency laws remain fit for purpose. We are giving businesses the freedom to manage their workforce and empowering workers by giving them more choices about the kind of assignments they can accept. We will continue to protect an individual's right to strike where proper procedures are followed, while ensuring that trade unions are deterred from taking unlawful industrial action.

I beg to move that both instruments are considered by this House.

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Rosie Winterton): Just to give prior notice, there are many more speakers than have put down to speak, so I suspect a time limit will be imposed. Members should bear that in mind. I call Angela Rayner, shadow Secretary of State.

7.55 pm

Angela Rayner (Ashton-under-Lyne) (Lab): Thank you, Madam Deputy Speaker. I want to say from the outset that I was an agency worker and I continue to be a very proud trade unionist.

I also want to start by welcoming the Minister to her new position. And what a fitting debate for her to start with. Over the last week, dozens of Government Members found themselves forced to work in intolerable conditions, answering to a boss who only cared for himself and not their interests, so they withdrew their labour—and they achieved some change as a result. So, they do understand the right to strike; they just seek to deny that right to others. The Minister now finds herself, much like agency workers under the regulations she proposes, filling in at short notice as a desperate last resort, with no time to prepare, in an organisation reduced to chaos.

It just does not work. The shambles of this Government disproves their own theory. The regulations are not just utterly wrong in principle, but totally impractical. They promised no new policy while the Prime Minister clings to his desk by his fingernails, but it appears that they have made an exception in this case, ripping up decades of national consensus. The proposals are anti-business and anti-worker. They will risk public safety, rip up workers' rights, and encourage the very worst practices. Above all, they will not prevent strikes; they will provoke them. It is hard not to believe that this is what the Government were after and their whole intention all along.

The proposals are simply “unworkable”—not my conclusion, but the conclusion of the body that represents agency worker businesses, the Recruitment and Employment Confederation. It is not hard to see why. We already face severe labour shortages, in part caused by the decisions of this Conservative Government. There simply are not the agency staff to cover industrial action. The right hon. Member for Elmet and Rothwell (Alec Shelbrooke) asked the Minister about the impact. The Government have their own impact assessment, which they rushed out this afternoon. It estimates that only 2% of working hours lost to strikes would be covered. I met the REC last week, and it was very concerned that the Minister's predecessor was simply not listening. I believe that to be the case. This proposal is anti-business. It threatens good agency worker businesses' reputations, their relations with their staff, and, as the Government's own impact assessment found, will cost employers thousands of pounds in familiarisation costs.

But there is also a far more insidious side to the proposals. There is a risk to safety, both to workers themselves and the public. The proposals could see agency workers recruited on the hoof and squeezed in to cover highly skilled roles. Take the recent rail strikes, which the Minister mentioned in her opening speech. They saw skilled workers such as signallers, guards and maintenance staff walk out. In case the Minister did not know, it takes a year to train a signaller. Where are the temps who can operate 25,000 volts at control centres or signal 140 mph high-speed trains? How could the travelling public have any confidence in their safety? The public should absolutely not be put in a position where that could happen.

No one in this House can pretend that they are ignorant on this issue. We saw the consequences when P&O Ferries replaced its experienced workforce with

[Angela Rayner]

agency crew earlier this year. That decision led to 31 separate safety failings. Vessels were suspended and a ship literally lost power in the middle of the Irish sea due to an inexperienced crew. At the time, the Secretary of State for Transport told the House:

“No British worker should be treated in this way... we will not allow this to happen again”.—[*Official Report*, 30 March 2022; Vol. 711, c. 840.]

The Prime Minister told us that

“we are taking legal action...against the company concerned”.—[*Official Report*, 23 March 2022; Vol. 711, c. 326.]

Lloyd Russell-Moyle: Is this not an exploiters’ charter that is deeply anti-British? This is from an anti-British party that has abandoned British workers, reducing their rights in work and allowing either agency workers from abroad to be brought in to undercut staff, as happened with P&O, or agency workers to be exploited when they are forced to cross picket lines. This is anti-British worker, is it not?

Angela Rayner: On the P&O workers, it seems to me like the company broke the law and the Government implied that they were going to do something about it. Perhaps the Minister can tell us how that legal action is getting on. Will the Prime Minister keep the promise that he made before he loses office? Can we assume not, judged by today, because the very practice they condemned, they now want to legalise and encourage? This is an absolute disgrace.

Grahame Morris: My right hon. Friend is making a terrific speech and I agree with what she is saying. She mentions P&O, and I certainly recall the Secretary of State making a statement to the House and being enraged by the actions of P&O. Why are the Government putting through the House a statutory instrument to change the terms and conditions and bring in agency workers? Why are we not having the employment Bill that was promised by the Secretary of State? Why is this being done in an underhanded fashion if it commands the support of the House and the country?

Angela Rayner: My hon. Friend makes an absolutely crucial point. The Government have been promising jam tomorrow for far too long, saying “employment Bill”, “employment Bill,” but guess what? No employment Bill. That is what it is like with this Government: it is all jam tomorrow and broken promises all the way.

There is another point to make. Under section 12 of the Employment Agencies Act 1973, the Government must consult before they change any regulation. However, with all the chaos of the past couple of weeks and days, they are trying to pass a consultation from 2015 that they never even completed. They also thought that it would be acceptable to sneak out an updated impact assessment on the day of the debate. This is government on the back of a fag packet, with no time and no opportunity for scrutiny. It is typical of what we have come to expect from this Government.

Hywel Williams: I pointed out to the Minister that the Government are determined to repeal the Trade Union (Wales) Act. She said she would refer to her position on

that later in her speech but, unsurprisingly, she failed to do so. Will the shadow Minister commit a future Labour Westminster Government to reinstate our Senedd’s ability to implement a ban on agency staff in devolved services?

Angela Rayner: I thank the hon. Member for his point. I promise him that the Labour party will always support Welsh devolution and support the Wales Government in what they have been trying to achieve. Actually, as we have seen with the industrial action on the railway, we have avoided that in Wales, where we have a Welsh Labour Government, because Labour Members respect devolution. This Government want to break up the Union with their petty squabbles, sleaze and scandal.

Let me move on to the second motion. I congratulate the Minister’s new team on finding one of the lesser-known industrial regulations. It is funny that the Government are proposing to increase fourfold the damages that could be claimed under a measure that has not even been used. The Conservative party is wasting precious parliamentary time in a week when piles of legislation have had to be postponed due to there being no Minister to deal with them. This is an empty gesture or a threat. Whether the Minister and her party like it or not, everybody has the right to join a trade union in this country and to take strike action. This measure is either pointless or yet another attempt to undermine that right by the back door.

Jerome Mayhew (Broadland) (Con): Does the right hon. Lady agree that it is not open for trade unionists to entertain illegal strike action in this country?

Angela Rayner: We have some of the strictest trade union legislation in Europe. Members have to go through strict balloting. This is the myth that Government Members do not get about trade unionists and industrial action: it is a last resort and it is often when all else has failed. It would be good if the Government got round the table and tried to deal with the disputes rather than stoke them up.

Let us take a step back to examine what this is really about: the Government are set on breaking the strikes that they are causing themselves. We saw it with the RMT strikes last month, when the Government did everything they could to avoid the negotiating table and find the resolution to bring the strikes to an end. Instead, this is a flagrant attempt to do something by a zombie Government that are out of answers, out of options and out of time. They are about a race to the bottom on standards. They are about further eroding British workers’ rights. They are about dividing the country they claim to lead. Undermining strike action will make it harder to find a resolution, resulting in more and longer strikes to the detriment of the public, businesses and workers. This will also empower bad bosses and we will see more cases like P&O Ferries.

We have not just determined that this is bad policy. It is also clear that it is deliberately harmful to workers and their employers, and it is an absolute fault of this Government. I should not be surprised by it. The Conservative party may be trying to get rid of their leader and may want to try and press the refresh button and get a better image, but this Government and that party have shown us time and time again who they are.

This is a Government that have no answers to the cost of living crisis. This is a Government that have no answers to backlog Britain and the chaos that it is causing for ordinary working families. This is a Government that have no answers to the spiralling inflation that is on our backs. And this is a Government that have not only failed to prevent the chaos, but have indeed caused the chaos. The party opposite is in disarray and this is no longer good enough. It is the Labour party that is pro-worker and pro-business, and I urge the whole House to be the same.

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Eleanor Laing): Order. A great many Members wish to speak and, as the House will be aware, we have limited time—we have just over an hour left. I hope that they will be courteous to their colleagues by taking five minutes or less each.

8.8 pm

Jerome Mayhew (Broadland) (Con): I rise to support both statutory instruments, but I will speak in support of only one: the liability of trade unions in proceedings in tort and the increase in the limit on damages. To set the context, we need to look at the rights and obligations under the law of tort—the common-law duty under tort—so that we can understand the rationale behind the measures. As many Members will know, for a liability under tort to become established, we first have to have a duty of care for one organisation or individual to another. There needs to be a breach of that duty and then evidence to demonstrate that the breach was causative of identified damages. That is a standard part of the law of tort and of our common law. It is worth making the point that it applies to all of us in all our relations with one another; it is not unique to the unions. The starting point is that every organisation is responsible in damages for a tortious breach of its duty of care.

I turn to the specific problem with trade unions and trade union-inspired strikes. Although the withdrawal of labour is a fundamental right, as the right hon. Member for Ashton-under-Lyne (Angela Rayner) made clear, it can lead to a huge number of breaches of tortious duty if a strike is illegal, because public sector work has an impact on so many other organisations. In previous legislation, the Government created an exemption for unions on legal strikes—the official protected industrial action clauses—but illegal strike action is not protected under the law, so the risk remains that trade unions are open to crippling damages being awarded against them. Why should they not be? If through their illegal actions they have caused identified losses to other individuals, why should they not be responsible for them?

Paula Barker (Liverpool, Wavertree) (Lab): Could the hon. Member identify the last time that there was an illegal strike, please?

Jerome Mayhew: Since 1982, there has been effective legislation to dissuade that kind of act, but the effectiveness of that legislation has diminished over time to such a level that it is no longer worth applying. The damages cap is so low in real terms that it has become ineffective as a disincentive.

Barry Gardiner: Does the hon. Member understand that as the normal remedy is an injunction, what he proposes might, ironically, make injunctions against strikes more difficult for employers to obtain? One of the conditions for the grant of an interlocutory emergency injunction is that it must be shown that damages, if awarded at full trial, would not be an adequate remedy, so raising the level of that remedy makes it less likely that an employer could get an injunction. The hon. Member's argument has therefore undermined itself.

Jerome Mayhew: I am grateful for that intervention, but I fundamentally disagree. As the hon. Member will know, when someone makes an interlocutory application for an injunction, they often have to give an undertaking in damages. The cap, which I have not yet come on to, will not be raised to a new level; the order merely restores what was put in place, which was the will of Parliament when the legislation was enacted back in 1982.

There is a very strong argument that an organisation that causes loss to another through its breach of a duty of care should be responsible for 100% of damages, but the Government have not taken that view. They have capped the liability in damages for trade unions, even when strikes are illegal. They have tried to balance the disincentive from strike action, for which I make no apology, with protection for trade unions from the full consequences of their actions, even though they might be illegal. The reason is that the Government are in favour of trade unions and do not want crippling damages being awarded against them. There is a balance of rights and obligations, which in my view is absolutely reasonable.

The cap was set by Parliament under the Employment Act 1982 at between £10,000 and £250,000, based on the size of the union and its ability to pay. It seems quite wrong, in 38 intervening years, for the caps not to have been increased by the rate of inflation or by any other amount. The rights of unions and the rights of damaged businesses and individuals have now, in my submission, become unbalanced. The legislation is no longer acting as proposed, and I think the Government are quite right to take action to rebalance it, as it originally required. I have looked up, on the Office for National Statistics website, the retail prices index figures for inflation between January 1982 and May 2022. The multiplier, to be entirely accurate, is 4.31963. The Government's proposals, which use a multiplier of four, are actually less than the inflationary increase.

It is entirely right that the order restores the original intention of Parliament. The legal right to strike is wholly protected, and it is disingenuous for Opposition Members to suggest that the right to strike is being in any way affected. The order merely restores the balance of rights between the damages available to the victims—and they are victims—of tortious losses caused by illegal strike action and the protection of trade unions from crippling losses. That is right: it is an incentive to avoid illegal strikes, which I think is a good thing.

This is good government. I support the order; I only suggest that from now on, the limits should rise automatically with inflation to avoid having a repeat of this debate in 2060.

Madam Deputy Speaker (Dame Eleanor Laing): I call the SNP spokesman.

8.15 pm

Chris Stephens (Glasgow South West) (SNP): I refer to my entry in the Register of Members' Financial Interests and to my membership of Unison Glasgow City; I am a proud trade union member. Like the right hon. Member for Ashton-under-Lyne (Angela Rayner), I must say that the irony has not escaped me that right hon. and hon. Members who secured workplace change last week by withdrawing their labour—bringing the country to a standstill, as the Minister put it—now wish to stop others from doing so. When I saw the regulations on the Order Paper, I asked myself whether they were for the trade unions or for the Tories. In Operation Save Big Dog last week, was consideration given to hiring agency Ministers? That was the level that we were at.

What is wrong with the employment agency regulations, of course, is that the Government have tried them before, during the passage of Trade Union Bill. Indeed, there were Government Members who suggested to the Government that they should not go down that road. Then and now, the reason not to is the evidence of the agencies themselves, which do not support this legislation. There has been no consultation.

The regulations interfere with devolution by trying to end the Trade Union (Wales) Act, as we have heard from a number of hon. Members. They interfere with Scotland's legislative approach, which uses the fair work model; once again, we are seeing this Government running roughshod over devolution. They are also based on fanciful notions. The Minister did not use the phrase "trade union bosses", but I have heard it used over the past couple of weeks. Trade unions are not the bosses; they are the representatives. It has been suggested by some hon. Members that the fact of disputes taking place is all the fault of the trade unions, not of the poor, downtrodden, six-figure-salary executives who are not engaging.

Jonathan Gullis: It is the union barons.

Chris Stephens: There is no such thing as a union baron. The hon. Gentleman is one of the hon. Members who withdrew their labour to sit on the cobblestones, but given his rhetoric tonight, it seems that he wishes to stop others doing so.

Another problem is the likely breach of international law. The use of agency workers to replace striking workers would violate trade unions members' right to strike, which is safeguarded by International Labour Organisation convention No. 87, article 3; by the European social charter of 1961, article 6, paragraph 4; and by article 11 of the European convention on human rights. Indeed, the ILO committee on freedom of association has said:

"The hiring of workers to break a strike in a sector which cannot be regarded as an essential sector in the strict sense of the term...constitutes a serious violation of freedom of association."

On 16 June, the Institute of Employment Rights published an article by the great Professor Keith Ewing, professor of public law at King's College London. He discusses the convention and refers to the Government's own agreement—the EU-UK trade and co-operation agreement, which is given effect in UK law via the European Union (Future Relationship) Act 2020. He suggests that the regulations' revocation of regulation 7 of the Conduct of Employment Agencies and Employment Businesses Regulations 2003 may be unlawful:

"It is at least arguable that these pre-existing powers are constrained by the 2020 Act, s 29 so that they cannot be used in a way that will violate the TCA and the obligations thereunder.

If this argument is correct, the government is constrained by its own hand from legislating to revoke regulation 7 by secondary legislation."

There will be a negative impact on agency workers. Allowing their deployment would put them in a horrible position. They would have to choose between crossing a picket line and turning down an assignment, with the prospect of being denied future work by the agency. Many agency workers, such as supply teachers and bank nurses, will be trade union members themselves. Under the UK's weak employment laws, agency workers are not protected from suffering a detriment if they refuse an assignment because they do not wish to replace striking workers.

There will also be a negative impact on the agencies themselves. The removal of the ban on the supply of agency workers would mean that employment businesses were forced to become involved in industrial disputes not of their making. That is why agencies themselves oppose the proposals, as others have said. In a joint statement with the TUC, the Recruitment and Employment Confederation urged the Government to leave the current ban in place as a key element of a sustainable national employment relations framework. Part of the reason for that is the realisation by employers and trade unions that disputes come to an end, and there must then be a discussion about how to move forward from that dispute and how to rebuild industrial relations. Neil Carberry, the chief executive of the REC, said:

"The government's proposal will not work. Agency staff have a choice of roles and are highly unlikely to choose to cross picket lines."

There is a safety issue. The health and safety of agency workers and the potential impact on public safety is of serious concern to trade unions. Studies suggest that temporary agency workers are exposed to more hazards than others, and have higher rates of workplace injuries and ill health. A simple search of the Health and Safety Executive's prosecutions over the last five years shows a litany of employer failures: a lack of training of agency workers, a lack of access to protective equipment, and a lack of supervision and monitoring of agency workers to ensure that they understand and are following risk assessments and safe systems of work. Sadly, those failures have resulted in fatal or life-changing injuries among agency workers. We also know from agency workers that their health and safety is often overlooked. When the work involves delivering a public service, that can present risks to the service user or endanger wider public safety.

The Health and Safety Executive and other safety bodies broadly agree that the components of a positive safety culture and successful health and safety management, leading to fewer incidents, include good communication, competence, training and induction, good team working, ability to raise concerns with no detriment, and good worker involvement. The hiring of agency workers to try to disrupt industrial action would not achieve that.

There are also concerns about public safety. Under section 3 of the Health and Safety at Work etc. Act 1974, employers taking on agency workers are responsible for their safety and the safety of the public. The agency placing the worker also has responsibility, and we suggest that failures in safety occur owing to the lack of communication and consultation between the two duty holders, with the safety of the agency worker falling through the gaps. That is borne out by reports from the Health and Safety Executive, which found that about

half the recruitment agencies surveyed did not have measures in place to ensure that they were fulfilling their legal obligations.

This proposal is not practical. As was pointed out by Members earlier, there are currently 1.3 million vacancies in the UK, which is a record high. Data shows that the number of candidates available to fill roles has been falling at a record pace for months. In this tight labour market, agency workers are in high demand and can pick and choose the jobs that they take. Are they seriously going to take a job in which they have to cross a picket line in order to get a shift, rather than picking a different one? *[Interruption.]* Perhaps the hon. Member for Stoke-on-Trent North (Jonathan Gullis) would, but I have to say that he is a unique case.

Grahame Morris: Does the hon. Gentleman agree that many Conservative Members would prefer to turn the clock back to the days of the bond and indentured labour? My grandfather's father was paid a modest sum as a bond to be an indentured labourer in the mines. It was illegal to go on strike, and if workers did go on strike for better terms and conditions, they were evicted from their homes. It is a disgrace that Conservative Members are trying to turn the clock back to those days.

Chris Stephens: Of course, it was Conservative Members' party that introduced the Master and Servant Act 1823. I could say more about that, Madam Deputy Speaker, but I will not.

Jonathan Gullis: Go on!

Chris Stephens: Well, it was about what implements could be used to discipline a worker. The hon. Gentleman may want to reflect on that, because the Whips might have done something to him last week when he was taking his industrial action.

What the hon. Member for Easington (Grahame Morris) said was correct. I do not think the Conservatives understand what happens in the workplace. That is the issue here. They think that agencies will replace the striking workers, but that is just not going to happen. An agency worker who can choose between crossing a picket line to get a shift and not crossing the picket line and getting a shift somewhere else will choose the latter option.

Rachael Maskell: The hon. Gentleman is making an excellent speech. It is also the case that employers in safety-critical industries will not want to hire agency workers because they know that the liability will sit with them when the injuries and the accidents occur. Those roles often feature in safety-critical areas. These workers are simply irreplaceable.

Chris Stephens: That is absolutely true. There is a suggestion that the rail industry could bust the current rail dispute by hiring agency workers. Where are the unemployed signalmen who are sitting at home saying, "I cannot wait for the railway workers to go on strike so I can get a shift"? Those people do not exist. This is completely wrongheaded, and utterly impractical. In the gig economy, so-called key workers fighting for better employment terms and pay seem to be expendable

under a Tory Government who do not care. Where is the employment Bill that the Government have been promising us since 2015?

There is another point that I forgot to make at the beginning of my speech. Last week, after his resignation, the Prime Minister made a commitment not to introduce legislation that was not in the Government's manifesto, and not to introduce controversial legislation. Well, by any measure, this is controversial legislation, and, crucially, it was not in the Conservative party manifesto, and therefore it should not be introduced.

