

Tuesday
6 September 2022

Volume 719
No. 42



**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Tuesday 6 September 2022

House of Commons

Tuesday 6 September 2022

The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

FOREIGN, COMMONWEALTH AND DEVELOPMENT OFFICE

The Secretary of State was asked—

Iran

1. **John Spellar** (Warley) (Lab): What steps her Department plans to take to counter Iran's destabilising use of proxies in the middle east. [901301]

The Minister for Asia and the Middle East (Amanda Milling): I am sure that the whole House will accept the apologies from the Foreign Secretary, my right hon. Friend the Member for South West Norfolk (Elizabeth Truss), who is otherwise engaged today.

The UK maintains a range of sanctions to constrain Islamic Revolutionary Guard Corps malign activity. Maritime interdictions in January and February 2022 led to the seizure of advanced conventional weapons travelling from Iran to the Houthis in Yemen. We support the strengthening of state institutions in Iraq and Lebanon, and work to end the conflict in Yemen and Syria.

John Spellar: Mr Speaker, you may recall that it was against considerable Whitehall resistance—it needed pressure from this House—that we got the Government to ban Hezbollah. I hope that the Minister will be more receptive to recognising that the IRGC is at the heart of destabilising proxy wars across the middle east and further afield, and that she will show more urgency in joining our allies in the United States in proscribing the IRGC.

Amanda Milling: The UK maintains a range of sanctions that work to constrain the destabilising activity of the IRGC. The list of proscribed organisations is kept under constant review, but we do not routinely comment on whether an organisation is under consideration for proscription.

Michael Fabricant (Lichfield) (Con): The hostility with Iran has caused even greater friendship between the adjoining Arab countries and the state of Israel, so is not now the time to follow the US and some other countries by moving the British embassy from Tel Aviv to the capital of Israel, where its Parliament is, Jerusalem?

Amanda Milling: My hon. Friend is right to say that the UK and Israel share a thriving relationship, working together on bilateral priorities, as well as on regional

issues of mutual concern. The British embassy in Israel is in Tel Aviv. I am aware of the possibility of a review but will not speculate further on this point.

John Cryer (Leyton and Wanstead) (Lab): When we are talking about the people in power in Tehran and their proxies around the world, whom my right hon. Friend the Member for Warley (John Spellar) mentioned, we are talking about clerical fascists, who would probably have been on the same side as the Nazis if they had been around 80 years ago. Why can we not just get on with it and ban the IRGC, as we banned Hezbollah?

Amanda Milling: I have been clear in response to earlier questions on the IRGC and the range of sanctions to constrain its destabilising activity. I will not comment further on the possibility of proscription of this group.

Stephen Crabb (Preseli Pembrokeshire) (Con): It is a mistake for the west to regard Iran's sponsorship of proxies as somehow being a non-strategic irritant, as there is a continuous thread that links its sponsorship of terror with its ballistics programme and its march towards acquiring nuclear weapons capability. So does my right hon. Friend agree that we should not repeat the mistakes of the past and that any revised nuclear deal with Iran should be accompanied by very strong measures to discourage it from being the world's largest sponsor of terrorism?

Amanda Milling: We have real concerns about the instability that Iran causes in the region. Its nuclear programme is today more advanced than ever. There is an offer on the table and Iran should take it urgently—time is running out and there will not be a better one. If this deal is not struck, and soon, the joint comprehensive plan of action will collapse. In that scenario, we will have to consider carefully the options with partners and allies.

Northern Ireland Protocol

2. **Deidre Brock** (Edinburgh North and Leith) (SNP): What discussions she has had with her international counterparts on the potential impact of the Northern Ireland Protocol Bill on the UK's international relationships. [901302]

The Minister for Europe (Graham Stuart): The Northern Ireland protocol is not delivering the goals set out in it. First and foremost among those is ensuring peace and prosperity in Northern Ireland, and protecting the Belfast/Good Friday agreement. The protocol is also disrupting east-west trade, including by doubtless affecting businesses in the hon. Lady's constituency. Northern Ireland is an integral part of the UK and we must resolve the very real problems it is facing, which is why we have introduced the Bill.

Deidre Brock: University College London's chair of science and research policy recently said that the UK has "no pathway to association" with Horizon Europe and that

"leaving Horizon knocks us back both in reputation and in substance in terms of the UK as an international partner in research. It is fanciful to pretend anything else."

Will the Government finally accept that as a truth? What does the Minister say to researchers and academics up and down the UK who are missing out on precious funding and collaboration with European partners in the name of the Brexit vanity project?

Graham Stuart: I am grateful for the hon. Lady's passionate espousal of the need for us to be a member of Horizon, Euratom and the other programmes, all of which were agreed, as she will recall, in the trade and co-operation agreement. The EU has failed to implement our association with that, and there is no linkage. I would ask the hon. Lady, with the scientific community of this country, to stand up to the EU and say that inappropriate linkages should be resisted, that they are damaging them, damaging us and damaging our joint endeavours to tackle the greatest challenges facing mankind, and it is something that needs to change.

Mr Steve Baker (Wycombe) (Con): I think we can all agree that the protocol, as it stands today, has become a thorn in the side of relations between us and Ireland, and indeed a thorn in Ireland's side as it seeks to move things forward with the rest of the EU. Is it not time that we proceeded with the humility to recognise the legitimate interests of all parties to the protocol and the fierce resolve to say enough is enough and it is time to solve the evident problems that have arisen and to evolve the protocol in a negotiated way, if possible, but in any event to a solution that can last?

Graham Stuart: My hon. Friend is right. The protocol is not delivering the main objectives set out on its face. That is why something has to be done. I was delighted to spend Friday and Saturday at the British-Irish Association with the Taoiseach and the Irish Foreign Minister and, indeed, the vice-president of the European Commission. I believe, as I am sure my hon. Friend does, that our clear preference for a negotiated solution is the right one. I would further add that the Bill includes the facility to accelerate any negotiated agreement, and that is very much our offer to the EU. We prefer a negotiated solution. It is very important to put this right.

Sammy Wilson (East Antrim) (DUP): Can the Minister assure us that in any of his discussions with his international counterparts he will robustly argue that the protocol cannot continue? Will he explain that it has ripped apart the Belfast agreement, it has undermined democracy in Northern Ireland, it has increased costs to consumers and businesses, it has disrupted Great Britain and Northern Ireland trade and displaced it with trade from the Republic, and it is being cynically used by the EU as a mechanism to punish the UK for leaving the EU, regardless of the cost to the people of Northern Ireland?

Graham Stuart: The hon. Gentleman makes very strong points. At the heart of the Belfast/Good Friday agreement is the idea of communities coming together, to have the Executive, to make sure that we put the war-torn years and all that tragedy behind us. It is clear that not just one party in Northern Ireland but the entire Unionist community has ruled out the protocol as a route to delivery of that. And, of course, there is disquiet in all communities, as can be found in the surveys of, for instance, the University of Liverpool's Institute of Irish Studies.

Jerome Mayhew (Broadland) (Con): I recently met a cross-party delegation of MPs from Tunisia, who are united in their opposition to the forced closure of the Parliament building with tanks by President Saied, and now his proposed rewriting of the constitution. To date, Tunisia has been the one spark of hope—

Mr Speaker: Order. That is not relevant to this question. I thought that there must be something somewhere, but I cannot spot it. Let us go to the shadow Foreign Secretary, David Lammy.

Mr David Lammy (Tottenham) (Lab): We are facing a cost of living crisis in which bills are sky-rocketing and people across the country will face the choice between eating or heating. Instead of proposing a solution, the Conservatives have spent the summer ramping up the rhetoric on the protocol, to risk new trade barriers with Europe. This Minister has had a recent elevation. Will he take this opportunity to commit to scrapping the reckless Northern Ireland Protocol Bill so that the Government can begin serious negotiations with the EU to fix the protocol and avoid hitting the British public in their pockets?

Graham Stuart: I thank the right hon. Gentleman for yet again making it so crystal clear, both to the House and to the British public, that in any dispute he and his party will always side with the EU and not with the interests of the British people. *[Interruption.]* As he says, I am horribly new to this brief. The first thing I did on the first weekend after my appointment was to read the protocol. It does not matter how we look at it, the protocol is not functioning and it is not working. For him and his party to suggest that it is us and not the EU that needs to change tack shows that, yet again, he betrays the British people and shows why Labour now, in the past and in the future is unfit for office.

Mr Speaker: I call the SNP spokesperson.

Alyn Smith (Stirling) (SNP): I find myself in unexpected agreement with the right hon. Member for East Antrim (Sammy Wilson): I do believe that the protocol is being cynically abused. However, I do not think that it is being cynically abused by the EU; it is being cynically abused by the future Prime Minister. The Northern Ireland Protocol Bill is wrong in international law; wrong in politics, in that most MLAs support the protocol; and wrong as a negotiating tactic, because it has put backs up across the EU. There are ways of reforming the protocol within the protocol, but that has been ignored. The only way that the Bill makes sense to me is as a vehicle for the future Prime Minister to prove how tough she is on Europe. Now is the time to get rid of it. As we have heard, it is stymieing lots of constructive relations. Will the Minister please pass that on to the future Prime Minister?

Graham Stuart: As I have said, I am new to this, but I have looked at the protocol and it is not working. There are three main priorities. One is the protection of the single market—perhaps there is a tick. On the Good Friday agreement, peace in Northern Ireland and community consent, that is required by the protocol but it is not working, and neither is the prevention of unnecessary blockage for east-west trade. I would have

thought that the hon. Gentleman, and even the shadow Foreign Secretary, might have put their constituents and the businesses that they represent first, and for once been prepared to recognise that it is the British Government who are correct. We are ready to negotiate. As the hon. Gentleman said, the protocol set out the objectives and said that it might need amendment, it might need replacement, but in any event it needs consent. That is what the protocol says. I suggest that he reads it, rather than insisting on the imposition—

Mr Speaker: Order. Minister, this might be your last outing, but do not overperform—save something.

Pakistan: Former Prime Minister Imran Khan

3. **Sam Tarry** (Ilford South) (Lab): Whether she has had discussions with her counterpart in Pakistan on the charging of former Prime Minister Imran Khan under terrorism legislation in that country. [901303]

The Parliamentary Under-Secretary of State for Foreign, Commonwealth and Development Affairs (Vicky Ford): The British High Commission in Islamabad is closely monitoring the situation regarding the former Prime Minister of Pakistan, but any decision to progress charges would be a matter for Pakistan's judicial system. At this time of terrible tragedy for the people of Pakistan, we do welcome the call from all across the political spectrum and divide to set aside their differences and work together on the flood response.

Sam Tarry: I welcome the Minister's words, because this is a moment of real political upheaval amid one of the worst humanitarian disasters in Pakistan's history—more than 30 million people are now displaced or impacted. I would like us not only to press all diplomatic channels for a fair and transparent process regarding the former Prime Minister of Pakistan but, more importantly, to increase the paltry £1.5 million of aid that we have committed to help Pakistan at a time of such disaster, given that we have such strong bilateral relations between our countries, and not just in constituencies such as Ilford South but right across the country.

Vicky Ford: This is a terrible tragedy with massive humanitarian consequences for the people of Pakistan. The UK was the first country in the world to announce its own financial assistance, and of course we increased that significantly in our announcement of a further £15 million on Friday. This means that the UK is already supplying more than 10% of the immediate assistance that the Pakistan Government and the United Nations have called for, and a further appeal by the Disasters Emergency Committee was launched on Friday.

Mark Eastwood (Dewsbury) (Con): Following on from the point that the hon. Member for Ilford South (Sam Tarry) made about flooding, as the Prime Minister's trade envoy to Pakistan—

Mr Speaker: Order. Although flooding matters, this question really is about terrorism. I know that we will have other questions on that, when I think Members will wish to catch my eye.

Mark Eastwood: I welcome the aid offered by the Government following last week's tragic events—

Mr Speaker: Order. I think you have misunderstood me. Do not worry.

Global Food Security

4. **Lee Anderson** (Ashfield) (Con): What steps she has taken to improve global food security. [901304]

The Parliamentary Under-Secretary of State for Foreign, Commonwealth and Development Affairs (Vicky Ford): Putin is using food and fuel as weapons of war. The UK has helped to facilitate the release of Ukrainian grain through technical advice, military assistance and practical equipment, as well as diplomatic efforts led by the Foreign Secretary, which I am sure she will continue as Prime Minister. We are supporting the vulnerable globally, both directly and through our influence in multilateral institutions, particularly in the Horn of Africa, where droughts are driving humanitarian catastrophe. We are also investing in research, development and innovation, as well as sustainable agriculture, which is boosting crop yields and improving food production in many vulnerable countries.

Lee Anderson: Now then, we have a chap in Ashfield whose name is Wade, who runs the only independent cheese counter in Ashfield. He tells me that Putin's war in Ukraine is increasing food prices all over the country and affecting his prices so that he cannot keep the prices down. Does the Minister agree that instead of blaming the Government for food prices increasing, the Labour party should get behind us and help us get that grain out of Ukraine to reduce the price in the UK and the rest of the world?

Vicky Ford: My hon. Friend is spot on. It is Putin's war that is driving up food prices right across the world, and this UK Government have been rolling up our sleeves to help, especially on getting the grain out of Ukraine. We have put in military assistance and practical equipment, for example to mend the railroads, and technical advice. There has been a massive diplomatic effort, which I know our new Prime Minister will continue. Some 90 ships of grain have left Ukraine since 1 August, and more is needed; 3 million tonnes are estimated to have been moved by land routes last month, which is 10 times as much as was moved last March. The grain is coming out, and the UK will continue in our work to support those food-vulnerable people across the world.

Mr Speaker: I call Sarah Champion, Chair of the International Development Committee.

Sarah Champion (Rotherham) (Lab): The recent floods in Pakistan are devastating millions and having a severe impact on their food security, especially for women and girls. My Committee's recent report found that, internationally, 50 million people in 45 countries are on the edge of famine. Climate change, fertiliser costs and conflict all pose a serious threat to food production and distribution globally. I welcome the Government's reallocation of the £15 million of existing aid to Pakistan, but how will that contribute to the long-term food insecurity it faces, and what programmes were cut as a consequence?

Vicky Ford: The Government are very focused on the food vulnerable across the world. For example, we committed an extra £130 million to the World Food Programme, which was announced at the Commonwealth Heads of Government meeting earlier in the summer. We are also a major investor in research and development, especially in sustainable agriculture. The “Room to Run” guarantee, for example, which I signed with the African Development Bank earlier this year, will enable it to raise up to \$2 billion, which it is investing in improving agricultural systems, including more advanced seed, across the continent of Africa. That is how we are helping to boost food production in those very vulnerable countries, as well as supporting humanitarian needs.

Mr Speaker: I call the Chair of the Foreign Affairs Committee, Tom Tugendhat.

Tom Tugendhat (Tonbridge and Malling) (Con): I pay enormous tribute to the United Nations Secretary-General and all those who have been working on opening up the ports in southern Ukraine, and to the British Government for the work they have been doing alongside the Turkish Government to ensure that those shipments have flown. However, what work is the Minister doing with sub-Saharan Africa? Many of the countries we are talking about—not just Pakistan, which the hon. Member for Rotherham (Sarah Champion) rightly named, but many other countries in sub-Saharan Africa—are suffering very severely from the rise in food prices. The World Food Programme has done an enormous amount to make sure that food gets out there, and I pay tribute to its Nobel prize-winning efforts, but Her Majesty’s Government can do more too.

Vicky Ford: As ever, my hon. Friend is absolutely correct, and I thank him for raising the situation in sub-Saharan Africa. The ship that arrived in Djibouti last week with grain from Ukraine going to Ethiopia was welcome, but the situation in east Africa in particular is catastrophic, affecting more than 40 million people. We are a major donor to east Africa: we are expecting to spend £156 million this year, and we have already spent half of that. That money is going into the most urgent priorities, providing food, water, shelter and medicines for millions of people, but we are also leading efforts to bring in other donors, such as the \$400 million that we helped to raise through the UN, and pushing the World Bank and others to do more too.

David Linden (Glasgow East) (SNP): Many people in Malawi experience nutritional deficiencies, such as insufficient protein. Indeed, 37% of children there experience stunting. What further action will the Government take to support nutritional programmes in Malawi?

Vicky Ford: I visited Malawi earlier this year. We are a major donor to the country. There has been some fantastic work on the polio situation there, with more than 3 million children—all those in the target population—having been vaccinated. It is a very fragile country, which we continue to support closely.

Mr Speaker: I call the shadow Minister, Preet Kaur Gill.

Preet Kaur Gill (Birmingham, Edgbaston) (Lab/Co-op): Earlier this summer, it was reported that the Treasury had blocked aid payments for the duration of the

summer while the Conservative leadership contest ran. I immediately wrote to the Chancellor and Foreign Secretary, asking what that would mean for the world’s poorest and most vulnerable, and requesting an urgent response; 42 days later, I have heard nothing back. This at a time when someone reportedly dies every 48 seconds in the horn of Africa hunger crisis. By my estimation, that means that more than 75,000 may have died. Last night the World Food Programme issued a stark warning, saying that famine is “imminent” and Somalia has run out of time. Can I please finally get some answers today, and seek the Minister’s reassurance that the new Foreign Secretary will stop the block on aid payments as an urgent priority?

Vicky Ford: The UK remains one of the largest donors of official development assistance in the world. In Somalia in particular, the situation is tragic. We have been leading the way with our aid and to bring in other donors. The hon. Member knows that I announced further advancements of funding into Somalia from the UK just last week. We continue to prioritise Somalia, but it is important that we bring in other donors, which is why we have worked with the World Bank, encouraging it to accelerate the \$30 billion that it is sending out across the world into the horn of Africa, which it is now doing.

Illicit Finance

5. **Gavin Newlands** (Paisley and Renfrewshire North) (SNP): What recent steps the Government have taken to help tackle global networks of illicit finance. [901305]

The Parliamentary Under-Secretary of State for Foreign, Commonwealth and Development Affairs (Vicky Ford): The UK has one of the strongest systems for combating international illicit finance—a system that, since Russia’s invasion of Ukraine, we have further strengthened under this Government through the Economic Crime (Transparency and Enforcement) Act 2022. Through the Russian elites, proxies and oligarchs taskforce, we work closely with international partners to ensure that there is nowhere for dirty money to hide overseas. For more detail on our approach to illicit finance, I refer the hon. Gentleman, who seems to be looking at his phone, to the Government’s response to the Foreign Affairs Committee’s recent report, which will be published shortly.

Mr Speaker: I think the Minister is referring to a different Member. [*Interruption.*]

Gavin Newlands: I accept the Minister’s apology.

It should be a source of national shame that it took a full-scale invasion of Ukraine for the Government to take our illicit finance problem seriously. Of course we welcome the sanctions against the Kremlin, but they do not address the UK’s serious and entrenched illicit finance problem. Will the Minister advise the new Foreign Secretary and Chancellor, whoever they may be—although it has been pretty well leaked—to establish an independent anti-illicit finance commissioner, who is tasked with strengthening the UK’s financial infrastructure in the interests of national security, to whom the Government are accountable?

Vicky Ford: I find it slightly difficult to accept the premise of the hon. Gentleman's question, because the Financial Action Task Force's previous review, which looked at 60 different countries, found that the UK had one of the strongest systems for combating money laundering in the world. We have introduced the Economic Crime Act, and will take further action through corporate transparency reform and the introduction of the economic crime levy. We are working in partnership with many countries across the world to tackle illicit finance, to hold those who have been part of this terrible crime to account and to restore the money.

AUKUS

6. **Simon Fell** (Barrow and Furness) (Con): What recent steps she has taken with Cabinet colleagues to strengthen AUKUS—the Australia, UK and US partnership. [901306]

The Minister for Asia and the Middle East (Amanda Milling): Cabinet Ministers regularly meet their US and Australian counterparts to progress our landmark AUKUS partnership, including recently in the margins of the G20 and Commonwealth Heads of Government meeting, and in outbound and inbound ministerial visits. Last month, I visited Australia and met Assistant Foreign Minister Watts, who reaffirmed Australia's full support for AUKUS.

Simon Fell: I thank my right hon. Friend for her response. I was pleased last week to welcome to Barrow the Prime Minister and the Defence Secretary, alongside the Australian Deputy Prime Minister, for the commissioning of HMS Anson, in an important sign of the strength of our AUKUS partnership. Does my right hon. Friend agree that the future requires much more close working between like-minded countries to counter authoritarian regimes, not just in the physical domain but in cyber-security and intelligence sharing too?

Amanda Milling: I completely agree. The Government have been clear that we must build a network of like-minded countries and flexible groupings if we are to protect our interests globally. I was really pleased when last week the Defence Secretary hosted Australian Deputy Prime Minister Marles at the commissioning ceremony for HMS Anson in my hon. Friend's constituency, demonstrating our deep defence ties, including through AUKUS.

Jim Shannon (Strangford) (DUP): The Minister's response makes clear the importance of all of us in the United Kingdom of Great Britain and Northern Ireland working together, and we in Northern Ireland want to be part of that, contributing soldiers, sailors and airmen. Can the Minister give some indication of whether our soldiers, be it the Irish Guards or the Royal Irish Regiment, will be part of this new security policy?

Amanda Milling: I am grateful to the hon. Gentleman for making sure that Northern Ireland has a voice in this. I am sure that my colleagues in the FCDO and the MOD have heard his pitch.

Sanctions on Russia

7. **John Lamont** (Berwickshire, Roxburgh and Selkirk) (Con): What recent assessment she has made of the impact of sanctions on the Russian economy. [901307]

The Parliamentary Under-Secretary of State for Foreign, Commonwealth and Development Affairs (Rehman Chishti): UK sanctions are aimed at undermining Putin's war effort, inflicting cost at scale, and demonstrating strong support for Ukraine. Our response is in lock-step with allies and has inflicted a significant economic cost to the Russian economy. The IMF predicts that by 2026 the Russian economy will be 16% smaller compared with pre-invasion trends.

John Lamont: I know the sanctions have strong support across the House and in communities in the United Kingdom, but will the Government consider going further to ensure that additional pain is inflicted on President Putin and his cronies?

Rehman Chishti: I thank my hon. Friend and parliamentarians in all parts of the House for the united approach we have taken in applying maximum pressure on Putin for his aggression in Ukraine. We will continue to put pressure on Putin and his regime until Ukraine prevails, or Putin ends his war of choice. Nothing and no one is off the table. Although it is not appropriate to speculate on specific future designations, lest their impact is reduced, Russian aggression cannot and must not be appeased.

Chris Bryant (Rhondda) (Lab): One of the people sanctioned in the UK is Roman Abramovich. His football club, Chelsea, was sold on 30 May, but the billions of pounds are sitting in his bank account because the Foreign Office still has not set up the fund to enable the money to be given to the people of Ukraine. Why is the Foreign Office taking so long, and when is it going to be sorted?

Rehman Chishti: Although I cannot comment on specific cases, I point out that measures have been taken against 1,100 individuals, including 123 oligarchs and their family members with a global net worth of £130 billion, more than 120 entities and all the subsidiaries owned by them; and against 19 Russian banks with global assets of about £940 billion—more than 80% of the Russian banking sector. In addition, acting in conjunction with partners, over 60% of Russia's central bank's foreign reserves have been frozen. That demonstrates our commitment to do everything we can, applying our criteria set by this Parliament, to bring these people to account.

COP27

8. **Helen Hayes** (Dulwich and West Norwood) (Lab): What diplomatic steps the Government are taking ahead of COP27 to work with partners in the global south to tackle the climate emergency. [901308]

The Parliamentary Under-Secretary of State for Foreign, Commonwealth and Development Affairs (Vicky Ford): The catastrophic floods in Pakistan and appalling droughts across the horn of Africa are just two examples of where a destabilising climate is threatening the lives and livelihoods of tens of millions of people. In this context,

the COP26 President, my right hon. Friend the Member for Reading West (Alok Sharma), Whitehall teams and our diplomatic network are working with Egypt as COP27 host, and with partners across the global south, to accelerate global climate action ahead of COP27.

Helen Hayes: The Minister references the deadly drought in the horn of Africa and the catastrophic floods in Pakistan, which clearly show the reality and urgency of the climate emergency. Last November, at COP26, developing countries across the global south were promised further discussions on loss and damage climate compensation. In the context that she has described this morning, why was the UK backtracking on the promises made at COP26 in the Bonn talks this summer? What message does she think that failure of leadership sends to our allies and partners in the global south?

Vicky Ford: At COP26 in Glasgow, we led a global commitment that kept 1.5° alive, and it is vital that countries across the world hold up the promises that they made there. We in the UK, and Ministers from across this Government, always raise climate change on every single diplomatic visit. I do not accept the premise that we are backtracking: just before recess, I went to South Africa to work on the just energy transition partnership, which is the landmark deal for the entire world in helping developing countries. We are leading that work and we are focused on that as a priority. As regards the work on the \$100 billion delivery partner, our friends in Germany and Canada are also helping to lead that work, including on how to scale up on adaptation. It is a priority and we will continue to lead.

Mr Speaker: I call the shadow Foreign Secretary, Mr David Lammy.

Mr David Lammy (Tottenham) (Lab): As has been said, the appalling floods in Pakistan, which have affected more than 30 million people, show that the climate crisis is not a future problem—it is here and it is now. Despite the Minister's bluster a moment ago, it is incredibly concerning that the new Conservative Prime Minister has said that she will impose a temporary moratorium on the green levies that we need to reach net zero. Will the Minister commit to doubling our commitments to net zero, so that the UK can lead from the front to build a green and secure future?

Vicky Ford: We have doubled our commitment to climate to £11.6 billion. That is helping people across the world to access clean energy, to reduce deforestation, to protect oceans and to build clean infrastructure. As the right hon. Gentleman is aware, when the new Prime Minister comes in, she will be announcing plans to help to tackle the issues with food prices and fuel prices in this country as a top priority, and also to look at the long-term needs of our energy security. He will need to wait, with the rest of us, for those announcements—but she has promised them as a top priority.

Mr Speaker: I call Chris Law, the SNP spokesperson.

Chris Law (Dundee West) (SNP): According to the UN Secretary General, people are 15 times more likely to die if they live in a climate crisis hotspot, which is what we see unfolding right now in Pakistan, with more

than 6 million people in dire need of humanitarian aid and already more than 1,000 people dead. Last year, at COP26 in Glasgow, Scotland became the first developed economy in the world, led by our First Minister, to pledge dedicated loss and damage funding. Ahead of COP27, will the UK Government finally commit to establishing a similar loss and damage policy in line with the 2015 Paris climate accord?

Vicky Ford: We are working with countries across the world to ensure that everybody holds up the promises that they made at COP26. We understand the challenges that many countries are facing, including the terrible situation in Pakistan, where we have already donated more than 10% of what the UN and Pakistan have asked for to meet their emergency need. I think, however, that the hon. Gentleman should focus on the work that the COP26 President, my right hon. Friend the Member for Reading West (Alok Sharma), has been doing with more than 50 missions working across the world to ensure that we get action before the next COP in Egypt.

James Gray (North Wiltshire) (Con): Central to our battle against climate change must be our relations with the Arctic countries and the Arctic circle in general. I understand that the Foreign Office Arctic policy update document is ready to be published. Can the Minister update the House about when that document will be published and perhaps even about what might be in it?

Vicky Ford: My hon. Friend is a true supporter of the Arctic region. Several of the Arctic states have published new Arctic strategies. My right hon. Friend the Minister for Asia and the Middle East, who is the Minister responsible, was able on her visit to the region very recently to talk about the UK's intention to publish a UK Arctic policy. We are looking forward to publishing a refreshed UK Arctic policy later this year. That will be an evolution of the existing framework, which is called "Beyond the Ice".

Global Britain

9. **Mr Barry Sheerman (Huddersfield) (Lab/Co-op):** What diplomatic steps she is taking to achieve the goals of the Government's global Britain agenda. [901309]

20. **Peter Dowd (Bootle) (Lab):** If she will make an assessment of the potential impact of the Government's policy on uprating UK state pensions overseas on delivering the Government's global Britain agenda. [901321]

The Parliamentary Under-Secretary of State for Foreign, Commonwealth and Development Affairs (Rehman Chishti): The integrated review of foreign policy, defence and security sets out the Government's vision for global Britain. We are delivering this through our diplomatic, economic, development and security partnerships, prioritising Euro-Atlantic security and the Indo-Pacific tilt. We have become an Association of Southeast Asian Nations dialogue partner, and we have provided £2.3 billion-worth of military support to Ukraine, published a new international development strategy and agreed the AUKUS deal.

The United Kingdom state pension is payable worldwide and uprated where there is a legal requirement to do so. This has been the policy of successive Governments for over 70 years.

Mr Sheerman: Do these Ministers actually understand? Do they read the world's media? Do they not understand that we are alienated and isolated from all our traditional allies in Europe and from the United States? Do any of them think that the new Prime Minister's comments about France and President Macron helped anyone?

Rehman Chishti: On what the hon. Member says about alienating the world, we should look at what really happened in practice. The United Kingdom led the world on stepping up and supporting the people of Ukraine. Whether militarily, economically, diplomatically or on a humanitarian basis, we have stepped up to the plate at every level in that regard. Whether with COP26, the summit on freedom of religion or belief, or the summit coming up on the preventing sexual violence initiative, the United Kingdom is leading the world and standing up for our values of democracy, liberty and open societies.

Peter Dowd: The job interviews have taken a long time today.

I cannot believe I am actually having to ask this question, but over the summer thousands of UK pensioners living in Canada had their pensions stopped as a result of proof of life forms not being sent to them and therefore not being able to be returned, pushing many of them into debt and having to borrow for basic bills. To reinstate their pension, they have had to phone an international number, with calls lasting up to an hour. What does it say about global Britain if we cannot even pay our pensioners living abroad? What support can the Department and the British high commission give to pensioners in Canada to ensure that their pensions are reinstated as quickly as possible, and can the Minister confirm that this issue—this debacle—has yet been sorted out with the Department for Work and Pensions?

Rehman Chishti: I thank the hon. Member for that question. I know he has had a written response from the Secretary of State for Work and Pensions, who leads on this matter, and had a conversation with a Minister at the DWP.

Let me answer specifically about pensions in Canada. I was recently in Canada, and this pensions matter was raised with me by my parliamentary counterpart in Canada, so let me answer that point specifically for the hon. Member. State pensions are uprated where there is a legal requirement to do so. The United Kingdom and Canada have two arrangements concerning social security, neither of which includes state pension uprating. The Government continue to take the view that priority should be given to those living within the United Kingdom when drawing up expenditure plans for additional pensioner benefits. That has been the position of successive Governments for the past 70 years.

Fiona Bruce (Congleton) (Con): Implementing the Truro review is a manifesto commitment. The recent independent review on progress, which the Foreign Secretary has fully accepted, has confirmed that there is still much to do to implement Truro in full; will the Minister meet me to discuss taking this forward?

Rehman Chishti: I will be delighted to do that—and, as a previous envoy, I appreciate my hon. Friend's brilliant work.

Brazil: Presidential Elections

10. **Richard Burgon (Leeds East) (Lab):** What assessment she has made of the adequacy of election observation arrangements for presidential elections in Brazil in October 2022. [901310]

The Parliamentary Under-Secretary of State for Foreign, Commonwealth and Development Affairs (Vicky Ford): International observers will monitor Brazil's elections in October, including from the Organisation of American States. They are experienced and well regarded. The independence of Brazil's supreme electoral court is recognised internationally and its electronic voting machines have been widely recognised for speed, efficiency and security, but, as in many elections around the world, there are concerns about how disinformation online can threaten the integrity of the democratic process so we welcome the supreme electoral court of Brazil's efforts to call out disinformation online ahead of the elections.

Richard Burgon: On the importance of defending democracy, I want to express, as I am sure many others do, my best wishes to the Argentinian Vice-President Cristina Fernández de Kirchner, on whom there was an horrific assassination attempt last week.

I thank the Minister for her answer. The election in Brazil is the biggest election in the world this year and it is important that it takes place in free and fair conditions. Sadly, in recent months there has been targeted violence from supporters of President Bolsonaro against members of the main opposition party, including fatal shootings. Will the Government make a public statement ahead of next month's vote that political violence and threats of coups have no place in this election?

Vicky Ford: I was also shocked by the assassination attempt on Vice-President Kirchner in Argentina. I am very relieved that she was not hurt and we strongly condemn hate and violence and stand firmly with Argentina in support of democracy and the rule of law.

On Brazil, democracy is under threat in many parts of the world and it is very important that Brazil continues to set an example to others on free and fair elections. Tomorrow, 7 September, Brazil celebrates the 200th anniversary of its independence and I congratulate the people of Brazil on that important milestone, but I also want to say that we all hope those celebrations are joyous and peaceful, because peace in elections is vital.

Mr Speaker: I call shadow Minister Fabian Hamilton.

Fabian Hamilton (Leeds North East) (Lab): Opposition Members join the Government in congratulating the Republic of Brazil on its 200th anniversary.

Reports that the Bolsonaro Government are attempting to reduce the number of official observers for the forthcoming presidential elections are extremely worrying. Given that the Foreign Secretary, who is shortly to become Prime Minister, has spent so much time cosying up to President Bolsonaro, rather than challenging on the destruction of the Amazon rainforest and the attack on fundamental human rights in Brazil, will the Minister

use her diplomatic pressure to help ensure these elections are able to be independently observed, with all sides respecting the outcome and result afterwards?

Vicky Ford: I absolutely agree with the hon. Gentleman on the importance of free and fair elections, and I say again that it is very important that Brazil demonstrates to other countries across the world that it continues to support free and fair elections, and obviously election observers have an important role to play. I have had the opportunity to meet representatives of Brazil's current Government and the Brazilian Workers' party; I have discussed with them a broad range of issues, including the importance of free and fair elections. We also continue to be focused on the issue of the Amazon; indeed my right hon. Friend the Member for Reading West (Alok Sharma) the COP26 President, visited Brazil earlier this year on precisely that issue, and we—

Mr Speaker: I call Theresa Villiers; come on.

Cyprus

11. **Theresa Villiers** (Chipping Barnet) (Con): What recent steps she has taken to support a negotiated settlement to reunite Cyprus. [901312]

The Minister for Europe (Graham Stuart): I pay tribute to my right hon. Friend; she is a great champion for the reunification of Cyprus. We are determined to find a negotiated settlement for the island, which is why I met Cypriot Foreign Minister Kasoulides in my first week in office to set out the UK's commitment to finding a just and lasting settlement.

Theresa Villiers: Will the Minister condemn the actions of the Turkish authorities in reopening parts of the beachfront town of Famagusta as this is causing great distress to the Greek Cypriots who were driven from those homes 48 years ago and have never been able to return? Such provocative actions make it harder to achieve a negotiated settlement.

Graham Stuart: My hon. Friend is absolutely right. The fact that the suburb of Varosha within Famagusta is being fenced off underlines the importance of reaching a comprehensive Cyprus settlement. The UK strongly opposes any destabilising actions. We support the UN Security Council resolutions covering Varosha, the latest of which calls for the immediate reversal of the Turkish course of action and of all steps taken on Varosha since October 2020.

Israeli Government Proscription of Palestinian Civil Society Groups

12. **Alex Cunningham** (Stockton North) (Lab): Whether she has had recent discussions with her Israeli counterpart on the Israeli Government's proscription of Palestinian civil society groups. [901313]

The Minister for Asia and the Middle East (Amanda Milling): We have been clear about our concern over the Israeli Government's decision in October 2021 to designate six Palestinian non-governmental organisations as terrorist organisations, and the subsequent raids on seven NGOs. We continue to engage with a number of these organisations

and have raised the issue with the Israeli authorities, including, most recently, through our ambassador to Israel.

Alex Cunningham: I am grateful to the Minister for her comments. What assessment has she made of the impact of the listing and raids of Palestinian civic society and human rights groups on the prospect of that much-wanted and much-needed two-state solution and an enduring peace for Palestinians and Israelis?

Amanda Milling: Civil society organisations play a really important role in upholding human rights and democracy. They must be able to operate freely in the Occupied Palestinian Territories. During my recent visit to Israel and the OPTs in June, I met human rights defenders, journalists and civil society organisations to discuss the pressures that they face in the region. I emphasise the UK's strong support for freedom of speech and media freedom.

Mr Speaker: I call the shadow Minister.

Bambos Charalambous (Enfield, Southgate) (Lab): Last October, Israel designated six Palestinian civil society groups as terrorist organisations, which has caused widespread concern. Accusations of terrorism must be treated with the utmost seriousness and must be grounded in evidence. As *The Guardian* reported in August, the CIA, which is known to be assiduous in these matters, said that no evidence had been presented to support the designation. Will the Minister press her Israeli counterpart for that evidence and, in the absence of such evidence, continue to support the Palestinian civil society that is so important to democracy and the goal of a two-state solution?

Amanda Milling: I agree with the hon. Gentleman, as I just said, on the importance of civil society and the role it plays in terms of human rights and democracy. The evidence that forms the basis of the designations is a matter for the Government of Israel. The UK maintains its own criteria for designation, and we continue to engage with many of those organisations. As I said, we have been clear about our concerns.

Robert Halfon (Harlow) (Con): With Iran stepping up its terrorist activities in the middle east, supporting terrorist organisations carrying out attacks against Israel and developing its nuclear capacity, what plans does my right hon. Friend have to introduce sanctions against Iran and take up further punitive measures?

Amanda Milling: I am grateful to my right hon. Friend for his question. I am afraid that I will not be able to talk about future sanction designations on the Floor of the House as that would undermine their role.

Pakistan: Flood Relief

13. **Paul Blomfield** (Sheffield Central) (Lab): What steps she is taking to support flood relief efforts in Pakistan. [901314]

19. **Afzal Khan** (Manchester, Gorton) (Lab): What steps the Government are taking to help provide humanitarian support to Pakistan following recent floods. [R] [901320]

The Parliamentary Under-Secretary of State for Foreign, Commonwealth and Development Affairs (Vicky Ford): I know that the whole House will want to join me in sending our deepest condolences to the people of Pakistan as they suffer the consequences of this devastating flooding. We in the UK stand shoulder to shoulder with our Pakistani friends and will continue to provide support as they respond to and recover from this disaster. We were one of the first countries to announce funding to respond to the humanitarian need, and we have now increased that to £16.5 million to support the flood relief efforts. The UK contribution is now 10% of the joint UN and Government of Pakistan emergency appeal.

Paul Blomfield: The Minister is certainly right about expressing the feelings of the whole House, but she will recognise that, in April, the International Development Committee reported that UK aid to Pakistan had been “reduced dramatically” after the Government’s overall reduction from 0.7% to 0.5% and has been cut by much more than we are now offering. Reports today suggest that a tragedy of already massive proportions appears to be worsening as attempts to stop Manchar lake overflowing have failed. What more will the Government do to help? Will she tell her new leader that tragic events such as this underline the need to prioritise action on climate change, not marginalise it?

Vicky Ford: We are one of the largest donors of international aid in the world and we focus on prioritising those most in need. As I said, we have already contributed over 10% of the joint UN-Government of Pakistan emergency appeal. We work with countries all across the world not only on immediate needs but on long-term strategy. The longer-term consequences of this terrible tragedy will become clear, but the World Bank, of which we are one of the largest shareholders, is already looking at a long-term needs assessment to help Pakistan to recover.

Afzal Khan: The recent flooding in Pakistan has plunged the country into a humanitarian and climate emergency, leaving a third of the country under water, huge loss of life and an estimated \$10 billion-worth of damage. I hope the Minister will join me in applauding the diaspora community and non-governmental organisations that have already raised over £15 million to help the victims of this monster monsoon. I ask three things of the Government. First, will they urge the International Monetary Fund to review the conditionality attached to the loans given to Pakistan? Secondly, will they reverse the 75% cut to UK aid for environmental protection programmes in Pakistan? Thirdly, what further help will they provide to rebuild infrastructure in Pakistan?

Vicky Ford: I absolutely join the hon. Gentleman in praising and thanking the British people, especially the Pakistani diaspora across the UK, for the efforts they have made to support their friends and family, and those most in need in Pakistan. We worked with the Disasters Emergency Committee to get its appeal launched at the end of the last week. The UK Government are match funding the first £5 million, but I am really pleased to have heard this morning that the appeal has already raised over £11 million from public donations. That is a huge, huge effort. My hon. Friend the noble Lord Ahmad, who covers Pakistan as part of his brief,

is in daily contact with Ministers, officials and those on the ground, as well as our own diplomatic team, to ensure we focus on helping with the immediate need. I hear him about the longer-term solutions. We are involved in those discussions as well.

Mr Robin Walker (Worcester) (Con): I welcome my hon. Friend’s comments about the diaspora and the additional £15 million. In Worcester, our mosque raised £87,000 to support Pakistan after floods in 2010 and once again it is going out of its way to raise money. What more can the Government do to amplify and magnify the contribution from British Pakistani communities?

Vicky Ford: May I thank the members of my hon. Friend’s mosque in Worcester? Members of my mosque in Chelmsford have been engaged in similar activities. I encourage those who are concerned about the flooding to continue to support the DEC appeal. The response over the past few days has been absolutely outstanding. Supporting through the DEC appeal, which has match funding from the UK Government, will ensure that water, food and other emergency needs get to where they are needed most.

Mark Eastwood (Dewsbury) (Con): As trade envoy to Pakistan, I am pleased that the Government have offered aid support to the country following last week’s tragic events. Will the Minister outline what action is being taken right now to assist the flood relief effort in Pakistan and whether there is likely to be any further welcome support in future? Will she also join me in thanking the people of Dewsbury, who have rallied around in huge numbers to support the humanitarian effort?

Vicky Ford: I absolutely join my hon. Friend in thanking the people of Dewsbury, and I thank him for his work as trade envoy in championing Pakistan. The money we are giving and the money being raised through the DEC appeal is going to people’s immediate needs: water, sanitation, shelter, protection for women and girls, and supporting people to repair their homes and maintain their livelihoods. That is why giving through the DEC appeal is the best way to get to those immediate needs. As I said, the World Bank is already looking at a needs assessment for the longer term.

Catherine West (Hornsey and Wood Green) (Lab): Catastrophic scenes of flooding in Pakistan: 1,000 lost lives, 33 million people displaced and a third of the country under water. As we have heard today, the whole House has expressed its solidarity with the community, both there and here. In advance of COP27, will the Minister undertake to produce an urgent bilateral plan with Pakistan that looks at mitigation, loss and damage, and long-term plans to avoid this sort of climate catastrophe in future?

Vicky Ford: The flooding absolutely demonstrates how climate change is making extreme weather events more intense and more frequent. It underlines why the UK has committed to doubling the amount of climate finance that we give to support adaptation to the impacts of climate change and why the world must transition to clean energy sources as quickly as possible. That work is

being led by the UK, through the COP26 President, in his endeavours to get support all across the world to tackle climate change.

Several hon. Members *rose*—

Mr Speaker: Unfortunately, we now have to come to topicals—15 minutes late.

Topical Questions

T1. [901291] **Steve McCabe** (Birmingham, Selly Oak) (Lab): If she will make a statement on her departmental responsibilities. [R]

The Minister for Asia and the Middle East (Amanda Milling): I will try to keep this brief, Mr Speaker.

Since our last oral questions, we have continued to stand up against Russian aggression. We have provided Ukraine with further political, military and humanitarian support. We established a sanctions directorate in the FCDO, doubling the number of staff we have working, to ratchet up the economic pressure on Putin's regime. As we heard, we have committed to a £15 million package of support for Pakistan following the devastating floods that have hit the country. In addition, I co-chaired the UK-ASEAN ministerial meeting as an official dialogue partner, where we agreed a joint plan of action for the next five years.

Steve McCabe: Further to the comments from the right hon. Member for Harlow (Robert Halfon), it is two years since the introduction of the Magnitsky legislation, which was designed to deal with designated persons guilty of human rights violations and other serious offences. Given the continuing abuses in Iran, why has that not been used against a single prison governor, Islamic Revolutionary Guard Corps commander or senior member of the regime, and when will that be remedied?

Amanda Milling: I am afraid that I cannot speculate about future sanction designations, but as I said in answer to an earlier question, we maintain a range of sanctions that work to constrain the destabilising activity of the IRGC.

T4. [901294] **Tom Randall** (Gedling) (Con): It was reported last week that the US coastguard cutter, the Oliver Henry, aborted her visit to the Solomon Islands. That followed a similar aborted visit by HMS Spey. In the light of those events, what assessment has my right hon. Friend made of the current state of UK-Solomon Islands bilateral relations? Furthermore, what steps are the Government taking to counteract communist Chinese influence in the south Pacific?

Amanda Milling: The Solomon Islands Government are reviewing the protocols for receiving naval vessels into their waters. We hope that the review will be completed shortly, delivering a smooth and swift approval process. Last month, I visited Vanuatu and attended the Pacific Islands Forum. As a long-standing partner and friend, the UK is working to support peace and prosperity for the people of the Solomon Islands and across the Pacific.

T2. [901292] **Jessica Morden** (Newport East) (Lab): On behalf of the Baha'i community and the Ahmadiyya Muslim Association in Newport, which raised with me this summer the ongoing attacks on members of its faith groups, as well as those who have raised the attacks on Christian communities across the African continent, may I ask the Minister for reassurance that working with our international counterparts to tackle the persecution of religious minorities will be an important priority for the Department, whoever is in it?

Amanda Milling: We strongly condemn the detention of the Baha'i community in Iran as well as the reports of forced closures of its businesses and land seizures. The persecution of religious minorities cannot be tolerated. I confirm that my colleague, the noble Lord Ahmad, issued a statement calling out Iran's treatment of the Baha'i community.

T6. [901298] **Mr David Davis** (Haltemprice and Howden) (Con): After the second world war, the biggest moral defeat visited on Soviet Russia was the creation of a successful, democratic, capitalist free state in West Germany. It cost billions of pounds under the Marshall plan. It will undoubtedly cost hundreds of billions of pounds to rebuild Ukraine, but what better way to defeat Russian aggression than to create a model free state in Ukraine in the future with a new Marshall plan?

The Minister for Europe (Graham Stuart): We must support Ukraine's vision for rebuilding a sovereign, prosperous, democratic nation that is stronger than it was before Putin's invasion. Significant support will be required. That is why, in early July, the Foreign Secretary presented our vision to support the Ukraine-led effort for recovery and reconstruction at the Ukraine recovery conference in Lugano. We will host that conference next year because we must not only support the Ukrainians now, but look ahead to a better future.

Several hon. Members *rose*—

Mr Speaker: Order. I am going to pull stumps. People will be upset and quite angry, but I want Front Benchers and everybody who has been asking questions to think about how long their answers are and how long they are taking to ask their questions. Please, let us get it right next time.

Sewage Pollution

12.34 pm

Caroline Lucas (Brighton, Pavilion) (Green) (*Urgent Question*): To ask the Secretary of State for Environment, Food and Rural Affairs if he will make a statement on sewage outflows into our beautiful waterways and on our beaches.

The Secretary of State for Environment, Food and Rural Affairs (George Eustice): As a Cornish MP, I have long been aware of the challenges created for our aquatic environment by storm overflows. When I became Secretary of State in February 2020, I instructed officials to change the strategic policy statement for Ofwat to give the issue greater priority.

This is the first Government to set a clear requirement for water companies to reduce the harm caused by sewage discharges: we have set that in law through the Environment Act 2021. We are taking action now on a scale never seen before. Water companies are investing £3.1 billion now to deliver 800 storm overflow improvements across England by 2025. This will deliver an average 25% reduction in discharges by 2025.

We have also increased monitoring. In 2016, only 5% of storm overflows were monitored. Following the action of this Government, almost 90% are now monitored, and by next year 100% of all storm overflows will be required to have monitors fitted. This new information has allowed our regulators to take action against water companies. The Environment Agency and Ofwat have launched the largest criminal and civil investigations into water companies ever, at more than 2,200 treatment works, following the improvements that we have made to monitoring data. That follows 54 prosecutions against water companies since 2015, securing fines of nearly £140 million.

Water companies should consider themselves on notice. We will not let them get away with illegal activity. Where permits are breached, we are taking action and bringing prosecutions. Under our landmark Environment Act, we have also made it a legal requirement for companies to provide discharge data to the Environment Agency and make it available to the public in near real time: within an hour. This is what Conservative Members have voted for: an Environment Act that will clean up our rivers and restore our water environment; that has increased monitoring and strengthened accountability; and that adds tough new duties to tackle sewage overflows for the first time.

The Government have also been clear that companies cannot profit from environmental damage, so we have provided new powers to Ofwat under the Environment Act to modify water company licence conditions. Ofwat is currently consulting on proposals that will enable it to take enforcement action against companies that do not link dividend payments to their environmental performance or that are failing to be transparent about their dividend payouts.

Yesterday, I laid before Parliament the storm overflows discharge reduction plan. The plan will start the largest investment in infrastructure ever undertaken by the water industry: an estimated £56 billion of capital investment over the next 25 years. It sets strict new targets for water companies to reduce sewage discharges.

Designated bathing waters will be the first sites to see change. By 2035, water companies must ensure that overflows affecting designated bathing waters meet strict standards to protect public health. We will also see significant reductions in discharges at 75% of high-priority sites.

Water is one of our most precious commodities. Water companies must clean up their act and bring these harmful discharges to an end. I commend our storm overflow report, which was published yesterday, to the House.

Caroline Lucas: I thank the Secretary of State for his response, but I am utterly staggered by his complacency. Following the news over the summer that raw sewage was being pumped into our waterways and along our beautiful beaches, I have received so many messages from constituents who are horrified that water companies are polluting in such a revolting way. Does the Secretary of State recognise that, after 12 years, people rightly hold his Government responsible for this risk to human and environmental health, and for allowing the twin failures of weak regulation and Government cuts, together with the continuation of a privatisation process that has lined the pockets of shareholders at the expense of investment in the infrastructure that we so desperately need?

Where is the urgency from Ministers? We have a so-called plan that allows water companies to continue polluting until 2035 in areas of significant importance to human and ecological health and until 2050 elsewhere, which means sanctioning nearly 30 more years of pollution. Is that genuinely what the Secretary of State considers to be an urgent response? Will he strengthen it to a 90% reduction in storm overflows by 2030 at the latest? Worse still, it was previously illegal for water companies to discharge sewage when there was no heavy rainfall, but under the Government's new plan, that is now permitted until 2050. Why are this Government going backwards?

Our soon-to-be Prime Minister has claimed that she will “deliver, deliver, deliver”, but all that she did deliver when she was Environment Secretary were devastating cuts to the Environment Agency. Has the Secretary of State asked whether she regrets those cuts, and will the Government reverse them? Is the Secretary of State proud of a situation in which 24% of sewage overflow pipes at popular resorts have monitors that are faulty, or do not have monitors at all? Since privatisation in 1991, water companies have made a staggering £50 billion in dividends for their shareholders. Why does the Secretary of State's plan include imposing costs on customers to pay for improvements—a bill that the companies themselves should be footing?

Coastal communities are still recovering from the pandemic. Local beaches are at the heart of these communities, and they are critical to our constituents' wellbeing as well as to local economies. However, one local firm in Brighton told me that on the August bank holiday weekend, when it would normally see a 30% increase in business, it saw a 70% decrease. What compensation will there be for such businesses?

Will the Secretary of State now cut the crap, commit himself to strengthening the Government's plan, and bring our failing system back into public hands, which is where it belongs?

Mr Speaker: Order. Let me just say that that was a good joke, but it is not what we want to start this term with. Come on—let us have the Secretary of State.

George Eustice: The hon. Lady delivered her comments with characteristic passion, but she was wrong to say that the Government had not prioritised this issue. Had she listened to my response to the urgent question, she would have heard that when I became Secretary of State this was one of the first things that I prioritised in changing the strategic policy statement.

The hon. Lady would like immediate action to be taken on these matters, but the truth is that long-term infrastructure changes and investments are necessary. We have to take decisions now, and invest in the infrastructure and the capacity to prevent such discharges from happening. Were we to do what the hon. Lady would like, which is to stop using these arrangements immediately, sewage would literally back up into people's homes, and I am not sure that that is something they would thank us for. We must therefore have a programme of investment, and we are the first Government to set this out. The hon. Lady is correct in saying that down the decades, since the Victorian era, Governments of all colours have failed to give this matter adequate priority. Ours is the first Government in history to do so, and that is what our plan sets out.

The hon. Lady made a point about costs. We are mindful of this. As we roll out our programme, we must prioritise the most harmful discharges in the near term, and that is exactly what we are doing. We are taking action right now, with a £3 billion investment that will reduce discharges by 25% by 2025, and we will then prioritise bathing waters and other priority sites with a target of 2035. Those measures will require that infrastructure investment, and will require some funding. As I said in my initial response, we are doing this in a way that will ensure that it is funded fairly and that companies cannot award dividends unless they are performing properly. Let me also point out that Ofwat regularly tries to drive greater value from water companies, to the extent that last year a number of them appealed to the Competition and Markets Authority to say that Ofwat was being too hard on them.