I have a couple of questions for the Minister. What assessment has the Secretary of State made of the compatibility of the Conduct of Employment Agencies and Employment Businesses (Amendment) Regulations 2022—which we are discussing today—with the Human Rights Act, the trade and co-operation agreement with the European Union, and the UK's commitment to the International Labour Organisation's fundamental conventions, including convention 87, article 3?

We have heard about the impact assessment, but what consultation have the Government had with the rail industry employers, rail industry unions and rail industry regulators, including the Rail Safety and Standards Board, about the risk assessment of the use of agency workers in safety-critical parts of the rail industry? What consultations have the Government had with devolved Administrations, local authorities, health boards and other public services? I am guessing that they have not had such consultations, because if they had, they would have been told that these proposals were not workable. And what consultation have the Government had with the employment agencies themselves? We have already heard that the agencies do not support this legislation.

We in the SNP will certainly be opposing this statutory instrument and supporting the Labour prayer. My friend on the Labour Front Bench, the right hon. Member for Ashton-under-Lyne, is a good Unison comrade and I have known her for 15 years. I know that the trade union is proud of her working here, as well as of other hon. Members.

It is madness to say that no impact assessment has been produced for this SI because no significant impact on the private, voluntary or public sectors is foreseen. Fining trade unions for pursuing strike action that is deemed unlawful is a deliberate Tory attack to undermine the ability of trade union members and working people to pursue their aims. Instead, the Transport Minister should be negotiating with the trade unions—sitting down with them and seeing if he can help to resolve this dispute. It is quite incredible how this Government do not understand working people or how modern trade-unionised workplaces operate. This statutory instrument that they are proposing should therefore be placed in the bin.

Madam Deputy Speaker (Dame Eleanor Laing): I am going to impose a time limit of four minutes.

8.29 pm

Mrs Natalie Elphicke (Dover) (Con): It is well known to hon. and right hon. Members across the House that I am an enthusiastic supporter of the role of trade unions, and of marches and protests, particularly in my own constituency of Dover and Deal. I have been a member

[Mrs Natalie Elphicke]

of a trade union over the last 20 years, and I have been involved in assessing collective bargaining arrangements with unions. I have marched with unions and I have stood alongside them, most recently in relation to the disgraceful, unacceptable behaviour of my Dover constituents P&O, against whom I have taken firm action. As a Member of Parliament, I have also helped with the negotiations between the unions and the P&O management through two previous restructures during the covid pandemic.

So I fully support the role of trade unions, where workers wish to be involved in them, and I think that sentiment is widely shared among Conservative Members. However, trade unions have a particular and special responsibility, and the rights that they and their members are afforded by law are not unfettered. It is the role of this place to assess where the balance of rights and responsibility lies, and today's measures are about the responsibilities as well as the rights. Regrettably, the most recent train strike action seems to have been taken precipitately, not as the last resort. In my constituency, no trains at all ran on the strike days. That caused upset and also financial loss to others. It did not strike the right balance of fairness to people who were going to school to sit their exams, going to work or going to see loved ones.

Let me say clearly that I fully understand why those working on the railways are seeking pay rises, and I am pleased that the Government have announced the ending of the pay freeze, but in my area train prices are already too high. I have spoken about that in this place before. The railways are in need of urgent modernisation, and, as the Transport Secretary has set out many times, it is important that these conversations take place so that that can happen. The trains provide an essential service, and we must look at how to provide the basic, critical, essential services that people need to get around in their ordinary lives and work when industrial action is carried out, while also respecting the right of workers to take industrial action. We must not undermine workers' rights, but we must take into account the needs of the public. That is at the heart of the measures being introduced today.

I conclude by underlining that the increased damages under the order are set to apply only where the unions act unlawfully. As we have heard today, it is good that those instances are few and far between. The order does not fetter the activities that I have described and supported, but it must be right to look at the fairness of the rights and responsibilities, particularly in the current situation where industrial action seems to be encouraged and strikes are not always the last resort. I do not want this country to be brought to its knees by unnecessary strike action. These measures will help to strengthen the responsibilities of everyone involved in resolving employment disputes, to enable them to do so in a responsible way.

8.33 pm

Paula Barker (Liverpool, Wavertree) (Lab): I draw the House's attention to my entry in the Register of Members' Financial Interests. I am a proud member of the Unison and Unite trade unions.

Many Opposition Members will make well-reasoned and well-articulated arguments as to why the Government's intention to break strikes with agency workers and to bankrupt trade unions violates international law and threatens safety-critical infrastructure in key sectors during periods of industrial unrest—not to mention its economic illiteracy. Those arguments will undoubtedly fall on the deaf ears of a governing party looking into its own spiral of moral depravity. For all their so-called love of liberal democracy, the Conservatives are now effectively seeking to remove the fundamental right of workers to withdraw their labour. As we enter this leadership election and the insufferable spectacle of hopefuls distancing themselves from the low-wage, high-tax, low-growth economy they have created with unrealistic, unfunded promises, I have no doubt that looking tough on trade unions will feature as part of the show for the Tory party faithful. They say we live in the 1970s, but it is they who live in their own warped reality of more than 40 years ago.

I remind the Conservatives that they are the ones who changed the rules with the Trade Union Act 2016, which brought in ballot thresholds set at what they thought were unrealistically high levels. Guess what? Trade unions are meeting them, so can we drop the phoney rhetoric that the likes of Mick Lynch and other trade union bosses are taking members on strike? It is the members of the RMT and other trade unions who take these decisions. They do not stand behind their trade union leaders; their leaders stand shoulder to shoulder with them.

Other unions will undoubtedly follow as working people attempt to claw back a fairer slice of the pie, rather than the crumbs they are being offered—like the Communication Workers Union workers in Crown post offices who are taking their third day of industrial action today. I support every worker taking a stand for their livelihood, their family, their dignity in the workplace and the prosperity of their communities. This Government fear that the action taken by the RMT and the CWU will encourage other working people to do the same. All this comes at a time when the Government's boss mates are dipping the till by suppressing wages, paying out millions in dividends and giving themselves bonuses while millions of people cannot afford to eat, to heat their home or to put petrol in their car.

After so many decades of believing their own dogma, the Conservatives are running out of things to privatise, with Channel 4 and the Passport Office in their sights. Similarly with the trade unions, they have pushed the needle so far that the obvious next step is to break strikes using agency labour and to break international law—on which they have form. What next? Ban trade unions altogether, or simply legislate them out of existence? How far the Conservative party has descended into the throes of authoritarianism. We must oppose this with everything we have.

8.37 pm

Alec Shelbrooke (Elmet and Rothwell) (Con): The behaviour and the pay demands of the public sector at this time are unjust. Plenty of my constituents who work in the private sector will receive nowhere near those pay demands, and to threaten strike action to achieve them is an insult to my constituents whose livelihoods will be disrupted and whose taxes will probably have to be increased to pay for them.

However, the saying goes, “Act in haste, repent at leisure.” This agency worker measure was not in our manifesto, and it seems to have been done very quickly in reaction to what is going on in the public sector. Do not get me wrong; I think that action is wrong, but public sector employees represent a small proportion of employees in this country and the private sector has quite a few unscrupulous employers. If people lose their ability to have an effect when they withdraw their labour, I am afraid they will effectively lose the ability to withdraw their labour.

We cannot change the rules to require the service levels that the public demand while ignoring the considerably larger impact on private sector workers. Private sector employers might turn around and say, “I am sorry, but costs have gone up so high that I am cutting your wages back to minimum wage.” Their workers might withdraw their labour, to which the employer might say, “Fine, I will bring in agency workers.” That takes away all the rights of working people to make such decisions. Over history, and certainly many decades back, there have been plenty of examples of people working in terrible conditions, and being able to be part of a collective and to withdraw labour got those conditions improved. We are all gobby in this place—that is how we got here. We all feel it within us, and we all stand up and say something. Most people are not like that at all; they want someone to stand up and do it for them, and we then have negotiations and go to those levels.

I take issue with the right hon. Member for Ashton-under-Lyne (Angela Rayner), but I fully expected her speech to go down as it did. In many ways, we have invited it, but I do not believe the cost of living crisis is created by this Government; many issues in the world are creating a cost of living crisis. It is inflationary to try to chase those pressures, and this will have to be fair for the private sector. However, for the first time in my parliamentary career, I shall be voting against the Government tonight on the measure to bring in agency workers.

8.40 pm

Grahame Morris (Easington) (Lab): I, too, would like to draw Members’ attention to my entry in the Register of Members’ Financial Interests. I want to acknowledge the excellent contribution of the right hon. Member for Elmet and Rothwell (Alec Shelbrooke) and congratulate him on the conclusion he has arrived at. I am a proud trade unionist. I have worked ever since I left school, for 43 years, and I have always been a member of the appropriate trade union. I am involved with numerous parliamentary groups and trade union groups related to the justice unions, the Public and Commercial Services Union, the National Union of Journalists and the RMT. [HON. MEMBERS: “Hear, hear.”] Thank you. I am also a member of Unite and have the honour of chairing its parliamentary group.

I suspect we are here because the Government have engineered strikes in the rail industry that could have been avoided. Sadly, the country was brought to a standstill, which was completely avoidable. The right hon. Member for Welwyn Hatfield (Grant Shapps), who wants to be Prime Minister, is the culprit; he is the roadblock to successful negotiations between rail operators and the trade unions. My advice is: lift the restrictions

on the rail operators, let them negotiate fairly and freely, and a settlement can be secured.

I suspect the Government wanted strikes, however. First it was to distract from some of the shenanigans in Downing Street, and now they want to pitch worker against worker to cover for some of the economic failures of another prospective Prime Minister, the right hon. Member for Richmond (Yorks) (Rishi Sunak). The Government want to break strikes and force working people who are organised in trade unions to accept job losses, worse pay, worse pensions, and worse terms and conditions.

Enough is enough. People who work for a living refuse to be poor. It is not too long ago that Conservative Members were applauding public sector workers for their selfless contribution. Many in the transport sector and the national health service gave their lives to provide services and protect us during the pandemic, but memories seem to be short. So we will be organising, and I am firmly of the belief that we should not accept real-terms cuts in wages, whether in the private sector or the public sector.

Make no mistake: these statutory instruments come off the back of the recent RMT rail strikes, and the Government aim to sow political division. My colleagues on the Front Bench mentioned that employers and industry figures, including the Recruitment and Employment Confederation, oppose these changes. Let me just say for the record that the trade union co-ordinating group, a coalition of 11 national unions, not all of which are affiliated to the Labour party, has published a statement calling these proposals

“a shameless ideological assault on the millions of trade union members...in this country who are already suffering from the cost-of-living crisis.”

The Government’s plan is unworkable, but these SIs have not been designed to be workable. They have been designed to undermine strikes, irrespective of the damage they will do to working people, to their living standards, and to the economy and businesses in the meantime. The Government want untrained agency staff to take over safety-critical infrastructure as a means of breaking strikes. The public must be warned that if the Government cut corners to break strikes, safety standards will be compromised. The Minister said in her opening remarks—although she would not take my intervention—that this would not affect the safety of the public, but not too many months ago we saw P&O Ferries replace over 900 seafarers with agency crew, leading to the most appalling safety failures. Inexperienced seafarers who replaced experienced crews were involved in 31 separate incidents, including safety-critical failures such as not being able to operate lifeboats safely. In fact, one ferry was left adrift in the Irish sea after engine failure—

Madam Deputy Speaker (Dame Eleanor Laing): Order. The hon. Gentleman was speaking with such authority that I did not notice he had exceeded his four minutes. I am afraid I will have to stop him there. I call Craig Mackinlay.

8.45 pm

Craig Mackinlay (South Thanet) (Con): It is always a pleasure to follow many of the Members in this House, and the hon. Member for Easington (Grahame Morris) knows I have great regard for him. I am glad that he

[Craig Mackinlay]

discussed issues of the here and now—the P&O issue united the House in opposition to the behaviour of that employer, and it certainly meant a lot for the community of my hon. Friend the Member for Dover (Mrs Elphicke)—but I was somewhat entertained when he started to go on about indentured labour. I thought we had gone back not to the 1970s, which is part of this debate, but to the 19th century. I found that quite entertaining.

There are two usual ways of getting new staff into businesses, and we are discussing whether they can cross a strike action. Currently, a normal employment business is the one that cannot provide. The other type of employment business—the employment agency model—can. I do not think that I would much know the difference, if I went inside an employment business or an employment agency. At the end of the day, it is the staff that the business wants.

Much has been said about whether this change is being made on the back of the recent strikes. Well, perhaps it is. I have had so many emails from people who could not get to work on that day. We in this House had great inconvenience, which I am afraid was not assisted by possibly the worst London Mayor we have ever seen. I have local residents who have suffered fines because they rarely drive in London; they had to face the ultra low emission zone charge, box junctions everywhere that they could not get out of because of the chaos on the roads, and the local traffic networks that had closed much of London in the first place. We are into fairness. Is that fair on people who are trying to get to work and who usually rely on trains—trains that have had £16 billion of taxpayers' money over this period, and not one job lost? Is it fair on everybody who is just trying to do the right thing: to run their own business, get to a hospital appointment, get to the doctor, or get to their exams?

I have every regard for the trade unions, but they have intentionally used the cost of living crisis—I do not blame them; best of luck to them—to get more than most people would ever be able to get. Let us not go back to the 1970s wage-price spiral. The hon. Member for Easington said that people's wages will go backwards. Well, they will go backwards every year if we end up with a wage-price spiral.

Alec Shelbrooke: As I said in my speech, some of the wage demands are inappropriate. To put them into context, given the way in which MPs' salaries are set with the raise in the average public sector pay, if all these wage demands were to go through, we would get an £8,000 pay rise next year. How does my hon. Friend think the public would react to that?

Craig Mackinlay: I thought about such issues when I was drafting my speech. There would be absolute outrage from the public if we were to get such pay rises. I do not particularly want such a pay rise; I assure hon. Members of that. We must guard against a wage-price spiral. I support these regulations, because it is not unreasonable for people to be able to get to work.

The other industry that was going down this route was British Airways. BA workers have come to a settlement, which is very good. If BA had effectively closed down over this holiday period, what would that have meant for the employment of London? What would have

happened to the tourists who spend a lot of money in London and other tourist areas around the country, including in my own coastal town? What would that strike at BA have done?

I am glad that the dispute has been settled, but it seems to me that unions are picking off certain industries in order to cause the maximum upset, with little regard for normal people trying to go about their normal business. I have every respect for what unions are trying to achieve. That is what they are for, and they have done marvellous work in the past. At this time, however, we need to pull together as a nation—I really wish that we could pull together as a nation.

I have heard from those on the Labour Front Bench. I have heard from my friend, the hon. Member for Glasgow South West (Chris Stephens), who raised the spectre of danger. He knows very well that these industries are so regulated and that the staff are so qualified that the reality of agency workers being able to carry out this work is pretty low, so he is raising a spectre of something that does not really exist.

I am supportive of these measures. I hope that they do not need to be used. I hope that we can get common sense, get people back to work and get some of these disputes settled.

8.51 pm

John McDonnell (Hayes and Harlington) (Lab): These two small pieces of legislation could have the most serious impact of any we will be considering in this Session. BA has been mentioned. That is in my constituency. Let me explain what happened. When we went into the covid crisis, the airport was shut down. Many workers were asked to remain in post to bring in essential supplies and, as we repatriated people back into this country, two of our immigration officers caught covid and died. Others continued to go into work. When hon. Members went out to applaud key workers on the doorsteps, we went out to applaud our workers at the airport who were putting their lives at risk.

We negotiated a deal. The union accepted that there would have to be some jobs reduced in the short term and wages reduced to ensure that the company survived. That was the negotiation. The assurance given was that, as we became fully operational again, wages would be reinstated. When we became nearly fully operational—at 80%—the company reneged on that commitment for a group of workers. Members can imagine how angry those workers were. They were not asking for a pay rise; they were asking for the 10% cut to be reinstated. That was all. We did the normal thing that we do at the airport: we went into negotiations and we settled the dispute, but there was a threat of industrial action. If that had happened, my whole community would have supported it.

If there had been any hint of bringing in agency workers, not only would that dispute not have been settled, it would have been bitter and long-winded. Members should not think that other workers in the airport, not implicated in that dispute, would have stood on their own. They would not have taken illegal action; it is easy for workers to find a grievance at the airport if they want to. They would have gone through the legal procedures and that airport would have been shut down. Do not tell me that agency staff can fill in

for air traffic controllers, firefighters, baggage handlers who have security clearance—it takes months to get that security clearance—immigration officers and others.

This is a serious piece of legislation going through tonight, and it will exacerbate industrial relations across the whole of the country. I say to hon. Members from all parts of the House to be careful what they wish for, and to be careful what they legislate for. I am fearful about what this legislation could do. It is not just the public sector that is affected, but the private sector at Heathrow and elsewhere. Interestingly, with regard to the fines imposed, not a single example could be quoted of where the existing system was not working. In addition, unions are meticulous in the way they go forward on these matters, but where they are not, the injunction route for the employer has worked effectively. At the airport, we had one problem in the cabin crew dispute where the union was unsure who it was balloting, because halfway through some of the staff had been made redundant. An injunction came in, the union started again, the process was legitimised and the dispute took place, and we resolved the dispute through negotiation.

These measures will cause animosity and division, but if that is what this Government are all about, I say, “I think you’ve misjudged the public mood when it comes to support for trade unions in this country at the moment.”

8.54 pm

Jonathan Gullis (Stoke-on-Trent North) (Con): The hon. Member for Glasgow South West (Chris Stephens) talked about my alleged withdrawal of labour last week. The only withdrawal of labour that the people of Stoke-on-Trent North, Kidsgrove and Talke are seeing is 70 years of failed Labour Governments, failed Labour MPs and a failed Labour-run council. By not investing in high streets, investing in heritage, building the new homes we need or creating the new jobs, the Labour party once again shows it is out of touch and is forgetting the people of Stoke-on-Trent North, Kidsgrove and Talke.

I am fully supportive of the specific SI on trade unions. I welcome the Minister to her place and congratulate her on an excellent opening speech. I spent eight and a half years teaching in state secondary schools in inner London and inner Birmingham. I was also a trade union shop steward for the NASUWT in that time, and there was many a time when we came close to potentially having to ballot on strike action, but only as a last resort, after negotiations had failed, freedom of information requests had not been granted and there was a breakdown of morale in the school. It is the absolute last resort.

What we have seen from the RMT is a politicisation from the communists and Putin apologists who want to use this opportunity to bring this country to a halt and make sure, very clearly, that tourism to the great city of Stoke-on-Trent is destroyed, that people cannot get to work and earn a salary, and that those uni students who travel in by train to Staffordshire University cannot sit their summer exams.

Then we have the “not education union”. *Hansard* always corrects me when I say the “not education union”, but that is its name. I do not want to hear its official name, when it is obsessed with bringing these silly 120-point plans for when schools can reopen during

covid—one of which was somehow about reforming the welfare state, which had nothing to do with education—and when it has the audacity to tell kids that it will potentially have teachers out on strike at the start of the new term, further damaging the education of children who have been affected by covid. The Labour party is silent about that. Labour does not have it in it to stand up to those trade union barons on their six-figure salaries, in most cases earning more than the Prime Minister of this country, because it simply wants to make sure those donations keep coming in to its party coffers and its constituencies as well.

This Government are trying to take action to ensure that if the service level is being lowered and agency workers want the opportunity, or wish to choose—it is a choice—to cross the picket line, they should have that right. It is deeply Conservative to allow people to choose. I know that the Labour party, or the socialists opposite, are obsessed with us having one set standard for all, but that is not what the people of Stoke-on-Trent North, Kidsgrove and Talke want.

The people of Stoke-on-Trent North, Kidsgrove and Talke want to see a party that is on their side, helping to get their schools open and ensuring that hospitals are running and public sector workers are working. They want to see the very best, world-class services. It is under this Government that they have already seen £56 million from the levelling-up fund, £31 billion from building back better, 500 brand new Home Office jobs, £29 million from the transforming cities fund and £17.6 million in the Kidsgrove town deal, which means that Kidsgrove sports centre, which Labour closed—they did not want to save it for £1 back in 2017—will be refurbished and reopened.

That is the record of this Government. That is why this Government want to make sure that areas such as Stoke-on-Trent North, Kidsgrove and Talke have people on their side. I welcome the Minister for all her fantastic work and I hope the socialists opposite will realise the error of their ways.

8.58 pm

Beth Winter (Cynon Valley) (Lab): I am not going to waste any of my time responding to the appalling and abhorrent comments by the hon. Member for Stoke-on-Trent North (Jonathan Gullis), which were also completely inaccurate and insulting.