I disagree with the points that the hon. Lady has made. Ours is the first Government to prioritise this issue, but doing so requires us to make decisions now that will bring about long-term improvements, and that is what we have decided to do.

Mr Speaker: We now come to the Father of the House, Sir Peter Bottomley.

Sir Peter Bottomley (Worthing West) (Con): Those of us who have been around for a long time do not believe that nationalised industries would allow the necessary level of investment to be continued. Can I ask the Secretary of State whether the companies, the regulator and the Environment Agency knew the scale of the discharges?

George Eustice: My hon. Friend raises an important issue, and it was only when this Government required increased monitoring that we discovered the scale of the problem. The reality is that this has been a problem for some time, but successive Governments down the decades

have not had the right monitoring in place to recognise it. As soon as we recognised this, the Environment Agency started to bring record numbers of prosecutions against companies that appear to have been breaching their permit requirements. We are not sure whether that was an error that those companies were making, and that they did not realise they were making some of those discharges, or whether it was deliberate. There is a moot point about why the Environment Agency did not detect this earlier, and that is now the subject of an investigation by the Office for Environmental Protection, which was set up under our Environment Act 2021.

Mr Speaker: We now come to the shadow Secretary of State, Jim McMahon.

Jim McMahon (Oldham West and Royton) (Lab/Co-op): The scenes over the summer have shown us again that the country is awash with Conservative-approved filthy raw sewage. Over the last six years, there have been over 1 million sewage discharge spill events, which on average means a spill taking place every 2.5 minutes. Just in the time that we will be in this Chamber for this urgent question, 18 sewage discharges will take place. The water companies are laughing all the way to the bank and the Government are complicit in treating our country like an open sewer, allowing raw human waste to be dumped on our beaches and playing fields and into our streams and bathing waters, where families live and holiday and where their children play.

This is the record and the legacy of a decade of decline, including from the new Prime Minister, who slashed the enforcement budget by a quarter when she was in the right hon. Gentleman's post. There might be a new Prime Minister, but it is the same old Tories. In the Environment Secretary's own backyard, he has subjected his constituents to 581 sewage discharges in the last year alone. The very people who voted for him and put their trust in him have been let down by him. This could have been avoided had Conservative MPs not blocked changes that would have ended sewage discharges and finally held the water companies to account.

The Government's plan is not worth the paper it is written on. It is business as usual, giving water bosses the green light to carry out another 4.8 million discharges through to 2035. When will the Government finally step up to eliminate the dumping of raw sewage into our environment? I have a message for whoever may be in the right hon. Gentleman's post as early as this evening: the Labour party is putting you on notice. We are taking this fight, constituency by constituency, from Cumbria to Cornwall to turn those neglected filthy brown seats into bright red.

George Eustice: The hon. Gentleman's contribution is characteristically political—[*Interruption.*] Let me say that this is the first Government to increase monitoring so that we knew there was a problem. This is the first Government to set out a £56 billion investment plan to tackle this. No previous Government, not even Labour Governments, ever prioritised this issue in the way that we have. The hon. Gentleman mentions cuts to the Environment Agency budget, but he misunderstands how that budget works. The cost of monitoring water companies' permits for the management of combined storm overflows is cost-recovered through the permit,

and there have been no cuts to that. They can to recover those costs, and we have increased the grant in aid budget to enable them to do further enforcement action. That is why we have seen record numbers of prosecutions being brought under this Government's watch.

Mr Speaker: We now come to the Chair of the Environment, Food and Rural Affairs Committee, Sir Robert Goodwill.

Sir Robert Goodwill (Scarborough and Whitby) (Con): Before privatisation, every single gallon of Scarborough sewage was pumped into the sea untreated. Since privatisation, we have seen investment in the Burniston water treatment works, which has been upgraded with ultraviolet treatment to increase its capacity, and in a 4 million litre stormwater tank at the end of Marine Drive that captures the majority of heavy storms. Would the Secretary of State agree that the bathing water off the Yorkshire coast has never been cleaner, and that while there is more work to be done, particularly on some of our inland waterways, private sector investment is the way to deliver that?

George Eustice: My right hon. Friend is absolutely right. We have prioritised investments through the new strategic policy statement for Ofwat, which means that this issue is being prioritised for the first time ever. He is also right that private capital has helped to raise the money to lead to infrastructure improvements. Things were not perfect in the days of nationalisation. Indeed, we did not even understand the scale of the problem because there was not the monitoring in place, which we have now required, to recognise it.

Mr Speaker: I call the Chair of the Public Accounts Committee, Dame Meg Hillier.

Dame Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): In 2019, the River Lea suffered a discharge for 1,000 hours. That was three years ago, and the ripple effect of it will be longer than just this summer. But the Environment Agency, in response to my questions, says—as the Minister said—“Well, it is okay, we are monitoring more.” But that monitoring does not seem to deter the water companies from repeating their action. So why does he think the threat of prosecution and fines is not delivering quicker and better investment to stop this happening?

George Eustice: Quite simply, because this is the first Government in history to require all of these 15,000 storm overflows to be properly monitored, and now that we have that data, this is the first Government ever to bring prosecutions against those companies, and they will respond to that. This is also the first Government ever to prioritise £56 billion of investment to improve infrastructure so that these storm overflows are not needed.

Dr Neil Hudson (Penrith and The Border) (Con): May I thank the Secretary of State for his statement and his clarity on this issue? Does he agree that that is in stark contrast with the Liberal Democrats, who are pumping out alarmist, inaccurate and frankly toxic material into our constituencies through leaflets and social media? In stark contrast, this Conservative

Government are the first Government ever to take action on this and hold the water companies to account and to stop these illegal and unacceptable discharges.

George Eustice: No surprises there.

Tim Farron (Westmorland and Lonsdale) (LD) *rose—*
[*Interruption.*]

Mr Speaker: As a matter of interest, the hon. Member did put his name in on this urgent question, so I am taking his question and I do not need any barracking.

Tim Farron: Thank you, Mr Speaker; impeccable timing, as always.

Look, it is obvious to everybody watching that we have a colossal problem: 6 million hours of sewage being dumped legally into our seas, lakes and rivers in the last year. These are the specifics of it: in the last 48 hours, a sewage dump on the beach at Seaford in Lewes. In my part of the world, Morecambe bay, 5,000 hours of sewage discharges on to the sands, and 1,000 hours into Windermere. Juxtapose that with £2.8 billion of profits for the water companies, £1 billion in shareholder dividend and the executives giving themselves 20% pay rises, 60% in the form of bonuses. I do not know about you, Mr Speaker, but I thought bonuses were what you got when you do a good job. And all this is done legally, on the sanction of this Government. When will they make these discharges illegal and ensure that the water companies pump their profits into ensuring that they protect homes and businesses, and our seas and lakes?

George Eustice: Our Environment Act addresses all the substantive points that the hon. Gentleman raised. As I said in my statement, Ofwat is currently consulting on an ability to regulate the dividends that companies pay and to link that to their environmental performance.

I would simply repeat that this is the first Government to prioritise this issue. These are long-term challenges. We could argue that the coalition Government, and Governments before them, could have acted on this issue and had a different strategic policy statement. There were Liberal Democrats in that Government. They chose to prioritise other issues, such as the alternative vote and Lords reform.

Rebecca Pow (Taunton Deane) (Con): I will cry in a minute! Does my right hon. Friend agree that it is this Government who have prioritised this issue of tackling sewage discharges, with the monitoring, the reporting and the big investigation under way; and that, contrary to what we have heard from some Members, the Liberal Democrats actually voted against all those measures in the Environment Act? So they could have helped.

Crucially, would my right hon. Friend, who has himself done so much on this issue in the Department, agree that what is important now is that the regulator uses the power it has and uses its new directions; that the EA takes forward prosecutions following this intensive investigation; and that the water companies do not pay huge salaries if they cannot demonstrate that their house is in order?

George Eustice: I commend my hon. Friend for her role in progressing this agenda and for the work that she did on the Environment Act, which sets out all the new

[George Eustice]

powers that we need to address this challenge. She is absolutely right: we introduced powers under the Act to give Ofwat new abilities to scrutinise and to change dividend awards. It is consulting on measures to do that now. It is because of the work of my hon. Friend and others in government and in the Department that we have the powers under the Environment Act to finally tackle this long-standing challenge.

Rosie Duffield (Canterbury) (Lab): Recently the Environment Agency branded Southern Water “appalling” and awarded it a one-star rating. Frankly, in the view of my constituents, that was one whole star too many, and many of them are considering not paying their bills. I have held two public meetings in Whitstable so that representatives from our sailing clubs, swimmers, fishers and residents could confront Southern Water directly. Will the Secretary of State—or one of the Ministers, because we do not know who it will be—come to my constituency and meet groups such as SOS Whitstable, and hear from them what damage this is doing to our economy on a daily basis?

George Eustice: Southern Water is one of the companies that were recently investigated, and was subject to a record fine of close to £90 million. That significant fine actually precipitated a change in ownership of that company. I know that the new owners are committed to addressing the historic problems that they have had. As for whether a Minister will visit the hon. Lady’s constituency, if she would like to write to me or wait and see who is around tomorrow, I am sure they will look favourably on her request.

Jesse Norman (Hereford and South Herefordshire) (Con): As my right hon. Friend knows, the River Wye is a priceless national asset, threatened by phosphate pollution. He also knows that the Wye is unusual because it crosses the border between Wales and England and the majority of its phosphate does not come from sewage companies, and therefore it will not be as affected as other rivers by the thoroughly laudable measures that my right hon. Friend has taken. Will he make a note to his successor, if there is one, and to his officials now in the Box, that the next administration of DEFRA, if there is one, should take the matter up with great energy and authority, and press the cross-border issue, for the betterment of the Wye, the whole catchment and this country as a whole?

George Eustice: My right hon. Friend raises an important point, in that there are sometimes cross-border issues. While we are taking leading action in England, we obviously also need other devolved Administrations, including in Wales, to play their part to address the challenge, particularly in catchments such as the Wye. I am aware of the point that he makes on phosphates. We are consulting at the moment on reducing nutrient pollution—both nitrogen and phosphates—from both agriculture and sewage treatment works, and I am sure that when the results are published they will give the impetus that he requires and requests for agriculture to be tackled.

Maria Eagle (Garston and Halewood) (Lab): Last week, I and 17 of my north-west colleagues wrote to United Utilities about reported significant sewage releases into the River Mersey. United Utilities has simply denied that it was responsible and cited Environment Agency estimates that it is responsible for only about 30% of pollution incidents in the river. What will the Government do, on a speedier timescale than the one that the Secretary of State’s plan sets out, to make sure that investment in infrastructure is brought forward? The companies seem to have got into a very bad habit of treating the money that they make as something to be given out in dividends and payments to senior executives, rather than invested in the infrastructure that will make sure that this stops in the future.

George Eustice: The next pricing review period starts in 2025, which is not soon enough for me. That is why I said to Ofwat, and to the water companies, that they should bring forward any investments that they are able to. That is why, as I said earlier, there will be £3.1 billion of investments up to 2025, on 800 overflows, which will significantly reduce discharges by about 25% by 2025—so in the near term.

Martin Vickers (Cleethorpes) (Con): Last week, I met Anglian Water to discuss the situation that had developed in Cleethorpes. Notwithstanding what the Secretary of State has just said, I was left with the feeling that we could be harder on it in the targets that we set. Whether that is through my right hon. Friend, Ofwat or the Environment Agency matters not. Could we look again at the targets that we are setting? In his earlier response, the Secretary of State mentioned 2035. That is a long way away. Traders in Cleethorpes want people to come along and be confident that the waters are clean.

George Eustice: My hon. Friend raises an important point. We are mindful of the impacts on bills. The average increase in bills with the measures we outlined—the £56 billion package—will be about £12 per household per year by around 2030. However, we have said that we will review this in 2027, and if it is possible to accelerate more of that investment, we will do so and the Government at that time can consider that position. I repeat that it is not the case that nothing is happening until 2035; indeed, we are spending more than £3 billion out to 2025, which will lead to a 25% reduction.

Mrs Emma Lewell-Buck (South Shields) (Lab): I have repeatedly raised the issue of sewage dumping on the beach in my constituency in this Chamber. The Government continually use the excuse that it would cost up to £660 billion to upgrade our sewers, but the actual cost, over 10 years, would be £21.7 billion. Since privatisation, £72 billion has been paid out in dividends, so why are the Government not making the water companies meet these costs?

George Eustice: We also published and laid before the House yesterday a report required under the Act on the feasibility of removing the storm overflows altogether. It is the case that the cost of completely removing them, as the hon. Lady would like, is up to about £600 billion. Reducing their use so that they are not used in an average year would, in itself, be in the region of £200 billion. We have chosen to spend £56 billion, a significant

investment, to target the most harmful sewer discharges, and that will lead to significant change in the years ahead.

Virginia Crosbie (Ynys Môn) (Con): River pollution and sewage discharge in Wales is the responsibility of the Welsh Labour Government and last year there were more than 3,000 discharge incidents in waters around Anglesey. I have received many letters from my constituents who are concerned about the pollution of beautiful beaches such as Benllech as a result of the actions of Welsh Water. Does my right hon. Friend agree that the Welsh Government need to take responsibility and urgently implement a plan?

George Eustice: We have set an important example with the storm overflow discharge reduction plan that we have published. We have committed to the investment and we are bringing record numbers of prosecutions in England against water companies. My hon. Friend is absolutely right to say that we need the Welsh Government and the devolved Administrations to play their part too.

Andy McDonald (Middlesbrough) (Lab): We have an ecological disaster with massive numbers of dead crustaceans, porpoises and seals washing up on the beaches around the Tees bay, hammering what is left of our fishing industry. In addition to the foul sewage discharges, levels of pyridine have been detected that are off the scale and there are concerns about the dredging of the river and the bay releasing toxins. Will the Minister assure me that his Department will commit to securing a proper explanation for this disaster and insist that his Tory Tees Valley Mayor does not repeat his misleading of the public about the quantities of dredgings being disposed of at sea?

George Eustice: The hon. Gentleman has raised this issue before and there was a tragic case of large numbers of crabs, in particular, being washed up on beaches in his constituency. We ordered an investigation by the Centre for Environment, Fisheries and Aquaculture, our leading fisheries science agency, supported by Natural England. Their conclusion was that this is most likely caused by a natural algal bloom event.

Derek Thomas (St Ives) (Con): My local beach, Longrock, saw the highest number of combined sewer overflow notifications in this last bathing season, so I could not agree more that South West Water needs to do more. However, the Secretary of State will know that it is not just an issue for the water companies. For example, in a combined sewerage system, water from our roads, our farmland, our roofs and our own homes will eventually overwhelm this aged system. What can he do to encourage us all to act more responsibly in the way we use water, which will eventually overflow this system and go on to our beaches?

George Eustice: My hon. Friend highlights an important point: the origin of this problem links back to the Victorian combined sewer system we have, where street drainage systems are linked into the foul water drainage system. Since the 1960s, new housing developments have been required to be on a different drainage system, but I am sorry to say that all too often they have ended up plumbed back into the sewer. One key thing that

water companies will be prioritising is, where possible, particularly on those later housing developments, ensuring that the drainage system is genuinely separated from the sewer system.

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): Last year, South West Water dumped 350,000 hours of raw sewage into the rivers and seas around the south-west. It has just been handed a one-star rating by the Environment Agency and a third of its sewage monitors do not work, according to the EA. Meanwhile, executive pay is up, dividends are up and it issued a special dividend to reward shareholders with even more money. Is it not time that South West Water published a full list of each and every raw sewage outlet that it is intending to close so that bill payers, such as the Secretary of State and I, can look at what it is intending to do and how these things are going to close? This will allow us to hold South West Water to account, just as we will hold the Tory Government to account for their failure to take faster action at the next election.

George Eustice: The Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for St Austell and Newquay (Steve Double) has met South West Water to discuss some of these issues. I simply say to the hon. Gentleman that in 2016 only about 800 combined sewers were properly monitored and we have increased that to 12,000. Over the next year, we will increase it to 100% coverage. It is because of the action that this Government have taken to increase monitoring, something that no previous Government had done, that we have determined that there is a problem and we are bringing prosecutions against these companies.

Bob Seely (Isle of Wight) (Con): On the island, we have persuaded Southern Water to undertake its most ambitious pathfinder project, which should, in time, see dramatic improvements. We need them, because in the past 24 hours we have had overflows at Bembridge, Cowes, Ryde, Seaview, Freshwater and Gurnard, which is unacceptable. I pay tribute to the work done by the Secretary of State and former Ministers in bringing in these new laws that have exposed the problem. We have seen the complacency and the failure in the water industry. Because of that failure and complacency, should we not now be bringing forward the legal timescales by which we demand action? We have exposed the problem, so can we not do more to demand that those water companies take the action that we all want to see?

George Eustice: It is important to distinguish between the failure of water companies to abide by their permit conditions, which is an issue and is the reason for the Environment Agency bringing multiple prosecutions on this matter—we must bring that to a speedy conclusion, seek immediate rectification and bring them back into compliance with their permit conditions—and the separate issue of the permitted use of storm overflows. That issue is about long-term investment in infrastructure, which is what our discharge plan addressed.

Mr Khalid Mahmood (Birmingham, Perry Barr) (Lab): I hope you will excuse me for being slightly political on this matter, Mr Speaker. The Secretary of State continues to talk about the discharges and how he is trying to

[Mr Khalid Mahmood]

catch up with the water companies, but the reality is that we should be surcharging the water companies for the continuous abuse of our rivers, streams, play areas, seas and everywhere that this gets into. It ruins our environment for our rivers and our streams. If he wants to deal with this, he should surcharge the companies. If they cannot pay the surcharge, he should bring this back into public ownership—that is the answer to all of this.

George Eustice: As I said, we have brought many prosecutions since 2015 and levied fines of about £140 million on the industry. In one case, that precipitated a change in ownership of a water company. The right thing to do is bring prosecutions where a company is in breach of its permits, and that is what the Environment Agency is doing.

Huw Merriman (Bexhill and Battle) (Con): Mr Speaker, thank you for granting not only this urgent question, but a 90-minute debate next Wednesday at 2.30 pm in Westminster Hall. Bexhill's beach is red-flagged today, as it was yesterday, meaning that people should not enter the sea. It was the only beach in the area to be red-flagged and it is the only beach in the area whose bathing quality is not either "excellent" or "good". I welcome the Secretary of State's plan, but may I ask him to ensure that the areas that do not have good-quality bathing have a higher degree of prioritisation in the delivery of this plan?

George Eustice: I absolutely give my hon. Friend that assurance. Our discharge reduction plan absolutely prioritises bathing waters in those near-term investments.

Kate Osborne (Jarrow) (Lab): While water companies such as Northumbria Water have made on average £2 billion profit a year since privatisation, filthy raw sewage is being dumped into our playing fields, our beaches and our waters. This included 1,248 sewage dumps across 48 sites in my constituency last year. Profits and shareholder dividends are up, at the expense of public health. I went to see for myself the River Don in my constituency a few weeks ago, and the stench alone made clear the scale of the issue. Will the Secretary of State and his Government act on this immediately, or is he content with this environmentally criminal behaviour?

George Eustice: I hope I have made it clear that we are not content with criminal behaviour, which is precisely why we are bringing record numbers of prosecutions, having discovered a problem as a result of the monitoring that the Government required. The hon. Lady mentions dividends. As I said earlier, the Environment Act 2021 gives us new powers, and Ofwat is currently consulting on new measures that will link dividend payments to environmental performance.

Tim Loughton (East Worthing and Shoreham) (Con): At the hottest part of the summer, beaches from Hastings to Worthing were blighted by the discharges by Southern Water, even though the rain after the dry period was not particularly heavy. Many of our constituents and tourists just could not use those beaches. While I welcome the extra data and monitoring equipment, which is making

the problem more transparent, what we really need is better inspection and enforcement by the Environment Agency, and better explanations from the water companies when these spills occur. If they are lacking, the companies need to be penalised. We also need better information for our constituents as to whether it is safe to go back into the water.

George Eustice: My hon. Friend raises an important point. As I said in my statement, we are now requiring water companies to make available to the Environment Agency all the discharge data from storm overflows, and to publish it in near real time for the public. We shall continue to bring prosecutions where there are breaches of licence conditions.

Mike Amesbury (Weaver Vale) (Lab): Despite 12 years of Tory government and some of the tough and strong words in the Chamber today, in my constituency tonnes of sewage are discharged into the River Weaver, the River Mersey and the River Dane on a daily basis by United Utilities. The current system is not working. The future Secretary of State will need to step up, step in and get a grip of this situation. That is crystal clear right across this Chamber.

George Eustice: I am the first Secretary of State ever to publish a plan such as this. One of my first acts as Secretary of State in 2020 was to instruct officials to change the strategic policy statement for Ofwat, which for the first time prioritised reduction of storm overflows.

Mr John Whittingdale (Maldon) (Con): May I thank my right hon. Friend and his Ministers for all that they are doing to tackle this issue. He will be aware of the importance of water quality in areas where oysters are grown such as the Blackwater estuary. What progress is being made to require the water companies to provide additional investment to carry out microbiological treatment to prevent things like E. coli contamination?

George Eustice: My right hon. Friend raises an important point. One of the actions that we are requiring water companies to take in some instances will be to use techniques that will disinfect water to prevent E. coli counts in the way that he describes, which can indeed affect shellfish sectors in aquatic environments.

Jeremy Corbyn (Islington North) (Ind): Is it not obvious that all these years of privatisation, all the billions that have been paid out in dividends and profits and the massive levels of executive pay have meant that not enough has been invested in the infrastructure, and that there have been excessive numbers of sewage discharges, which are getting worse? Is it not obvious that we should do what every other country in western Europe does and bring our water industry as a whole into public ownership under public control so that we do not damage our water infrastructure in order to pay profits to distant billionaires?

George Eustice: The original vision of water privatisation was that we would have publicly listed companies on the London stock exchange and that water bill payers would also be shareholders. In the early 2000s, most of the water companies fell into the hands of private equity operators, and that was a change. The then Government

took a decision to issue licences to operate in perpetuity rather than for fixed periods, which was the case previously. There have been some changes since privatisation, but I am afraid his central charge that nationalisation is the way to get investment is wrong.

Duncan Baker (North Norfolk) (Con): Sometimes we forget in this place how we ended up here. We ought to recognise the work of the Environmental Audit Committee, a number of members of which are in the Chamber. The Chair, my right hon. Friend the Member for Ludlow (Philip Dunne), highlighted for the Chamber the entire situation in his water quality inquiry. Can the Secretary of State confirm that, without our work, we would never have highlighted the improper use of storm overflows, and we certainly would not have been in a position in which the Secretary of State has put together a plan to tackle this problem, which has gone on for years and years?

George Eustice: I am a great believer in the role of Parliament and always have been. It has been a team effort. When I became Secretary of State, I prioritised this long before it was an issue in the media and long before people realised it was an issue. Many Members, including the Chair of the EAC, my right hon. Friend the Member for Ludlow (Philip Dunne), played a crucial role in making sure that we got the legislation right.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): It is pretty obvious to most of my constituents that water privatisation has been a miserable failure. Most of our water companies are owned by foreign investment companies, and we have lost that link. I went campaigning for better water in the Colne, the Holme and the Calder some years ago, and Yorkshire Water said to me, “I don’t know what you are complaining about, Mr Sheerman; there is no river in England fit for humans to swim in.” That is the truth of the matter. I would not prioritise public ownership for this particular thing; I would use that for other sectors. But the fact of the matter is that the regulation has not worked, and it has got to work.

George Eustice: I agree, which is why the Government have changed our legal powers through the Environment Act 2021 to strengthen the regulation, and to require improved monitoring. On the basis of that monitoring and the evidence that it has revealed, we are now bringing record numbers of prosecutions. So the hon. Gentleman is right that there have been regulatory failures in the past. We have addressed those legal deficiencies through the Environment Act.

Sir Bill Wiggin (North Herefordshire) (Con): Thank you for allowing the urgent question, Mr Speaker. My right hon. Friend will be aware that Herefordshire has been under a moratorium for several years now. Herefordshire Council has spent millions of pounds of council tax money buying land around Welsh Water’s sewage works to work as soakaways, yet now I learn that Natural England wants to extend the moratorium to the rest of the county. Please will he use his time in office to stop Natural England from pursuing this pointless and ineffective policy?

George Eustice: This issue is linked to a separate but associated challenge around nutrient pollution. We published our proposals to make some changes to deal

with this issue on a strategic level before the summer recess, and we may well indeed need some legislative changes as the challenges that he highlights are a legacy of EU law.

Clive Efford (Eltham) (Lab): The Secretary of State talks as if he is the first Conservative Secretary of State under this Government. The Conservatives have had 12 years to deal with this issue. Now we are seeing images of raw sewage being pumped out into our coastal waters at the height of the summer season. We have had 12 years of freebooting, when chief execs have paid themselves unearned bonuses and billions have been paid out in dividends. It is 33 years since privatisation. We were told that privatisation was the answer to problems like this. Why has the situation got worse, not better?

George Eustice: I am afraid that the failure to address storm overflows goes back much further. This is a legacy of the Victorian infrastructure that we have in place, and no Government down the decades in the 20th century properly grasped it. Successive pricing reviews under the Labour Government prioritised price reductions over investments to tackle this challenge. The same was true of the coalition Government. This is the first Government ever to prioritise this issue.

Robbie Moore (Keighley) (Con): Constituents of mine along Rivadale View in Ilkley—indeed all of Ilkley and I—are getting fed up with Yorkshire Water’s underground apparatus and infrastructure failing in Ilkley. We have one scenario where a manhole cover has burst nine times in the past 12 months. Every time it bursts, sewage flows into the River Wharfe. We have passed the landmark Environment Act 2021, which, dare I say it, the Opposition did not vote for. Does the Secretary of State agree that Yorkshire Water needs to get its act together and sort this out, so that my residents are not having to suffer the consequences of sewage getting into the River Wharfe from this manhole cover bursting time and again?

George Eustice: As I said earlier, thanks to the evidence that has been gathered as a result of the new monitoring that we required, we are now bringing investigations into around 2,200 sewage treatment works. I cannot comment on the specific manhole cover that my hon. Friend refers to, but I can reassure him that the Environment Agency is prioritising all of these sorts of challenges.

Mr Clive Betts (Sheffield South East) (Lab): A couple of weeks ago, heavy rainfall in Sheffield resulted in sewage flowing into the garden of my constituent Perri Bradbury and on into her home, so it has damaged the carpets, the floorboards and furnishings. She has young children. I do not think that we can imagine the awfulness of this situation. When I asked Yorkshire Water about compensation, it did a bit of a clean-up and then said that, under the Water Industry Act 1991, because this was due to exceptional weather, it was not obliged to pay any compensation and would not do so. Is it not time that we changed this out-of-date legislation and made sure that the cost of the consequences of sewage overflows falls on the water companies and not on residents, who have completely no responsibility for this?