I want to put on record my opposition to the regulations, and there are three main reasons. First, it is a flagrant attack on employment rights and a purposeful attempt to inflame industrial relations. The Government are only pursuing these measures to continue to impose their decade-long low pay agenda, holding down the pay of key workers below inflation. It is the Government’s low pay approach that is generating industrial action, and this is a draconian attempt to force people into poverty.

Mary Kelly Foy (City of Durham) (Lab): Does my hon. Friend agree that the easiest and best way to stop strike action is to give workers decent pay and good, decent terms and conditions?

Beth Winter: I totally agree. That is what we do in Wales.

[Beth Winter]

These measures are unsafe, putting workers and the public at risk. They have been rejected by the Trades Union Congress and the Recruitment and Employment Federation, which said:

“Bringing in less qualified agency staff to deliver important services will endanger public safety”.

I oppose the first of these instruments, in particular, because, as the hon. Member for Arfon (Hywel Williams) said, it conflicts with Welsh Government legislation—the Trade Union (Wales) Act 2017, passed in the Senedd. This Government have made it clear that they intend to legislate to remove that Act through primary legislation when parliamentary time allows. The First Minister of Wales has made it clear that the proposal by the UK Government to revoke the Act is unacceptable. He has said that it is “deeply disrespectful”—

“Not a word in advance, not a letter to say that this is what they intended to do”.

It is hard to believe that any UK Government with a grain of principle and care for the Union could behave in such a cavalier manner. If anyone is going to be responsible for the break-up of the Union, it is this Tory Government by riding roughshod over the devolution settlement. The general secretary of Wales TUC, Shav Taj, has said:

“We will fiercely oppose any attempt to attack workers’ rights and we look forward to a future where workers throughout the UK have the strongest employment rights in Europe, instead of the weakest”.

as it currently stands. This is the act of an out-of-touch Government unaware of their own unpopularity.

We also have to remember why this proposal has come about now. The Government are in a confrontation—they are actually stoking confrontation—with key workers who do not wish to have yet another of this Government’s annual real-terms pay cuts. In the RMT they have found a trade union that is willing to challenge them, and it has my full support, as do all the other unions that are being forced—forced—to consider industrial action, which is always a last resort.

In Wales, the Welsh Government are not in conflict with the RMT. In fact, no industrial action is being taken on Transport for Wales trains, which are publicly owned. The UK Government could have followed suit and taken Network Rail into public ownership, as happened in Wales during the pandemic. The UK Government have so much to learn from the Welsh Government, where a different approach is being taken. The Welsh Government’s approach includes passing legislation to work with trade unions in partnership—the Public Procurement and Social Partnership (Wales) Bill. That is the model that we need to see. The Government are giving a role in statute to businesses and trade unions, and employers and employees, in developing and supporting an atmosphere of co-operation and partnership instead of risk, division and confrontation.

What discussions has the Minister had with the First Minister and Counsel General in Wales on this matter? What discussions has he had with the TUC and trade unions in Wales? What do employer bodies in Wales, or in the rest of the UK, think about his proposals? What consultation has happened with them? What is the view of the new Welsh Secretary on these proposals? I am disappointed that he has not already committed to pausing

any progress on overriding the Welsh Government and Welsh legislation while we have a caretaker Government. Is it the Government’s intention to bring forward primary legislation to revoke the Trade Union (Wales) Act 2017, and if so, when will it happen?

This is a Government doubling down on their cost of living crisis. People will not accept it and we will fight back.

Several hon. Members rose—

Madam Deputy Speaker (Dame Eleanor Laing): I will have to reduce the time limit to three minutes.

9.4 pm

Barry Gardiner (Brent North) (Lab): The Government seem to think that most workers are unskilled or uncertified, but agency workers are simply not there with the relevant skills and certification to perform their work in a way that is safe. I began today at the St Monica Trust, at two sites just outside Bristol, to speak to workers there who have withdrawn their labour because of the appalling offer they have been given of being fired and rehired unless they accept lower wages and terms and conditions. They were earning, on average, between £16,000 and £17,000 a year—about what a Secretary of State’s severance pay is—and they made it clear to me that their main worry and their main reason for going on strike was not actually for their own sake. They were concerned for the welfare of the residents of the residential homes and the retirement village.

I want to ask the Minister tonight whether she will please report the St Monica Trust to the Health and Safety Executive and ensure that a positive inspection is carried out there, because the workers out on the picket line were very concerned about the safety of employing unskilled workers who do not understand the residents and are not able to care for them in the way that they have all the way through covid. They were there on Christmas day and all the time when relatives could not visit; they treated them as their family. The agency workers cannot do that.

I want to make a couple of other brief points. Agency workers are generally paid significantly more than permanent staff, and that reflects the intermittent nature of their work. However, the employer, by paying agency rates to strike breakers in a dispute, actually makes the union’s case for it, because it shows that the employer actually can pay higher rates for the job. How very foolish of them.

Finally, I want to ask whether the Minister might, in her summing up, explain whether the Secretary of State for Business, Energy and Industrial Strategy has replied to the letter written at the end of June by Hays, Adecco, Randstad and Manpower, in conjunction with the TUC, in which they said:

“We can only see these proposals inflaming strikes—not ending them”.

It seems to me that, when we have the employers of the agencies themselves saying that this is a bad thing to do, the Government should listen.

9.7 pm

Ian Byrne (Liverpool, West Derby) (Lab): I would like to put on record that I am proud member of Unite the union and the GMB. I start by paying tribute to all

those in Liverpool, West Derby and indeed across the country who are facing real-terms cuts to their pay, attacks on their conditions and security of work, attacks on their pensions, redundancy and attacks on health and safety in the workplace, and are having to take industrial action as their absolute last resort. I stand in absolute solidarity with them.

While the workers worry about their families and their families worry about their futures, as they are forced to leave the industry they have dedicated their whole lives to and are forced into poverty and using food banks, we have the disgraceful spectacle of a morally bankrupt Government using this Parliament to attack fundamental workers' rights—and this is in the middle of a cost of living crisis, when workers are fighting against real-terms cuts to a wage so that they can actually put a meal on the table.

Mick Whitley (Birkenhead) (Lab): My hon. Friend is making a fantastic speech. Does he not think that to be a working person in Britain today, to have lived through a decade of stagnating wages, to have seen their pay collapse in real terms while prices soar and to know their own Government refuse to lift a finger forces people on low pay to take strike action to try to force—

Madam Deputy Speaker (Dame Eleanor Laing): Order.

Ian Byrne: Absolutely. I agree with everything my hon. Friend said.

This is a Government who furiously defend the class interests of those they represent in this place, and that is never the working class. The Trades Union Congress has pointed out that the action is a violation of trade union members' right to strike, which is safeguarded by international law. Make no mistake, this is a risk to public safety, and standards will be lowered. Any consequences of these actions will lie at the foot of this Government.

The Government's cynical regulations that we are debating tonight put agency workers, who they know have limited rights, in the position of having to turn down an assignment with the prospect that they will be denied future work by the agency if they do not want to cross a picket line. Many agency workers, such as supply teachers and bank nurses, will be trade union members themselves, and they have suffered terribly in this pandemic.

The regulations highlight the insecurity of the labour market, the erosion of workers' rights and how flawed and immoral it all is. The pandemic shone a light on this immorality when workers with covid had to continue working because they had no sick pay. The employment model is broken for millions. We should be legislating and learning lessons from covid, and enhancing worker protections, including sick pay. Instead, tonight we are voting on a scab charter for bad employers from a Government who have picked their side.

Trade unions are the transformational vehicle for positive change—they have been for centuries and, despite the efforts of this wretched Government, will continue

to be so for future generations. I will always be proud to stand shoulder to shoulder with them supporting workers in the struggle who refuse to be poor.

Tonight is yet another sad day for democracy in this place. I stand in absolute solidarity with all those trade unions and trade union members who are fighting so hard for our communities and the rights of workers everywhere. Their fight for economic and social justice has never been needed more.

9.10 pm

Jane Hunt: I am grateful to the House for its consideration of the draft amendment regulations on agency workers, which will allow agency workers to cover strikes, and the order raising the upper limit for damages against trade unions that organise unlawful strike action. I will cover some of the things that were mentioned. The right hon. Member for Ashton-under-Lyne (Angela Rayner) and the hon. Member for Glasgow South West (Chris Stephens) talked about health and safety. The change does not affect broader health and safety issues, with which businesses will still have to comply. Similarly, the obligations on employment businesses to supply only suitably qualified workers remain in place.

Will the hon. Member for Brent North (Barry Gardiner) please write to me with some urgency with the details of the case to which he referred? The right hon. Member for Ashton-under-Lyne and others referred to P&O Ferries. The situation is different with P&O Ferries, where the company has admitted deliberately choosing to ignore statutory consultation requirements when firing staff with no notice. The hon. Member for Glasgow South West and others talked about the trade and co-operation agreement. We are confident that this change complies with relevant international legal obligations. In response to the hon. Members for Arfon (Hywel Williams) and for Cynon Valley (Beth Winter), let me say that the Government have been clear since 2017 that we intend to repeal the Trade Union (Wales) Act 2017, so the trade union legislation will equally apply across Great Britain.

In conclusion, the aim of our trade union laws is to support an effective and collaborative approach to resolving industrial disputes that balances the interests of trade unions and their members with the interests of employers and the wider public. The changes we are making will support that balance, and I therefore commend these instruments to the House.

Question put.

The House divided: Ayes 289, Noes 202.

Division No. 33]

[9.13 pm

AYES

Adams, rh Nigel
Afriyie, Adam
Aiken, Nickie
Aldous, Peter
Anderson, Lee
Anderson, Stuart
Andrew, rh Stuart
Ansell, Caroline
Argar, Edward
Bacon, Gareth
Bacon, Mr Richard

Badenoch, Kemi
Bailey, Shaun
Baillie, Siobhan (*Proxy vote*
cast by Scott Mann)
Baker, Duncan
Baker, Mr Steve
Baron, Mr John
Baynes, Simon
Bell, Aaron
Benton, Scott
Beresford, Sir Paul

Bhatti, Saqib
Blackman, Bob
Blunt, Crispin
Bone, Mr Peter
Bottomley, Sir Peter
Bowie, Andrew
Bradley, Ben
Bradley, rh Karen
Brereton, Jack
Bridgen, Andrew
Bristow, Paul
Browne, Anthony
Bruce, Fiona
Buchan, Felicity
Buckland, rh Sir Robert
Burghart, Alex
Burns, rh Conor
Butler, Rob
Cairns, rh Alun
Carter, Andy
Cartlidge, James
Cash, Sir William
Cates, Miriam
Caulfield, Maria
Chalk, Alex
Chope, Sir Christopher
Clark, rh Greg
Clarke, rh Mr Simon
Clarke-Smith, Brendan
Clarkson, Chris
Cleverly, rh James
Clifton-Brown, Sir Geoffrey
Coffey, rh Dr Thérèse
Colburn, Elliot
Collins, Damian
Costa, Alberto
Courts, Robert
Coutinho, Claire
Crouch, Tracey
Daly, James
Davies, David T. C.
Davies, Gareth
Davies, Dr James
Davies, Mims
Davies, Philip
Davison, Dehenna
Dines, Miss Sarah
Djanogly, Mr Jonathan
Docherty, Leo
Donelan, rh Michelle
Double, Steve
Dowden, rh Oliver
Drummond, Mrs Flick
Duddridge, James
Duguid, David
Duncan Smith, rh Sir Iain
Dunne, rh Philip
Eastwood, Mark
Edwards, Ruth
Ellis, rh Michael
Ellwood, rh Mr Tobias
Elphicke, Mrs Natalie
Eustice, rh George
Evans, Dr Luke
Everitt, Ben
Fabricant, Michael
Farris, Laura
Fell, Simon
Firth, Anna
Fletcher, Katherine
Fletcher, Mark
Fletcher, Nick

Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Frazer, rh Lucy
Freeman, George
French, Mr Louie
Fuller, Richard
Fysh, Mr Marcus
Garnier, Mark
Gibb, rh Nick
Gibson, Peter
Gideon, Jo
Glen, John
Goodwill, rh Sir Robert
Gove, rh Michael
Graham, Richard
Gray, James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Griffith, Andrew
Griffiths, Kate
Grundy, James
Gullis, Jonathan
Hall, Luke
Hammond, Stephen
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harris, Rebecca
Harrison, Trudy
Hart, Sally-Ann
Hart, rh Simon
Heald, rh Sir Oliver
Heappey, James
Henry, Darren
Higginbotham, Antony
Hinds, rh Damian
Holden, Mr Richard
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Holmes, Paul
Howell, John
Howell, Paul
Huddleston, Nigel
Hudson, Dr Neil
Hughes, Eddie
Hunt, Jane
Hunt, rh Jeremy
Hunt, Tom
Jack, rh Mr Alister
Javid, rh Sajid
Johnson, Dr Caroline
Johnson, Gareth
Johnston, David
Jones, Andrew
Jones, rh Mr David
Jones, Fay
Jones, Mr Marcus
Jupp, Simon
Keegan, Gillian
Knight, rh Sir Greg
Kruger, Danny
Lamont, John
Largan, Robert
Latham, Mrs Pauline
Leadsom, rh Dame Andrea
Leigh, rh Sir Edward
Levy, Ian
Lewer, Andrew
Lewis, rh Dr Julian

Liddell-Grainger, Mr Ian
Logan, Mark
Longhi, Marco
Lopez, Julia
Lopresti, Jack
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Mackrory, Cherilyn
Maclean, Rachel
Malthouse, rh Kit
Mangnall, Anthony
Mann, Scott
Marson, Julie
May, rh Mrs Theresa
Mayhew, Jerome
Maynard, Paul
McCartney, Jason
McCartney, Karl
McPartland, Stephen
McVey, rh Esther
Menzies, Mark
Mercer, Johnny
Merriman, Huw
Metcalfe, Stephen
Millar, Robin
Miller, rh Dame Maria
Milling, rh Amanda
Mills, Nigel
Mitchell, rh Mr Andrew
Mohindra, Mr Gagan
Moore, Damien
Moore, Robbie
Mordaunt, rh Penny
Morris, David
Morrissey, Joy
Mortimer, Jill
Morton, Wendy
Mullan, Dr Kieran
Mumby-Croft, Holly
Mundell, rh David
Murray, Mrs Sheryll
Neill, Sir Robert
Nokes, rh Caroline
Norman, rh Jesse
O'Brien, Neil
Opperman, Guy
Patel, rh Priti
Pawsey, Mark
Penning, rh Sir Mike
Penrose, John
Percy, Andrew
Philp, Chris
Pow, Rebecca
Pursglove, Tom
Quin, Jeremy
Quince, Will
Randall, Tom
Redwood, rh John
Rees-Mogg, rh Mr Jacob
Richards, Nicola
Richardson, Angela

Robertson, Mr Laurence
Robinson, Mary
Rowley, Lee
Russell, Dean
Rutley, David
Sambrook, Gary
Saxby, Selaine
Scully, Paul
Seely, Bob
Selous, Andrew
Shapps, rh Grant
Sharma, rh Alok
Skidmore, rh Chris
Smith, Chloe
Smith, Greg
Smith, Henry
Smith, Royston
Solloway, Amanda
Spencer, Dr Ben
Stafford, Alexander
Stephenson, rh Andrew
Stevenson, Jane
Stevenson, John
Stewart, rh Bob
Stewart, Iain
Stride, rh Mel
Stuart, Graham
Sturdy, Julian
Sunak, rh Rishi
Sunderland, James
Swayne, rh Sir Desmond
Syms, Sir Robert
Thomas, Derek
Throup, Maggie
Timpson, Edward
Tolhurst, Kelly
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Trott, Laura
Vickers, Matt
Villiers, rh Theresa
Walker, Sir Charles
Walker, Mr Robin
Warman, Matt
Watling, Giles
Webb, Suzanne
Whately, Helen
Wheeler, Mrs Heather
Whittingdale, rh Mr John
Wiggin, Sir Bill
Wild, James
Williams, Craig
Williamson, rh Sir Gavin
Wood, Mike
Young, Jacob
Zahawi, rh Nadhim

Tellers for the Ayes:
Sir David Evennett and
Craig Whittaker

NOES

Abrahams, Debbie
Ali, Rushanara
Ali, Tahir
Amesbury, Mike
Anderson, Fleur
Antoniazzi, Tonia
Ashworth, rh Jonathan

Barker, Paula
Beckett, rh Margaret
Benn, rh Hilary
Betts, Mr Clive
Blackford, rh Ian
Blackman, Kirsty
Blake, Olivia

Blomfield, Paul
 Bonnar, Steven
 Bradshaw, rh Mr Ben
 Brennan, Kevin
 Brock, Deidre
 Brown, Alan
 Brown, Ms Lyn
 Brown, rh Mr Nicholas
 Bryant, Chris
 Burgon, Richard
 Byrne, Ian
 Byrne, rh Liam
 Cadbury, Ruth
 Callaghan, Amy
 Cameron, Dr Lisa
 Carden, Dan
 Chapman, Douglas
 Charalambous, Bambos
 Cherry, Joanna
 Cooper, Rosie
 Cooper, rh Yvette
 Cowan, Ronnie
 Coyle, Neil
 Creasy, Stella
 Cryer, John
 Cummins, Judith
 Cunningham, Alex
 Daby, Janet
 David, Wayne
 Davies, Geraint
 Day, Martyn
 De Cordova, Marsha
 Debbonaire, Thangam
 Dhesi, Mr Tanmanjeet Singh
 Docherty-Hughes, Martin
 Dodds, Anneliese
 Doogan, Dave
 Dowd, Peter
 Duffield, Rosie
 Eagle, Maria
 Eastwood, Colum
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Elmore, Chris
 Eshalomi, Florence
 Esterson, Bill
 Evans, Chris
 Fellows, Marion
 Ferrier, Margaret
 Fletcher, Colleen
 Flynn, Stephen
 Fovargue, Yvonne
 Foxcroft, Vicky
 Foy, Mary Kelly
 Furniss, Gill
 Gardiner, Barry
 Gibson, Patricia
 Gill, Preet Kaur
 Glindon, Mary
 Green, Kate
 Greenwood, Lilian
 Greenwood, Margaret
 Griffith, Dame Nia
 Haigh, Louise
 Hamilton, Fabian
 Hamilton, Mrs Paulette
 Hanvey, Neale
 Hardy, Emma
 Harman, rh Ms Harriet
 Harris, Carolyn
 Hayes, Helen
 Healey, rh John
 Hendrick, Sir Mark
 Hendry, Drew
 Hollern, Kate
 Hopkins, Rachel
 Huq, Dr Rupa
 Hussain, Imran
 Jarvis, Dan
 Johnson, rh Dame Diana
 Johnson, Kim
 Jones, rh Mr Kevan
 Jones, Ruth
 Jones, Sarah
 Kane, Mike
 Kendall, Liz (*Proxy vote cast
 by Mr Pat McFadden*)
 Khan, Afzal
 Kinnock, Stephen
 Kyle, Peter
 Lake, Ben
 Leadbeater, Kim
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Lightwood, Simon
 Linden, David
 Long Bailey, Rebecca
 Lucas, Caroline
 Lynch, Holly
 MacAskill, Kenny
 MacNeil, Angus Brendan
 Madders, Justin
 Mahmood, Mr Khalid
 Maskell, Rachael
 Matheson, Christian
 Mc Nally, John
 McCabe, Steve
 McCarthy, Kerry
 McDonnell, rh John
 McFadden, rh Mr Pat
 McGinn, Conor
 McGovern, Alison
 McKinnell, Catherine
 McLaughlin, Anne
 McMahon, Jim
 McMorris, Anna
 Mearns, Ian
 Mishra, Navendu
 Monaghan, Carol
 Morden, Jessica
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Murray, James
 Newlands, Gavin
 Nichols, Charlotte
 Norris, Alex
 O'Hara, Brendan
 Onwurah, Chi
 Oppong-Asare, Abena
 Osamor, Kate
 Oswald, Kirsten
 Peacock, Stephanie
 Pennycook, Matthew
 Perkins, Mr Toby
 Phillipson, Bridget
 Qaisar, Ms Anum
 Rayner, rh Angela
 Rees, Christina
 Reeves, Ellie
 Reeves, Rachel
 Reynolds, Jonathan
 Ribeiro-Addy, Bell

Rimmer, Ms Marie
 Rodda, Matt
 Russell-Moyle, Lloyd
 Saville Roberts, rh Liz
 Shah, Naz
 Sharma, Mr Virendra
 Shelbrooke, rh Alec
 Sheppard, Tommy
 Siddiq, Tulip
 Slaughter, Andy
 Smith, Alyn
 Smith, Cat
 Smith, Jeff
 Smith, Nick
 Smyth, Karin
 Spellar, rh John
 Stephens, Chris
 Stevens, Jo
 Stringer, Graham
 Sultana, Zarah
 Tami, rh Mark
 Tarry, Sam
 Thewliss, Alison
 Thomas-Symonds, rh Nick

Thompson, Owen
 Thornberry, rh Emily
 Timms, rh Sir Stephen
 Trickett, Jon
 Turner, Karl
 Twigg, Derek
 Twist, Liz
 Vaz, rh Valerie
 Wakeford, Christian
 Webbe, Claudia
 West, Catherine
 Western, Matt
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Whitley, Mick
 Whittome, Nadia
 Williams, Hywel
 Winter, Beth
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Noes:
 Gerald Jones and
 Sarah Owen

Question accordingly agreed to.