George Eustice: The episode that the hon. Gentleman describes is probably linked to a failure somewhere in the sewage infrastructure rather than storm overflows

[George Eustice]

per se, and that is a slightly separate issue. If he would like to write to me, I will look at the specific case he raises.

Tom Hunt (Ipswich) (Con): On the topic of dirty waterways, more and more constituents have been getting in contact with me about the River Gipping over the summer. The river is full of algae and shopping trolleys and is distinctly unloved. Can the Secretary of State advise me and my constituents on how we can go about turning this situation around and potentially securing some extra funding? Ultimately, though, is it the Environment Agency or Ipswich Borough Council that is most responsible? Ipswich is not just about the waterfront on the River Orwell, which is lovely; it is also about the River Gipping. We have to love it and raise it up.

George Eustice: A number of agencies have a role in the situation that my hon. Friend describes. Typically, local authorities are responsible for most of the street drainage infrastructure and the schemes to address that, while the Environment Agency deals with fluvial flood risk, but the two often work together in partnership to tackle these challenges.

Richard Foord (Tiverton and Honiton) (LD): This summer, people visiting east Devon had their health put at risk by greedy water companies. Executives at South West Water have been paid £2.2 million in bonuses over the past two years. A sewage pollution alert has been issued today in Seaton, and last year South West Water discharged water for more than 1,100 hours across Beer and Seaton. How comfortable is the Secretary of State with the size of the bonuses that have already been paid to South West Water executives while that company has received from the Environment Agency a rock-bottom one-star rating?

George Eustice: As I said earlier, the issue that the hon. Gentleman raises has been addressed through the Environment Act 2021. We have taken new powers to give Ofwat the ability to link dividend payments to environmental performance, and we are addressing the challenge of storm overflows through the plan we set out yesterday.

Cherilyn Mackrory (Truro and Falmouth) (Con): I commend the Secretary of State—a fellow Cornish MP—for being the first Secretary of State so far to grasp this nettle and take robust action. As those on the Front Bench will understand, this is a serious problem in Cornwall, especially on the River Fowey, affecting our shell fishermen. It is also something that I raised more than two and a half years ago. Does he agree that enough is enough and that, if water companies are found not to be complying with their obligations, they should face unlimited fines, which I would like to see ringfenced so that we can invest back into the system to fix the problems, and even criminal penalties? If he does agree, will he set out how these will be implemented?

George Eustice: My hon. Friend raises an important point. As I have said, we are bringing a record number of investigations and prosecutions against water companies for potential breaches of their permit conditions. In

addition, in the River Fowey, there is also a challenge around agricultural diffuse pollution, which contributes to the issue for the mussel and oyster fishery in that particular part of the world. That is something that we are addressing through our new targets in the Environment Act 2021.

Valerie Vaz (Walsall South) (Lab): That is clearly not enough. This is a public health issue. Will the Minister consider making it a strict liability offence to dump sewage anywhere and give the Environment Agency more immediate powers, such as cease and desist, because clearly it is being ignored?

George Eustice: The real challenge is that the Environment Agency was not fully aware that these breaches were occurring. That is why, as I said earlier, the Office for Environmental Protection is investigating why the Environment Agency was not aware that permits it had granted were, it appeared, not being followed in all cases. None the less, the Environment Agency has all the powers it needs to prosecute, to bring fines and to require immediate changes.

Selaine Saxby (North Devon) (Con): Does my right hon. Friend agree with me about the importance of having accurate facts and data in this area? Pollution incidents in my North Devon constituency are actually down by 83% this year compared with last year. The increase in monitoring means that macro data between years is not comparable. Furthermore, when storm overflows discharge, frequently that is not raw sewage. Does he also agree that misinformation from the Opposition and the media on this topic is potentially damaging businesses along the coast, especially when their water is clean?

George Eustice: My hon. Friend raises a very important point: we need to have accurate data, which is why we have required new monitoring to be put in place and new disclosures to be made by water companies both to the public and to the Environment Agency. She is also right that some storm overflows are discharging storm water from drains and not foul water—sewage—at all, and we need to make that distinction. That is why we are prioritising environmental harm rather than the total number of discharges, because we need to recognise that some are more harmful to the environment than others.

Mary Kelly Foy (City of Durham) (Lab): Water companies must clean up their act. Last year, Northumbrian Water allowed 615 days' worth of raw sewage to be dumped into rivers at 92 sites across Durham, including the Wear, the Browney and the Deerness, making a lovely home for the dead ducks, the traffic cones, and the used drug kits filling up the Wear. Does the Minister believe that the new Prime Minister regrets her savage cuts to the Environment Agency's monitoring and enforcement work?

George Eustice: As I have said, there has been an increase in the grant in aid for the Environment Agency since 2010. More importantly, the work done on monitoring is cost recovered through the licences and permits that are issued. On a wider point, yes, we recognise that this is a challenge. I recognised that on becoming Secretary of State in 2020. Our plan addresses all of the issues that the hon. Lady highlights.

Scott Benton (Blackpool South) (Con): Contrary to the absolute nonsense peddled by the Opposition, it is this Government who are the first in history to bring forward a comprehensive plan to tackle sewage discharges. At a time when household budgets are under immense pressure, does my right hon. Friend agree that it would have been incredibly reckless to have agreed to Labour's plans to eliminate sewage discharges, which would have landed the taxpayer and consumers with a £600 billion bill and left consumers paying thousands more per year for their water?

George Eustice: As I said earlier, we have chosen to prioritise the most harmful sites and to prioritise them quickly, with £3 billion of investment until 2025 and £56 billion of investment across the programme. My hon. Friend is right: to eliminate all storm overflows in their entirety would be a huge undertaking, costing £600 billion, with a major impact on the bills of water bill payers.

Fleur Anderson (Putney) (Lab): Our sewage pollution is packed with wet wipes, and wet wipes that are made of plastic just never break down. Last week, I was on the banks of the River Thames visiting a wet wipe island, which was the size of two tennis courts and a metre deep. In February, the Government consulted on eliminating plastic from wet wipe production. It can be done, but the results have not been revealed. Can the Secretary of State say when the consultation results will be revealed and when the Government will ban plastic in wet wipes?

George Eustice: This Government have taken relentless action to remove plastics from the ocean, banning plastic stirrers and cotton buds and, as the hon. Lady says, consulting on the next steps to deal with non-biodegradable wet wipes. The consultation has now closed and it is the convention that they are typically replied to within nine to 12 months.

Alex Chalk (Cheltenham) (Con): For decades—indeed since the Victorian era—sewage has been discharged into the River Chelt. That is, of course, completely unacceptable. Now Severn Trent Water has given me a cast-iron guarantee that it will cut discharges by 85% by the end of 2024. Does the Secretary of State agree that companies such as Severn Trent need to abide by those commitments, and that if they do not, my constituents and others like them will conclude that these water companies are the unacceptable face of capitalism?

George Eustice: It is important that we have worked closely with the water companies, many of which recognise that there is a challenge. As my hon. Friend says, many have now said that they want to bring forward investment planned for the late 2020s to much sooner and are discussing that with Ofwat. We recognise and welcome that; it is good that those water companies are finally waking up and recognising and dealing with this challenge.

Liz Twist (Blaydon) (Lab): It must be apparent from the response to the news of the combined sewer overflows that the public, our constituents, do not believe we are doing enough to stop that happening. Last year, the Government had the chance to go further in the Environment Act 2021, but did not do so. People are concerned about the impact on their health and the

environment. What assessment has the Secretary of State made of the health impact of CSOs, and will he look at speeding up the timetable for stopping them? I pay tribute to Surfers Against Sewage, which has done so much to highlight this issue.

George Eustice: The Environment Act addresses those issues, and this Government and Conservative Members voted for the changes that put in place the legal powers that we need to address this challenge. The hon. Lady asks whether we can speed things up; as I have said, we are already talking to water companies about bringing forward investment into the current pricing review period. We will have more than £3 billion-worth of investment up until 2025 and we will review in 2027 whether we can accelerate the plan further.

Fay Jones (Brecon and Radnorshire) (Con): I am very proud to have the Rivers Usk and Wye in my constituency but, as has already been said, the Wye flows from my constituency into England and back again. Last year, I asked the then Environment Minister, my hon. Friend the Member for Taunton Deane (Rebecca Pow), to chair a roundtable of all parties with her counterpart in the Welsh Government. She kindly agreed to that, but the Welsh Labour Minister told me there was no value in such a meeting. Can the Secretary of State advise me on how we can drag the Welsh Government to the table and engage with them on this issue?

George Eustice: My hon. Friend raises an important point. As I have said several times, we are taking clear and assertive action in England to tackle the problem. We need the devolved Administrations, particularly Wales, to play their part as well, and it is disappointing if what she says is correct and Ministers have declined a meeting. I would advise her to work with Members of the Welsh Assembly to try to bring matters to a head and address the issue.

John Cryer (Leyton and Wanstead) (Lab): Could the Secretary of State send a copy of the statement he has made today to those people who claim to run Thames Water? So far in their correspondence with me they have refused to give any undertakings about keeping drains and overflows clear. They also refused to attend two public meetings in Leytonstone in my constituency on the flooding—in fact, getting a papal audience would be easier than getting constructive information from Thames Water. I hope I am wrong about this, but despite the Secretary of State's best efforts I suspect that Thames Water, one of the most powerful companies in the country, will continue to treat elected representatives and consumers with contempt.

George Eustice: That is very disappointing, if what the hon. Gentleman says is right. In my constituency I have regular engagement with South West Water and I am sure many other hon. Members have regular engagement with their own water company. I would simply say that the key role of Government is to ensure that we have the legal powers to bring prosecutions where they are necessary, and to set in place the strategic plan to require the investment necessary to deal with this particular problem.

Steve Brine (Winchester) (Con): Countries around the world and other parts of the UK are battling historical infrastructure constraints that mix storm water with foul water. Does the Secretary of State agree that what we need in this debate is some cool, some balance and to deal in the facts? There has been some deeply grubby, irresponsible scaremongering over the summer from some of the usual suspects. In the spirit of honesty and truth—I appreciate that 2035 is a long way away; too long for many of my constituents—can the Secretary of State tell the House the cold, hard choices that he and his potential successor face, and I suppose therefore water bill payers in our constituencies face, to speed things up significantly?

George Eustice: It is not the case that nothing will be done until 2035. Indeed, investments are happening right now to improve more than 800 priority storm overflows. We will see a reduction in discharges across the country of around 25% by 2025, and then we will go further out until 2035. The estimated average increase in water bills for those actions, the £56 billion package that we have set out to 2030, will be in the region of £12 per year. Were we to go further, it would be around 10 times higher than that every year.

Ben Lake (Ceredigion) (PC): We have heard this afternoon of the ecological impact that many of these sewage discharges have on rivers and coastal areas, as well as the public health concerns that arise from them. It bears repeating, of course, that there is also an impact on local communities and businesses, especially in coastal communities. Does the Secretary of State agree that, as part of his plans to tackle the problem, perhaps compensation should be considered for those communities impacted, which might well prove an incentive to those water companies to speed up some of their work?

George Eustice: Obviously, the issue is devolved; the action we have taken is in respect of England and it is for the Welsh Government to tackle some of the challenges they have in their own area. The approach we have taken is essentially to require and allow unlimited fines against companies that breach their permit conditions. We are bringing record numbers of prosecutions and we believe that that is the right way to bring those water companies back into compliance.

Mr Gagan Mohindra (South West Hertfordshire) (Con): My beautiful South West Hertfordshire constituency has the River Chess going through it. Jon Tyler is the last watercress farmer along the River Chess. Can my right hon. Friend give me assurance that the Environment Act, as is, is the best way to ensure that his business remains successful in the years to come?

George Eustice: My hon. Friend makes an important point. The Department is also working on a new horticulture strategy, and I invite him to write with details of the particular watercress grower he refers to, to ensure that the challenges they face are properly reflected in the new strategy we are developing.

Olivia Blake (Sheffield, Hallam) (Lab): I did not realise that the Government's plan for biodiversity net gain was simply to boost the level of *E. coli* and *Campylobacter* in our rivers and waterways. That is a

serious point, because earlier this summer the chief medical officer, Ofwat and the Environment Agency set out that they have real concerns about the spread of antimicrobial-resistant bacteria in our waterways, not just because of sewage from storm overflows, but because of normal sewage treatment works. What is the wait? Why have we been waiting 28 years to ban that outright?

George Eustice: The hon. Lady is wrong. The environment targets that we are currently consulting on will set ambitious targets to improve bathing water quality, addressing issues such as *E. coli* counts. She is also wrong to say that the issue of breaches of permits from water treatment works is not being addressed; it is being investigated right now at 2,200 facilities and, where appropriate, prosecutions will be brought.

Mims Davies (Mid Sussex) (Con): My constituents in Mid Sussex have rightly been very concerned by social media's inferring that the Government are not taking significant action. As confirmed today, that is both irresponsible and alarmist. We all enjoy the seaside in Sussex and across the country. People are acting today as if they do not bear any blame themselves, but we are all contributing to this problem. We should be allaying fears. DEFRA should be working to give my constituents and those across the land a clearer insight into the positive changes, and to ensure that we keep our resorts busy and our bathing water safe. Will the Department provide more clarity so that people understand that the situation is improving significantly?

George Eustice: I have been grateful for today's opportunity and I hope to do precisely that. We all know that one should not believe everything one sees on social media. I tend not to participate on Twitter and social media for precisely that reason; in my view, it is best not to have a Twitter account. The important thing is that we parliamentarians focus on the substantive issue. That is what I have done as Secretary of State and it is what the report that we published yesterday does.

Layla Moran (Oxford West and Abingdon) (LD): This was the first summer that Oxford West and Abingdon could enjoy the fact that the River Thames in Port Meadow had been granted bathing water status, and it was enjoyed by many, but it is the second of only two such sites in the entire country. I know that the Government want more locations to be granted the status, but that is difficult because of the huge amount of work that needs to be put into the bids, and the fact that no money is allocated in the Department to help communities and councils to put the bids together or to put in the extra resources. Will he consider a fund to help communities and councils to gain bathing water status for our rivers?

George Eustice: If the hon. Lady writes to us about her proposal, we will look at it. DEFRA has a target under the Environment Act 2021 to increase the number of bathing waters that are in good and favourable condition, and the Environment Agency and others work to ensure that the designations can be processed.

Jerome Mayhew (Broadland) (Con): We need to establish the real scale of the problem. It has been estimated that providing a full solution to storm overflow discharges will require the replacement of 100,000 miles of combined

sewers, so the Government have it absolutely right with increasingly onerous targets for Ofwat backed by unlimited fines, and £56 billion of infrastructure investment year after year. Does my right hon. Friend agree that to pretend that we can call for an immediate ban does a huge disservice to the general public and takes them for fools?

George Eustice: My hon. Friend is absolutely right. It is important to take the right long-term decisions now on investment, monitoring and bringing prosecutions in order to ensure that the issue improves over the next 25 years and, indeed, that it improves significantly between now and 2025; that is exactly what our plan sets out.

Jim Shannon (Strangford) (DUP): I thank the Secretary of State for his answers. He has mentioned on three occasions the need for the devolved Administrations to play their part. Sewage impacts on all the seas around the United Kingdom of Great Britain and Northern Ireland. Taking into consideration the fact that 7 million tonnes of raw sewage are pumped into Northern Ireland's seas and waters, and more than £1.5 billion of investment is needed to repair that situation, does the right hon. Member agree that there must be a holistic approach to tackling sewage pollution across the whole United Kingdom of Great Britain and Northern Ireland?

George Eustice: As I said, responsibility for water quality is devolved, but of course we work closely with all the devolved Administrations. DEFRA will share all the policy thinking, work and analysis that we have done in respect of England with any devolved Administration who would find it useful.

Anna Firth (Southend West) (Con): There are two pollution warnings on our beautiful beaches of Southend West today, because of the use of storm overflows. I welcome all the work that the Government are doing

and their plans to reduce the problem, but does my right hon. Friend agree that the payments of dividends and capital buy-backs must be directly linked to Anglian Water's performance in preventing sewage discharges in my constituency?

George Eustice: Yes, I agree that dividend payments should be linked to compliance with permits and environmental performance, and we have taken the powers in the Environment Act to ensure that that happens.

Madam Deputy Speaker (Dame Eleanor Laing): Last question—the prize for perseverance and persistence goes to Anthony Browne.

Anthony Browne (South Cambridgeshire) (Con): The discharge of sewage into waterways, including the beautiful chalk streams of South Cambridgeshire, is clearly completely unacceptable, which is why I welcome the package of measures the Secretary of State talked about earlier finally to tackle the problem. Enforcement is a lot more effective if we hit owners and senior executives where it hurts most: in their pockets. That is why I welcome the fact that, as the Secretary of State has mentioned, including in response to the previous question, Ofwat is consulting on linking dividend payments to environmental performance. Does he also agree that the Government should consider going further and banning water companies that are fined for illegally dumping pollution from paying any bonus to their senior management team or dividends to their owners for one year? When bankers break the law, they lose their bonuses. Should not the same happen to water company executives?

George Eustice: As I said, Ofwat is consulting on a package of measures, using the new powers that we have given it under the Environment Act. I am sure that it will study this urgent question carefully and take on board my hon. Friend's policy proposal.

Point of Order

1.45 pm

Holly Lynch (Halifax) (Lab): On a point of order, Madam Deputy Speaker. I hope that you can help me. Earlier this morning, we were notified that today's planned line-by-line scrutiny session of the National Security Bill, which was due to start at 9.25 am, would be adjourned. That followed a tweet from the Minister for Security, the hon. Member for Stevenage (Stephen McPartland), late last night, announcing his intention to resign from the post. However, he committed to continuing to serve as the Security Minister until a new Minister could be appointed. Despite the fact that no new Security Minister has been appointed, the Minister was not in the Bill Committee this morning and the Whip moved to adjourn.

This is the second time that a Security Minister has resigned immediately before a Committee sitting on this Bill was due to start. We have now had three Ministers and acting Ministers over the course of the Bill Committee, as well as some very late substantial additions to the Bill. In order for us to have scrutinised the Bill in accordance with the programme motion, a new Minister will have to be in place for Thursday's sitting, but that means that someone will likely have less than 24 hours to familiarise themselves with the complexities of the legislation, making a mockery of the process. This is literally national security; the security services need this new provision. We will be up to four Ministers by the end of the week, which means that so far we have had more Security Ministers on the Bill than there have been days of scrutiny.

Madam Deputy Speaker, have you been notified of the Government's plans to get the vital National Security Bill moving again to plug the serious gaps in our national defences?

Madam Deputy Speaker (Dame Eleanor Laing): I thank the hon. Lady for her point of order. I am sure that the whole House agrees with her that the National Security Bill is an extremely important piece of legislation and it is vital that it should be properly scrutinised by the Committee, but I have to say that I am little surprised at her surprise that there is a ministerial reshuffle going on. I do not think that is a surprise to anyone, not just in the Chamber, but across the country or indeed the world. When a change of Government is occurring, there is by necessity a change of Ministers. It is unfortunate that this important session of this important Bill Committee happened to be taking place this morning—the day on which there is a changeover of Prime Minister.

The hon. Lady says that the situation makes a mockery of the system. I would say to her that this is how our democracy works. It is true, as somebody once correctly said, that democracy is the most inefficient form of government, but I think that we would all agree that it is still the best and fairest. I have every sympathy with the hon. Lady's frustration at not being able to get on with this important piece of work, but I am pretty certain that within 48 hours, if not 24, there will be a Minister in place—[*Interruption.*] Sorry, is the hon. Member for Llanelli (Dame Nia Griffith) interrupting me when I am

answering a point of order? Would she care to make another point of order? If not, would she please not interrupt me while I am answering this one?

Clearly the Bill needs to be scrutinised. Nobody disagrees with that. While I understand the frustration felt by the hon. Member for Halifax (Holly Lynch), this is how our democracy works. I am sure that there will be a Minister in place in very short order. I hope that if perchance there is no Minister in place within the next two days, the hon. Lady will come back to the Chamber, so that we can address what by then will be a situation that needs to be addressed by the Chair.

Mr Kevan Jones (North Durham) (Lab): Further to that point of order, Madam Deputy Speaker. I am grateful for your explanation, but may I inform you that what we discovered in the Committee this morning is not what has been presented to you. The Minister said that he would resign but stay in place until the new Minister was appointed, so in effect we do have a Minister. We asked the Government to explain the position, but the Whip did not provide an explanation. The Committee sits again at 2 o'clock, because we objected to the process, and we will try again, but the Government must explain the current status of the Minister for Security.

Madam Deputy Speaker: I do not think the right hon. Gentleman needs me to explain to him that there are certain duties that fall to the Security Minister, which means that it would be unwise to have no Security Minister. What he has explained fits with that important duty, but he is obviously of the opinion that the Minister ought to be present in the Committee. Clearly, the Government have a different view. That is not a matter for the Chair. I take the right hon. Gentleman's point, but that is not a matter for me to adjudicate. I have given the hon. Member for Halifax a proper answer.

BILL PRESENTED

ENERGY COSTS (DOMESTIC CUSTOMERS AND SMALL BUSINESS) BILL

Presentation and First Reading (Standing Order No. 57)

Ed Davey, supported by Wera Hobhouse and Sarah Olney, presented a Bill to prohibit Ofgem from increasing the energy tariff cap above the level set for the period 1 April 2022 to 30 September 2022 before 31 December 2022; to require the Secretary of State to report to Parliament on the merits of the Government providing funding to energy providers to mitigate the impact of this measure and on the merits of extending and backdating the Energy Profits Levy in order to pay for such funding; to require the Secretary of State to report to Parliament on the merits of the Government providing grants to small businesses equivalent to 80% of the expected increase in their energy costs for the period 1 October 2022 to 30 September 2023, and on the merits of maintaining the rate of the Corporation Tax Surcharge on banks at 8% in order to fund such grants; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 16 September, and to be printed (Bill 150).

Criminal Appeal (Amendment)

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

1.52 pm

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): I beg to move,

That leave be given to bring in a Bill to amend the Criminal Appeal Act 1968 to allow leave to appeal an unspent conviction where there has been a material change in the law, notwithstanding the date of conviction; and for connected purposes.

I declare my interest as a co-chair of the all-party parliamentary group on miscarriages of justice and chair of the future of justice commission. Before I begin, I would like to pay tribute to the wonderful volunteers in JENGBA—the Joint Enterprise Not Guilty by Association group—for their tireless work campaigning against miscarriages of justice for so many years. It is great to have many of them in the House today, and I thank them for joining me yesterday for our launch event. I would also like to thank my good friend and colleague Glyn Maddocks, who has been unwavering in his determination to see these injustices put right. There is a great coalition of people campaigning for justice in this respect.

Way back in 1992, when I was shadow Home Secretary Roy Hattersley's deputy, it was the time of the Guildford Four and the Maguire Seven. I became very much involved in those controversial cases, and since then fighting miscarriages of justice has been a core passion of mine. Through the APPG, we started a commission that produced a leading report on the Criminal Cases Review Commission. That report's recommendations have been well received and are being used as far afield as Canada, and the Law Commission is now reviewing the real possibility test in this country.

For those who suffer a miscarriage of justice, the consequences are truly devastating, not only for them but for their family, their neighbours and their community. It is vital that we as parliamentarians do everything we can to ensure that quick and effective mechanisms are available to right wrongs when they occur in our criminal justice system. No criminal justice system is perfect. One cause of miscarriages of justice is the legal doctrine of joint enterprise. Joint enterprise is a wide legal doctrine, so I will focus on one aspect of it: parasitic accessory liability, or PAL.

PAL arises where two or more people commit a criminal offence, and during the commission of this crime another individual goes on to commit a further, usually more serious, offence. All those who committed the first crime will also be liable for the second crime if they foresaw the possibility that the offence would occur. It was formulated in 1985 by the Privy Council and brought into English law by the House of Lords in 1999. It has since received much criticism from legal academics and practitioners for being both unclear and unfair.

One of the reasons for this criticism is that the doctrine has resulted in the anomaly whereby it is easier to convict the accessory than the individual who physically committed the crime. In addition, the law has disproportionately impacted on marginalised people: for example, young, black, working-class men are severely

over-represented in convictions under joint enterprise according to a study by Manchester Metropolitan University. JENGBA says that around 80% of the people who contact them are black or minority ethnic, and almost all are working class.

Additionally, it is often individuals on the autism spectrum who are impacted by joint enterprise. I am closely involved in the Westminster Commission on Autism, so this aspect of joint enterprise is of particular concern to me. The way in which the criminal justice system has dealt with autistic people in joint enterprise cases is nothing short of a travesty. Names such as Alex Henry and Osime Brown will be familiar to anyone who has taken an interest in this area. Alex's sister Charlotte is here today, I believe. She has been a fearless campaigner for justice. Autistic individuals, because of their condition, often do not have the cognitive ability to foresee a crime taking place and so are particularly vulnerable, yet time and again they have been convicted using this law.

In part because of the criticisms, in 2016 the Supreme Court handed down a judgment in the case of *Jogee*. In doing so, the Court departed from precedent, stating that the law relating to joint enterprise had taken a wrong turn. This meant that people could no longer be prosecuted for the possibility of foreseeing a crime taking place, but only if they intended to assist in committing it. That was a genuine moment of legal history. The Supreme Court recognised that a colossal error had been made and that many people had been prosecuted under an incorrect interpretation of the law.

The House would expect that after such a significant change, there would be a wave of successful appeals, but that has not been the case. By last year, only two out of 103 appeals made with reference to *Jogee* had succeeded. In part, that is because of the restrictive approach used by the courts in out-of-time appeals. Leave to appeal in these types of cases is granted only if the applicant can demonstrate that they have suffered a "substantial injustice" because of the change in the law, and the current interpretation of substantial injustice is uncertain at best.

Courts have identified a changing range of factors that applicants have to meet to demonstrate that they have suffered a substantial injustice. At present, it seems that the definition of substantial injustice in joint enterprise cases is found in a notorious case, also from 2016, in which the court decided that appellants would have to prove that they would have been found not guilty in their trial. For example, for murder cases, someone would have to satisfy the Court of Appeal that they would not have been convicted of murder. This test is higher than the mere "safety" required for an in-time appeal, and even higher still than a "significant possibility" that a jury would acquit the appellant.