Resolved,

That the draft Conduct of Employment Agencies and Employment Businesses (Amendment) Regulations 2022, which were laid before this House on 27 June, be approved.

TRADE UNIONS

Motion made, and Question put,

That an humble Address be presented to Her Majesty, praying that the Liability of Trade Unions in Proceedings in Tort (Increase of Limits on Damages) Order 2022 (S.I., 2022, No. 699), dated 22 June 2022, a copy of which was laid before this House on 24 June 2022, be annulled.—(*Angela Rayner.*)

The House divided: Ayes 201, Noes 290.

Division No. 34]

[9.27 pm

AYES

Abrahams, Debbie
 Ali, Rushanara
 Ali, Tahir
 Amesbury, Mike
 Anderson, Fleur
 Antoniazzi, Tonia
 Ashworth, rh Jonathan
 Barker, Paula
 Beckett, rh Margaret
 Benn, rh Hilary
 Betts, Mr Clive
 Blackford, rh Ian
 Blackman, Kirsty
 Blake, Olivia
 Blomfield, Paul
 Bonnar, Steven
 Bradshaw, rh Mr Ben
 Brennan, Kevin
 Brock, Deidre
 Brown, Alan
 Brown, Ms Lyn
 Brown, rh Mr Nicholas
 Bryant, Chris
 Burgon, Richard
 Byrne, Ian
 Byrne, rh Liam
 Cadbury, Ruth

Callaghan, Amy
 Cameron, Dr Lisa
 Carden, Dan
 Chapman, Douglas
 Charalambous, Bambos
 Cherry, Joanna
 Cooper, Rosie
 Cooper, rh Yvette
 Cowan, Ronnie
 Coyle, Neil
 Creasy, Stella
 Cryer, John
 Cummins, Judith
 Cunningham, Alex
 Daby, Janet
 David, Wayne
 Davies, Geraint
 Day, Martyn
 De Cordova, Marsha
 Debbonaire, Thangam
 Dhesi, Mr Tanmanjeet Singh
 Docherty-Hughes, Martin
 Dodds, Anneliese
 Doogan, Dave
 Dowd, Peter
 Duffield, Rosie
 Eagle, Dame Angela

Eagle, Maria
Eastwood, Colum
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Elmore, Chris
Eshalomi, Florence
Esterson, Bill
Evans, Chris
Fellows, Marion
Ferrier, Margaret
Fletcher, Colleen
Flynn, Stephen
Fovargue, Yvonne
Foxcroft, Vicky
Foy, Mary Kelly
Furniss, Gill
Gardiner, Barry
Gibson, Patricia
Gill, Preet Kaur
Glindon, Mary
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Dame Nia
Haigh, Louise
Hamilton, Fabian
Hamilton, Mrs Paulette
Hanvey, Neale
Hardy, Emma
Harman, rh Ms Harriet
Harris, Carolyn
Hayes, Helen
Healey, rh John
Hendrick, Sir Mark
Hendry, Drew
Hollern, Kate
Hopkins, Rachel
Huq, Dr Rupa
Hussain, Imran
Jarvis, Dan
Johnson, rh Dame Diana
Johnson, Kim
Jones, rh Mr Kevan
Jones, Ruth
Jones, Sarah
Kane, Mike
Kendall, Liz (*Proxy vote cast
by Mr Pat McFadden*)
Khan, Afzal
Kinnock, Stephen
Kyle, Peter
Lake, Ben
Leadbeater, Kim
Lewell-Buck, Mrs Emma
Lewis, Clive
Lightwood, Simon
Linden, David
Long Bailey, Rebecca
Lucas, Caroline
Lynch, Holly
MacAskill, Kenny
MacNeil, Angus Brendan
Madders, Justin
Mahmood, Mr Khalid
Maskell, Rachael
Matheson, Christian
Mc Nally, John
McCabe, Steve
McCarthy, Kerry
McDonagh, Siobhain
McDonnell, rh John
McFadden, rh Mr Pat
McGinn, Conor
McGovern, Alison
McKinnell, Catherine
McLaughlin, Anne
McMahon, Jim
McMorrin, Anna
Mearns, Ian
Mishra, Navendu
Monaghan, Carol
Morden, Jessica
Morgan, Stephen
Morris, Grahame
Murray, Ian
Murray, James
Newlands, Gavin
Nichols, Charlotte
Norris, Alex
O'Hara, Brendan
Onwurah, Chi
Oppong-Asare, Abena
Osamor, Kate
Oswald, Kirsten
Peacock, Stephanie
Pennycook, Matthew
Perkins, Mr Toby
Phillipson, Bridget
Qaisar, Ms Anum
Rayner, rh Angela
Rees, Christina
Reeves, Ellie
Reeves, Rachel
Reynolds, Jonathan
Ribeiro-Addy, Bell
Rimmer, Ms Marie
Rodda, Matt
Russell-Moyle, Lloyd
Saville Roberts, rh Liz
Shah, Naz
Sharma, Mr Virendra
Sheppard, Tommy
Siddiq, Tulip
Slaughter, Andy
Smith, Alyn
Smith, Cat
Smith, Jeff
Smith, Nick
Smyth, Karin
Spellar, rh John
Stephens, Chris
Stevens, Jo
Stringer, Graham
Sultana, Zarah
Tami, rh Mark
Tarry, Sam
Thewliss, Alison
Thomas-Symonds, rh Nick
Thompson, Owen
Thornberry, rh Emily
Timms, rh Sir Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twist, Liz
Vaz, rh Valerie
Wakeford, Christian
Webbe, Claudia
West, Catherine
Western, Matt
Whitehead, Dr Alan
Whitford, Dr Philippa
Whitley, Mick

Whittome, Nadia
Williams, Hywel
Winter, Beth
Yasin, Mohammad

Adams, rh Nigel
Afriyie, Adam
Aiken, Nickie
Aldous, Peter
Anderson, Lee
Anderson, Stuart
Andrew, rh Stuart
Ansell, Caroline
Argar, Edward
Bacon, Gareth
Bacon, Mr Richard
Badenoch, Kemi
Bailey, Shaun
Baillie, Siobhan (*Proxy vote
cast by Scott Mann*)
Baker, Duncan
Baker, Mr Steve
Baron, Mr John
Baynes, Simon
Bell, Aaron
Benton, Scott
Beresford, Sir Paul
Berry, rh Jake
Bhatti, Saqib
Blackman, Bob
Blunt, Crispin
Bone, Mr Peter
Bottomley, Sir Peter
Bowie, Andrew
Bradley, Ben
Bradley, rh Karen
Brereton, Jack
Bridgen, Andrew
Bristow, Paul
Browne, Anthony
Bruce, Fiona
Buchan, Felicity
Buckland, rh Sir Robert
Burghart, Alex
Burns, rh Conor
Butler, Rob
Cairns, rh Alun
Carter, Andy
Cartlidge, James
Cash, Sir William
Cates, Miriam
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Sir Christopher
Clark, rh Greg
Clarke, rh Mr Simon
Clarke-Smith, Brendan
Clarkson, Chris
Cleverly, rh James
Clifton-Brown, Sir Geoffrey
Coffey, rh Dr Thérèse
Colburn, Elliot
Collins, Damian
Costa, Alberto
Courts, Robert
Coutinho, Claire
Crouch, Tracey
Daly, James
Davies, David T. C.

Zeichner, Daniel

Tellers for the Ayes:
**Gerald Jones and
Sarah Owen**

NOES

Davies, Gareth
Davies, Dr James
Davies, Mims
Davies, Philip
Davison, Dehenna
Dines, Miss Sarah
Djanogly, Mr Jonathan
Docherty, Leo
Donelan, rh Michelle
Double, Steve
Dowden, rh Oliver
Drummond, Mrs Flick
Duddridge, James
Duguid, David
Duncan Smith, rh Sir Iain
Dunne, rh Philip
Eastwood, Mark
Edwards, Ruth
Ellis, rh Michael
Ellwood, rh Mr Tobias
Elphicke, Mrs Natalie
Eustice, rh George
Evans, Dr Luke
Everitt, Ben
Fabricant, Michael
Farris, Laura
Fell, Simon
Firth, Anna
Fletcher, Katherine
Fletcher, Mark
Fletcher, Nick
Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Frazer, rh Lucy
Freeman, George
French, Mr Louie
Fuller, Richard
Fysh, Mr Marcus
Garnier, Mark
Gibb, rh Nick
Gibson, Peter
Gideon, Jo
Glen, John
Goodwill, rh Sir Robert
Gove, rh Michael
Graham, Richard
Gray, James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Griffith, Andrew
Griffiths, Kate
Grundy, James
Gullis, Jonathan
Hall, Luke
Hammond, Stephen
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harris, Rebecca
Harrison, Trudy
Hart, Sally-Ann
Hart, rh Simon
Heald, rh Sir Oliver

Heappey, James
 Henry, Darren
 Higginbotham, Antony
 Hinds, rh Damian
 Holden, Mr Richard
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Holmes, Paul
 Howell, John
 Howell, Paul
 Huddleston, Nigel
 Hudson, Dr Neil
 Hughes, Eddie
 Hunt, Jane
 Hunt, rh Jeremy
 Hunt, Tom
 Jack, rh Mr Alister
 Javid, rh Sajid
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnston, David
 Jones, Andrew
 Jones, rh Mr David
 Jones, Fay
 Jones, Mr Marcus
 Jupp, Simon
 Kawczynski, Daniel
 Keegan, Gillian
 Knight, rh Sir Greg
 Kruger, Danny
 Lamont, John
 Largan, Robert
 Latham, Mrs Pauline
 Leadsom, rh Dame Andrea
 Leigh, rh Sir Edward
 Levy, Ian
 Lewer, Andrew
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Logan, Mark
 Longhi, Marco
 Lopez, Julia
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Mackrory, Cheryl
 Maclean, Rachel
 Malthouse, rh Kit
 Mangnall, Anthony
 Mann, Scott
 Marson, Julie
 May, rh Mrs Theresa
 Mayhew, Jerome
 Maynard, Paul
 McCartney, Jason
 McCartney, Karl

McPartland, Stephen
 McVey, rh Esther
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Millar, Robin
 Miller, rh Dame Maria
 Milling, rh Amanda
 Mills, Nigel
 Mitchell, rh Mr Andrew
 Mohindra, Mr Gagan
 Moore, Damien
 Moore, Robbie
 Mordaunt, rh Penny
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morrissey, Joy
 Mortimer, Jill
 Morton, Wendy
 Mumby-Croft, Holly
 Mundell, rh David
 Murray, Mrs Sheryll
 Neill, Sir Robert
 Nokes, rh Caroline
 Norman, rh Jesse
 O'Brien, Neil
 Opperman, Guy
 Patel, rh Priti
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Philp, Chris
 Pow, Rebecca
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Randall, Tom
 Redwood, rh John
 Rees-Mogg, rh Mr Jacob
 Richards, Nicola
 Richardson, Angela
 Robertson, Mr Laurence
 Robinson, Mary
 Rowley, Lee
 Russell, Dean
 Rutley, David
 Sambrook, Gary
 Saxby, Selaine
 Scully, Paul
 Seely, Bob
 Selous, Andrew
 Shapps, rh Grant
 Sharma, rh Alok
 Shelbrooke, rh Alec

Skidmore, rh Chris
 Smith, Chloe
 Smith, Greg
 Smith, Henry
 Smith, Royston
 Solloway, Amanda
 Spencer, Dr Ben
 Stafford, Alexander
 Stephenson, rh Andrew
 Stevenson, Jane
 Stevenson, John
 Stewart, rh Bob
 Stewart, Iain
 Stride, rh Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, rh Rishi
 Sunderland, James
 Swayne, rh Sir Desmond
 Syms, Sir Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly

Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Trott, Laura
 Vickers, Matt
 Villiers, rh Theresa
 Walker, Sir Charles
 Walker, Mr Robin
 Warman, Matt
 Watling, Giles
 Webb, Suzanne
 Whately, Helen
 Wheeler, Mrs Heather
 Whittingdale, rh Mr John
 Wiggin, Sir Bill
 Wild, James
 Williams, Craig
 Williamson, rh Sir Gavin
 Wood, Mike
 Young, Jacob
 Zahawi, rh Nadhim

Tellers for the Noes:
 Sir David Evennett and
 Craig Whittaker

Question accordingly negated.

Business without Debate

DELEGATED LEGISLATION

Madam Deputy Speaker (Dame Eleanor Laing): With the leave of the House, we shall take motions 5 to 7 together.

Motion made, and Question put forthwith (Standing Orders Nos. 118(6) and 18(1)(a)),

PLANT HEALTH

That the draft Plant Health etc. (Miscellaneous Fees) (Amendment) (England) Regulations 2022, which were laid before this House on 6 June, be approved.

REGULATORY REFORM

That the draft Legislative Reform (Provision of Information etc. Relating to Disabilities) Order 2022, which was laid before this House on 12 May, be approved.

POLICE

That the draft Police Act 1996 (Amendment and Consequential Amendments) Regulations 2022, which were laid before this House on 9 June, be approved.—(*Adam Holloway.*)

Question agreed to.

Draft Mental Health Bill (Joint Committee)

9.40 pm

The Deputy Leader of the House of Commons (Mr Peter Bone): I beg to move,

That this House concurs with the Lords Message of 5 July that it is expedient that a Joint Committee of Lords and Commons be appointed to consider and report on the draft Mental Health Bill (CP 699) presented to both Houses on 27 June.

That a Select Committee of six Members be appointed to join with a Committee appointed by the Lords to consider the draft Mental Health Bill.

That the Committee should report by 16 December 2022.

That the Committee shall have power—

- (i) to send for persons, papers and records;
- (ii) to sit notwithstanding any adjournment of the House;
- (iii) to report from time to time;
- (iv) to appoint specialist advisers; and
- (v) to adjourn from place to place within the United Kingdom.

That the quorum of the Committee shall be two; and

That Rosena Allin-Khan, Marsha De Cordova, Jonathan Gullis, Dan Poulter, Ben Spencer and Sir Charles Walker be members of the Committee.

It is an unexpected pleasure, in my first outing as Deputy Leader of the House, to speak to this motion, which relates to prelegislative scrutiny.

The draft Mental Health Bill seeks to ensure that patients suffering from mental health conditions have greater control over their treatment and receive the dignity and respect that they deserve, as well as making it easier for people with learning disabilities and autism to be discharged from hospital. It is clearly an important Bill, so it is important that a Joint Committee be established to conduct prelegislative scrutiny. I hope that the whole House will support the motion to allow the Joint Committee to begin its important work.

Question put and agreed to.

ENVIRONMENTAL AUDIT

Ordered,

That Sir Robert Goodwill be discharged from the Environmental Audit Committee and Chris Skidmore be added.—(*Sir Bill Wiggin, on behalf of the Committee of Selection.*)

North Street, Keighley: Green Space

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

9.42 pm

Robbie Moore (Keighley) (Con): May I extend my thanks to you, Madam Deputy Speaker, and to Mr Speaker for granting this urgent debate? It is truly urgent, because in just 10 days' time, people in Keighley will be heading to the polls to vote in a public referendum to determine the fate of a key strategic site in the heart of Keighley.

I am, of course, talking about the much-loved green space that adjoins North Street and the top of Cavendish Street, right in the centre of Keighley. It is a unique site, and people in Keighley quite rightly care about its future. They want to have a say in how it looks, how it feels, how it interacts with the remainder of Keighley's streetscape and, of course, how is utilised long into the future.

The unique site was once the home of Keighley College, before the college was demolished and rebuilt on a bigger and better site, presenting a rare opportunity for a newly created open site right in the heart of Keighley, ready to be used by all. It was sown with grass and was quickly adopted, by all across Keighley, by the name "the green space". Hope was raised and a new open green space was created. A new green lung right in the heart of Keighley was formed, with the potential to go on to be landscaped as a fantastic town centre space, perhaps planted with trees, wild flowers, and a permanent grassed area for all in Keighley to enjoy—because place, and a sense of place, are important.

If you were to join me in Keighley, Madam Deputy Speaker—and you are very welcome to do so, as is the Minister—you would see some of the fantastic architecture that we have there. North Street, for instance, has some beautiful buildings. Some, of course, are in need of refurbishment, but nevertheless, those buildings are stunning. Cavendish Street is the same. While our high streets face some challenges, as many high streets do, our town centre has soul, and I believe that the green space—uniquely positioned in the centre of town, at the junction of North Street and Cavendish Street, opposite the fantastically imposing beauty of the Carnegie library, adjacent to the town hall and the Town Hall Square with our awe-inspiring cenotaph—makes the soul of our town all the better.

All this is at risk, however. Labour-run Bradford Council is determined to build on this key site, stripping away that hope of Keighley's town centre streetscape being improved by a permanent green space in the centre of our town. As I said earlier, place and the sense of place are important, and, in my view, Bradford Council's determination to build on the site, no matter what, only illustrates its lack of willingness to consider the negative impact that that will have on Keighley's soul. But there is a bigger, underlying, and much more detrimental issue. We are governed by a local authority that is unprepared to listen—to listen to what the people in Keighley want.

I am proud to say that this Conservative Government announced that Keighley would receive £33.6 million as part of its towns fund deal. That included some seriously exciting projects for our town, including a new skills hub, a new manufacturing, engineering and future tech

hub, and more money for town centre improvements, regeneration, and cultural offerings such as Keighley Creative—but also funding for many, many other projects.

I am also proud to say that as part of the Keighley towns fund deal, this Conservative Government have allocated money to help deliver a new health and wellbeing hub, to improve local healthcare services and address some of the health and wellbeing inequalities in our town. I am delighted to have been directly involved in helping to secure these funds, along with the great team which forms our Keighley towns fund board, an advisory body in which many are volunteers and give up their own time to help Keighley in a positive way.

We do need a new health and wellbeing hub: one needs only to speak to representatives of the many great organisations in Keighley that provide health and wellbeing services to realise and acknowledge that. However, throughout the towns fund application process, even during the many years before my time representing Keighley, Bradford Council has been determined to ensure that the green space is built on, no matter what.

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): I congratulate my hon. Friend on securing this important debate. Yet again, he is demonstrating what a feisty campaigner he is for his constituents in Keighley and Ilkley. Although my constituency is, of course, some distance from Keighley, I do know the green space, and I understand the points that he is making. Does he agree that this is an example of the need for local authorities to listen and devolve decision making as close to the people as possible, so that they secure the best possible outcome that reflects the views of local residents?

Robbie Moore: I absolutely agree with my hon. Friend. If we want to place-make, and if local authorities are in the position to regenerate a town, it is absolutely crucial that they listen to what the local people and the town council want. In that way, we can make sure that when we are in a position to place-make and the local authority is being issued with Government funds, it will deliver on what local people want in the location where local people want to see it.

We are unfortunate because Bradford Council is fixated on ensuring that the green space is built on, no matter what. It has adopted the position that this is the only place in the whole of the centre of Keighley in which a new health and wellbeing hub can be located. That is despite the fact that Keighley has many other brownfield site options and many other empty buildings and vacant premises in the centre of our town, all of which, over many years—even prior to the existence of the towns fund—the Council has failed to properly explore. It has failed to carry out site analysis of other sites or openly consider other site options.

I very much want to see a new health and wellbeing hub built in Keighley. We need one, but we should not be railroaded into a corner and told by Bradford Council that building on the green space is the only option. This, in my mind, is a result of the council's lack of preparation, lack of due diligence and lack of consideration of other sites for many years. This should not be an either/or choice. In Keighley, we should be able to have a new health and wellbeing hub and keep the green space on North Street green. In fact, it is surely far more beneficial for the health and wellbeing of Keighley to have both.