When the proportion of miscarriages of justice is so high in this area of law—it is reckoned that 1,000 people, mainly young men, are in prison as a result of this law—I fail to see the policy justification for dealing in absolutes as the Court of Appeal has done. I understand the need for finality in criminal appeals, but it cannot come at the cost of the right to access a court for a fair retrial. At present, the process places a disproportionate burden on the appellant.

In my view, 30 years of erroneously applying the common law should amount to a substantial injustice, and the people who have been convicted under this law deserve to have their appeals heard. The courts have

[Mr Barry Sheerman]

failed to provide a mechanism for people who have been convicted under the pre-Jogee law to appeal their convictions, and we cannot continue to wait for the courts to assist these people. It is time, and it is right that we as parliamentarians act to right this injustice.

That brings me quickly on to the substance of the Bill, which would amend the Criminal Appeal Act 1968 by inserting a new subsection in section 18. It would give leave to appeal against a criminal conviction for an offence that no longer exists, or if the offence has changed in a way that is material to the applicant's conviction. That includes the availability of a defence that did not previously exist.

As I have said, a key principle in criminal appeals is finality. I accept that there are legitimate policy reasons for restricting appeals: I agree that we cannot have appeal after appeal; that to maintain trust in the criminal justice system, cases must be settled; and that unfettered appeals must not be permitted. Because of that, my Bill includes a clause that would create conditions for using the new avenue of appeal. The application must be served before the conviction is spent or there must be some other compelling reason why it is in the interests of justice to allow the appeal.

The Bill, if passed, would permit those convicted under the pre-Jogee joint enterprise law to appeal their convictions without having to pass the high bar set by the substantial injustice test. It would also remove the 28-day time limit for change of law cases if they met those conditions.

Although you might not think so, Madam Deputy Speaker, this is a simple Bill that would have a great impact on a large number of people. Because the Ministry of Justice does not hold figures on those convicted under joint enterprise, we do not know how many people that would be, but from estimates by JENGBA and others, we know it is in the thousands. If passed, my Bill will help to provide them with the access to justice that we all deserve in a democratic society. Strengthening our justice system does not just benefit those who interact with it; it makes our entire society stronger and ensures protection for every one of us, whenever we may need it.

Today, I hope that all right hon. and hon. Members will join me in fixing a major flaw in our justice system, making amends and taking a big step to guarantee the right to justice for every citizen. The law was wrong for 30 years and it is now time for us to give the courts the chance to put it right. I commend my Bill to the House.

Question put and agreed to.

Ordered.

That Mr Barry Sheerman, Sir Robert Neill, Kim Johnson, Mr Andrew Mitchell, Yasmin Qureshi, Julie Elliott, Janet Daby, Dan Jarvis, Hilary Benn, Jim Shannon, Valerie Vaz and Kim Leadbeater present the Bill.

Mr Barry Sheerman accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 20 January 2023, and to be printed (Bill 151).

Trade (Australia and New Zealand) Bill

[Relevant document: *The Second Report of the International Trade Committee, UK trade negotiations: Agreement with Australia, HC 117.*]

Second Reading

Madam Deputy Speaker (Dame Eleanor Laing): The reasoned amendment has not been selected.

2.4 pm

The Secretary of State for International Trade (Anne-Marie Trevelyan): I beg to move, That the Bill be now read a Second time.

Just over two and a half years ago, the UK set out as an independent trading nation and began a new future outside the European Union. That future would be shaped by rekindling old partnerships, striking up new ones and harnessing the power of free trade to create prosperity for every corner of the UK. The free trade agreements that we have signed with Australia and New Zealand represent the first significant successes on this journey, and they are the first from-scratch trade deals that the UK has signed in 50 years.

Caroline Lucas (Brighton, Pavilion) (Green): I am grateful to the Secretary of State for giving way so promptly. I appreciate that it is a bit unusual to intervene so soon, but I wonder if she accepts that the process by which we are having this debate utterly undermines this House. It is deeply undemocratic that there has not been any way for us to have a full vote on the objectives of each future trade deal or access the negotiating texts, for example; there are no guarantees for the House on any of those things. Will she take away the anger that is felt certainly on the Opposition side of the House about that, and look to change the process in future?

Anne-Marie Trevelyan: I thank the hon. Lady for her comments. I hope that as we progress the discussions today, we will be able to look at them.

Mr Steve Baker (Wycombe) (Con): Is it not the case that negotiations directly between Parliaments—that is the effect of what the hon. Member for Brighton, Pavilion (Caroline Lucas) says—on any international agreement would be an absolute nonsense and would never get us anywhere? The right way is to use plenipotentiary powers in the name of the Crown to negotiate the deal and then have a serious engagement with Parliament, as this is.

Anne-Marie Trevelyan: I thank my hon. Friend. Both hon. Members highlight what is important about what we are doing today, which is bringing to the House, as part of our new free trade agreement powers, the opportunity for the UK to negotiate and complete really great deals with our important trading partners that will help us to grow our economy. That is the power and the freedom that our departure from the European Union brought us in trade, and I have been proud to drive that forward in the last year. The Australia and New Zealand trade deals are two of many that are now in train that will help our businesses to export more widely to the rest of the world.

These free trade agreements will eliminate tariffs on 100% of all UK exports to Australia and New Zealand. As I say, that will open up new trade opportunities for businesses of all shapes and sizes, and that is an important aspect of the opportunities that our free trade powers bring us for our businesses to take advantage of.

Mike Freer (Finchley and Golders Green) (Con): While Opposition Members focus on process, does my right hon. Friend agree that professional services' ability to trade without requalification is a massive export opportunity for the sector in the whole of the UK?

Anne-Marie Trevelyan: I thank my hon. Friend for his intervention and, indeed, for his incredible work in the Department over the last year to help us to grow our export opportunities for businesses. He is absolutely right: one of the key opportunities for our service sectors is negotiating that mutual recognition of qualifications, which removes a market access barrier to enable businesses to share their expertise more widely. Not only in the Australia and New Zealand trade deals, but as we work in places such as Canada and the USA, those are key areas where we can genuinely rocket-boost what our businesses will be able to do in taking their expertise across the world.

John Spellar (Warley) (Lab): The right hon. Lady is talking about businesses, but is this not also about individuals in these jurisdictions who have the qualifications and skills? There will be a greater mutual benefit, not just a benefit to the UK. This will grow the economies of the free world and enable our citizens, and those of Australia and New Zealand, to develop their careers and opportunities.

Anne-Marie Trevelyan: The right hon. Gentleman is absolutely right. A key element of the Australia and New Zealand trade deals is the improved mobility arrangements, which will not only give those under 35 much more flexibility, but will mean that those with professional skills can move much more easily between our countries, for exactly that reason: to help their skills as individuals, as he says, and as part of businesses to grow those economies mutually. Our trade deals are all about mutual benefit and picking countries with which we have strong ties and want to grow our economies together.

Jonathan Edwards (Carmarthen East and Dinefwr) (Ind): In evidence to the Senedd's Economy, Trade, and Rural Affairs Committee, the Welsh Government, the farming unions and the Welsh Local Government Association expressed concern that there was no published data about the impact on specific Welsh economic sectors and subsectors. Will the British Government publish that data—they must have it to have come up with the cumulative data that they have published—or are they guilty of hiding the impact of these trade deals on sectors such as Welsh hill farming?

Anne-Marie Trevelyan: We have done a great deal of economic assessment across any number of layers. I am very happy to share with the hon. Gentleman some of the detail in due course, and the team will pick that up with him.

It is important to remember that one key area, as we look beyond sectors and to the other side beyond business, is that the consumer will be able to enjoy many more Australian and New Zealand brands coming to the UK, in the same way as the UK will be able to share our brands with other countries. I was in Australia and New Zealand last week, and it was very charming to see which British products people were excited to have more of. I was also able to say that I would help personally to ensure that Australian wine is drunk more often at my own table as a result of this trade deal.

Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Further to the point made by my Welsh nationalist friend the Member for Carmarthen East and Dinefwr (Jonathan Edwards), I understand from the Department that it has not granularly broken this down, but has made assumptions in the modelling across the regions of England and the nations that make up this current Union. I would be surprised if the Secretary of State has the data, which I think would give figures that were quite alarming to people in Wales, Northern Ireland and certain areas of Scotland, particularly those involved in livestock production.

Anne-Marie Trevelyan *rose*—

Jim Shannon (Strangford) (DUP): Will the Secretary of State give way?

Anne-Marie Trevelyan: I will give way.

Jim Shannon: The Secretary of State will be aware that the Northern Ireland beef and lamb sector is worth some £1.3 billion, employs 5,000 staff in processing and has some 29,000 farmers, and 70% of that produce goes to the UK. Her own Department has reported:

“If large local economic effects occurred, this could...result in a net GVA loss for Northern Ireland.”

May I ask the Secretary of State—it is the same question as others have asked, but about Northern Ireland—what steps can be taken to ensure that, if this is the case, Northern Ireland is not left behind in trading with Australia and New Zealand? I know it is an interest for the Secretary of State, and it is a big interest for me in my constituency.

Anne-Marie Trevelyan: The concerns that the farming community has raised are ones we have addressed many times, but I am happy to address them again. As part of the trade deals, and acutely aware of the sensitivities of our changing farming communities as we have left the European Union, we have built in—after quite a lot of negotiating effort with our Australian and New Zealand partners—a three-layered set of safeguards to ensure that there cannot be any unexpected surge of agricultural products coming in that would disrupt our markets, tapered over a 15-year period. That will give all the markets the chance to adjust to the opportunity to share goods, moving in both directions. The Under-Secretary of State for International Trade, my hon. Friend the Member for Arundel and South Downs (Andrew Griffith) will set out in more detail, if necessary, what those safeguards are, but they are there to show that we have been absolutely cognisant of this and determined to ensure that our farmers will not have the risk of a surge of produce.

Fay Jones (Brecon and Radnorshire) (Con): The Secretary of State will know that I represent a large beef and sheep farming constituency, and there is nervousness in the farming community about what will happen over the next 15 years, but also a broad welcome for the deal, and I congratulate her on her efforts so far. Can she say a little more about what she and her Department can do across Government, working with the Department for Environment, Food and Rural Affairs, to make sure that there is real confidence in this sector over the next 15 years?

Anne-Marie Trevelyan: I thank my hon. Friend for her comments. To give her reassurance, all our trade negotiating teams have Department for Environment, Food and Rural Affairs teams within them. They are the experts from the UK Government, and they are absolutely at the heart of our negotiating teams not only for these deals, but for those we are working on now.

Part of the challenge—I understand the anxiety that has appeared, about which I hope the safeguards for these two deals have provided reassurance—is that these are of course the first two of a large number of trade deals. We are looking to accede to the comprehensive and progressive agreement for trans-Pacific partnership, under which we will have enormous opportunities for our agriculture producers to export to something like a £9 trillion marketplace. The Australian and New Zealand trade deals are the first two of many that will afford great opportunities for some of the finest products in the world. I think we are all concerned in standing up for our constituents and ensuring the opportunity to find new export markets for those goods.

Victoria Atkins (Louth and Horncastle) (Con): My concern is not for the enormous farming conglomerates that we see across swathes of the countryside, but for the small tenant farmers in my constituency. They are a critical part not just of my constituency—which, incidentally, helps feed the country—but of our farming heritage. I think it is those smaller farmers that colleagues across the House are so concerned to understand, support and, if necessary, protect.

Anne-Marie Trevelyan: My hon. Friend is absolutely right, and that is why we have built into these first two of our trade deals these very clear and robust safeguards, so that there cannot in the early years be the sort of surges that could risk the success of our important tenant farmers. That is also why the work that the National Farmers Union and the National Farmers Union of Scotland do is so important in helping our farming communities.

I too have many small tenanted farms in my constituency, and this is the opportunity for them to work together and to work in the new markets that will be appearing thanks to the continuing new trade deals we will strike. This is about how we can get the maximum benefit not only as they produce for our own domestic markets, but, if they choose to do so, as they export some of the finest meat in the world to new and growing markets across the world.

These two trade deals are very much the first two anchor points, as it were, of a broad and wide set of trade deals that will afford such opportunities to all our

farmers, from the large farmers that are very good at fighting their own corner through to—exactly as my hon. Friend points out—our small but incredibly important farmers across our rural communities. Their importance is not only in the food they produce, but in land management and, indeed, in the wider community, so that is at the heart of the plan.

As I say, the negotiating teams that the Department for International Trade take to these negotiations have at their heart teams of experts from the Department for Environment, Food and Rural Affairs, as well as from other Departments as required for each of the chapters in the trade deals.

Caroline Lucas: The Secretary of State is very generous in giving way. On that point, does she not recognise that the bottom line is that if we are rightly asking farmers to lead the way on more sustainable farming methods, yet at the same time allowing imports to come in that will undercut them—because they are not having to meet the same standards and are therefore cheaper—we are essentially handing farmers a knife to cut their own throats? It is simply not sustainable. Notwithstanding all her nice words about safeguards, do we not need to make sure that there are much stronger environmental regulations in these trade agreements so that we do not actually cut off the livelihoods of our own small farmers?

Anne-Marie Trevelyan: We have not only built in safeguards for that, but of course all the safety regulations in our own domestic requirements remain clear barriers to entry, so we are very clear that there will no dilution of or risk to any safety requirements on food.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): Is my right hon. Friend not surprised by the point made by the hon. Member for Brighton, Pavilion (Caroline Lucas), since New Zealand is led by a Labour-Green coalition that puts enormous weight on environmental sustainability? Therefore, the suggestion that this trade agreement would undermine those standards seems very odd.

Anne-Marie Trevelyan: My right hon. Friend raises an important point, which is that we have done trade deals with two partner countries that are very much of the same view as us on food safety standards, and we will continue to work with them. One of the beauties of these new trade deals is that they are very broad-ranging and much more ambitious, but are also cross-cutting in many areas. They are not static but have built into them the opportunity for dialogues in any number of areas. Where any business sector here or in those countries either has anxieties or wants to work together to grow those markets, we have factored such dialogues into the trade deals so that they will be able to do that.

To get on, if I may, over the long run our UK-Australia agreement is expected to increase annual trade by over £10 billion. This means a £2.3 billion boost to our economy and a £900 million increase in household wages. Beyond this, the agreement supports the economy of the future thanks to the first ever innovation chapter of any trade deal in the world. In addition, professional workers and those under 35 will enjoy new opportunities to live and work in Australia.

Turning now to our agreement with New Zealand, it will increase overall bilateral trade by 60%, providing an £800 million uplift to the UK economy on top of the £2.5 billion a year in bilateral trade we already do with our Kiwi friends. UK services and tech firms will gain deeper access to New Zealand's markets, sustaining jobs in this country while also growing the high-value businesses of the future. Our analysis shows that this deal will provide real economic rewards to the 6,000 UK small and medium-sized businesses that already export goods to New Zealand, while opening new opportunities for those that have not yet begun that journey. Northern Ireland, Wales and Scotland will enjoy an annual economic boost worth over £50 million.

This Bill relates to a key element of our Australia and New Zealand deals: their measures to widen access to procurement opportunities for firms in both our countries. To give the House a sense of the possibilities on offer for UK businesses, the Australia deal will mean our companies can bid for Australian Government contracts worth around £10 billion a year, including major infrastructure projects such as road upgrades and railway constructions. The Railway Industry Association trade body recently praised the deal's procurement aspects, saying that they will make it easier for our rail businesses to invest and operate in Australia. This Bill will ensure that our businesses can seize these opportunities as well as the free trade agreements' broader benefits by putting us on the path to ratification.

Turning to the detail, this Bill is narrowly focused on enabling the Government to implement their obligations under the agreements' procurement chapters. It will give the Government the specific powers they need to extend duties and remedies in domestic law to Australian and New Zealand suppliers for procurement covered by the free trade agreements and to amend our domestic procurement regulations so that they are in line with commitments in the Australia free trade agreement. The Bill will also give effect to potential changes over the free trade agreements' lifetimes. They include implementing agreed modifications and rectifications to coverage and updating the names of Government entities

I assure the House that my Department has engaged constructively with the devolved Administrations throughout the Australia and New Zealand trade deal agreement negotiations, and I thank them for working so collaboratively with the Department. I am pleased that the devolved Administrations have indicated that they are satisfied with the outcome of the negotiations on the procurement chapters in both agreements. As procurement is a partially devolved matter, this Bill seeks a concurrent power. I remind the House that such powers are included in the Trade Act 2021, to allow the UK Government to make secondary legislation on behalf of Northern Ireland, Wales and Scotland when it is practical to do so.

Jonathan Edwards: I am glad there has been some progress. My understanding is that the Welsh Government were calling for concurrent-plus powers; have those been conceded by the UK Government?

Anne-Marie Trevelyan: I can update the hon. Gentleman: those discussions are continuing and our officials are continuing to work out the best way forward, and I will make sure they give him an update in due course. I also

stress that we are committed to not normally using the concurrent power in this Bill without the devolved Administrations' consent, and never without consulting the Administrations first.

While technical and narrow in nature, the Bill's measures will help our businesses and citizens enjoy the enormous benefits offered by our Australia and New Zealand trade deals. Without this Bill we cannot bring these two landmark agreements into force. We want to unlock new trade for our businesses, support thousands of jobs throughout the country and provide a boost to our economy worth billions of pounds as soon as possible, so that we can strengthen both the bonds of commerce between our businesses and Governments and the bonds of friendship our countries share.

The Australia and New Zealand free trade agreements demonstrate in the most practical way what global Britain means to this Government and what we know the UK can achieve as an independent trading nation. This Bill is an essential step towards turning these FTAs' extraordinary promise into firm reality. I commend it to the House.

2.24 pm

Nick Thomas-Symonds (Torfaen) (Lab): It is a privilege to open this Second Reading debate on behalf of the Opposition—in what is evidently the biggest political event of the day.

I welcome the fact that we are finally here for a longer debate on trade, albeit after the ratification of the two deals we are discussing, and let me say at the outset that the Labour party is in favour of securing trade deals with countries around the world that deliver for communities up and down the country. We are in favour, too, of deepening our trade links with our friends in Australia and New Zealand, and I want to put on record my thanks to the high commissions of Australia and New Zealand for their openness to dialogue and to providing information throughout the process.

The trade deals are of course significant in themselves, but they are also crucial because they set precedents not only for what other countries can expect when negotiating with us but for the process of scrutiny provided by this House, and, frankly, that process has been wholly inadequate. Ministers have hidden away rather than answer to this House for what they have negotiated. Ten months after the Australia deal was signed and seven months after the New Zealand deal was signed, the Bill in front of us today is only a short Bill that gives the Government the power to implement the procurement chapters in the Australia and New Zealand deals along with the associated provisions about regulations and the devolved authorities. So today's debate is not about ratification, as the Government have avoided that.

In respect of the New Zealand trade deal, no Minister from the Department even came to the House to speak about it and open themselves up to questions; instead, they just issued a written statement, so no questions could be put. The cross-party International Trade Committee has rightly been scathing about the way the Government have handled scrutiny of the Australia trade deal and their premature triggering of the 21-day Constitutional Reform and Governance Act 2010 process without full Select Committee consideration being available to Members. When pressed on that, the Government then refused to extend the

[*Nick Thomas-Symonds*]

process. The current Secretary of State has by my count swerved eight—eight—invitations to attend the International Trade Committee.

The Government's failure to be open to parliamentary scrutiny and make parliamentary time available for debate is both a completely unacceptable way to treat this House and a clear breach of the Government's own promises.

Angus Brendan MacNeil: I am grateful to the right hon. Gentleman for mentioning the International Trade Committee, which I chair, and he highlights our frustration. Committee members have different political views, but they were united about the Government's disappointing attitude to scrutiny. If we get these things right, more people win, but if we are slipshod and slapdash, more people lose.

Nick Thomas-Symonds: I completely support what the Chair of the Select Committee says. It is a cross-party Committee, so this is not a partisan point. Whatever has been negotiated by Ministers, they should be willing to open themselves up to scrutiny from this House.

As I said, this is also a breach of the Government's own promise. Lord Grimstone wrote in May 2020:

"The Government does not envisage a new FTA proceeding to ratification without a debate first having taken place on it."

But that is precisely what has happened, and I think we are entitled to ask why.

Why are the Government so worried about being held to account on their own trade policy? Could it be because the 2019 Conservative manifesto promised that 80% of UK trade will be covered by free trade agreements by the end of this year when the reality is far short of that mark? Could it be because that same manifesto promised a comprehensive trade deal with the United States by the end of this year and it is nowhere in sight?

Or is it because Ministers have been letting down farmers? Members need not just take my word for that; the right hon. Member for Richmond (Yorks) (Rishi Sunak), the former Chancellor—and, as of yesterday at least, a Tory Leadership candidate—made exactly the same point over the summer. No wonder the now Prime Minister failed to attend a hustings with the National Farmers Union last month; as the former Chancellor put it, that

"raises questions about her willingness to listen to the needs of farmers and the wider food industry."

I agree entirely with the former Chancellor; I could not have put it better myself.

Anthony Mangnall (Totnes) (Con): I congratulate the right hon. Gentleman on his book, which was a page-turner. Will he not take comfort, as I do, from what was said by the Prime Minister a few days ago to the National Farmers Union about wanting to see an improved scrutiny process?

Nick Thomas-Symonds: I thank the hon. Member for his congratulations on my biography of Harold Wilson; that is greatly appreciated. On scrutiny, if only the Prime Minister had held the trade brief in the past and been able to do something about it then.

Is not the truth perhaps that the Government are running away from scrutiny because they are failing to support exporters properly? The Opposition have been arguing that the Government are not doing enough to support exporters, and over the summer that became clear. The former Minister for exports, the hon. Member for Finchley and Golders Green (Mike Freer)—he intervened on the Secretary of State but is no longer in his place—appears to agree. He argued that the trade access programme is underfunded and said of it:

"We support too few shows, we don't send enough business, our pavilions are often decent but overshadowed by bigger and better ones from our competitors."

Perhaps it is therefore no surprise that there has been failure in the Department for International Trade.

We then have what the Secretary of State said about her own Minister for Trade Policy, who I think is still the Minister for Trade Policy today. She said:

"There have been a number of times when she hasn't been available, which would have been useful, and other Ministers have picked up the pieces."

The former Chancellor says that Conservative trade policy is letting down farmers, the former Minister for Exports says that the Government are not supporting exporters as they should be, and the Secretary of State is criticising the performance of one of her own Ministers. This is not the good ship *Britannia* delivering trade for global Britain; it is more like "Pirates of the Caribbean", with a ghost ship manned by a zombie Government beset by infighting, mutiny and dishonesty. The calamity might have been mildly amusing were it not so serious a matter for our country's future, with people across our nation needing a trade policy that delivers for them.

In other negotiations and future negotiations, countries will look at what was conceded in these negotiations and take that as a starting point. We already have a UK-Japan trade deal that benefits Japanese exporters five times as much as UK exporters. On the Australia deal, the Government's impact assessment shows a £94 million hit to our farming, forestry and fishing sectors and a £225 million hit to our semi-processed food industry. On the New Zealand deal, the Government's impact assessment states that

"part of the gains results from a reallocation of resources away from agriculture, forestry, and fishing",

which will take a £48 million hit, "and semi-processed foods", a £97 million hit.

The Opposition will press four issues in Committee: farming and animal welfare; climate change; labour standards and workers' rights; and, as has been raised in interventions, the role of the devolved Administrations in the process of negotiation and ratification, and the protection of geographical indicators. Let me deal first with farming and animal welfare. Labour is proud of our farmers and the high standards that they uphold, and we are confident in British produce to be popular in new markets, but we also recognise the need for a level playing field for our farmers.

The Government claim that they are trying to mitigate the impact of the two deals with tariff-free access being phased in. In the New Zealand deal, there are tariff rate quotas and product-specific safeguards that last 15 years. Similarly, in the Australia deal, the phasing-in period on beef and sheepmeat is 15 years, but the quotas set by the Government for imports from Australia are far

higher than current imports. As I have previously pointed out in the House, on beef imports, when Japan negotiated a trade deal with Australia, it limited the tariff-free increase in the first year to 10% on the previous year. South Korea achieved something similar in negotiations and limited the increase to 7%. But the Government have negotiated a first year tariff-free allowance with a 6,000% increase on the amount of beef that the UK currently imports from Australia. On sheepmeat, they have conceded a 67% increase in the first year of the deal.

It is not as if other countries have not done significantly better—they have—so why did our trade Ministers not achieve the same as Japan's and South Korea's? Why have our Ministers failed to ensure that Australian agricultural corporations are not held to the same high standards as our farmers?

The Government have agreed to a non-regression clause on animal welfare. To be clear, that does not mean equality of standards across the two countries—it is not fair competition. What will actually happen is that meat produced to far lower animal welfare standards will get tariff-free access to the UK market.

John Spellar: Has it not been a long-standing problem—even within the EU—that different animal welfare standards have allowed our farmers to be undercut? On beef, might it not be farmers in the Irish Republic who face greater competition? After all, why would people want to send meat to the UK all the way from Australia rather than get it from just down the road? Should we not be looking at supporting our industry domestically, particularly through public sector procurement?

Nick Thomas-Symonds: My right hon. Friend is right to raise what we should do domestically. He also illustrates another point. There is a history of trade negotiations, including on different standards of animal welfare, that Ministers could have taken heed of, sought to learn lessons from and put into these negotiations.

The now Prime Minister said that the Government had no intention of striking any deals that did not benefit our farmers, but the reality is that the vast majority of trade deals, which she trumpeted in her leadership campaign, were roll-over deals replicating existing EU agreements—not so much an exercise in driving a hard bargain as a national exercise in cut-and-paste with accompanying photographs on Instagram.

Perhaps it is no surprise that the Prime Minister's own colleagues have been so critical of her approach to trade. The right hon. Member for Camborne and Redruth (George Eustice) as Secretary of State for Environment, Food and Rural Affairs said that he faced “challenges” in trying to get her to enshrine animal welfare in deals. No wonder the NFU said that it saw

“almost nothing in the deal that will prevent an increase in imports of food produced well below the production standards required of UK farmers”.

Jonathan Edwards: Is the right hon. Member aware of the article run by *Politico* in July indicating that the new Prime Minister was warned by her officials that the trade deals that she was negotiating with Australia and New Zealand would negatively impact on UK farmers?

Nick Thomas-Symonds: I am grateful for that intervention. Yes, it seems that the Prime Minister ploughed on regardless, despite the clear advice that she was given.

The concerns that we are discussing must be taken seriously. We need to hear so much more from the Government about how they will support our farmers—that includes smallholding farmers, as were mentioned in an intervention by the hon. Member for Louth and Horncastle (Victoria Atkins)—about the robustness of animal welfare protections and about how we can prevent our farmers from being sold short for doing the right thing and upholding high standards. Ministers also need to be clear about what support farmers can rely on in the next 15 years so that they can navigate the transitional period. Those matters will be pressed by the Opposition in Committee.

Given the Government's poor record in standing up for UK interests in negotiations, perhaps it is no surprise that Australia's former negotiator at the World Trade Organisation said:

“I don't think we have ever done as well as this”.

Is it any wonder that the National Farmers Union said, of the Australia agreement,

“there is little in this deal to benefit British farmers”?

As we consider the impact on our agricultural sector, why are the Government promising a monitoring report about two years after the agreement comes into effect and every two years thereafter? Why not every year? They could do that, particularly given the level of concern in our rural communities.

I turn to climate change. I realise that the Conservative party has a long-standing reliance on conservative allies from Australia, not least with the appointment of Tony Abbott to the trade board, but surely it has not signed up to some of the more extreme views that he and his colleagues hold on climate change, including that it is “probably doing good”. The current COP26 President, the right hon. Member for Reading West (Alok Sharma)—

Katherine Fletcher (South Ribble) (Con): Hear, hear.

Nick Thomas-Symonds: On 1 December 2021, in this House, the right hon. Gentleman said that the Australian deal would reaffirm

“both parties' commitments to upholding our obligations under the Paris agreement, including limiting global warming to 1.5°.”— [*Official Report*, 1 December 2021; Vol. 704, c. 903.]

Frankly, I would have cheered as the hon. Lady did if, a few weeks later, the deal had actually contained what the right hon. Gentleman said it would. However, the explicit commitment to limit global warming to 1.5° was not in the deal, despite what had been said. What went wrong in the final couple of weeks of the negotiation? Did Ministers simply give in for the sake of getting a completed deal? It is a lesson that tariff-free access to our UK market should not be given away easily. Looking at the concessions made by the Government in those final weeks, are people not right to worry that the Government are more interested in the press release announcing the completed deal than they are in standing up for UK jobs and livelihoods? It surely cannot be right that, as across the world we debate the devastating impact of climate change, we are not capturing that fully in deals like this. Not only is it dangerous to the

[Nick Thomas-Symonds]

planet, but it fails to recognise the huge business and export potential that climate change technology, innovation and services can create. It is not only environmentally unsound, but it also makes bad business sense. I implore Ministers to speak again with the new Administration in Australia to see what more can be done to take joint action on climate change, and to put it at the front and centre of the very well established and historic relationship between the two countries. I am sure that the recent change in Government in Australia will be beneficial in enabling that to happen.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): In addition to climate change and the other areas that my right hon. Friend raises, the British Medical Association and the royal colleges are still very concerned about the impact on our NHS of the new trade deals being negotiated, with profit rather than patients being the prime focus. Is he reassured by the passage of the Bill?

Nick Thomas-Symonds: My hon. Friend is absolutely clear that our NHS should never be on the table in any trade negotiation, but that is one of a number of significant issues that could have been properly raised and ventilated had there been a proper process of scrutiny.

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): Does my right hon. Friend share my concern that the Bill, not just the trade treaty, allows, through the negative procedure, Ministers to change procurement rules? We can say here that the NHS is not for sale and not on the table, and Ministers can say that, but this House does not have a cast-iron guarantee that we would have a vote before any change in procurement rules. An amendment to the Bill to allow that to be done through the positive procedure would be one commitment the Government could give to ensure Parliament gets a cast-iron guarantee.

Nick Thomas-Symonds: My hon. Friend is absolutely right. If the Government do not give that commitment, we will bring forward an amendment in Committee to seek that commitment.

John Spellar: Can we slay this particular red herring, which was also mentioned in relation to the US trade deal? It is not about privatising the NHS. All the Americans said, and in this they were right, was, “We are not saying what you should do with the health service; we are saying that if you decide to privatise it”—which we should not do—“then we want to be treated as equal partners.” That has nothing to do with trade; it is to do with the Government’s health policy. We should not mix up the two, following a political campaign on it.

Nick Thomas-Symonds: It is not the threat of the American Government to our NHS that worries me; it is the threat of the Tory Government to the NHS. My right hon. Friend is absolutely right to make that distinction.

Matt Rodda (Reading East) (Lab): Will my right hon. Friend give way?

Nick Thomas-Symonds: I will give way once more and then I will have to make some progress.

Matt Rodda: I very much appreciate my right hon. Friend giving way; he has been very generous with his time. He mentions the threat of the Government to British agriculture—he is absolutely right on that—and the threat to the environment in some of the measures. Does he agree that there could also be risks for many small exporting businesses who face a series of hurdles to get over because of the Government’s trade policy?

Nick Thomas-Symonds: My hon. Friend is absolutely right to raise the position of small businesses. Support for small businesses, particularly exporters, is something on which the Government really have to do far better.

Katherine Fletcher: Will the right hon. Gentleman give way?

Nick Thomas-Symonds: I will take one more intervention and then I will have to make some progress.

Katherine Fletcher: I am very grateful. I speak because I am genuinely passionate. I do not know how many Members have actually exported to Australia as a small businessperson, but I have. The trade agreement makes it easier and better. Does the right hon. Gentleman agree?

Nick Thomas-Symonds: I sincerely hope it does; absolutely. I am glad I took the intervention, because of the hon. Lady’s experience of exporting. I am sure she agrees with me that businesses have different amounts of resources to spend on supporting their exports and getting information about markets around the world, and that the Government should stand by all those exporters and make that process as easy as possible. The trade deal is, of course, a step forward, but we also must support our businesses in taking advantage of the opportunities she is speaking about.

Returning to climate change, we really must use future trade deals to drive forward this agenda and recognise the mutual benefit of tackling the biggest challenge of our generation.

On the third issue, labour standards and workers’ rights, Ministers need to go further, especially given some of the rhetoric briefed to the newspapers about bonfires of workers’ rights, and ensure that the Bill will not undermine workers’ rights, particularly in relation to Australia. The TUC said, in relation to the Australia deal, that the agreement

“does not contain commitments to ILO core conventions and an obligation for both parties to ratify and respect those agreements”, and that it provides

“a much weaker commitment to just the ILO declaration”.

That is a profound error. We should not be setting off on the road of establishing new trade agreements across the globe that sell short our workers here, or indeed elsewhere. A race to the bottom benefits no one. Put simply, it is self-defeating to think that Britain would prosper via deals in which labour standards are a trade-off. We should be promoting the highest standards here and around the world, in the interests of our workers here and as a force for good around the world. It is what a

Labour Government would do, working with all trading partners, including Australia and New Zealand, to drive up protection for workers and to have a trade policy that truly delivers for working people.

On the devolved Administrations, an issue raised on a number of occasions, the Government have spoken about trade benefiting all parts of the United Kingdom. Central to that, however, is taking into account the strengths of different nations and regions, and listening to their democratically elected representatives. That needs to be done in overall trade policy, in the negotiating mandate and negotiation process, and in ratification. That could be—I say this to the Secretary of State—formalised in a concordat or agreement on how the Government interact with the devolved Administrations. I urge the Secretary of State to look at that. We are also calling for the UK Government to undertake nation-specific impact assessments on trade deals. That would ensure a clear understanding of the implications and opportunities for the whole country, and also ensure that the deals can best align with the economic strategies of the devolved Administrations.

There is also—if I may just mention it for a moment—an issue around geographical indicators. As the International Trade Committee put it, the

“Government has failed to secure any substantive concessions on the protection of UK Geographical Indications in Australia.”

We should be backing our fantastic national producers, from Stilton cheese to Anglesey sea salt and Scotch whisky, and not failing to achieve concessions in this way.

Angus Brendan MacNeil: Stornoway black pudding.

Nick Thomas-Symonds: Indeed.

I will not hold the Government to impossible standards and of course there are aspects of the deals that I welcome. In particular, the provisions to advance women's economic empowerment across the New Zealand agreement are to be welcomed. Chapter 25 enables collaborative work between the UK and New Zealand to support women business owners, entrepreneurs and workers to access opportunities for international trade, complementing other areas, such as small and medium-sized enterprises—mentioned in an intervention—services, procurement, labour, development and digital trade. I was pleased to meet the Prime Minister of New Zealand on her recent visit, and I know that the New Zealand Government share ambitious climate goals and the need to uphold workers' rights. However, after looking at the two deals and the differences between them, I observe that they seem to be more a consequence of the political persuasion of the Governments with whom Ministers here were negotiating, rather than a deliberate strategy on the part of Ministers.

On procurement, the Government will need to show how businesses here can bid in Australia and New Zealand. In particular, support needs to be given to facilitate the participation of small and medium-sized enterprises in the procurement process and to promote the use of paperless procurement. Suppliers must have easy access to information about procurement opportunities. Words and promises on that are not enough; it has to be made a reality.

Lloyd Russell-Moyle: Is my right hon. Friend concerned about the fact that we should allow British authorities to put conditions on procurement that pertain to labour rights, trade union rights, local recognition and the employment of workforces at a rate that is higher than the national minimum wage? It is important that the Government do not provide foreign companies with easier access to bid for British contracts than that which British companies would have.

Nick Thomas-Symonds: My hon. Friend makes two very good points: first, we should ensure that our British firms have the support that they need to compete in the procurement process; and secondly, this should not be some sort of cloak beneath which there is a race to the bottom on workers' rights. Both those things are important.

The concerns that have been raised about these two deals and the process of scrutiny amount to a problem with the Government's approach to trade policy. There is no core trade policy and no clear strategy or direction. That criticism has been echoed by the International Trade Committee.

There has been a lot of talk from the Conservative party, but the delivery on trade agreements has been noticeable by its absence. There is no US trade deal in sight, and we await the India deal—as promised by the now previous Prime Minister—and the meeting of the target of 80% of UK trade being covered by FTAs.

Anthony Mangnall: Does the right hon. Member recognise that we have started negotiations on the CPTPP and with the Gulf Co-operation Council, and that we have started negotiations and to look into the Canada agreement? It is not technically that fair to say that we are not ploughing ahead with signing as many trade deals as we can.

Nick Thomas-Symonds: I am holding the Conservative Members to the standard that they promised in their manifesto. It is not the standard that I have set, but the standard that they set when they went to the electorate in 2019.

Is not the problem that, for too long, Britain has been led by a directionless and, frankly, distracted Conservative party? Conservative Members spent months propping up a discredited Prime Minister. They decided to leave him in office over the summer while they fought among themselves, leaving people up and down the country facing economic devastation.

A dynamic trade policy that aligns with a clear industrial strategy is vital to boosting our appalling levels of growth and averting recession, yet we find that the Australia deal does not even mention the specific target on climate change, despite that being one of the great challenges of our generation.

As an Opposition, we will of course not vote down this short Bill. However, if we were to attempt to change the deals that have already been agreed, or if anyone went back on their word on them, that would further sully our international reputation, which, frankly, has already been badly damaged by the conduct of the Conservative party. However, we will push a number of amendments in Committee to support our farmers and to ensure that exporters have the support they need. The Government must urgently learn lessons from where things have gone wrong in these negotiations.

Lloyd Russell-Moyle: An additional amendment that might be useful would be to change the requirement for secondary legislation so that we enable the Secretary of State to introduce it only when they “must” comply according to the trade deal and not at their whim, whereby they “can”. That change from “can” to “must” will be vital to ensure that there is not an open door for Executive action.

Nick Thomas-Symonds: My hon. Friend makes another very good point about the inadequacies of the scrutiny process.

Access to British markets is a huge prize for many other global economies. The Government have to stop selling us short and put in place a proper, core trade strategy that will allow our world-leading businesses to thrive and, for once, truly deliver for communities across the country.

2.55 pm

Mark Garnier (Wyre Forest) (Con): I thank the shadow Secretary of State for International Trade, the right hon. Member for Torfaen (Nick Thomas-Symonds), for his speech. Broadly speaking, I agree with a great deal of what he said—although not everything—and I think that his speech will probably set the tone for this debate, which is less about the content of the trade deal and more about the process of scrutiny of it. As a member of the International Trade Committee, I have been heavily involved in the process. It is no easy job to consider several tens of thousands, if not hundreds of thousands, of pages of detailed documentation. The abridged version comes to eight volumes, so it is quite a challenge.

As a basic principle, I very much welcome the fact that we have signed these two trade deals. It is absolutely fantastic that, having got Brexit done, we are now delivering what Brexit has to offer. However, there will be an interesting argument, perhaps in relation to some of our constituents, that having taken back sovereignty from the European Union, we cede a bit of sovereignty every time we sign a trade deal with other countries around the world. That illustrates the point that we have taken back control from the EU, but we will give a bit of control to the CPTPP or the GCC. That is an interesting debate, but it is not what we will talk about today.

The trade deals are good. As we heard from the Secretary of State, on the Australian side, there will be an increase of £2.3 billion in economic activity, with increased income of £900 million to people working who benefit from it. As for New Zealand, there will be an increase in economic activity of £800 million, with increased income of £200 million for people working in the relevant sectors.

These two trade deals are incredibly important, because they are the first trade deals that we have signed ab initio since leaving the EU. All the trade deals that we have done until now have been roll-over trade deals, aside from the Japanese trade deal, which was a quasi-roll-over deal. When we were leaving the EU, it was incredibly important in the Department for International Trade—having been a Minister in that Department, I was very aware of what was going on—that we did not interrupt trade with all those countries around the world. That is why the shadow Secretary of State is

right to say that they were cut-and-paste deals, because their objective was to not interrupt trade. I suspect that we will come back to some of the trade deals and renegotiate them, so that we get better outcomes for UK businesses.

Anthony Mangnall: I think that my hon. Friend and I met when the South Korean Trade Minister came to speak to members of the International Trade Committee. He said that the benefit of the roll-over trade agreement that the UK has with South Korea was that we could look to improve it. Indeed, South Korea had sent a letter to the Department for International Trade in August last year and it received a response shortly afterwards in September, and discussions were already under way in the Department, whereas the letter that it sent to the EU warranted no response. The roll-over deals already provide the opportunity to improve on them and, in the case of South Korea, that is happening. Does my hon. Friend think that that is what the Opposition should look at when it comes to trade agreements and roll-overs having real value?

Mark Garnier: Yes, I agree. It is incredibly important that we have a basis on which we can improve and that is absolutely the case. We would not be able to improve on these deals if we did not have them in the first place.

The Japan deal was a relatively easy one to scrutinise, because it was basically about looking at whether we had secured better terms than the European Union, based on the fact that we all started at the same time with that deal. It was a cut-and-paste deal with added lines, but the important point is that it was a modification of a roll-over deal.

These two deals are massively important, because there are two fundamental things that we need to consider. First, what are the UK Government’s negotiating objectives? We have never really understood what they are. A number of documents have laid out bits and pieces here and there, but there has never been a cohesive document to tell us what we are negotiating against or how we are doing relative to the outcome that we want.

The second important point is that this is the very first time that we are looking at the process of ratifying a trade deal, and it falls short of what we really need. I welcome this debate, which is an incredibly important one, but it is not the debate that we should be having. This is a debate about enabling certain legislation to ensure that the trade deal goes ahead. The Opposition have already said that they will support the Bill, but in the unlikely event that the Bill did not pass, that would leave us in breach of our international obligations under the trade deal. The trade deal has happened, so we would now be in trouble if we did not pass the Bill. It is incredibly important that we understand that this is an enabling Bill; it is not about how we scrutinise the deal itself.

Lloyd Russell-Moyle: The hon. Gentleman highlights the point that we have passed CRaG before passing the enabling legislation, which is quite an unusual thing to do; normally in this country we pass enabling legislation and then ratify treaties. Does he think that perhaps the Government should have done things in a different order to ensure that the right scrutiny would happen and that there would be no risk, not even a minuscule one, of our breaching international agreements?

Mark Garnier: My International Trade Committee colleague gives me a fantastic prompt for the next part of my speech, which is about that part of the CRaG process. The CRaG process allows 21 days in which Parliament can hold up the process of ratification of the trade deal. In the lead-up to the recess, the International Trade Committee was desperate to get more scrutiny. We went out and spoke to huge numbers of interested parties such as the NFU, we read countless pages of written submissions, we heard from experts and all sorts of people, and we went through the whole thing, but it was not until the final days before the recess that we heard from any Ministers.

The Secretary of State, to her absolute credit, came and spent some five or six hours giving evidence to the International Trade Committee, but it was too late for the Committee to publish a full report or get a debate in Parliament. My hon. Friend the Member for Totnes (Anthony Mangnall) went to huge efforts to secure a debate on the two trade deals in order to hold back, if necessary, the ratification by 21 days under the CRaG process. We even applied to Mr Speaker for a debate under Standing Order No. 24, but unfortunately that debate was not allowed.

That means that the CRaG process is completely meaningless. If we cannot get a debate in Parliament, there is no way under the CRaG process to hold up—admittedly only by 21 days—the ratification of the deal. We cannot extend the process of scrutiny to get better scrutiny of the deals. That is a real problem, not just for these trade deals, but for Parliament and for its ability to scrutinise the Government properly under the CRaG process.

This is an incredibly important debate, because Parliament is an institution that learns by its mistakes, and we have made a lot of mistakes in the process of scrutinising these trade deals. We cannot afford to continue making mistakes. I am very disappointed by what has happened.

Angus Brendan MacNeil: I pay tribute to the hon. Gentleman: if people are not paying attention in their offices or wherever, what he says is a very gentle reminder to the Government and to Government Members that things could have been done better. He and I see scrutiny from very different political angles, but the point, which he makes eloquently and well, is that the scrutiny could have been far better than it is. I share his frustration, as do the hon. Members for Totnes (Anthony Mangnall) and for Brighton, Kemptown (Lloyd Russell-Moyle)—we are all utterly frustrated. I praise him as a parliamentarian: he is in perfect flow and is doing an excellent job. This is a very important point, and I hope that Parliament will listen, because it comes from all sides and it probably comes best from him.

Mark Garnier: I thank the Chairman of the Select Committee for his kind words. In the spirit of collaboration, I think there is an opportunity for us all to work together. The Department for International Trade has reached out to us, and we have a visit to the parliamentary team coming up in the next couple of weeks.

There is a problem somewhere, but we are not too sure what it is. I was a Minister in the Department, and I found that the civil servants we worked with were second to none. As one of the Prime Minister's international trade envoys—I believe I am on my fourth Prime Minister

as a trade envoy—I continue to work with civil servants in the Department. It is important that we get this right. My experience with the Secretary of State is that she has been incredibly generous with her time and has been very engaging. I believe in her sincerity in trying to move things forward, but something fundamental has gone wrong with the interaction between the International Trade Committee and the Department. I do not know what it is, but we need to find out.

Something has also gone wrong with the process of scrutiny of international trade deals and with the CRaG process, so I urge the House to think hard about how to ensure that they run smoothly. At the end of the day, we have left the European Union and we ain't going back. These are exactly the opportunities that are presented to this country. We must get this right. We must take advantage of global Britain.

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

3.6 pm

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): This is a time when people and businesses across the nations of the UK are facing an absolute crisis. When it comes to our responsibilities for trade, it has never been a more important time to look at the detail and impact of the decisions made on their behalf about things like trade.

We should have the ability to look at the details. We should have the ability to scrutinise these things, see what the impact is, find out the granular effect and find out what is going to happen in Scotland, Wales, Northern Ireland and the regions of England. We should have details on all those things in front of us to make the correct decisions, but of course we do not. What we have today is this debate to approve the technical details to allow this trade Bill to pass. That is simply not acceptable: it is not what was promised, and it is not what people and businesses facing crisis deserve or want.

It is not too late for an epiphany. It is not too late for the Secretary of State to go away and say, "You know all those things that were said by all the various parties? We will take them on board today and get something done." I am not holding out much hope, but it is not too late. Perhaps there will be a bit of listening.

Let us look at what the Government are publicising as the benefits for the people and businesses who are going through these pressures just now. They say that we will be able to get machine parts—I am sure that that will be good for some people—and Tim Tams, surfboards and boots. I am sorry, but none of my constituents is writing to me about the lack of availability of those kinds of items at the moment. There is a positive for Scotland—the export of Scotch whisky to Australia will be a benefit—but let us not forget that that market is three times smaller than the market for Scotch whisky in France, for example. All in all, there is a UK GDP opportunity of 0.02% with Australia, and not even that with New Zealand.

Angus Brendan MacNeil: As my hon. Friend mentions whisky, it would be remiss of me not to take the opportunity to stand up. It should be noted that one of the things we highlighted was that Australia has to get its definition of whisky together. That is a real problem.

Drew Hendry: Indeed, and I want to return to that point later. My hon. Friend makes a very good point about details and description.

The Government are trying to sign away the downsides of the deal—they are basically saying that there are no downsides—but when we listen to people who are actually affected, it is not the downsides that they are worried about; it is the cliff edge. First among them are the farmers in Scotland and across the other nations of the UK. This deal betrays Scottish and UK farmers—that is not my rhetoric, but a quotation from National Farmers Union president Minette Batters, who also talked about the detail causing “irreversible damage”. She was joined by Phil Stocker, the chief executive of the National Sheep Association, who said that the deal had “betrayed the farming industry”. Martin Kennedy, the president of the National Farmers Union of Scotland, has said

“Our fears that the process adopted by the UK government in agreeing the Australia deal would set a dangerous precedent going forward have just been realised.”

Those farmers face a flood of lower-quality, mass-produced, cheaper cuts of meat into UK markets.

David Mundell: Is the hon. Member aware that the biggest concern expressed by upland farmers in Scotland about the future of the sheep industry relates not to these trade deals, but to the SNP Scottish Government’s plans to allow tree planting over vast areas of agricultural land that is currently cultivated for livestock?

Drew Hendry: The right hon. Member is skating over the fact that the Tory Government have neglected their tree-planting duties in terms of their actions on climate change. [*Interruption.*] Perhaps—if he will stop chuntering from a sedentary position—he should also have a conversation with Irish farmers to see what their position is on this matter.

As we have already heard, but I will now repeat it, the Government’s own trade impact analysis shows that the Australia deal will mean a £94 million hit per year to farming, forestry and fishing, and the New Zealand deal will mean a hit of £145 million to agriculture and food-related sectors. The New Zealand media have been reporting that New Zealand farmers are jubilant about the deal. They are nonplussed; they cannot understand it; they are baffled by this, because, as they have pointed out, the benefits to the UK are negligible.

The UK Government are kicking Scottish farmers while they are down. Farmers are gasping for air, and they already face spiralling uncapped energy costs, crops rotting in fields owing to a lack of pickers, rising diesel costs, the loss of EU farming subsidies, and rocketing fertiliser costs. I can assure the right hon. Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell) that the sector in Scotland will not forgive this. Food and drink manufacture is twice as important to the Scottish economy as it is to the UK economy. As we have heard, even the recent Tory Chancellor, who lost the race to the new Prime Minister by the slimmest of margins, has said that the deal is bad for farmers.

The news for consumers is, of course, not much better. Because we do not know what the split is across the nations and regions of the UK, we cannot say what the impact on people will be, but the best that the UK

Government can come up with as a justification for the deal is a prediction that UK households will save £1.20, on average.

John Spellar: Will the hon. Gentleman give way?

Drew Hendry: I will in a minute.

Perhaps households can get together to buy a single cup of coffee at Starbucks if they pool their resources—

Angus Brendan MacNeil: Or a unit of electricity.

Drew Hendry: Or a unit of electricity, as my hon. Friend has chimed in to suggest.

John Spellar: Will the hon. Gentleman give way?

Drew Hendry: I have said to the right hon. Gentleman that I will give way, but not at this particular moment. If he does not mind, I will continue with the point that I was going to make.

I have just talked about the risible benefits, in this crisis, to UK households. Perhaps the Government are counting on the fact that farmers, and others who are losing out, can drown their sorrows with 20p off a bottle of Jacob’s Creek. Now I will allow the right hon. Gentleman to intervene.

John Spellar: I thank the hon. Gentleman. Can he make it clear to us whether he thinks we should have free trade agreements on agricultural products with any countries? If he thinks we should have them, why should we not have them with our great ally Australia? If he thinks we should not have such agreements with Australia or New Zealand, which countries does he think we should have them with?

Drew Hendry: I think we should have free trade deals with countries—of course we should—but we should take into consideration whether we will win or lose from them. Those deals should be scrutinised by the parliamentarians who are elected to scrutinise them on behalf of their constituents.

Angus Brendan MacNeil: Perhaps the right hon. Member for Warley (John Spellar) misunderstands the idea of free trade. None of it is free; it is just that there are various degrees of restriction. How restricted or unrestricted we make that trade is the issue at hand. No one is opening trade *carte blanche*—certainly not the Australians. They may come before Select Committees and tell us that they are very open, but they are not, as we see from the various areas in which they are restrictive. Australia may say that it believes in free trade, but it does not practise free trade as we understood it in the free market and the single market of the European Union. That is not happening anywhere.

Drew Hendry: Indeed; my hon. Friend has made his point very well. However, this is also about the pluses and minuses of what is signed, and what the Government are prepared to sign away just for the purpose of getting the deal done. For example, it was noticeable during the leadership contest that the newly elected—by our Tory Members—Prime Minister again refused to agree to enshrine animal welfare and environmental standards in trade deals, so intent was she on signing away Scottish farmers’ livelihoods, as this is the key factor in imports undermining domestic products on price. As it stands,

the UK has placed no—none, nada, nil, zilch—environmental conditions on agricultural products that it will accept into the UK. Of course, it is not too late to set robust core standards for all food to be sold in the UK, and I will wait to see if there is a response on that.

Carla Lockhart (Upper Bann) (DUP): The hon. Gentleman will share my fear that this trade deal will allow the import of food products produced in ways that would be illegal here—for instance, on land deforested for cattle production, or through systems that rely on the transport of live animals—and that such an outcome will disadvantage UK producers, penalising them for abiding by better standards.

Drew Hendry: Indeed, and of course we should have the promised opportunity to go into the detail of this. As FarmingUK has pointed out,

“The Australian-UK trade deal has gone through its scrutiny phase without MPs having a chance to have their say on behalf of constituents.”

Unless this Government take action, we will see the opportunity for imports, as a result of these deals, of meat from animals raised on land that has seen 1.6 million hectares of deforestation, and from animals raised in sow stalls, intensive feed lots and battery cages and treated with steroids or antibiotics. As for pesticides, even the UK Government’s own advisers have conceded that pesticide overuse is a valid concern. Less than half the 144 highly hazardous pesticides that are authorised for use in Australia are allowed here. Many of those in Australia are of the bee-killing variety. Food standards are devolved to the Scottish Parliament, but, of course, the Scottish Parliament has no powers to stop imported products on the basis of how they are produced. I will say more about the Scottish Parliament in a while.