Local authorities have an important role in regeneration. If they function properly, with due thought and consideration for a town, they can have a real place in making sure that we develop and regenerate a town in the appropriate manner. They can help communities to grow and thrive, and they can deliver on the community's priorities. But this involves listening to what the community wants, and I come back to the point that I made earlier. My issue is not with the identified need for a new health and wellbeing hub at all; it is simply about the location. Unfortunately, in this case, Bradford Council has failed properly to engage with Keighley. It has failed to consider just how much this green space—this unique space in the centre of Keighley—matters to the people of the town. The council's lack of inquisitiveness, preparation and ability to engage with our community and listen to its voice is detrimental to the process of proper place-making.

This has not been without trying. Local campaigners such as Laura Kelly and our former Keighley town mayor, Councillor Julie Adams, have tried on many occasions to tell Bradford Council that residents in Keighley would like the green space to stay green. Likewise, the Keighley Central ward District Councillor Mohammad Nazam and Keighley West ward District Councillor Julie Glentworth, as well as Worth Valley Councillors Rebecca Poulsen, Chris Herd and Russell Brown, have tried to get Bradford Council to listen and to make their voices heard in Bradford's City Hall, but no one in Bradford's running administration would listen.

I have to say that Labour-run Bradford Council's approach to debate on the green space has been shameful. All its Labour councillors in Keighley are failing to listen on this issue. Let us be clear: Labour is determined to build on this green space, no matter what. When the council's political executive gathered to discuss building on the green space just over a month ago, Keighley town councillor and local campaigner Councillor Paul Cook turned up to a meeting at Bradford Council in good faith to put forward his views. He had a pre-registered slot to speak at the meeting, but he was silenced by the council and not given the time to speak properly on this matter. Place-making is about listening to what local communities want, not silencing them.

At the end of last month I, along with many other residents, attended a packed public meeting in Keighley's civic centre. It was an opportunity kindly organised by Keighley Town Council to allow local people to raise their views. The mood of the room was strong and represented, I believe, the mood of the wider town, which is absolutely clear. We want to save our green space.

As a result, Keighley Town Council decided to hold a public vote on this very matter, triggered by Keighley resident Graham Mitchell. This public poll will take place in just 10 days' time, and everyone in Keighley will have the chance to vote on Thursday 21 July between 4 pm and 9 pm. Everybody living in the town council parish area, which includes Riddlesden, East Morton, Beechcliffe, Utley, Ingrow, Long Lee and Thwaites Brow, Guard House, Braithwaite, Bracken Bank, Oakworth, Laycock and, of course, the wider Keighley area, will be able to vote in their regular polling station. Any constituent who is unsure of where this is can find out by searching wheredoivote.co.uk or by calling Bradford Council's election office.

[Robbie Moore]

This really matters because people in Keighley will be asked three questions on the ballot paper, and the choice for all is very clear. The first question is, “Do you want a new health and wellbeing hub?” As I have said, we need a new health and wellbeing hub in the centre of Keighley, and I am therefore urging everyone to say yes.

Secondly, residents will be asked, “Do you want a new health and wellbeing hub on the vacant land at the corner of North Street and Cavendish Street?” This is, of course, the green space. There are other places in the centre of Keighley, which should be explored, where a new health and wellbeing hub could be located. Of course, I want to keep the green space green, and I am therefore urging all residents to answer no.

Finally, residents will be asked, “Should the vacant land at the corner of North Street and Cavendish Street be considered as a public open space?” This is our chance—the people of Keighley’s chance—to send Bradford Council a clear message to save this green space for many generations to enjoy into the future. To keep it green, I am urging all to vote yes.

This is an important moment for our town. Developments like the one proposed by Bradford Council are irreversible. If we lose our green space, this unique space in the centre of town, we will never get it back. I reiterate my call for as many people as possible to get involved and make their views known. I am urging people to vote yes, no, yes in the referendum. We must ensure this green space is protected for the future generations of Keighley, like the children at St Anne’s Primary School, which is located next to the green space, who kindly wrote to me saying that they want the green space to be kept green. If it is destroyed now, there will be no turning back.

This is not an either/or choice. I want to see a new health and wellbeing hub and I want to protect our green space, to protect and enhance the soul of our town. In just 10 days’ time, the people of Keighley will have a clear choice, and I urge them all to get out and vote on Thursday 21 July, to let their voice be heard. Let us keep it green.

9.58 pm

The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Eddie Hughes): I do not know where to begin. It seems unfortunate that the Opposition Benches and the Benches behind me are not full to hear that tour de force of a speech from my hon. Friend the Member for Keighley (Robbie Moore). I congratulate him on securing this debate but, my God, what a speech that was. Nobody could doubt that he is incredibly passionate about this cause and a strong campaigner on behalf of his constituents.

I also thank my hon. Friend the Member for Berwickshire, Roxburgh and Selkirk (John Lamont) for his somewhat surprising intervention, given the very specific nature of the debate. It shows just how far my hon. Friend the Member for Keighley is prepared to reach out in his campaign.

So I would like to start by saying that the Government share my hon. Friend’s concern about making sure that communities in all parts of the country have access to vibrant green spaces in which people can relax, exercise

and engage with the natural environment. Everyone here will testify to how essential their local parks and open spaces—

10 pm

Motion lapsed (Standing Order No. 9(3)).

Motion made, and Question proposed, That this House do now adjourn.—(Gareth Johnson.)

Eddie Hughes: Everyone here will testify to how essential their local parks and open spaces were at the height of the covid pandemic—they certainly were for me. They remain essential to everyone’s physical and mental wellbeing, and our quality of life, too. I am sure that my hon. Friend will appreciate that I cannot comment on specific cases, owing to the Secretary of State’s quasi-judicial role in the planning system. However, I can spend this time reassuring my hon. Friend on what we, as the Government, are doing to both discourage development on green spaces and encourage development elsewhere.

On open space, the national planning policy framework makes it crystal clear that access to high-quality open spaces and opportunities for sport and physical activity are important for the health and wellbeing of communities. On top of these benefits, they obviously add ecological value, making an important contribution to the green infrastructure of the community. That is especially pertinent when we talk about the legacy of COP26 and the need for housing and planning to play their part in helping us to tackle carbon emissions, improve air quality and win the race to net zero.

Planning policies should therefore be based on robust and up-to-date assessments of the need for open space, sport and recreation facilities. Plans should also make sure that councils are ready to seize opportunities for new provision of these spaces where they can. Finally, the framework is clear that open space should not be built on unless there is clear evidence that it is no longer required, or that equivalent or better provision is secured in a suitable location. Development is also permitted if it is for alternative sports and recreational provision, the benefits of which clearly outweigh the loss of the current or former use.

Similar to open space, local green space can have a positive effect on local communities and can be designated through local and neighbourhood plans, ensuring that green areas of particular importance are identified and protected. Designating land as local green space should be consistent with the local planning of sustainable development and should complement investment in sufficient homes, jobs and other essential services. These spaces must also be in reasonably close proximity to the community, be demonstrably special to a local community, and hold a particular significance—for example, because of their beauty, historic significance, recreational value or richness of wildlife. Policies for managing development within a local green space should be consistent with those for green belts, but I should add that this space may also be nominated by parishes and community organisations for listing as an asset of community value. What does that mean in practice? If somewhere is listed, the community will have an opportunity to bid for it if the owner wants to dispose of the land on the open market.

My hon. Friend will know that the Government strongly support the re-use of suitable brownfield land, especially to meet housing needs and to regenerate our high streets and town centres. That is one reason why we committed to making the most of brownfield land, in line with our policies in the NPPF. The framework sets out that planning policies and decisions should give substantial weight to the value of using brownfield land. To further support this brownfield-first approach, we have introduced a number of measures, including increasing housing need by 35% in our 20 most populated urban areas. We have also widened permitted development rules, making it easier for boarded-up shops and offices to be converted into new homes.

We have also mandated every local authority to publish a register of local brownfield land suitable for housing in their area. Although it is rightly for councils and their residents to plan where new homes should go, our plan is clear that local authorities must give substantial weight to the re-use of brownfield, and give it priority where practical and viable. In many cases, we encourage councils to consider building upwards, with higher densities in towns and cities. However, it goes without saying that brownfield sites vary greatly, and our default position is that local authorities are generally best placed to assess the suitability of each development.

Let me turn to green space and planning applications. As my hon. Friend will know, councils are required to undertake a formal period of public consultation prior to deciding on a planning application. Where relevant, considerations are raised by local residents, and they must obviously be taken into account by the local authority. Planning applications are determined in accordance with the development plan for the area, unless material considerations indicate otherwise. Each application is judged on its own individual merit; and of course, if a proposed development infringes on local green space, residents will be able to object and make their views known, just as they would with any other planning application.

I am sure that my hon. Friend will agree that all this underlines the need for the planning process to be more democratic and engaging. I am pleased to say that the reforms proposed in our Levelling-up and Regeneration Bill will help us to do exactly that. Under the reforms that we have set out, communities will retain the right to make representations on planning applications and local authorities will have a duty to consult with their communities on plans. Crucially, the Bill includes measures to digitise the planning system and transform the way that people can see and engage with what is being built in their area, including provision for green and open spaces.

Through the Bill, existing powers that determine when pre-application engagement is required with communities will also be made permanent. That will ensure that the voice of the community continues to be heard loud and clear. Our changes will also increase opportunities for community involvement through street votes, neighbourhood plans and design codes, so that high-quality green design and development is brought forward in a way that works best for local people. But we are not just reforming the planning system to ensure adequate green spaces for local communities; we are also giving councils the real investment they need to increase local provision of parks, woodland and play areas. That is evidenced in our towns fund, which is providing more than £3.6 billion to support locally-led job-creating projects that support growth and build pride in place.

As my hon. Friend will be aware, £33.2 million of the towns fund has been committed via the Keighley town deal to invest in capital projects designed to improve connectivity both to Keighley and within the area, to improve land use in and around the town, and to make the best use of the area's rich economic and cultural assets. I understand that the proposed £2.4 million of public realm improvements include improving public spaces, such as new squares and parks for residents to enjoy, along with upgrades to walking and cycling links, and the regeneration of Low Street with significant tree planting. I am confident that, complemented by the £4.9 million community grant scheme, Keighley will become an even more attractive place in which people can live, work and play. It is an exemplar of how the Government are supporting councils to level up and increase the provision of green spaces in their communities. We want to get more growth-spurring, life-improving projects such as this off the ground in the coming weeks and months.

I thank my hon. Friend once again for his amazing, passionate speech, and for securing this incredibly important debate. I hope that my remarks have gone at least some way towards reassuring him that the Government are committed to protecting our vital green spaces. We will continue to take a brownfield-first approach to development that protects our existing green spaces while ensuring that we build greener, more sustainable neighbourhoods for the benefit of all.

Question put and agreed to.

10.8 pm

House adjourned.

Westminster Hall

Monday 11 July 2022

[YVONNE FOVARGUE *in the Chair*]

Bearskin Hats: Queen's Guards

4.30 pm

Martyn Day (Linlithgow and East Falkirk) (SNP): I beg to move,

That this House has considered e-petition 602285, relating to the use of real bearskin hats by the Queen's Guards.

The petition calls for real bearskins used for the Queen's Guard caps to be replaced with a faux fur alternative. The petition has gathered in excess of 106,000 signatures and it is not difficult to see why, given the strength of feeling that exists in the UK against wearing animal fur. Indeed, many of the constituencies with the highest number of signatures are Scottish, which is also not surprising as Ministry of Defence procurement policies and the regulation of international affairs are currently reserved matters and require action by the UK Government. As the petition states, 93% of people in the UK would refuse to wear animal fur, including Her Majesty the Queen, the regiment's namesake, who has acknowledged the changing societal attitudes towards the issue and who no longer buys fur for her own wardrobe.

Furthermore, a Populus opinion poll held in March 2022 revealed that 75% of the UK population consider the use of real bearskins to be a bad use of taxpayers' money and support the Government acting to replace bearskins with faux fur. Frankly, at this juncture, it is difficult to understand why the Government would wish to continue with the use of an animal product for ceremonial headgear resulting from slaughtered bears in the face of such strong public opinion.

In their response to the petition, the Government argue that the bear pelts used are the "by-products of a licensed cull by the Canadian authorities", and say:

"Bears are never hunted to order for use by the MOD."

In a 2001 freedom of information request made by People for the Ethical Treatment of Animals, the Army secretariat conceded that it does not know the details of the supply chain. The MOD receives the final product from its suppliers, and that, it seems, is that.

Furthermore, previous inquiries made by PETA to both the federal and provincial Canadian Governments revealed that no formal cull of bears exists in any territory of Canada. What is known, however, is that the Canadian Government issue hunting tags annually to licensed hunting enthusiasts, and that once in possession of those tags, hunters are free to bait and kill bears. To be clear, this hunting involves the violent killing of bears, with many bears being shot several times. In some provinces the use of the bow and arrow is permitted, leading to the slow and painful death of those poor animals. Some Canadian territories have spring hunts, meaning that even nursing mother bears are being killed, leaving cubs to starve. The incentive to hunt and kill bears is greater if there is a buyer for the fur.

It seems undeniable, therefore, that by continuing to purchase hats made from the fur of black bears the MOD is funding the suffering of bears in Canada by making the baiting and killing of those animals and the sale of their pelts a profitable pursuit for the hunters. To make the connection clear, at least one bear is killed to produce a single cap. In 2020, the Government purchased 100 caps in that year alone. At least 100 bears were killed and their pelts used to produce the Queen's Guards caps. The Government argue that

"there is currently no non-animal alternative available that meet the essential criterion"

and that any alternative material must meet five criteria. I understand those five requirements concern water absorption, water penetration, appearance, drying rate and compression.

In their response to the petition, the Government go on to highlight the man-made fabric manufactured by ECOPEL, which was passed to an independent testing house by PETA and the results shared with the MOD. The Government state that their analysis of the results showed that the faux fur alternative

"met only one of the five requirements"

needed

"to be considered as a viable alternative for ceremonial caps."

The Government response goes on to state that while it met the basic standard for water absorption, the faux fur alternative did not perform well in terms of water shedding or on the visual assessment. However, PETA has revealed that new tests conducted between December 2020 and April 2022 have shown that ECOPEL's faux fur product performs in a very similar way to—and in some instances, better than—real bear fur in all the Government's identified areas.

The Minister for Defence Procurement (Jeremy Quin):

Does the hon. Gentleman agree that it would be helpful if that analysis were shared with the Ministry of Defence, so that we could have a look ourselves? We have not yet had access to any of that data. We would like to find an alternative if it proves useful—we take that seriously—but that has not been shared with the MOD.

Martyn Day: I hope I will come to that later, but I believe that the Minister's point will be heard by the campaign group. I echo his calls for sharing and transparency. One of my requests is that Ministers meet PETA to discuss things further. I hope he will take that on board and that things can get moving to everybody's satisfaction.

Let us examine these areas and the results in more detail. First, on water absorption, PETA revealed that tests conducted at Intertek, an MOD-accredited laboratory, on 18 December 2020 showed that the faux bear fur performed similarly to real bear fur when wet. When water was poured on a real bearskin sample and a faux fur sample, the water ran off both samples in several places. When wet, both samples formed tendrils, and water droplets were shaken off both samples.

On water penetration, the same test assessed how much water, if any, penetrated the cap. The faux fur cap, like the bearskin cap, showed no wetting at the back of the sample, meaning it is completely waterproof. On appearance, the machinery used by ECOPEL ensures that strands of faux bear fur match the exact length of

[Martyn Day]

real bear fur of 9.5 cm. If images of the bearskin cap and a faux fur cap are considered side by side, they are virtually indistinguishable.

Jeremy Quin: I will not make a habit of intervening, I promise. I do not know whether the hon. Gentleman has seen the creation of the bearskin using faux fur. I am not aware that one has been created, and I do not know whether it is possible to stretch the faux fur over the wicker in order to create a bearskin. What happens with the drilling of the holes to keep it together? Does that still prevent water penetration? I do not expect the hon. Gentleman to have any answers, but we need to understand those kinds of things if the faux fur is to be a viable alternative. It may be, but we do not know yet.

Martyn Day: I appreciate the Minister's constructive approach to the debate. We probably can keep that going given how few Back Benchers are here. I have not seen them being made physically, but I have seen photographs of the end product and I would be more than happy to join the Minister to see them being made.

Christian Wakeford (Bury South) (Lab): We had a couple of examples of the faux fur bearskins at a reception I hosted a couple of months ago. It is all well and good the MOD asking for details of the data from PETA, but it would be helpful if the MOD provided the exact criteria they would need the material to meet. Rather than a constant to and fro, the criteria could be met, which could offer a genuinely cruelty-free solution.

Martyn Day: That is a helpful piece of information. There is a willingness for everybody to get together to move the debate forward outwith this Chamber.

On the drying rate, the faux fur cap has been shown to perform better than real bearskin, with a faster drying rate. On 14 April 2022, four laboratory tests showed that the faux fur sample had an average drying rate of 83.3% over a 24-hour period. Real bearskin, by contrast, has a drying rate of 64.1% over 24 hours, meaning that the faux fur alternative is 19.2% better at drying.

Finally, on compression, the faux fur fabric performed well in tests also conducted in April, returning to within 5 mm of its original height within 45 minutes, and achieving full thickness shortly after. To compare, real bear fur has a compression recovery rate of 45 minutes, meaning that both perform similarly.

Based on the results released by PETA, it is hard to understand the Government's assertion that the faux fur alternative does not meet their requirements. I challenge the Government to explain fully their issues with the faux fur alternative's water shedding performance and concerns about the visual appearance of the cap.

To be clear, there is potential for an alternative that will end this Government's involvement with the cruel killing of bears. If there are concerns about this alternative, I would urge the Government to work to resolve them. Indeed, I take some comfort from the Minister's interventions that there may be a willingness to do that, and I ask the Government to meet representatives from PETA to progress this and to work to create a faux fur cap that is suitable.

In the past seven years, the Government have spent in excess of £1 million on caps that, in my opinion, serve no military purpose and have a clear connection to trophy hunting, at a time when there is a private Member's Bill before this House to prohibit the import of wild animal specimens derived from trophy hunting. It has been said that these bearskin caps are part of the UK's military tradition, not least by the current Secretary of State for Defence, the right hon. Member for Wyre and Preston North (Mr Wallace), in an amendment to an early day motion in 2006.

As the writer and philosopher G. K. Chesterton wrote:

"Tradition means giving votes to the most obscure of all classes, our ancestors. It is the democracy of the dead."

Instead of giving deference to tradition, we ought to acknowledge that society, attitudes and technology have moved on. I ask the Government to embrace modernity, technology and progress, and to find a solution that ends their involvement with cruel and barbaric practices towards bears.

In conclusion, I believe that the MOD has questions to answer and I hope that the Minister will, as I have requested, agree to meet representatives of PETA. It is fair to say that the Department for International Trade also has a role in this matter. The UK Government are banning the export of fur, but with the failure to legislate an animals abroad Bill and paralysis around the Animal Welfare (Kept Animals) Bill, it is imperative that the UK Government get a grip and better protect animals. I urge the UK Government to make the right decision, listen to the people and to morality, and prohibit the import of new fur products.

4.42 pm

Margaret Ferrier (Rutherglen and Hamilton West) (Ind): It is a pleasure to serve under your chairship, Ms Fovargue. I thank the hon. Member for Linlithgow and East Falkirk (Martyn Day) for opening the debate and the more than 100,000 members of the public who signed e-petition 602285, including 116 from my constituency. I also thank Alesha Dixon, Virginia Lewis-Jones and Andy Knott, co-sponsors of the petition and vocal advocates for animal welfare. I thank them for their contributions to this campaign.

The use of real bearskin in ceremonial caps is antiquated, costly and unnecessary. It should not take 100,000 signatures and a debate for the Government to acknowledge that. In fact, the opening line of the Government response to the petition is:

"Currently we have no plans to end the use of bearskins."

Granted, the full response goes into slightly more depth, but it remains inadequate. The Ministry of Defence might argue that there are valid reasons to continue the use of bear pelts in its ceremonial garments, but to present the line in the response that

"Guardsmen take great pride in wearing the bearskin cap which is an iconic image of Britain"

as an argument to continue the practice is embarrassing.

There are alternative materials on the market, as PETA has demonstrated with ECOPEL, and faux fur has been the norm for decades. Vanity and cosmetic appeal should not form part of the debate as they do not hold water, never mind that the newly developed faux bearskin actually matches the current appearance requirements.