During the summer, the record hot temperatures caused by climate change should have caused the Government to think about the detail of trade business and how to incorporate protections and enhancements to ensure that we took measures to tackle that, but no. As we have heard, despite Australia’s huge reliance on coal and its less than impressive record on climate change, there is no reference to coal in the final text. Perhaps that is no surprise, given that Tony Abbott was involved in the process. This could and should have been pushed. The UK Government must go back and demand that specific parts of the Paris agreement references are reinstated in the pages that the UK removed just to rush this deal over the line.

Anthony Mangnall: The hon. Gentleman is making an interesting point about climate issues and accords. The problem that I have with the suggestion he is making is that if we asked every country to put those terms into every trade deal, we would not end up with the eight volumes and 2,000 pages that we had to go through in the International Trade Committee. Australia and New Zealand have signed up to the Paris climate accords. They have come to agreements in COP26. They have looked at this stuff, and they stand by those treaties, those agreements and those statements. There is not really a requirement to put them into the trade deals, because those countries are already committed to them on an international stage.

Drew Hendry: I am disappointed that the hon. Gentleman chose that for his intervention, because I have a great deal of time for him; he is a good speaker and very knowledgeable on this subject.

If we have seen one thing from this summer, it is that it should have been a wake-up call—an alarm bell to say that this is important enough to put into the detail of the agreement. The Scottish Government advised the UK Government to prioritise the Paris agreement in any deal with Australia, but as with all the Scottish Government’s other attempts to persuade the UK Government to add protections for Scottish consumers and businesses, including on the issue of climate, they were treated more as a nuisance than as a partner in this process.

There was no specific consultation on the content of the Bill, but—surprise, surprise—it includes provisions that constrain the exercise of powers afforded to Scottish Ministers and devolved competencies covering procurement. The Scottish Parliament’s legislative consent memorandum document states that

“there is fundamentally no reason why the UK Ministers need to hold this power in relation to devolved Scottish procurement.”

This Bill gives secondary legislation empowerment to Ministers in this place to undermine devolution without being required to seek further consent.

As if that were not bad enough, this Bill coincides with a deal that has just been signed by the EU and New Zealand. I note that this was not referenced by the shadow Secretary of State, the right hon. Member for Torfaen (Nick Thomas-Symonds), in his excellent speech. That deal has better terms and stronger farming conditions and safeguards than the UK managed to negotiate. In the first year, the UK will allow 12,000 tonnes of New Zealand beef into the UK, while the EU will restrict it to 3,333 tonnes across all 27 countries. By year 15, the UK will allow 60,000 tonnes into the UK, while the EU figure will be capped at 10,000 tonnes, again across all 27 countries.

Angus Brendan MacNeil: The data that my hon. Friend has just read out helps to make a point. Although those two deals are both described as free trade agreements, anybody can see from those bits of data that the deals are very different. When people talk about free trade, they must remember that the devil is absolutely in the detail and that the headline usually bears no relation at all to what is going on or to the different levels of restriction.

Drew Hendry: Indeed, and with the safeguards and other measures in the EU deal, there is a similar position for sheepmeat, for example. There are also protections for butter and cheese. I am sure that that was the new Prime Minister’s favourite subject a while ago, but maybe she has moved on from dairy products to something else. As has been said, there are no agrifood geographic indicator protections in the UK deal—for example, for Scotch beef or Scottish salmon—but the EU has its own protections enshrined.

Let us recap the prospectus for Scotland. This is the UK Government checklist for Scotland: a betrayal of our farmers and crofters; job losses and reduced income in food production, forestry and fishing; no protections on environmental or animal rights; no inclusion of the Paris agreement requirements on climate change; and a

[*Drew Hendry*]

further power grab on the Scottish Parliament. And, to top it all, a much worse deal than the EU. This UK Government continue, every day they are in power, to make a stronger case for Scottish independence than even we can.

3.23 pm

Sir Paul Beresford (Mole Valley) (Con): I am not a member of the Trade Committee. I have listened to the technicalities with considerable interest, but having looked at the volumes that have been referred to, I shut them down and turned away. My interest in this, which I must declare, is—as my accent gives away—the fact that I am of dual nationality. I have a New Zealand passport and a United Kingdom passport. When I am in New Zealand, they all think I am a pom, and when I am over here most people think I am an Australian, which is an insult if ever there was one. My interest in this is not quite emotional, but it goes back to where I came from and where we are going, which I hope will be a vast improvement.

This new trade deal puts all three nations more or less back to where we were before the United Kingdom entered the common market. When we entered the common market, the people of the antipodes—Australia and New Zealand, for those who do not know the word—lost many of the trading advantages that they had at the time. To put it mildly, they were very upset. Many Australian and New Zealand professionals, especially in the medical and paramedical services, were effectively discouraged from emigrating to this country. It was very sad, because the net effect was that some of the brightest professional people from those countries—I can add lawyers and accountants to that list—left not for this country but for the United States. When I was chairman of my old university alumni, I ran a big dinner in the House of Commons to which we invited anybody and everybody from the university. Thirty high-class New Zealand professors came over from the United States. They would have come here, except for the restrictions. So this is going to be a really interesting side effect.

When I go back to Australia or New Zealand—I have not been back to Australia for quite some time, but I have been to New Zealand—I am shocked to see the streets and shops full of Asian vehicles and goods. The British cars that filled the streets in my youth are not there, because of the tariffs that were put on them. We have to change that. I look forward to their return, and not just on the streets, because I come from a farming background. When I go to the farms there, there are no Land Rovers; they have Mitsubishis and other vehicles like that.

Angus Brendan MacNeil: Will the hon. Gentleman give way?

Sir Paul Beresford: Ah, the hon. Gentleman is going to sell me a car!

Angus Brendan MacNeil: Tempted though I might be to sell the hon. Gentleman my late father's 1954 Morris Minor, which is still in my shed in Barra in the Hebrides, I just want to say that I think this is a worldwide phenomenon. I remember Land Rovers being about in

my youth, but the vehicles my neighbours are driving now are generally Japanese, Korean and far eastern 4x4s, so I would tell the hon. Gentleman not to be too despairing: this might just be a global vehicle choice.

Sir Paul Beresford: I am sorry that the hon. Gentleman mentioned a Morris Minor, because as a student I was taken backwards and forwards between university and home in a Morris Minor and it was the most hideous vehicle I had ever been in.

Angus Brendan MacNeil: No sale, then?

Sir Paul Beresford: I know exactly why the car is sitting in his shed. It is because no one will take it out.

The opportunity is there. The last time I was in New Zealand, I was talking to people about British cars and I mentioned the word “Jag”. They all said, “I would love a Jag, but they are too expensive.” That is what this trade deal is going to turn around. Most New Zealanders and Australians would like to buy British. It still has that mark, and I am not just talking about cars. I have not seen an Aga stove in a New Zealand home for ages, but they would go right into the farming community given half a chance. The removal of tariffs and the consequential price drop will encourage the sale of our vehicles, and much more than that.

My right hon. Friend the Secretary of State mentioned small firms. I have a small firm in my constituency that I visited recently. It has only been going for three or four years. It is run by two or three people, and it produces gin. It is called Silent Pool, and it is becoming a niche and famous gin. When they started, they filled the bottles by hand. Now they have increased production such that it is all done by machinery. They have a huge warehouse on the edge of the property, packed with hundreds—if not thousands—of tonnes of gin, on pallets, wrapped ready to be exported to Australia. They are an example of what this trade deal can do for small firms in this country, because the British people have regained their ability to be entrepreneurs, and to work and to push forwards.

I am interested in the comments made from the Scottish Front Bench. Going back a couple of generations, the peoples that emigrated to Australia and New Zealand were Scots and English, almost entirely. The hon. Member for Inverness, Nairn, Badenoch and Strathspey (*Drew Hendry*) might recall that there is a place called Dunedin, the fourth city in New Zealand. I understand—although I will probably be corrected instantly—that the name means “new Edinburgh”. People there would be scathing at his comments about the absence of such a link. Even if they are second or third-generation, it is a truly Scottish town, and in the middle of the Octagon in the centre of the town they have a statue of Rabbie Burns. With good Scots thinking, he is placed there with his back to the church, and faces the pub. How Scottish can you get?

I am a member of the UK National Farmers Union, and this is where I have had some wobbles. In a Westminster Hall debate on free trade with Australia and New Zealand, I mentioned—as has been mentioned here time and again, and indeed my right hon. Friend the Secretary of State for International Trade covered it—that free trade cuts both ways. We have, in the main, an excellent UK agricultural industry, although it is hampered

somewhat; but we must recognise, as has been recognised by speakers today and will be again, that Australia and New Zealand are formidable agricultural giants.

I have many farms in my constituency. The biggest dairy farm has about 350 cows and my biggest sheep farmer has perhaps 1,000 sheep after lambing. Two dairy farms that I know of in the north of the south island of New Zealand are milking 1,500 and 2,500 cows twice daily. In the farm that I left in the high country of Central Otago—which is a bit like the hill country of Scotland, with hill farming—after lambing we had 50,000 sheep. The difference is staggering. The idea that has been put forward by my right hon. Friend the Secretary of State for International Trade of staggering and layering the approach must be the right one.

The difference for farmers in New Zealand is that they are free to farm. I was really disappointed and cross with the comments on the standard of farming and of animal welfare in New Zealand. It could not be higher; it is equivalent to here, but they do not work under all the restrictions, regulations and so on that our farmers here and in Scotland do—many of which come from the EU, and could be removed now that we have come out of Europe. So the chance must be taken now, as we move forward, as these layers change, for the Government to work with the NFU and our farmers—they are not always the same—to ease the strain and make sure that our farmers can farm better and freer.

The UK needs its farmers and food producers. The potential competition from Australia and New Zealand is an imperative that we must look out for, as my right hon. Friend the Secretary of State said, but we must use the time we have, because we must keep those farmers.

I am delighted with the trade agreement—obviously, for reasons of my background—and hence with the Bill. I will not read all seven volumes of the agreements—I leave that to the Committee—but for me, it means a return towards normality in our relationship with our nearest kith-and-kin nations and kith-and-kin people. It is a natural thing for us to do, and it is natural that we will get an understanding without the damage that has been predicted, I think incorrectly, by some on the Opposition Benches.

3.33 pm

Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): It is a great pleasure to follow the hon. Member for Mole Valley (Sir Paul Beresford). Despite my attempts to be a second-hand car salesman and flog a 1954 Morris Minor, the real reason I am here is not to turn the Chamber into a car showroom but to speak as Chair of the International Trade Committee. Before I say too much more on that, though, I can confirm, following the Antipodean mentions of Dunedin, a city of 117,000 souls, that it is indeed the Gaelic for Edinburgh; I am glad that the hon. Gentleman mentioned that. To reciprocate on his awareness of Scotland, let me say that Mole Valley is important to many crofters, because online shopping for many medicines is done at Mole Valley Farmers—that is a wee punt in his direction as well.

While I am throwing compliments about, let me praise the shadow spokesman, the right hon. Member for Torfaen (Nick Thomas-Symonds), for reading our report on the Australian trade agreement. It is a gripping

read, and I have good news for him: a next instalment is coming out on New Zealand fairly soon. I am sure that he is looking forward to that and that all of us on the Committee will gladly sign a copy for him just to make that an extra special experience for him. I can see nods. *[Interruption.]* Some are looking for a paperback version; there is a cheapskate from Northern Ireland at the back there. But it is good that that has been read. While I am in salesman mode, let me say to those who are into trade agreements and looking for good-quality information tomorrow that we have our meeting on the comprehensive and progressive agreement for trans-Pacific partnership at 10 o'clock. The exact Committee Room escapes me—

Mark Garnier: Committee Room 16.

Angus Brendan MacNeil: I thank my colleague very much for that.

I was reminded of something by what the hon. Member for Mole Valley said about the size of farming in New Zealand and the Scots exiles. I met a man named Andrew Morrison, who is from his part of the world, but originally from mine—his ancestors came from my constituency—and we talked about sheep, because he had sheep. I told him that I had 32 to 33 breeding ewes, depending on the year. He looked at me and said that he had 26, and there was a big pause. My chest was going out during the pause but, unfortunately, he went on to say, “Thousand”. So the hon. Gentleman is indeed right to say that the scale of agricultural production is massively different there.

We are here today to talk about these trade agreements and the legislation that is going forward. Trade agreements, on the whole, are to be welcomed. They are clawing back GDP that was lost by Brexit, although the Government figures do not say that. There are many nuances, and I will come to those by the end of my remarks, but I wish to start with the broad brush by asking why we are doing this. Surely we are doing this for our economic benefit and gain. We have then to set that in the context that the Government are doing it because Brexit is a damaging event to GDP, by up to about 5%.

Sammy Wilson (East Antrim) (DUP): Does the hon. Gentleman not accept that the reason we are now doing separate trade agreements, especially with the south-east Asian part of the world, a lot of developing countries and countries such as Australia and New Zealand, is that they are the parts of the world that are growing and where markets are going to expand, while Europe is in stagnation? Having the freedom to do that and be released from the EU is going to be good for GDP, business and employment in the UK.

Angus Brendan MacNeil: I hear exactly what the right hon. Gentleman says, and he is right to an extent. However, let us suppose I were to give him £1 this year and £1.50 next year, and ask him how his income from the Member for the hon. Member for Na h-Eileanan an Iar had changed. He could say that it had grown by a staggering 50%”, but it would have grown by only 50p. When you are starting with something very small and you say that the percentage is going to be very big as a result of the growth, you still have something very small at the end of it. We should bear that in mind.

[Angus Brendan MacNeil]

I return to the point about the Brexit damage of 5% of GDP and the effect of this Australian trade deal, depending on which type of modelling we use. The first model gave us a 0.02% gain—that was on the Armington trade theory spectrum, which all members of the Committee know just like that. When we moved to the Melitz-style spectrum, we were given a figure of 0.08%, which represents growth of 400%. That is a fantastic bit of growth, but this was still only 0.08%. If Brexit is 5%, this is like saying, “I am losing £500 but the Australian trade deal is taking in £2, if I am using the pessimistic option, or £8, if I am using the optimistic option.” That still leaves the UK economy as a whole £498 to £492 out of pocket by this entire transaction. The joy and boosterism that comes from some parts of the former Government, at least, should be seen in that context. If we add in all the other trade deals—the American trade deal represents 0.2% of GDP, the New Zealand one that we are considering today represents about 0.1% or 0.2% of GDP and the CPTPP represents about 0.08% of GDP—we might find ourselves up around the £40 mark. It is a bit like going to the races with £500 and coming back with 40 quid. That is basically what is happening here.

Anthony Mangnall: The hon. Gentleman is bamboozling us with some of the statistics, but is it not the case that in every trade agreement signed either by the UK or by other countries, every economic forecast has been underestimated? Trade deals evolve as they go on—professional services or manufacturing develop, which actually enlarges the benefit. So the forecasts are not accurate and they are usually a fantastic underestimation of where we end up.

Angus Brendan MacNeil: The hon. Gentleman is a very fine member of my Committee, if not the finest, bearing in mind that there are at least two fine members in front of me. He is right that the modelling can be wrong, but it is not usually out by £492 to £500. It may be out by £2 or £3. I caution him that if those models say that the outcome could be better, the flipside is that Brexit could be worse than the 5% that has been modelled using the same sort of criteria. I hope it is not. I would rather the optimistic side, but let us be aware that this thing can go either way.

We are often told that there are winners and losers in these trade deals. We have certainly identified losers today, including the crofter I alluded to. Certain losses are hitting agriculture. I decided as Chair of the International Trade Committee to write to the Australian high commission to ask if it could identify some losers in Australia we could speak to. It wrote back and told us that everyone was a winner in Australia and nobody at all was a loser. We set that in the context of the figures that were mentioned earlier for Australia and New Zealand. For New Zealand alone, agriculture, forestry and fishing will lose between £48 million and £97 million.

The chair of the Trade and Agriculture Commission Professor Lorand Bartels told us:

“I cannot think of another country that has significant agricultural production—so not the Hong Kongs or the Singapores of this world—liberalising fully in agriculture, even over what is almost a generation. ... That is unusual.”

So the UK has done something very unusual here in opening up. It comes back to the point about free trade that was mentioned earlier. None of this is free trade. It is trade that still has restrictions. Rather than paying a tariff, now you need the paperwork. As people have found, paperwork itself is quite costly.

I am reminded of the man in the weekend paper—the brewer, I think from Kent. He had lost a large part of his £600,000 export market for beer to the European Union. It has now become a £2,000 market. He has lost 99.7% of his exports. He is now not exporting and cannot export to any country in the world. When he exports to the European Union, he is going to need paperwork, and the paperwork costs him. It is a hurdle to 99.7% of his trade.

Mark Garnier: On the question of farmers and agricultural producers here in the UK, the hon. Gentleman makes an important point. He says that there is an increased risk to those agricultural producers, but the one thing that has not come up in the debate so far is consumer choice. It is an interesting point. Ultimately, we have to look after our farmers—that is incredibly important—but we also have many constituents who may well feel slightly aggrieved that we are restricting the amount of food that can be brought in, which means people having to pay more Waitrose prices. Would it not be all right to get Kentucky Fried Chicken that comes from Kentucky?

Angus Brendan MacNeil: Absolutely. This is the tension that there has always been in trade policy over the years—do you abandon your countryside and rural places? I use stark words deliberately, but it is a sliding scale between various points. Political judgments are made for various reasons, and people will come down on one side or the other. I do not belittle what the hon. Gentleman says, and is important that we recognise that spectrum. I am sure that he can argue the other way as well if he chooses. He is presumably making a devil's advocate point or giving perhaps a strongly held viewpoint. It is a good point, but it is a point of debate. That is what we are here to do—to enlighten and illuminate that debate.

Sammy Wilson: *rose*—

Angus Brendan MacNeil: I will make a little progress and then come back to the right hon. Gentleman.

The point I was making earlier was that the UK now finds itself in the position of being outside the European Union, of talking about the comprehensive and progressive agreement for trans-Pacific partnership, which we will be debating at tomorrow's Committee, and of not being able to export anything anywhere in the world without masses of paperwork. The proverbial prawn sandwich or the chicken leg cannot be exported without an equivalent weight of paper accompanying it. We know the difficulties that we have in sending that to the European Union, and we are talking about CPTPP and trade agreements. The reality is that it will still be easier to send stuff to the European Union under the EU-UK Trade and Cooperation Agreement than it will be under all those other trade agreements, so let us put trade agreements into some kind of context. They are not a panacea. They are not a replacement for the European Union. What we have done is raise our fences to the European Union to a certain height and lowered some of our

fences to other countries, although they may still be higher or even at the same height as those to the European Union, but the global point is that exporters from the UK are finding it difficult to send stuff anywhere. Anything that has to go anywhere requires paper, admin or tariffs. That is a fact for the United Kingdom and a fact that is often missed in our understanding of trade.

Sammy Wilson: The hon. Gentleman has rightly said that there are tensions between producers in the UK, who may well find themselves with greater competition as a result of trade deals, but that there are also benefits to consumers, who, of course, far outweigh the number of producers that might be affected and who will benefit from cheaper prices. Will he not also accept that we can help our producers be more competitive, especially now that we are out of the EU, by reducing their costs and removing some of the costly and unnecessary regulations, which push those costs up and make it more difficult for those producers to compete anyway?

Angus Brendan MacNeil: I can kind of see a bit of what the right hon. Gentleman says. For example, perhaps we should not have to stick ear tags on lambs before sending them to market. At one time, we did not have that hassle of having to put a 50 pence tag in a lamb's ear, but then consumers said that they wanted traceability; they wanted to know where the lambs came from. We then have a debate between this regulation that is costly to the farmer/crofter and the consumer wanting a bit of traceability. Again, there is a political decision to be made. Do we want to get rid of tags in sheep's ears, for instance—that is the easiest example that I can think of. That is one of the problems of getting rid of regulations. Which regulations do we want to get rid of? That is a legitimate point of debate, but if we get rid of our regulations, we do have to understand what the impact will be, and who does not want that regulation to be got rid of. Certainly, getting rid of ear tags in sheep—if anybody is listening—would be a help, because they often get lost in the fences. However, I do not think anybody will be listening and we will still have ear tags in our sheep to deal with.

The shadow International Trade Secretary mentioned that, in the early days, there had been a lot of headline chasing. When Brexit was being done, the Government were scrambling around for ideas. Freeports was one such idea—let's have freeports, they said—but GDP was unquantifiable, whereas, as I have said, the Government have quantified the GDP of Brexit. The Government then alighted on free trade agreements. I have said this often—members of the International Trade Committee are probably ready to fall asleep at this point—but it reminds me of Neville Chamberlain coming back from Munich talking about peace in our time. This is the equivalent; it is trade deals in our time. It is not about what they mean for the economy, but about them looking quite good.

A former Trade Minister—I will not mention his name—was telling me that he had a bit of boosterism from the former Prime Minister. He was told to get on planes and to sign these bits of paper. He was very, very positive. If it was a car he was selling, I would have bought it. When I asked him what was under the bonnet—or what was the GDP gain from this trade deal—he did not know. That goes back to the point about there being no strategy; it is very concerning that

he does not know what his trade decisions are doing for the economy. Unfortunately, with all the difficulty and fluff, the economic gain of trade deals is not being looked at, which is disappointing. Certainly, Brexit has left the GDP of the UK weaker, and at a time when we face a cost of living crisis, things are more expensive and people have less money in their pockets.

The final point I want to touch on is food security and what is happening around the antipodean sale of meats. They will say that they do not fill their quota at the moment, but what they will be enabled to do is to fill it more than the European Union's free trade deal, which is more restrictive than the UK's—the UK's is one of the most relaxed, or lax, trade deals. The best cuts can be sent, which helps them with what they call carcass efficiency, with certain parts sent to specific parts of the world, meaning they can take the top part of the market away quite effectively. As I have said, Professor Lorand Bartels found this the most liberal case that he could think of in the world of anybody opening up their food area.

The deal also enables what I would describe as a parachute market for Australia and New Zealand. If something goes wrong in another market, they now have somewhere else to put a big quantity into. That might have an effect in future of displacing and damaging production in the UK. If the current UK is used as a parachute market for a number of years and then the other market is re-established, we cannot turn on production as quickly as we can turn it off. That is a big problem.

I have mentioned that CPTPP will not be like the European Union. It is not a replacement; it is a smaller GDP and it will be more difficult still to sell into that market. In the CPTPP, I do not think that access into one country will be access into all countries, as it is for the European Union, although that will be clarified tomorrow for those who want to tune in to the International Trade Committee.

We have a situation where the Australians cannot believe they have done so well. New Zealand television is utterly amazed and asking, "How come it is so easy?". It is because the UK Government have been seen coming. People know that they are desperate to get into CPTPP and they think that if they get these trade agreements done, that will happen. That goes back to the point made by the hon. Member for Mole Valley (Sir Paul Beresford) that the antipodeans were furious about the changes in the '70s; this time perhaps they feel collectively that they have got one over the Poms, as they might describe them.

Sir Paul Beresford *rose*—

Angus Brendan MacNeil: Having mentioned the hon. Gentleman, I will certainly give way to him.

Sir Paul Beresford: The hon. Gentleman has to recognise that they are also looking for other things that we can produce and that we will send there. I mentioned Jags, but there are all the cars, all the farm machinery and those sorts of things, and that is the opportunity they see. They naturally would prefer to buy from here than from some other countries that I will not name.

Angus Brendan MacNeil: I am grateful to the hon. Gentleman. In Scotland "jags" means something that goes into your arm, usually against covid—I think they

[*Angus Brendan MacNeil*]

are called jabs down here—but I think he means the Jaguar car. Of course it is in Australia's power to buy the Jaguar car; it is then Australia that puts the tariff on the cars coming in. If Australians are moaning that they cannot buy Jaguar cars because of the tariffs, they need to see the Australian Government, who, despite what they say, are not producing any cars and whose very free and open market is not as free and open a market as they let on.

Sammy Wilson: To give the hon. Gentleman a piece of good news, adjacent to my constituency there are already 150 new jobs making drilling machines for the mining industry exclusively in Australia. There are already benefits showing through in the manufacturing of goods and 150 people adjacent to my constituency are employed in a factory and enjoying those benefits.

Angus Brendan MacNeil: That is fantastic news, and it has happened before the free trade agreement. That just goes to show that the fantastic people of Northern Ireland do not need Westminster to give them a free trade agreement.

I am coming to the end of my remarks. I will give several views to the Chamber on the vote tonight. This trade deal is globally good for the UK, as the figures show, but its level of goodness is very small compared with the badness of the Brexit debacle. Is it good for Scotland? The Scottish Government do not seem to think so. They were engaged with perhaps the way that the umbrella engages with the rain: more with disdain than any sort of welcome.

When it comes to fish and agriculture, we know that Brexit has been most damaging for the highlands and islands of Scotland, including my constituency. The Government cannot break down the effect of this agreement, but it looks like it will also be damaging. That means we have two events that are locally damaging. I am here as a constituency MP. I can weigh up the arguments as Chair of the Committee, but I am mindful that I vote as a constituency MP. All of Brexit—the entire process—has been economically damaging, but the final upshot of this deal is that in years to come, as we move towards independence, that damage will be used as an argument against Scotland being independent. It is a very disappointing state of affairs that this deliberate policy—chosen in Westminster—will do that to us, so we will not be listening to arguments like that in the future.

It is disappointing that this debate was not done properly, and that Members did not get to put their tuppence worth and argue the points that we have debated with the hon. Member for Wyre Forest (Mark Garnier) and my good friend from Northern Ireland, the right hon. Member for East Antrim (Sammy Wilson), because there are legitimate things to consider, to ponder and to change our minds about so that we can get a good—and a better—deal. Some people would say that the European Union has struck that better deal. Had we remained in the European Union, we would not have lost the 5% of GDP. We may well have got the GDP gains anyway from the trade deals that the European Union has just done with those two countries. The upshot might well be that there has been no gain whatever in these trade deals, because they would have

come had we not decided to damage the beer producers and exporters of Kent and many others places that have been trading, as has been done.

Mr Deputy Speaker (Mr Nigel Evans): I used to be a fine member—but not the finest member—of the International Trade Committee, so you have just inherited my mantle, Anthony Mangnall.