Advances in the technology that has developed faux fur, such as ECOPEL, mean that it is practically indistinguishable from the real thing. Looking at the written Government response to the petition, we see that they say they need the material to perform, as we have heard, across “five requirements”. In addition to the need to “look smart”, those requirements are water absorption and penetration, appearance, drying rate and compression. The Government response states that ECOPEL performed satisfactorily in only one category, so as a result they reaffirmed their position that they will not be taking faux bearskin alternatives forward.

The MOD's defence that the bearskin is obtained through “licenced culls” in Canada, and therefore the reduction in Britain's procurement would not lead to a reduction in bear deaths, is weak. A vegetarian does not say, “Well, I can eat this steak because the cow is already dead and it has reached the supermarket shelves.” Morally, it is unreasonable to hide behind that argument.

Bear Conservation—a UK charity—and PETA have highlighted several worrying elements of the Canadian bear culls, noting that many provinces allow bear hunts in the spring, when the bears are just coming out of hibernation and are in a weakened state. Some provinces do not have restrictions on the hunting of mother bears with nursing cubs, which leads to the killing of entire bear families, or orphaned cubs abandoned to die because they cannot fend for themselves.

Recreational hunters are also granted licences to participate in bear hunting or culls, which brings in a worrying sporting element. PETA reports that some hunters use bows and arrows, meaning that the bears do not die instantly—it can be slow and painful death. By financing such activities, and by continuing to participate in the supply chain, taxpayer money is being spent on an industry that—whether or not it is Canadian state-sanctioned—profits from the suffering of bears. The financial cost of those caps is huge: £1 million was spent on 819 caps in seven years. That might not seem a lot of money in the context of Government projects and funding streams, but it is, especially in today's economic climate, with a fast-growing cost of living crisis and families struggling to put food on the table or keep the lights on.

PETA has offered ECOPEL fur to the MOD, free of charge until 2030, which provides much-needed relief on the public purse. If it truly does not meet requirements—the lack of detail to explain why makes me wonder—why does MOD not offer to join PETA and ECOPEL to strengthen the product, build on the progress that has already been made, and make a faux fur product that does the job in appearance and practicality? Production of fur is illegal in the UK and, for the most part, so are imports—although there are exceptions—so continued use of real bearskins is just outsourcing animal cruelty overseas, and that is a hypocrisy. The overwhelming majority of the UK public—who will inevitably include some of the very guardsman who have to wear the caps—are strongly opposed to fur.

I do not want to be too hard on the MOD, because I know that truly excellent work is going on there—particularly with the current international state of play in Ukraine—but I worry that there is double standard. Unnecessary and even cruel practices are indirectly supported by the Department. I have received many

emails from constituents about the use of MOD land for trail hunting, for example, as a smokescreen for fox hunting.

I appreciate the Minister for joining the debate, and I look forward to his reply. I understand that policy changes take time, but I hope that his response will not be just a fleshed-out repeat of the written response to the petition, that all the points that we have raised on behalf of our constituents will be considered and addressed, and that this debate will cause some forward movement away from the use of bearskins. We need to do better, and that is no longer a fringe view; it is the shared view of most of the British public, who do not want to see their hard-earned tax spent in such a way.

4.48 pm

Christian Wakeford (Bury South) (Lab): It is a pleasure to serve under your chairmanship, Ms Fovargue. I am grateful to the hon. Member for Linlithgow and East Falkirk (Martyn Day) for leading the debate on behalf of the Petitions Committee. I am glad that we have this opportunity to discuss the subject of bearskins.

I cannot help but feel a sense of despair. I have spoken on several occasions—both in this Chamber and in the main Chamber—in debates about banning fur imports into this great country. I believe that, if introduced, a ban should also extend to bearskins. For each of the caps used by the Queen's Guard, a bear is cruelly killed by being shot or ensnared. They can sometimes spend days in painful traps. Ninety-five per cent. of British people object to killing animals for fur, but they are unwittingly paying for it through their taxes. For nearly two centuries, the MOD has waged war on black bears while doing almost nothing to further the search for materials to replace the use of their skins. That is quite simply not good enough in 2022.

There is no reason why the MOD should continue to use real bear fur for purely ornamental caps that serve no military purpose, as had been said, when an almost indistinguishable faux fur has been developed. As I said in an earlier intervention, I have had a chance to see that fabric for myself.

Jeremy Quin: I am delighted that the hon. Gentleman has seen the material for himself. In the MOD, we have not. I have seen photographs, but I assume that they might have been digital mock-ups. I have no idea whether a bearskin cap made of faux fur exists or what it looks like when it is subjected to water. We must bear in mind that the guardsmen often have to wear them in cold weather and very wet weather for long periods of time. I know that he would want an alternative that actually works, as would I, but without seeing the sample—we would like to see it—it is quite hard to check whether it hits those tests.

Christian Wakeford: I thank the Minister for that intervention. I speak as a scientist and work from evidence. I sense almost a desire from the Minister and that he is open for dialogue—hopefully I am not putting words into his mouth. If the material is suitable and fits all the MOD's criteria, hopefully we are finding a solution. I sense a bit of reticence, though.

Jeremy Quin: I would not want the hon. Gentleman to think that I am reticent. He should be aware that where sustainable, affordable and suitably appropriate

[Jeremy Quin]

faux material exists, we have used it—the busby caps of the Royal Horse Artillery are a prime example—but it is hard to agree to use a material without having seen it.

Christian Wakeford: I thank the Minister for his second intervention. I am sure that we can get a sample of the material for him and the MOD to peruse and run further tests on.

We should all support the fact that there is a virtually identical alternative, and hopefully we can get behind it. The material is waterproof and lighter than real fur, and it makes for a comfortable alternative for our soldiers to wear. Reports from an independent fabric expert conclude that the animal-friendly material meets and, in some areas, exceeds the criteria. I am aware that further testing will be needed against the MOD's criteria. It would allow the Ministry to retain the aesthetics of the caps while aligning them with the more modern value of preventing cruelty.

I understand that the MOD has been offered the material free of charge up to 2030, whereas sticking with fur would cost well in excess of £1 million a year, so the change is not just the moral thing to do but the fiscally responsible thing to do. The question is why the MOD has not acted if it is not about mere tradition. The idea that guardsmen take great pride in wearing the current cap and would be somehow upset if a cruelty-free material was used appears to be a fallacy—even more so when, as has been stated, the Queen refuses to wear fur. The country has left many traditions by the wayside and consigned them to the history books because they were cruel, inhumane, outdated or—in some cases—just plain wrong. To stick with something through familiarity and to continue to waste taxpayers' money does not strike a chord with Britain as a strong, advanced, forward-looking nation. It smacks of a country stuck in the past and refusing to move with the times.

I urge the Minister to look at the evidence in the debate. I am reassured by his comments that he is open to meaningful dialogue. Hopefully we can find a strong solution. The new caps are a very good replica and much more ethical. They are 100% recyclable and, most importantly, cruelty-free. I hope that we do not go into another year of hearing about one more black bear being mindlessly and pointlessly killed to keep tradition happy.

4.53 pm

John Nicolson (Ochil and South Perthshire) (SNP): It is a pleasure to serve under your chairmanship, Ms Fovargue. I thank my hon. Friend the Member for Linlithgow and East Falkirk (Martyn Day) for introducing this important debate. It is clear that none of us likes the idea of a bear being killed to make a hat. Some of us think it is unforgivably cruel and inexcusable. Others think that while it may be unpleasant, it is justified by tradition. It was previously impossible to reconcile those two positions, but no longer.

We are told by Ministers that the bear hunt is not the purpose of the activity. It is not like foxhunting, where red coats, an exhausted fox and blood are—apparently—part of the fun. The hunting of bears serves only one purpose: to procure fur for a hat that, it is argued, looks

good and honours a tradition going back centuries. Therefore, if a product involving no death can be found that is in every way as handsome and durable as that obtained from a living creature killed for the purpose, surely we can all agree that that is the ideal outcome. Why do we seem to be making so little progress moving from bearskins to cruelty-free synthetic alternatives? In April this year, I hosted a reception in Westminster, in conjunction with the charity PETA, to raise awareness about the issue. I can confirm to the Minister that the hat he has asked several questions about was there. I got to hold it. I got to wear it. Others, I am sure, looked much better in it. However, it exists—so we can clear that up, immediately.

Importantly, on the day of the reception, the Secretary of State for Defence wrote to all MPs attempting to justify the continued wearing by soldiers of hats made out of real fur. His defence of the practice had two principal grounds. First, that synthetic alternatives still failed the Ministry of Defence's quality control, which living bears sadly pass. Secondly, bears are not wantonly killed for the purpose of making caps; the bears would be killed anyway as part of a regulated licensed cull by the Canadian authorities to manage the wild bear population.

Those two claims should not be hard for the MOD to prove. Nonetheless, it took a freedom of information request to extract some answers. PETA, the animal rights charity, asked whether the hunts killed bears to order for the MOD. In other words, if a certain number of hats are required, would a certain number of bears be killed to make them? We can see why that matters; if it is about managing the bear population, the number killed would not be based on the number of hats needed. The MOD's answer was,

"No information in scope of this element of your request is held by the department."

That sounds like a computer writing.

There is no basis for the Secretary of State to assert that the bears would be killed anyway. He does not know.

Jeremy Quin: I want to try and help the hon. Gentleman on that point. The last research I have seen was from 2007, which was by H. Hristienko, and J. E. McDonald, who estimated the Canadian black bear population to be around 434,400. I understand that a report from 2017, not by the Ministry of Defence but by the Canadian Government, said that there was 5% to 6% human-induced mortality among black bears, including car and train crashes involving bears. The hon. Gentleman can do the maths; in the last financial year we bought 31 bearskins. I totally appreciate that there is a point of principle here, and I am sure that is the point that the hon. Gentleman is driving at. However, I do not think the numbers would suggest there is an appreciable impact on bear numbers—killed through licensed culls—because of orders from the Ministry of Defence. I fully appreciate that it is a matter of principle—which I respect.

John Nicolson: It is a matter of principle. It is not about the number of bears killed, but the principle. It would not be a difficult question for the MOD to answer, but the MOD chose not to answer. It said that it could not answer because it did not have the information. Perhaps the Minister could update the MOD on that.

It is clear that there is no basis for the Secretary of State to assert that the bears would be killed anyway. He does not know. It may well be that the bears are only killed because he orders a certain number of hats—whatever that number is. In fact, that seems highly likely. In truth there is not, and never has been, any evidence of a widespread licensed cull authorised by the Canadian authorities. It just sounds better, when MPs and campaigners ask awkward questions—as we are doing today.

To address the Minister's point, the evidence is that most bears in Canada are killed by trophy hunters who know there is a market for the skins. Canadian Government culls are infrequent and only authorised to kill the small number of bears straying too close to human habitation. The MOD has no idea about the provenance of the dead bears it buys. The evidence, again, is that they are often nursing mothers. When they are killed to make a hat, their cubs starve to death.

That deals with one MOD claim—it does not stand up. Let us turn to the other claim made by the Defence Secretary in his letter to MPs. Hon. Members will remember that that was about the look, quality and durability of faux fur alternatives to a living bear's skin. PETA has commissioned an alternative faux fur product called ECOPEL. It has been tested to rigorous standards, and it lasts longer than real animal fur, which has a short post-mortem lifespan. That is why we have to keep killing bears. One generation of soldiers cannot pass on caps made from real bearskin to the next generation. Real bearskins fall apart. By contrast, faux fur does not wilt or decay—it lasts longer. It looks indistinguishable from real fur: I can attest to that. My partner has been abused in public by animal rights activists—hooligans, no doubt—for wearing what they thought was real animal fur. It was not; it was faux fur.

Faux fur is more water resistant. It would also, as we have heard, be free to the public purse. ECOPEL say it will provide custom-made hats to the MOD for a decade without cost. Those hats now exist—I have seen them. I would advocate that the Minister has a look. I would have thought that this all sounds good, but apparently not for the Defence Secretary. He said the faux fur did not meet necessary standards. What are those standards? How do we test them? I do not think it is unreasonable to ask that the Minister shares the analysis: he did not do so. If the MOD shared the specific detailed requirements that ECOPEL needs to address, it and PETA would undertake to meet them. There is some agreement on that point—we could move forward.

This is the first of two animal welfare debates today. The second is a debate looking at the violent whaling and dolphin killing in the Faroe Islands. Both debates come at a point of friction between tradition and animal welfare, but for traditions to be transferred from generation to generation, they must evolve and adapt. We cannot defend cruelty on the basis of tradition, otherwise we would still be bear-baiting. Come to think of it, we may still be. My constituents in Ochil and South Perthshire and the country at large care passionately about animal rights, as I know from the correspondence I have received. People find it jarring to see soldiers wearing hats made out of dead bears when a viable, affordable and ethical alternative is available. They have pressed me to get answers today, and they are watching. Of course, it may well be that we are all shadow boxing. The Secretary of

State and the MOD may well have no intention of ever replacing real fur with a cruelty-free alternative. They may not care how the bears are killed or whether faux fur is as good as, or better, than real fur as a product. However, that is not what they say, so will they please say what they mean and mean what they say?

5.2 pm

Stephanie Peacock (Barnsley East) (Lab): It is a pleasure to serve under your chairship, Ms Fovargue. The men and women who make up our armed forces keep our nation safe, and we are immensely proud of each and every one of them. We recognise and take pride in the many traditions of our armed forces, including the ceremonial caps worn by the Queen's Guard. Indeed, before the use of khakis, these iconic caps were worn more widely among our forces, most notably during the Crimean war. They remain an important symbol of our country to this day. People travel from across the world to see them at the gates of Buckingham Palace, and they are a staple at ceremonies such as Trooping the Colour, the jubilee celebrations and other vital moments in our history.

While backing our armed forces and these traditions, Labour also backs high animal welfare standards. It is for that reason that we recognise the real concerns about the use of bearskin for ceremonial caps. It is understood that to make just one cap takes the skin of at least one bear. As such, we strongly believe that no bear should ever be hunted or killed to order for use by the Ministry of Defence.

The price of real fur caps has risen in recent years, increasing to over £1,700 per bearskin and totalling over £1 million in recent years, as outlined by the hon. Member for Rutherglen and Hamilton West (Margaret Ferrier). The Defence Secretary has said that no non-animal alternatives are available or suitable for use as ceremonial caps. In contrast, we know that the Queen announced that she would stop wearing fur in 2019, as the hon. Member for Linlithgow and East Falkirk (Martyn Day) highlighted. I ask the Minister: how many alternatives to real bearskin hats have been tested to date? What faux fur is used by the King's Troop, and how does that fail to meet the criteria for the Queen's Guard caps?

Despite outlining problems with fake fur options, including failing water shedding criteria and visual assessments, the Department has not published any of the analysis or data that substantiate those claims. That is not good enough. Alternatives to the use of the real fur must be fully assessed and the results made public, as argued by my hon. Friend the Member for Bury South (Christian Wakeford). More than 100,000 people signed the petition leading to this debate, clearly showing that this issue is something the public care about deeply. The Government owe the public complete transparency on this matter.

I would like to therefore ask the Minister if he will commit to an immediate review of the possible alternatives to bear fur, taking an in-depth look at contracts and costs and assessing the suitability of all fake fur options against clearly defined criteria. Any review should speak directly to troops, taking their views seriously and ensuring they form part of any decision for the future. If the Government will not commit to doing this, Labour would do so in government. It is incredibly important that traditions develop and adapt if they are to survive.

5.5 pm

The Minister for Defence Procurement (Jeremy Quin):

It is a pleasure to serve under your chairmanship, Ms Fovargue. I am grateful for the opportunity to discuss the Army's use of bearskins as headwear for the Household division. The country is proud of its military and the traditions of selfless service that it represents. The country is also proud of our record as a leading nation in supporting animal conservation and welfare. I am pleased to have this opportunity to explain the Government's position in greater detail, and I hope to dispel a few of the myths surrounding this issue.

First, the cap itself: I do not need to tell the House that the bearskin worn by the Queen's Household division is an iconic emblem of our country, whether seen outside Buckingham Palace or, on occasion, outside Holyrood or Edinburgh Castle. As pointed out by the hon. Member for Linlithgow and East Falkirk (Martyn Day), the caps have been worn for more than two centuries by members of the Household division. They are a lasting reminder of the famous victory at the battle of Waterloo in 1815, when the 1st Regiment of Foot Guards defeated Napoleon's Grenadiers and, in doing so, helped to establish the circumstances in which the UK would remain at peace with the European powers for 40 years and with those of western Europe for a century. Their reward was not just the title of Grenadier regiment, but the right for every soldier to wear a bearskin. Even today, the opportunity for soldiers to don the cap is regarded as a great honour, whether they are in the Grenadier Guards, the Scots Guards or any of the five regiments of Foot Guards.

We are not unique in making use of ceremonial bearskin caps. They are part of the uniform of some 13 other nations, from Canada and Kenya to Spain and Sweden. However, I would hazard a guess that it is the British bearskin that is most noted around the world.

I want to make it clear that the Army is not wedded to the material that makes up the cap. Where man-made alternatives to replace natural fur items provide a suitable, affordable and sustainable alternative to animal products, the MOD will use them. However, until that material is sourced and proven, the UK goes to great lengths to ensure that the pelts that make our caps are procured in the most responsible way possible.

Christian Wakeford: It is reassuring that the MOD is open to more sustainable and ethical products. However, can the Minister explain what steps the Ministry has taken to explore the alternatives to bearskin thus far?

Jeremy Quin: The hon. Gentleman is pre-empting me, but I will get there. There is a long record of examining the alternatives, stretching back to when other parties were in government.

In response to the hon. Member for Barnsley East (Stephanie Peacock), let me be clear: bears are never hunted to order for the MOD. Bear pelts used for the Queen's Guards' ceremonial caps are sourced exclusively from Canada precisely because it is a regulated market and a declared party to the convention on international trade in endangered species of wild fauna and flora. A CITES permit is required for the export of pelts from Canada to the United Kingdom. Provincial, territorial, federal and international laws also provide strict trade

regulations to protect against unlawful trade in black bears, both within Canada and internationally. The pelts required are by-products of legal and licensed hunts, which are authorised in Canada by provincial and territorial governments.

The hon. Member for Linlithgow and East Falkirk mentioned that the total number of bearskins acquired in 2020 was 120—I have it down as 107 in 2020. The hon. Gentleman might be right; my numbers are by financial rather than calendar year. We acquired 31 bearskins in 2021. In response to the hon. Member for Ochil and South Perthshire (John Nicolson), I have put that into perspective. In other words, any reduction in the number of bearskins procured by the MOD would not have any meaningful impact on the Canadian conservation and population management policy. However, I appreciate that there is a point of principle that goes beyond that.

We are also very sparing in the acquisitions that we make. Individual soldiers do not possess their own hats; they are cared for and shared within the Household Division. Despite their constant use, every effort is made to carefully prolong the longevity of each ceremonial cap. The hon. Member for Ochil and South Perthshire is concerned that the caps do not last; actually, they usually last for more than a decade and some have been in use for as long as 60 years. They are carefully looked after as treasured items.

None of that is to say that we would not be perfectly willing to embrace a faux fur material that is up to the job. The Department has already made it clear that where suitable, affordable and sustainable alternatives to animal products exist, they will be used. The Opposition spokesperson, the hon. Member for Barnsley East, referred to the faux fur used in the smaller busby hats, worn by the King's Troop of the Royal Horse Artillery; those hats do not need to be worn with such regularity or all year round, in all manner of demanding conditions. The bearskin caps are taller, broader, made of longer fur and inherently weightier. They must also retain their distinctive shape and appearance for far longer durations than required of many other items of ceremonial wear.

Sir George Howarth (Knowsley) (Lab): I think the Minister confirmed, in response to my hon. Friend the Member for Bury South (Christian Wakeford), that the Government are open to the possibility of a sustainable and viable option other than real fur. If the hon. Member for Linlithgow and East Falkirk (Martyn Day) and others can demonstrate that such a product exists, would the Minister be willing, subject to costs and all the other considerations that have to be taken into account, to switch to that product?

Jeremy Quin: Absolutely. As I said at the outset, we are not wedded to the material used but we are wedded to this iconic symbol of the British Army. If there is an alternative that works, it will be taken seriously. Affordability, sustainability and other criteria are important, but whether the other material works is key.

John Nicolson: It sounds as if we are making progress, which is a rarity in such debates and quite exciting. Will the Minister give us a pathway and agree to a meeting, so that the manufacturers can turn up, provide the hats and agree to a timetable for them to be analysed? If they pass, that will be great and we will all be happy;

if they fail, will the Minister provide the manufacturers with a breakdown of how they have failed so that they can address the problems and we can make progress?

Jeremy Quin: I can perhaps help the hon. Gentleman by explaining the pathway that we have already trodden, right up until today, and we can see where we can go from there.

Margaret Ferrier: While we have been in this debate, I have contacted PETA and can confirm that its representatives are ready and waiting to meet the Minister, and ECOPEL's offer still stands. They can bring the prototype hat to the meeting and samples of other faux fur. Is the Minister willing to meet PETA and ECOPEL to go through the options?

Jeremy Quin: Let me go through what we are doing. Finding a faux fur alternative is not without its challenges. Until 2007, research into faux fur replacements was conducted by Defence Clothing. It looked at more than 50 different types that used many different fibres in many combinations, both synthetic and natural. None were found to be acceptable and many created static and the fur stood on end.

In 2007, PETA submitted two samples that MOD agreed should be looked at in detail. A number of test methods were developed to compare the faux fur with real fur and assess its performance. Both samples were rejected as they allowed water penetration, did not shed water but absorbed it and did not shake it off.

Some seven years later, in 2014, PETA approached the MOD about submitting more faux fur samples and understandably wanted to know the required parameters. The tests devised previously were formalised and agreed with PETA as the starting point that the faux fur had to meet before being considered as a replacement. It was agreed that the test house would be Intertek and that the MOD would be sent a copy of any report.

In 2018, PETA submitted a sample to Intertek that was not taken forward as it showed unacceptable water penetration. In 2019, PETA submitted a sample to Intertek that had improved water-penetration results. However, although the water penetration was greatly reduced, the wet appearance was unacceptable, with rat-tails and dripping. The sample was not passed to the MOD to verify. In February 2020, PETA submitted a sample to Intertek that had greatly reduced water penetration but, again, a poor wet look.

Another sample was tested in December 2020 and there was nil penetration, although there were still problems with appearance. In 2021, the testing house shared its report with the MOD. I am afraid we do not have any detail on the fabric or the supplier, or the technical details, such as how to seal stitch holes and any seams needed to retain the waterproof barrier. It is yet to be established whether the sample could be formed over the wicker framework to resemble a real fur, and a trial is needed to gauge performance in use. For example, does the material succumb to static problems? What does it look like if it is wet? I was pleased to hear from the hon. Member for Bury South (Christian Wakeford) that a faux fur bearskin over a wicker frame has now been created, which sounds like good news. I was not aware of that before this debate.

Earlier this year, PETA issued another report, in conjunction with its campaign, claiming that all five tests that the MOD require have now been proven in the use of faux fur. Thus far, however, we are unsighted on the latest test results.

I wish to calm down excited Members but give them encouragement. The hon. Member for Rutherglen and Hamilton West (Margaret Ferrier) said that it was taking a long time to change policy. There is no policy issue here to be concerned about. If there is a faux fur alternative that works and overcomes the hurdles I have described, we will look quickly at affordability, sustainability and the other boxes that we need to tick. There is no opposition at all to the idea of using faux fur if it can be proved to work. As I say, in other circumstances we have actively and willingly embraced faux fur alternatives. We would be keen to see whether faux fur works in this instance.

The hon. Member for Linlithgow and East Falkirk said that there are questions to answer; if PETA helps us to answer those questions by providing to the experts in the Ministry of Defence the material—the faux fur bearskin—that PETA has created, we will without doubt have a look and consider the results seriously.

The House can rest assured that we will continue to keep these matters under review and, as I say, if PETA or any other body wishes to share the details of any tests with us, those details will be analysed. The best way to help to make us use faux fur in future is to share with us the data. If the data proves to be right and we can genuinely believe that there will be a viable faux fur alternative, we will be happy to take it forward and then test it against sustainability, affordability and other criteria.

At the moment, however, the jury is out. We need to see the results of the tests, which have not yet been shared with us, and evidence that faux fur can be made to work and can hit our five criteria. If we have that evidence, we will happily take faux fur on, but that is the hurdle that we need to get over, and it is in the hands of others. We are willing to receive any information.

5.18 pm

Martyn Day: On behalf of the Petitions Committee, I thank the Members who have come along to the debate. Perhaps we are lacking in numbers, but we have had good, informed content and I hope that some progress has been made. I take some heart from the fact that the Minister said that the MOD will use man-made alternatives if they can be proven to be satisfactory.

I repeat my call: I hope that, perhaps through my office, we can arrange a meeting with the Minister and PETA to take this matter forward, look at the evidence and then move on to the next stage. I hope the Minister will be appreciative when he gets a letter from my office to that effect.

Question put and agreed to.

Resolved,

That this House has considered e-petition 602285, relating to the use of real bearskin hats by the Queen's Guards.

5.19 pm

Sitting suspended.

Dolphin and Whale Hunting: Faroe Islands

[SIR CHRISTOPHER CHOPE *in the Chair*]

6 pm

John Nicolson (Ochil and South Perthshire) (SNP): I beg to move,

That this House has considered e-petition 597171, relating to the hunting of dolphins and whales in the Faroe Islands.

It is a pleasure to serve under your chairmanship, Sir Christopher. I thank the 104,664 petitioners who made this debate possible, and Dominic Dyer for his continued passion and drive to protect animals. On Sunday 12 September last year, a small armada of boats herded a large group of mammals towards a beach. Those in the boats were not tourists, not scientists, and not hungry and looking for food. They were islanders in a sophisticated country in the north of Europe, a country with one of the highest standards of living in the world: the Faroe Islands. The creatures were highly intelligent mammals—dolphins—and they were being driven towards the Skalabotnur beach.

Dolphins are playful creatures and not suspicious of mankind. They probably had no idea of their intended fate until it was too late. It was originally estimated that there were 200 dolphins in the pod, but we now know that the number was much higher. Over 1,400 white-sided dolphins were set upon with knives, ropes and blunted hooks. It took hours to kill them all. Once the hours of senseless killing had stopped, the sea had turned red. The scene resembled something from a biblical plague. Had that killing happened here, the thugs responsible for such a wantonly cruel act would face the full force of the law and would serve prison sentences. Remarkably, however, in our near neighbour, the Faroe Islands, what was done was absolutely legal. Although what happened was grotesque, the killing of mammals on such a scale is, sadly, a regular occurrence. Last year, excluding the event on 12 September, 667 long-finned pilot whales were killed in the Faroe Islands. This year alone, 182 have been killed—intelligent aquatic mammals needlessly, brutally killed.

The practice of driving whales into specific bays is called Grindadrap or, more commonly, the Grind. It has its origins in the middle ages, when sailors would drive the whales and dolphins to beaches and kill them with spears and rowing boats. The killing of whales at that time was justifiable. The whales, killed in far fewer numbers, were vital to the survival of the Faroese people, who lived at the edge of northern Europe in an unforgiving winter climate. I know a bit about those climates—my family on my father's side are from the Outer Hebrides. My surname, Nicolson, is Nordic and from Orkney, the Faroe Islands' southern neighbour. My family lived for countless generations there, too.

All three archipelagos have suffered famines throughout much of their history. Fresh meat and whale oil were once vital to the survival of folk so reliant on barley, seafood and, later, potatoes. But no longer. The Faroes are, thankfully, highly prosperous. The slaughtering of dolphins and whales is not required for meat. In fact, the slaughtered animals are hard to get into the human food chain, as so few people, especially young people, want to eat them.

As for the method of slaughter, who could justify it? And on what basis? Tradition? Sailors now use boats with electric motors to drive large numbers of whales and dolphins into killing bays. I apologise in advance, but it is important to know exactly how these mammals are killed. It is not a quick death. Sea Shepherd has reported that the killing of dolphins regularly takes over two minutes and can take up to eight—eight minutes dying at the hands of sailors using rudimentary tools such as knives and blunted hooks.

The fate of the whales is even more monstrous. They are killed by what is called a spinal lance. If used correctly—an unfortunate word under these circumstances—it will paralyse the whale, which will then slowly bleed to death. On average, the process takes 13 minutes—13 minutes of that wounded, paralysed, sentient being floating in its own blood while other creatures are killed round about it. The killing is indiscriminate, with pregnant mothers, juveniles and calves all being slaughtered. All of that takes place in the 21st century, just 250 miles from the coast of Scotland.

The UK Government have expressed their opposition to that barbarism and to the hunting of sea mammals more generally, and that is welcome. The International Whaling Commission has condemned the killing too. However, no amount of condemnation has worked, so we must get tougher. That is why this petition advocates a greater use of the Government's levers of power. That is the only way that we can ensure that that brutality does not continue.

There are very few advantages to Brexit, but post Brexit, the UK was able to enter into a free trade agreement with the Faroe Islands. Although the isles have a minuscule impact on our trade, we have a disproportionate impact on theirs. Their exports to the UK have gone up 157% since we signed the free trade agreement. We import £864 million of goods and services from the Faroe Islands, yet we export only a minuscule £17 million to them. For us, obviously, that is an inconsequential deal, yet for the Faroe Islands it is vital.

We have the power to make the Faroe Islands focus and desist. Condemnation alone will not stop the medieval practice of the Grind. We must let them know that we will back our condemnation with trade action, and we will not be alone. On Capitol Hill, congressmen increasingly see this issue as part of their environmental agenda, and focus on the Faroe Islands is increasing. We must let them know that their ghoulish barbarism will not be excused by mutters about tradition. The days of the Grind are numbered.

6.7 pm

Kerry McCarthy (Bristol East) (Lab): It is a pleasure to see you in the Chair, Sir Christopher. I congratulate the hon. Member for Ochil and South Perthshire (John Nicolson) on speaking with such horrific eloquence about what is going on with the—I think it is pronounced “grinned” rather than “grind”, but I am not sure. I was just googling, but perhaps it is—

John Nicolson: It is a regional pronunciation.

Kerry McCarthy: Okay. Well, the hon. Member is closer to the Faroe Islands than I am, but I think it is pronounced “grinned”. Regardless of that, I was researching for this debate and saw the footage of what is happening there.

I once went to an event—I think it was probably something like Vegfest in Bristol—where someone on a stall showed me a tourist brochure for the Faroe Islands. There was a double-page spread showing red water with the bodies of animals in it. This was, “Come and witness our cultural traditions.” It was actually seen as a wonderful, spectacular event, in the same way that people might have been invited to watch bullfighting in Spain. It really was quite horrific, and I think the hon. Member from the Petitions Committee more than did justice to how horrific it is.

Over the years—this dates back to discussing the derogation at EU level—I have seen so many excuses made by people who are really just washing their hands of the blood of these thousands and thousands of whales and dolphins. I gather that the Faroe Islands Prime Minister promised a review at some point, but we have seen very little in terms of outcomes.

The Parliamentary Under-Secretary of State for International Trade (Andrew Griffith): My understanding is that we have now seen the early fruits of that review. It has resulted in a cap. The Government’s position is that any continuation of this practice—notwithstanding the reduction through that cap—is still unacceptable.

Kerry McCarthy: I thank the Minister for that response. That wipes out one of the questions I was going to ask him. He can keep intervening on me; then he will not need to do a winding-up speech.

Patricia Gibson (North Ayrshire and Arran) (SNP): It is worth clarifying for the hon. Lady that the cap is set—on a provisional basis until 2022-23—at 500 dolphins. The problem is that that number is not only higher than the total number of Atlantic white-sided dolphins that are usually killed in a year, but could be increased in future.

Kerry McCarthy: I think we all agree that allowing the slaughter of even one dolphin or whale is unacceptable.

I pay tribute to conservation groups such as Born Free and Sea Shepherd, as well as to Dominic Dyer, for their campaigning on this matter. However, the burden of pressing for change should not fall on them; change requires international pressure and trade negotiations at Government level, where we have leverage. It is clear that the British public think that the Grind is horrific, but consumers who would be absolutely sickened by the bloody images from the Faroes are simultaneously—if completely unwittingly—buying products from the Faroe Islands in British supermarkets. There is a separate debate to be had about transparency around the issues in our food supply chains, be that deforestation in Brazil, the worst animal welfare practices in other countries or human rights abuses. Clearly, if people knew that they were propping up the Grind, they would not continue buying these products.

Where we are now is a post-Brexit development. We were told that we would be masters of our own destiny after Brexit, so I do not understand why our Government, who have placed on the record their strong opposition to the hunting of whales and dolphins, have failed to make banning it a prerequisite for any trade agreements. As we have heard, the Faroe Islands have very little

leverage—we are way bigger than them in terms of what we bring—so this would have been an ideal opportunity to put pressure on them.

Margaret Ferrier (Rutherglen and Hamilton West) (Ind): The Government’s response to the petition states that they are opposed to the hunts and are committed to

“upholding high animal welfare standards in...trade relationships”, but is unclear what will happen if the hunts continue. Should the UK not model its opposition by playing a stronger hand to encourage bringing the hunts to an end?

Kerry McCarthy: I agree with the hon. Lady. I have seen this so often. I remember sitting in a meeting with a Trade Minister—this goes back some time, because I have been around for quite a bit. When I spoke about human rights in China—I was shadowing the human rights Minister in the Foreign Office team—I was told that trade is a separate matter. I was told, “Human rights is dealt with by the Foreign Office. We are here to talk about trade and to get deals done.” That is entirely wrong. I could mention all sorts of examples that we should not accept of a lowering standards or of human rights abuses in other countries. We should use trade negotiations to set a clear marker on our standards and the standards we are prepared to accept from other countries.

The Government said in February that the UK “continues to call on all whaling nations, including the Faroe Islands, at every appropriate opportunity to cease their whaling activities”.

I do not understand why the trade negotiations that took place in early 2019 were not an “appropriate opportunity”. What counts as an appropriate opportunity? Perhaps the Minister can tell us what discussions were had back then.

Ben Lake (Ceredigion) (PC): The hon. Lady is making a powerful speech. Does she share my concern that, in addition to the cruelty and barbarity of such spectacles, there is—according to our research briefings—no real idea of the number of whales left in the ocean surrounding the Faroe Islands? Indeed, the last assessment was conducted way back in 1997. Are arguments about the Grind being sustainable not completely undermined by that very omission?

Kerry McCarthy: Yes, they are. We should protect and preserve the ocean, not plunder it; what is in the ocean is certainly not there for the sake of such horrific pastimes. There is a conservation issue, and that is one reason why successive Governments have taken such a firm stance against whaling.

Some people would try to defend whaling as a traditional activity, but a snap poll of Faroe Islanders, conducted following the infamous 12 September Grind, found that over 50% of respondents were in favour of halting dolphin hunting. Save the Reef reported that fewer than 20% of Faroe Islanders consumed any pilot whale meat or blubber at all. Yet that meat was the reason for the derogation; it was said that it was needed for the local food supply. We know that that is nonsense if we look at the numbers of whales and dolphins that have been killed. As has been mentioned, a record 1,428 dolphins

[Kerry McCarthy]

were slaughtered in the 12 September hunt last year—the single largest killing event in the islands' history. It is clear that that was for no other reason than for pleasure and the spectacle—it was nothing to do with food.

It is important to recognise cultural traditions, and the role they play in binding communities together and sustaining age-old customs. However, we have a responsibility to evolve, as we have seen in this country with the discussions about fox hunting and in Spain with the discussions about bullfighting. There are many practices that would once have been deemed acceptable but that no longer are.

Ben Lake: On that point, does the hon. Lady agree that arguments in favour of the practice continuing on the basis of cultural heritage would be far more powerful if hunts were conducted, as they used to be back in the 15th century, using wooden rowing boats and rocks, rather than modern machinery? To my mind, the idea that this pines back to cultural heritage is somewhat hollow, given that they are not conducted in the way they were in the 15th century.

Kerry McCarthy: I am not sure I would advocate throwing rocks at whales and dolphins—although I suppose there is a good chance they would miss, so it has to be better than the way things are done now. I take the hon. Gentleman's point: this has evolved into something way beyond the traditional practice.

Whale and Dolphin Conservation, which I have worked alongside in the past, described pilot whales as very sociable and incredibly loyal, with an inquisitive nature. They are highly intelligent social mammals. Humans have taken advantage of that social nature by subjecting pods to incredibly stressful hour-long hunts that culminate in whales watching their kin being killed in front of them and bleeding to death. There is no regulation or oversight; killings can be indiscriminate and methods are unchecked. It is not always apparent that a spinal lance has been used to administer a quick death, and there are frequent reports of knives being used to hack away at the meat. We have heard some of that before.

This practice falls well below anything that the UK would accept, but the fact is that we are tacitly accepting it, although I know the Minister will try to assure me that we are not. We are endorsing these methods by virtue of the fact that we are signing a trade deal with the country that carries them out. It will be the people and the Government of the Faroe Islands who ultimately determine if and when the slaughter ends. However, we have an opportunity to play our part and to end our complicity by suspending the free trade agreement. I hope that the Minister, who I need to welcome to his place—it is so confusing at the moment, because we have no idea who may turn up—will get off to a flying start by telling us all exactly what we want to hear.

6.18 pm

Patricia Gibson (North Ayrshire and Arran) (SNP): I, too, welcome the Minister to his place. I am delighted to participate in this debate calling for the suspension of trade agreements with the Faroe Islands until all whale and dolphin hunts end. The debate was well opened by my hon. Friend the Member for Ochil and South Perthshire

(John Nicolson). The petition attracted 104,664 signatures from across the UK. People in my constituency of North Ayrshire and Arran care deeply about the welfare of animals, and I believe that is replicated in every constituency across the UK. The practice of hunting whales and dolphins dates back some 1,200 years, but not all traditions are worth preserving, with about 800 whales being hunted every year.

The practice of hunting whales and dolphins is cruel, inhumane and must be condemned. In any case, we now know that the meat on pilot whales—the type of whale that is primarily hunted—is toxic, as it contains high levels of mercury, and can cause health challenges when consumed by humans. It is no longer the case that the people of the Faroe Islands need to hunt whales to survive—those days are gone. It is the scale of the slaughter, as well as the cruelty, that has caused international concern. Last year, more than 1,400 dolphins were slaughtered, and the outcry against it prompted the Faroese Government to review the practice. That shows that when concerns are properly expressed and directed, the international community can effect change—if, that is, we drive that intention to its end, which we have not yet done.

The review is obviously welcome, but it is not enough—action is needed. The frustration and deep concern about the hunting of dolphins and whales has led to calls for the suspension of trade agreements until the practice has ended. The call for the suspension of trade agreements is borne of deep frustration with the Faroese Government's lack of action. The reality, particularly in Europe, is that such unnecessary and cruel treatment of our fellow creatures makes most people recoil with horror. There is little tolerance of it, even if such cruelty is carried out in the name of sport, culture or some half-baked excuse about necessity. It simply will not do.

I continue to be deeply opposed to and concerned about Brexit, but I recall how many Tory MPs were willing to proclaim the huge benefits that Brexit would bring. Well, with Brexit came a UK free trade treaty with the Faroe Islands, which by the end of 2021 accounted for more than 25% of the islands' global trade. The agreement's value in Faroese exports to the UK reached a staggering £864 million; in comparison, total UK exports to the Faroe Islands were a mere £17 million in the same period. The UK Government are therefore perhaps uniquely placed with the leverage to effect real change and to encourage the Faroe Islands to prohibit the barbaric practice of dolphin and whale hunting, in line with the rest of Europe.

Andrew Griffith: The hon. Lady is making a passionate argument for some of the benefits of an independent trade policy, although I accept that, in this respect, that has yet to be fully realised. Will she clarify whether the European Union is taking any action, and whether it is now the policy of the Scottish National party not to abrogate responsibility for trade deals to the European Union?

Patricia Gibson: The point I am making is about the Brexit that was trumpeted and sold by the Tory Government. I remember Minister after Minister saying on television that Brexit would provide the opportunity to improve animal welfare standards. I have seen no evidence of that, but the Minister has an opportunity

today to show me not only that he believes in it, but that he is willing to sell that message abroad. From what he has just said, I fear that he is not. He is using what-aboutery to excuse a lack of action; that is really not the big, shiny Brexit we were promised.

A massive 69% of people support the UK Government taking some degree of diplomatic or economic trade action against the Faroe Islands to encourage or pressure that country into ending the practice, and 65% of people in European countries would support boycotts over it. There is real concern about this matter. Of course, once the Minister has sold the unacceptability of this practice to the Faroe Islands on behalf of the UK, he could go and evangelise in Europe if he thinks it helpful and set an example to all of us.

The fact is that the health of our oceans and marine life has been undermined over a long period by mankind. We need more marine mammals in our oceans, not fewer. Marine mammal movements in the ocean account for a remarkable one third of all ocean mixing, transporting vital nutrients around the world and oxygenating the ocean. In addition, whale and dolphin faeces stimulate the growth of phytoplankton—the ocean plants that produce most of the world's oxygen. Enhancing and encouraging cetacean species can therefore help tackle climate change.

Encouraging or pressuring the Faroe Islands to outlaw the horrific practice of hunting whales and dolphins could boost its economy. Nations that used to allow whale hunting now engage in whale watching, which generates far more economic benefit and employment through whale tourism than hunting ever did, as well as winning international approval.

It has to be remembered that in the so-called review that the Faroe Islands said it would establish and that we were told was being carried out, only the dolphin hunt is currently being reviewed and not the entire grind tradition, which Members have spoken about. In the Faroese grind tradition, grind hunters surround dolphins or pilot whales with a wide semicircle of fishing boats and drive them into a shallow bay, where they are beached. Then, as we have heard, fishermen on the shore slaughter them with knives.

In February, it was reported that the Faroe Islands had begun discussions about the future of its controversial dolphin hunt, with a decision expected in subsequent weeks. Meetings were held to discuss the conclusions of the so-called review, which started last September. We were told that several options were on the table. In February, we were told that a decision would be announced in a few weeks, but here we are in July and nothing seems to be happening.

We have waited and waited, and I got to the point where I honestly thought that the Faroese Government had no intention of outlawing the practice of hunting dolphins and whales in any meaningful way. Their review was so limited in scope that many feared it would not result in much at all. It has taken so long, and has led to very limited action on the issue. I thought it was all starting to look as though the review was announced not because the Faroese Government felt that change was needed, but simply to placate international outrage after the mass slaughter of more than 1,400 Atlantic white-sided dolphins was publicised and sparked an outcry last year. And no wonder—it was the biggest organised killing of dolphins on record.

It seems that I was right to be suspicious. The review has now concluded. The cruel hunts are not to be banned. Instead, the Faroe Islands has proposed an annual catch limit of 500 dolphins on a provisional basis for 2022-23. Not only is that number higher than the total number of Atlantic white-sided dolphins normally killed in a single year; the total could be increased in future years, potentially making the already appalling situation worse.

The Government of the Faroe Islands are simply not listening, even though most people in the Faroe Islands want these hunts to end. No quota can be substantiated scientifically. It is clear that the international community must look less to carrots to influence the Faroe Islands and use a bit more stick. The UK Government have a significant stick that they could use in the UK's importance to the Faroe Islands as a trading partner.

I know that the UK Government refuse to consider suspending their free trade deal with the Faroes over this barbaric practice. Sadly, I am not surprised by that, since we know that the UK is willing to sell arms to the most barbaric of states; consequently, killing dolphins and whales is unlikely to cause much of a ripple around the Cabinet table.

As is often the case, the public are well ahead of the Government on this issue. They do not approve of the cruel and barbaric hunting of whales and dolphins, and they want the UK Government to use whatever clout they have to encourage and pressure the Faroe Islands to end this practice. The Government should listen and, alongside the rest of Europe, exert every lever of influence they have over the Faroe Islands to stop this unacceptable and shocking practice, which has no place in an enlightened society.

It is clear that the Government of the Faroe Islands are not serious about stopping this practice, so the UK and other European nations need to do more to persuade and encourage them, in the strongest terms, to get serious, and should lay out what consequences will be faced if the practice continues.

6.28 pm

Ruth Cadbury (Brentford and Isleworth) (Lab): It is a pleasure to serve under your chairship, Sir Christopher.

It is also a pleasure to welcome the Minister to his seat. I think he is three days in—well, one parliamentary day in. Wikipedia says that he was appointed on Friday, but this is his first full day as a Trade Minister and I welcome him. Doing so makes me feel like an old-timer.

I am pleased to speak for the Opposition in this important and timely debate on the cruel and abhorrent treatment of whales and dolphins in the Faroe Islands, and to follow the hon. Member for Ochil and South Perthshire (John Nicolson), my hon. Friend the Member for Bristol East (Kerry McCarthy) and the SNP spokesperson, the hon. Member for North Ayrshire and Arran (Patricia Gibson). There have been useful interventions as well.

As has been pointed out, over 100,000 people have signed the petition, which shows that people across our country are rightfully concerned about these awful practices. Equally, they want the Government to do much more. Over 150 of my constituents have signed the petition; they are concerned about the UK's ongoing failure to do more on animal rights, whether that is on whaling,

[*Ruth Cadbury*]

the imports from trophy hunting, or the sale of fur or foie gras. I note that 92 people in Uxbridge and South Ruislip have signed the petition as well, so I am sure they are looking forward to the Prime Minister leaving No.10 and becoming a doughty and dogged constituency MP on this issue.

We have heard from hon. Members about the horrific ongoing hunting of whales and dolphins around the Faroe Islands. The hon. Member for Ochil and South Perthshire described what has happened very graphically and, as my hon. Friend the Member for Bristol East said, the pictures we have seen of the sea turning red are truly horrific. The events of last September, when over 1,400 white-sided dolphins were killed and butchered, as well as a number of whales, represented the single largest slaughter of dolphins recorded in modern history. As the charity the Born Free Foundation said, the “ferocity and scale” rightly caused outrage around the world, including in the Faroe Islands.

The conservation charity Sea Shepherd reported that the dolphins were driven into shallow waters by speed boats and jet skis, and every single one of the 1,428 dolphins was killed. As we have heard, they died slowly because of the time it took to kill such a large number of dolphins. New technology, such as jet skis, can do things that more old-fashioned boats cannot. I have seen the pictures, and anyone who, like me, has had the honour to be on a boat with dolphins swimming alongside will be particularly moved by what they have seen and heard.

Turning to the role of this Parliament and this Government, we cannot merely be bystanders to this slaughter and throw up our arms in horror. We can do something; this Government can do something. We have the UK free trade agreement with the Faroe Islands. Faroese exports to the UK are valued at £864 million, while UK exports to the Faroe Islands are a mere £17 million. That sets the context for the influence that Ministers at the Department for International Trade have—the power of the pen and of diplomacy.

What have UK Government Ministers done to tackle this shocking practice? I fear that Ministers at the Department for International Trade have tended to follow the same old playbook—the same one we see when trade unionists are killed in Colombia and when women’s rights are trampled on in the Gulf states. The Government say, “By nature of our trading arrangement, we are able to have influence over the actions of other countries and to raise these issues directly with so-and-so Government.” Indeed, the Government will boast that the animal welfare Minister, Lord Goldsmith, wrote to the Faroe Islands Minister for Fishing and that the Faroe Islands Government have launched a review, but we are still waiting for the results and changes from the review, so what has happened since then?

In February this year, the Government signed the annual agreement on fish quotas with the Government of the Faroe Islands. The Labour party supports the UK’s fishing industry, yet we also believe that the Government must not sign these agreements in a vacuum—certainly not a vacuum of values. I looked at the Government press release of 8 February announcing the fish quota update; the Government did not mention animal or whale hunting, whether the UK had raised this issue before signing the new agreement, or what further steps

the UK Government would be taking. Once again, it seems the Government are using the same old playbook of sweeping important issues under the carpet and pretending that they do not exist.

One issue that is raised is the cultural history of whale and dolphin hunting in the Faroe Islands and how, historically, people needed dolphin meat and, in particular, whale meat to stay alive. However, I have just looked it up, and the Faroe Islanders are not poor. In fact, they are better off than we are. The GDP per capita in 2017 was \$54,800, whereas the figure for the UK was \$40,200, so the Faroe Islanders are better off per capita than UK residents. As we have heard, there is strong evidence that Faroe Islanders themselves, especially young people, increasingly oppose this slaughter, particularly since the September 2021 slaughter.

This brings me to the wider problem and the failure of our approach to trade. The only significant discernible trade policy the UK Government have is to secure free trade agreements with countries covering 80% of UK trade by the end of this year. That policy leads the Government to rush to sign any deal they can, without thinking about the influence the UK could have in the trade negotiations. We are—when I last looked—the sixth largest economy in the world. Whether it is on animal welfare, climate change, women’s rights, workers’ rights or environmental considerations, the UK can and should be using trade as a way of ensuring that our basic and fundamental values are protected around the world and as a lever to improve them. Trade cannot and does not happen in a vacuum.

I would like to ask the Minister a couple of questions. Since the letter that Lord Goldsmith sent, what further steps have the UK Government taken to raise this issue directly with the Faroe Islands Government? What assessment did the UK Government make of the protections in place for dolphins and whales when they signed the recent fishing quota agreement? What plans do the UK Government have if the Faroe Islands Government do not implement any of the required changes?

I thank the tireless campaigners who have worked so hard to raise awareness of dolphin and whale slaughter, particularly Dominic Dyer of Sea Shepherd, and the need for the UK Government to act. Whether it is the charities that have lobbied, the individual campaigners or even those who took the step of signing the petition, they have made a difference, so I thank them. Now we will see whether the UK Government are prepared to play their part to make that difference.

Sir Christopher Chope (in the Chair): I, too, congratulate the Minister on his appointment and invite him to respond to the debate.

6.37 pm

The Parliamentary Under-Secretary of State for International Trade (Andrew Griffith): It is a pleasure to serve under your chairmanship, Sir Christopher. I congratulate the mover of the motion, the hon. Member for Ochil and South Perthshire (John Nicolson). I know that he cares deeply about the health of our oceans and has done much over past decades to protect the animals and other marine life that live within them. I thank the Petitions Committee, Dominic Dyer and the more than 100,000 people who signed the petition for enabling us

to hold this important debate and rightly use Parliament's voice to send the clear signal that we call out this practice. Both side of the House are united in condemning it. This is clearly an emotive issue, which evokes a strong response from parliamentarians and people across the country. We have heard many deeply considered contributions during the debate, and I thank all hon. Members for those contributions. I will do my best to respond to as many points as possible.

First, let me be clear that promoting animal welfare is a key priority for this Government. This debate is about the best means to end whale and dolphin slaughter, and no one disagrees with that. As we chart a new course, which is something we heard about from the hon. Member for North Ayrshire and Arran (Patricia Gibson), a new UK independent trade policy promoting animal welfare in all its manifestations is central to our trade negotiations and dialogues with partners. We will continue to negotiate dedicated animal welfare articles into new free trade agreements, which hon. Members will know we have done recently in deals with Australia and New Zealand—something we could not have done before we left the European Union.

We continue to utilise our existing trade agreements—those that have been negotiated in the past, not more recently—to keep diplomatic channels with partners, such as the Faroe Islands, open. We will work with Members of Parliament and stakeholders to ensure that we deliver the policies in the Animal Welfare (Kept Animals) Bill, which will strengthen domestic animal welfare protection for kept animals, by delivering this Government's manifesto commitment to end the export of live animals for fattening or slaughter.

As the hon. Member for North Ayrshire and Arran reminded us, not all traditions are worth preserving. I and this Government agree. The Government are deeply concerned by the hunt that took place on 12 September last year and the continued hunting of cetaceans in the Faroe Islands. As we heard in several contributions, almost 1,500 beautiful Atlantic white-sided dolphins were killed in one day. That is more than six times the number of white-sided Dolphins usually killed in an entire year. The hunts are cruel and unsustainable.

We heard from the hon. Member for Ochil and South Perthshire and others about the fate of those mammals and the inhumane methods used to kill them. In the years prior to the hunt, the UK Government consistently raised concerns with our Faroese counterparts. We have urged them to switch to alternatives to hunting cetaceans and have emphasised the economic and social benefits that responsible, fantastic whale watching can bring to the community. We heard from the hon. Members for Bristol East (Kerry McCarthy) and for North Ayrshire and Arran about the benefits to the local economy, which is many times any economic benefit that can be achieved through the slaughter.

I assure all Members that we will continue to make those points ever more strongly further to this petition. As the hon. Member for Brentford and Isleworth (Ruth Cadbury) reminded us, it was after that hunt that my colleague Lord Goldsmith, the Minister of State for the Pacific and Environment, wrote directly to the Faroese Government in the strongest terms to express our condemnation of the hunt—something agreed by all sides of the House—and to call for the end of hunting of cetaceans in the Faroe Islands. In his letter, he stated

how unacceptably cruel the hunts were and talked about the immense stress and suffering that they caused those animals.

The Government continue to engage with their Faroese counterparts on this important issue. The Under-Secretary of State for Scotland, my hon. Friend the Member for Milton Keynes South (Iain Stewart), visited the Faroe Islands in the last few weeks and raised this issue. I hope that goes some way to answering the question of the hon. Member for Brentford and Isleworth about what the Government are doing to take forward this campaign following Lord Goldsmith's letter.

The hon. Member for Bristol East reminded us that 50% of the Faroese are in favour of ending the practice. One can only imagine that, due to both the pressure of the world community and the fabulous education that younger generations now receive on issues such as the climate and the marine ecosystem, that number will increase over time. No suspension of a trade agreement would end the practice; it will be ended only by the action of the Faroese Government themselves.

Although there is further to go, I am pleased that the collected efforts seem to be starting to make a difference. In my earlier intervention I talked about the cap, and the Faroese Government have started to review the regulations around it. It is a step in the right direction, but we remain strongly opposed to the killing of any dolphins, and we will continue our calls to the Faroese Government to stop the practice.

Now I have set out some context, I will turn to the specific circumstances of the trade agreement. Since leaving the European Union, the UK has agreed trade agreements with 70 countries, including rolling over the agreement that we were previously party to in our membership of the European Union. The agreement, which dates back to 2019, exactly mirrors the text and the abilities that we had under the European Union, where member states had less power to act bilaterally as we do now. We have reformed these deals with these countries, which allows us to deepen our relationships because they become bilateral relationships. It gives us a greater ability to influence crucial issues such as animal welfare.

That is why the Government's position is that removing the deal—aside from the legality—would be counterproductive. We all want to achieve the same aim, which is to end this barbaric practice; the question is how best to achieve that. As I have said, we are fully exploiting all the different channels that our free trade agreement opens to us. It strengthens diplomatic ties between our nations, which gives us the power to influence and change practice.

Patricia Gibson: The Minister talks about the bilateral relationships that free trade agreements give the UK, which allow it to influence animal welfare. That is a very good point. On that basis, can he tell us specifically what influence the UK Government have had on stopping the practice or getting the Faroe Islands Government to a point where they will stop the hunting of dolphins? The new cap that he talks about is just smoke and mirrors. What other influence have the Government brought forward?

Andrew Griffith: It is about the continued engagement that we are able to have on a bilateral basis—not just Lord Goldsmith's engagement, but across a panoply of

[Andrew Griffith]

international forums and issues, including the upcoming UN convention on biological diversity. With us holding the seat ourselves, as an independent nation state, we now have influence in all of those.

There are growing ties between the part of the United Kingdom that the hon. Lady represents and the Faroe Islands, including significant economic ties. I am unsure of the pronunciation, but there is a term for the significant investment being made by Faroese companies in Scotland and the United Kingdom.

We have managed to obtain groundbreaking animal welfare provisions in the new agreements we are signing, including those we have recently agreed with Australia and New Zealand. For the first time in any such free trade agreements, we have dedicated chapters on animal welfare, including commitments on non-regression and working together to raise standards. Such provisions are not in the Faroese agreement, but they are in agreements using our new powers going forwards. That is equally true of the agreement with New Zealand, which includes a standalone chapter on animal welfare, on non-regression, non-derogation and, again, measures to champion animal welfare.

Outside of our trade agreements, as I hope hon. Members on both sides will recognise, the UK will continue to work internationally to protect whales and other cetacean species. As a country, we are proud to play a leading role in the International Whaling Commission, where we work with international partners to encourage countries around the world to protect species. In addition to our subscription fees to the IWC, we have made several additional contributions to its voluntary funds. One such fund that is relevant to the dolphin species that we have spoken about is the small cetacean fund, which funds important conservation work focused on small cetacean species—dolphins—around the world. We will continue to encourage the Faroe Islands to engage with the IWC.

We are also playing a leading role internationally in protecting the ocean in the lead-up to the conference of the parties on the United Nations convention on biological diversity, which will take place this December. The UK is leading a coalition of 110 countries committed to protecting at least 30% of the world's oceans by 2030 and, of course, 30% of the species within those oceans.

In conclusion, the Government welcome the petition, the debate that it has sparked, and the opportunity to send a clear message today. We appreciate and share the signatories' reaction to this abhorrent hunt, and the Government stand strongly against the hunting of cetaceans in the Faroe Islands. The review announced by the

country's Prime Minister was welcome, but it is just a start. By maintaining, using and exploiting our diplomatic channels with the Faroese Government, we will continue to prosecute the case to encourage them to reform their practices.

As an independent trading nation, the UK is leading the world in improving environmental, animal welfare and labour standards more than ever before. In the years and months ahead, we will continue to use our independence to defend the rights of animals through international forums. We will put animal welfare provisions at the heart of our trade negotiations, and we will continue to promote animal welfare through the diplomatic channels that our agreements create. Protecting animals is part of Britain's DNA—we love doing it as a nation—and that is exactly what we are doing as an independent trading nation.

I reiterate my thanks to the members of the public up and down the country who signed the petition and secured this invaluable debate. I stress that the UK Government stands with them against this abhorrent whaling practice. Through our diplomatic channels and our free trade agreements, we will continue to encourage reform and seek to replace cetacean hunting with new, better and more humane economic opportunities for the Faroese people.

6.51 pm

John Nicolson: Thank you, Sir Christopher, for chairing today's debate. I thank the hon. Members who spoke and, belatedly, welcome the Minister to his place. I thank the constituents who have written to us for their engagement and, indeed, those who are sitting in the Gallery. There is a great deal of agreement across the House, and I was delighted to see the recognition of the Faroe Islands' extraordinary financial turnaround, as mentioned by the hon. Member for Brentford and Isleworth (Ruth Cadbury). It is remarkable what a small independent country can do, is it not?

On the substance of the Minister's point, I do not think that exploiting diplomatic channels is enough. It is too opaque. I do not think that angry letters from Members of the House of Lords in ministerial positions is enough. Exhortation is not enough. Action is now required. Financial pressure is essential.

Question put and agreed to.

Resolved,

That this House has considered e-petition 597171, relating to the hunting of dolphins and whales in the Faroe Islands.

6.52 pm

Sitting adjourned.

Written Statement

Monday 11 July 2022

HOME DEPARTMENT

Metropolitan Police Commissioner Appointment

The Secretary of State for the Home Department (Priti Patel): I am pleased to announce that Her Majesty the Queen has approved the appointment of Sir Mark Rowley QPM as the new Commissioner of the Metropolitan Police Service, following my recommendation after a highly competitive recruitment process. I also had regard to the views of the Mayor of London, as occupant of the Mayor's Office for Policing and Crime.

The Metropolitan Police Service faces major challenges, having been moved to the engage phase by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS), and needs to demonstrate sustained improvements in order to regain public trust in London and nationally. It is vital that the right person is in place to take on the biggest leadership role in policing in this country. I expect the new commissioner to work with HMICFRS's policing performance oversight group to make the necessary improvements.

Sir Mark brings a wealth of experience with him and I am confident he will be able to exercise the strong and decisive leadership required, in order to deliver the sustained improvements that are so urgently needed.

This will be a difficult time for the force as it seeks to regain the public's trust, but I am confident that Sir Mark is the right person to meet this challenge.

At a time when the Government are investing record sums into policing—including the recruitment of 20,000 additional police officers across England and Wales—the new commissioner will need to focus on delivering the aims we set out in our Beating Crime Plan: cutting crime, reducing the number of victims and make our capital and country safer. But, reflecting the context in which this recruitment has been made, I also want the new commissioner to focus on getting the basics right, restoring confidence in policing, and ensuring that Londoners and those who visit our capital city get the service they deserve from the Metropolitan police.

Support for police is often based on personal experience, and the public have a set of basic expectations of the criminal justice system. They expect to be able to contact their local police, knowing their names and how to reach them. They want to see police in their neighbourhood confronting crime and making streets safer. They expect crimes to be investigated, offenders caught and punished, and when a case proceeds for justice to be swift and certain. The Beating Crime Plan outlines our approach to this, but to be successful the new commissioner must embed the aims and objectives in wider strategic plans.

While it is the responsibility of the Mayor to hold the commissioner to account for the Metropolitan police's transformation, I will be closely monitoring progress. I look forward to working with them both to drive real change in the force. The public deserve nothing less.

[HCWS196]

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