3.56 pm

Anthony Mangnall (Totnes) (Con): Thank you, Mr Deputy Speaker; I am honoured. I am delighted to follow the hon. Member for Na h-Eileanan an Iar (Angus Brendan MacNeil), the second most humble crofter who is at home in this place. I pay tribute to him, because he has been and is an extraordinary Chair of the Select Committee. Despite some of the disagreements that we might have had throughout our deliberations on this deal, other deals and other trade matters, he has carried on and managed to get through a very lengthy trade agreement—at times with great frustration. It is right to pay tribute to him, as well as to the secretariat, who have done an extraordinary amount of work and have found it equally as frustrating as we have when we have not had the scrutiny or access to Ministers that we would like.

It should be no surprise that I support the Bill. Given the course of the debate, we have not spent a great deal of time speaking about the contents of the Bill, which is because it is remarkably uncontroversial in this instance. Wherever we have gone in our objectives and ambitions to sign new trade agreements, we are confounding expectations. It was not that long ago that, when we talked about signing a trade agreement with Australia or New Zealand, those on the Opposition Benches said that it would be impossible and we would not be able to do it in the timescale. Well, we have done it, and now we are looking faster than expected on New Zealand. As I said in an intervention, we are also already in discussions with the Gulf Co-operation Council, India, the comprehensive and progressive agreement for trans-Pacific partnership and Canada, and we have the Singapore digital partnership and the Japan agreement under our belt. To discount those is an enormous mistake, because what the UK has done in terms of Japan and the benchmark for digital trade is truly remarkable. The world is now following our digital trade agreements, and that will be an enormous benefit to our businesses and services, and to this country.

The striking thing in the course of this debate has been the discussion of import impacts versus export opportunities. I am not remotely surprised to hear the Opposition talk about imports that will impact us in the most adverse possible way, but our export opportunities have been underestimated and not given the full attention that they should have been given. My hon. Friend the Member for Mole Valley (Sir Paul Beresford) talked about such opportunities, including the exports of machinery and professional services. We have to look at this in the round and not just cherry-pick the bits we think are going in a good way or a bad way; we have to look at them as a whole.

When we look at the Australia trade agreement, we are saying that farmers may have been adversely affected. I do not believe that. What I want to look at is all the trade agreements that we will have signed by the end of

this Parliament. When the hon. Member for Na h-Eileanan an Iar and I visited the middle east to study whether we should join the Gulf Co-operation Council, we sat with representatives of the small amount of farming done in that region who said that, actually, a trade agreement with them would be hugely advantageous. The NFU has gone on the record saying that an agreement with the GCC will be a massive boon for our farmers and food producers in this country. We cannot look at one trade agreement on its own.

Angus Brendan MacNeil: Reflecting on the big dairy production we saw in the desert, did the hon. Gentleman not get the feeling that that was born of Saudi Arabia's blockade of Qatar, and that Qatar might be keen to protect and defend that trade interest? For that very reason, it might not result in what we assume it will result in for farmers across the nations of the UK.

Anthony Mangnall: That is a perfect example. What we saw in Qatar was small compared with Saudi Arabia's industry—a 30,000-strong herd milking parlour versus one in Saudi Arabia for a 200,000-strong herd—so yes, that is a fair point, but there also is a meat market there whose doors are opened to us, so I think the NFU's insight is particularly useful. It is important that we do not cherry-pick; we have to look at the agreements in the round.

In an intervention on the Chair of the Select Committee, I made a point about the economic forecasts. One of the best examples of a fantastically low forecast that was a total underestimate relates to America's membership of the North American free trade agreement. Initially, very low growth and very low opportunity were predicted; the reality has been very different because, over time, businesses evolve and take advantage of opportunities. The onus is now on the Department for International Trade to ensure that we reach out to businesses across the land so that they take the opportunities available to export and to benefit from imports of parts and anything else that comes under an agreement. The figures might seem low or insignificant at this point, but we must also think about our expectations—how we want our economy to grow and our businesses to develop, and how we want to be able to exchange the benefits of services and industries.

A related point was made by the former Secretary of State for Scotland, my right hon. Friend the Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell), about professional qualifications and equivalence. We have an enormous opportunity to share and develop those sectors.

Angus Brendan MacNeil: I am grateful to the hon. Gentleman for giving way to me again. You, Mr Deputy Speaker, may remember from your time as an august and esteemed member of the International Trade Committee that we discovered very early on in the negotiation and discussions with trade interests in Australia and New Zealand that one thing that could be done overnight was for the Home Office to ease up on work visas. This process requires Departments across Government to be aware that these things can happen if they are not being silly and obstructive in what I think is the most silly and obstructive Department in the Government, no matter who is in power.

Anthony Mangnall: I am delighted to hear the hon. Gentleman ask Whitehall and Westminster to sing a better tune and work better together. Truly, he will be a parliamentarian here for many years to come.

I am doing my best to fill your shoes on the International Trade Committee, Mr Deputy Speaker, but when it comes to farming, we have been talking about the impact of imports into this country but not about consumer choices. My hon. Friend the Member for Wyre Forest (Mark Garnier) raised this point, and I pose this question to the House: what do hon. Members think the environmental, social and governance policies of any of the major supermarkets or purchasers of food abroad say about meat purchasing in the UK? Would Members think it acceptable if Tesco, Morrisons, Aldi, Lidl or Waitrose started importing lower quality meat that does not fulfil their ESG standards? That consumer choice already exists; the opportunity for us as members of the EFRA Committee or the International Trade Committee, or as constituency MPs, is to make the case and ensure that meat that does not meet those standards is not purchased. That very effective tool has been overlooked.

I am not saying that everything in this agreement is right for farmers. There are serious concerns. My hon. Friend the Member for Louth and Horncastle (Victoria Atkins) was right to raise the issue of small farms. DEFRA has taken some steps and pushed in the right direction to ensure that small farmers work together more effectively to use their purchasing power, so that they can rival some of the bigger farmers. We need to continue to have that conversation and ensure that we are providing reassurance.

That brings me on to scrutiny, about which I have been quite animated in the past. I must begin with an apology to my hon. Friend the Member for Huntingdon (Mr Djanogly), because when I was first elected to this place, in the early days of discussing free trade agreements, he stood up and vociferously made the case for why the CRaG process was not right. In my youthful enthusiasm, I stood up and said that he was wrong and that the Government's system under CraG was absolutely perfect. Well, on the record, I say that I was absolutely wrong and he was absolutely right. I thank him for his time and expertise, and for talking to me about how we might be able to improve CRaG.

As my hon. Friend the Member for Wyre Forest said, members of the International Trade Committee of all political colours worked extraordinarily well to make sure that scrutiny was at the heart of what we were trying to do. The fact that we had to spend countless hours going through eight volumes and 2,000 pages of the Australia trade agreement to make sure that we could even try to produce a report on the UK's first major trade deal was a tough challenge at best, but to not have access to Ministers at the beginning and as the process went on was not acceptable. I ask the Minister to make sure that the process is better in future, because that cannot be allowed to continue.

As was outlined under the Labour provisions for CRaG, and as has already been said, we asked for the House to essentially have 21 sitting days after CRaG was initiated to have a debate and a votable motion on whether to extend the CRaG process for a further 21 days. Members of this House would have had the power to continually do that if the questions were not being answered or if the Government decided not to table that free trade agreement.

[Anthony Mangnall]

On 19 July, I applied for a debate under Standing Order No. 24. Mr Speaker rebuffed me on that, but graciously granted me an urgent question to make the point about why we need to have a debate about free trade agreements. I hope that the Opposition will not take this the wrong way, but we on the Conservative Benches have far more rural constituencies. The Government should not be afraid of their own Back Benches having a conversation about the merits or implications of free trade agreements, so that we can return to our constituencies, speak to the Country Land and Business Association and the NFU, and make sure that we are alerting them to the impacts and the positives or negatives, whatever they may be.

Unfortunately, the clock has run out. We cannot legislate for the Government to find time. As I have said to the Chief Whip and any Ministers who will listen, the Government need to consider adding a new clause to the Bill that would enshrine the scrutiny process, because if this Bill does not pass, we cannot actually ratify the Australia or New Zealand trade agreements. I hasten to add that we have not even produced a report yet on the New Zealand trade agreement, so the House has not had time to see the expertise of the International Trade Committee and its secretariat or the Chair's views on it. We need to consider that.

If I can put it as bluntly as this, I would like to hear some assurances in the Minister's closing statement about what we will do on the scrutiny process. We in this House deserve a say on the free trade agreements. I happen to be very optimistic—not naively optimistic—about the trade deals that we are signing, because there are real opportunities for the services and producers across the country that we should welcome. In fact, even in the course of the debate, there have been a number of things that I suddenly thought that we might be able to export to Australia, such as signed copies of the book of the shadow Minister, the right hon. Member for Torfaen (Nick Thomas-Symonds), and vintage cars—or at least one of them, the price of which is perhaps coming down. We have to take the opportunities to our advantage.

Perhaps one of the greatest moments on the International Trade Committee, which the Chair is far too humble to mention, was when the Australian Trade Minister was sitting there talking about what he was doing. The Chair decided to pop outside to do some lambing and came back in with a newborn lamb that he decided to christen Dan Tehan in honour of the Australia trade agreement.

There is a big opportunity for us to ensure that we get our scrutiny process right and to improve it in Committee and in this place. As the excellent NFU spokesman put forward yesterday, the point is that Members have that right and that opportunity. We have to balance imports versus export opportunities. We have to talk about consumer choice and the competition within the market. The Australia trade agreement will deliver far more than people expect, and when we couple it with the many other things that will be done with the GCC, India and Canada, we will see enormous benefits, as I have already said. I thank the Secretary of State for her opening remarks and look forward to the Minister's response.

4.9 pm

John Spellar (Warley) (Lab): I think we should initially recognise that trade does not exist in a vacuum. It is about relationships and trust, and which country is better to trust than Australia? In April, we have the Anzac Day commemoration in Whitehall, where we acknowledge and remember the hundreds of years of joint working and joint operations against tyranny and dictatorship. We have the long-standing and deep Five Eyes intelligence relationship, which also underpins our defence of our freedoms, and only this morning the Defence Committee was conducting an inquiry into the AUKUS agreement. We also have much wider relationships—family, political, trading, business, trade union, cultural and sporting—and of course a common basis in the common law.

Therefore, if we are going to do trade deals with anyone—and this is what has always surprised me about the opposition shown by some on the Opposition Benches—it should be a deal with Australia, as we have so much in common. That is why the contribution from the shadow Secretary of State, my right hon. Friend the Member for Torfaen (Nick Thomas-Symonds), was so welcome today. It had a very different tone from some speeches we have heard previously, and it is all the more welcome for that.

We have to recognise—and I forget which colleague mentioned this—that there is always a dynamic between free trade and fair trade. It is a debate that has dominated British politics from time to time over the last 150 or so years, and it has even twice torn the Conservative party apart. It is right to have such a debate, and we therefore need to focus on the details and on the principles, because such agreements cannot be an open door to pillage. We also have to make sure that the other parties are living up to the commitments they make in these agreements. Probably the most telling example is the accession of China to the World Trade Organisation, in that the great failure of the WTO and partner countries has been the failure to hold China to the commitments it made in joining that organisation.

At the same time, unlike some on the right and left of politics who seem to be opposed to trade in and of itself, we should recognise the huge benefits that trade has brought throughout history. Otherwise, we would have to go back to the days before the industrial revolution, when not only did trade drive the growth of Britain as the world's leading industrial power, but imports of food from the new world fed the new urban masses running such industries. We cannot ignore that.

Equally, while we should not dismiss some of the particular impacts of trade—with sometimes the movement of work and sometimes the exploitation of those opportunities—we should recognise the huge reduction in poverty worldwide post war through the growth in trade. That is especially so, frankly, in China, where hundreds of millions have moved out of poverty in what is probably the biggest move out of poverty in history. Our starting point should be to encourage the development of trade, but with caution. We should not have predatory trade, and certainly not trade based on a race to the bottom on standards.

Angus Brendan MacNeil: Does the right hon. Member agree that the trade pursued by the European Union with Australia and New Zealand, which will see economic

growth, has on the face of it been done with less risk to certain sectors, including the agriculture sector? Yes, trade is good, but there is also what we are throwing away, and the UK Government have admitted that they are throwing away a few tens of millions on agriculture in the New Zealand deal alone. There was a better balance to have been reached, but in being too keen on getting into the CPTPP and other things, the UK has just thrown the baby out with the bathwater, unfortunately.

John Spellar: I have always believed in the basic principle in any negotiations: that it is the terms of the deal, not the fact of the deal, that matter. Too often in takeover bids in this country, the intermediaries are far keener to get the deal done than to make sure it is a good deal for the participants.

However, I also caution the hon. Gentleman that in terms of meat production, we ought to be looking more at the problems posed by, for example, Brazil, or indeed the EU—in many cases there has been EU competition with less favourable animal standards than we have in this country. We should recognise that this is not unique in any way to the Australian agreement. I also point out that some of the hon. Gentleman's arguments about percentages may also apply in meat terms to these two trade deals.

Returning to the topic of basic standards, particularly workers' standards, a welcome development in international trade discussions has been the strong position taken by the Biden Administration in making sure that the beneficiaries are the working class—middle class in American terms—who have built the trade union movement in America and built America, and also workers in other countries. The British Government should note that. I am pleased that the TUC has been brought along to the trade talks with the United States in both Baltimore and Scotland; I fear that was probably at the insistence of the United States rather than willingly from the UK, but it is a good precedent and I hope it will be applied in other trade talks, particularly with Australia and New Zealand.

Australia and New Zealand have strong trade union movements and high labour standards. This deal is not about making ourselves liable to face undercutting competition; this is about opportunity and the ability of firms to trade, perhaps on much more equal terms than with some other countries.

That was touched on earlier in the debate, in relation to the movement—particularly in services and professional areas, but also in manufacturing—of skilled and technical workers. The Minister must acknowledge that previous Home Office restrictions on visas have been a real point of friction with both the Australian and New Zealand Governments. It would be a welcome development if other Government Departments influenced and pressurised the Home Office about that, not just for the economies on both sides but for individual development and to give skilled and professional workers in all three countries the opportunity to move and develop their careers and experience.

Alongside that, I hope there will be mutual recognition of qualifications. Instead of, frankly, allowing professional bodies' self-interest to override that, we should look at where there is enough common ground and make sure that retraining and recertification, if needed, is very

limited rather than taking a blanket approach. As I said earlier, the fact that we are common-law countries should help to facilitate that.

Political, geopolitical and trade interests often meet. For example, China has launched a massive campaign against Australian wine to put pressure on Australia on policy issues. We should work with the Australians as much as we can to facilitate our ability to import Australian wine, although not to the detriment of the growing number of British vineyards, obviously. That would have the side benefit of getting the attention of the Australian trade Minister, Senator Farrell, who represents the great wine-producing state of South Australia.

Angus Brendan MacNeil: The right hon. Gentleman makes a great point. Australian wine producers have argued that Treasury banding undermines the spirit of the agreement. To those who are exporting to another country, it would feel like a bit of skulduggery if that country's Treasury undermined the agreement.

John Spellar: The Chair of the International Trade Committee makes the exact point made to me by Senator Farrell. I hope that that was heard by those on the Government Benches.

To broaden that point, with reference to AUKUS, following the Russian assault on Ukraine, there is a much deeper understanding across the world of the fragility of supply chains and the imperative of supply chain resilience. That is about not just physical industrial capacity, but a skilled workforce. Indeed, AUKUS is in part about the movement of skilled workers in the defence industry to sustain the agreement. It is also about critical materials, such as rare earths. Actually, they are not particularly rare, and Australia has the ores in abundance, but China has consolidated them—often through unfair competition and under-pricing competition—by dominating the refining capacity. Those are areas where we need to work with our security allies, but they also need to be our trade allies. Of course, that is also about trusted suppliers, so there could not be, for example, a “buy America first” policy. There is one level of understanding of that in the United States, but there needs to be greater understanding. That must be an objective of Government.

We should welcome the deepening of relations with our Australian friends and, in particular, with the new Government and Prime Minister Albanese. We look forward to building on that for a successful and shared future.

4.22 pm

Dr Neil Hudson (Penrith and The Border) (Con): It is a great pleasure to follow the right hon. Member for Warley (John Spellar). I welcome the chance to speak in this important debate as a Member of Parliament representing a rural constituency up in Cumbria that has a huge agricultural and farming footprint. I also speak as a vet who has worked on farms in the UK and in Australia, and I am a member of the Environment, Food and Rural Affairs Committee. Quite rightly, there has been much talk about the International Trade Committee's great work in looking at the trade agreements. The EFRA Committee has produced a report on the Australia trade deal, to which I refer colleagues. I preface my comments by very much welcoming the new

[Dr Neil Hudson]

Prime Minister and the new Government who are coming in. I am fully supportive of them. However, as a constituency MP and given my interests, I do need to speak out.

I am broadly very supportive of trade deals in principle, and I absolutely adore Australia. I cannot be the only Member in the House who welled up this summer when watching the last episode of “Neighbours”. I am very supportive of everything that goes on in Australia. However, as I have said in the Chamber before, trade deals need to be fair to both partners—as the Australians would say, “You would want a fair crack of the whip”—and the trade deal with Australia is, unfortunately, imbalanced.

Earlier this year, in our UK winter—the Australian summer—I spoke of the one-sided nature of the Australia trade deal, which was reminiscent of the one-sided nature of the men’s Ashes cricket series that was ongoing. We will all be well aware that the England cricket team are now doing a lot better—the New Zealand cricket team will testify to how England have really lifted their game. I firmly believe that we must take a lesson from that, apply a bit of the Ben Stokes “Bazball” technique and go back into bat on these trade deals to make them much more level between the two trading partners.

Angus Brendan MacNeil: I am very grateful to the hon. Gentleman, a member of the Environment, Food and Rural Affairs Committee, for giving way. He makes a very interesting point. A trade deal depends on our own inputs and balances, and on where we stand in the world. The trade deal that one country might do with another will be very different from others, and they are all different in certain ways. I am pretty sure that if, for instance, an independent Wales, with its big sheep interest, was making this trade agreement with Australia, it would be very different. A Wales in the UK making this trade agreement is as it is, and a Wales in the European Union would have a different trade deal again.

The hon. Gentleman makes a point about where we strike a balance. Very often, it depends on where we stand and what our inputs are. I think his fear, which I share, is that the trade deal has been so good for Australia that it just cannot believe its luck. That is a bit disappointing and it is why we should have had parliamentary scrutiny earlier, because we might have reached a different deal that we could all have been happier with. We think free trade is a good idea, but it is just about where we put the balance. Where we stand as Scottish MPs, unfortunately, is that it is not as good as we would have wanted.

Dr Hudson: I thank the Chair of the International Trade Committee for his intervention, and I will come on to his point about scrutiny later. He makes fair points. Individual trade deals are tailored towards trading partners and the home country—they are bespoke. The important thing we need to think about with Australia and New Zealand is that they are the first trade deals through the gate. They set a precedent. That is why we need to get them right and why the scrutiny needs to be right.

We have heard talk about some of the products that might be involved. This trade deal is more than Tim Tams and some bottles of Hunter Valley shiraz coming over in exchange for Scotch whisky. There are key

challenges for our home domestic market. Specifically, I will talk about the beef and sheepmeat sectors, which feel very much under threat. I speak regularly to my Cumbrian farmers in farms and in livestock markets, and they are relaying to me their concerns about what the precedent set by those deals will do for their futures. We have heard from hon. Members on both sides of the House about smallholding farms and tenant farmers—the people who are really on the edge with their profit margins. We need to keep a close eye out for them.

So, here we are today. The Australian free trade agreement has been through the CRaG process. We have talked about the CRaG process. Sadly, it ended on 20 July, which was too late for us in this Chamber to do anything about it, in terms of scrutiny or voting on it. There was no option for MPs. For two and a half to three years, I have been calling for MPs to have the ability to delay, amend or potentially reject trade deals if they are not in the best interests of our constituents.

Some of the concerns have been highlighted today. Some have been highlighted by the International Trade Committee and some by the Environment, Food and Rural Affairs Committee. The EFRA Committee produced a series of recommendations for the Government to take forward in future trade negotiations. Much of what we heard in the EFRA Committee was about speculation and forecasts, and we talked about the accuracy of forecasts. There are a lot of unknowns in relation to how much produce will, ultimately, come our way. When we questioned our experts, there was still a bit of crystal ball—“We still don’t know how much is going to come in.” That is why we need key safeguards for protection and to ensure we can slow down the supply of products if they come in at levels that were not predicted.

Currently, the Australian meat market is pivoted to south-east Asia. In global geopolitics, we have seen in recent months things that we did not predict, such as what has happened in Ukraine, and what that has meant for the world’s food security and the movement of food supplies around the world. We just do not know what will happen throughout the world in the future. At the moment, the Australasian market is pivoted to south-east Asia, but what if, for some reason, it needed to pivot to the west and to Europe? We just do not know. That is why we need strong safeguards.

As a rural MP and a veterinary surgeon, I am concerned and passionate about animal health and welfare standards. We should be very proud of the fact that our Cumbrian farmers and UK farmers farm to the highest animal welfare standards in the world. There is an animal welfare chapter in the Australian trade deal but, unfortunately, there is a discussion to be had about the fact that that is not subject to the dispute settlement mechanism. I believe that the teeth of that chapter are not sharp enough.

Members have touched on the concept of tariff rate quotas. As we have heard—we on the Environment, Food and Rural Affairs Committee have looked at this issue—the levels of the tariff rate quotas are very high. Therefore, the levels are very high for the produce that is coming in during that phased period of the next 15 years. That period is time-limited and, at the end of the 15 years, all bets are off and we move to free trade. I postulate that the tariff rate quota mechanism needs to be more precise and sophisticated, so that if the flow of

produce coming into this country is too high, we can turn it down. It is important to have safeguards through core standards and appropriate tariff rate quota mechanisms.

I have been labelled a protectionist, but this is not about protectionism; it is about standing up for our values and what we believe in. I believe that we in the UK can be a beacon to the rest of the world in the way that we farm and through our animal health and welfare standards. That is why these precedent trade deals are so important: we can send out the message, “If you want to trade with us, bring your standards up to those that the UK population wants from our UK farmers.” These deals are precedents, and this is not about protectionism, but about standing up for our beliefs and values.

I am very glad that, throughout this process, when I and colleagues have raised concerns about some of the products that could come in, the Government have confirmed that a ban will be maintained on hormone-treated beef and chlorine-washed poultry so that it is illegal for that to come into the country. It is important that that is on record. That is brought into this debate a lot and it is a bit of a red herring, because those products will not come in through these trade agreements.

We have talked a bit about chlorine-washed poultry. It is important to mention that the chlorine washing process does not kill all the pathogens, as a study from the American Society for Microbiology in 2018 showed; it just makes many of them undetectable in the lab. That needs to be put on record.

There are practices that people use in farming around the world that we are concerned about in this country. We have heard much about mulesing in Australia. I firmly believe that if we had taken the advice of the Trade and Agriculture Commission and put core standards in our trade deals, that issue would have been resolved. If we put in a red line and said, “We do not find these certain types of products acceptable in this country,” that would influence production methods around the world.

There is competition between New Zealand and Australia in rugby, cricket and other sports, and it is a shame that the New Zealand deal did not land just in front of the Australian deal, because in many areas, the New Zealand farming systems are more akin to ours and are often ahead of the curve on many issues. New Zealand has banned such things as mulesing. It is also ahead of the curve on non-stun slaughter of animals, so it is a shame, strategically, that the New Zealand deal did not land first, because in setting a precedent it would have had a knock-on effect on other deals.

I also get very frustrated in this debate when people stand up in this Chamber and outside and give Australian farmers a real kicking. As I said, I am passionate about Australia. When people say, “The Australians have no concept of animal husbandry or animal welfare,” that is deeply offensive to the vast majority of Australian farmers. I have worked as a vet on farms in Australia. They have some fantastic farming systems and are passionate about animals, as we are, so to say that they have no concept of animal husbandry is deeply wrong and offensive. It is important that we bear that in mind. As we have heard today, because of geography, environment and regulation, it is cheaper to produce

beef and sheepmeat in Australia than it is in the United Kingdom, so we have a competitive disadvantage for our UK farmers.

We have heard from many colleagues on both sides of the House about scrutiny of and input into free trade agreements. The first iteration of the Trade and Agriculture Commission made clear recommendations about inserting core standards for things like animal welfare and environment into our trade negotiations. Sadly, the Government chose not to take that advice.

The second iteration of the TAC is a lot narrower and more targeted in scope. Quite alarmingly, when we questioned it for our scrutiny report, we found that it is not very well resourced. Its chair actually admitted to us that he had to supplement the commission’s administrative support with university moneys from his own research allowance. Our report makes clear recommendations to the Government that the Trade and Agriculture Commission needs to be adequately funded and resourced. It has some big work coming up with the CPTPP, so it needs more administrative support. If we set something up, it has to be resourced properly.

We have also heard about a lot of the challenges that our UK farmers face. Throughout the pandemic, people in the food production sector were quite rightly acknowledged, recognised and clapped as key workers. Sadly, I feel that we are now moving away from that: people are forgetting how important farmers and food producers, deliverers and processors are to our communities. Food security was brought into sharp relief during the pandemic and has been brought into even sharper relief by the hideous war in Ukraine. It is so important that we acknowledge and support the people who are producing and providing food for us and those elsewhere in the world. We need to understand the huge challenges that they are facing with their fuel costs. All households and businesses across the country are facing the cost of living crisis in fuel and energy, but in the farming sector the costs of fuel, energy, animal feed, fertiliser and supply have rocketed.

Importantly, our Select Committee has launched an inquiry into food security. I have spoken about it before in this Chamber, but I am concerned about the resilience of the UK’s food security and about some of the inputs, such as labour. We need to look at a good, sensible and pragmatic visa system that allows people to come and work in different sectors. Another input is fertiliser. Last year we heard the alarming news that CF Fertilisers had mothballed its complex in Ince, and just three or four weeks ago it announced that it was ceasing ammonia production at its Billingham complex in the north-east. That has a huge impact on the production not only of fertiliser, but of carbon dioxide.

CO₂ is so important for our food and beverage sector, but what really worries me as a vet is that it is needed for the humane slaughter of poultry and pigs. If we end up without adequate supplies of CO₂, we may see more of what we have seen over the past few months: healthy pigs being culled on farms in the UK and put in the ground, not into the food production sector. Having been involved as a vet in culling animals during the foot and mouth crisis, I can tell the House from personal experience how upsetting it is and how deeply damaging it is to the mental health of vets, farm workers and abattoir workers if animals have to be killed senselessly. We have to ensure that we are resilient in our food and in all the inputs.

Anthony Mangnall: My hon. Friend is making a truly brilliant speech: it is a perfect reminder of why we should have had this debate during the CRaG process, and it shows why we might have wanted a delay to consider the points that he makes. Under the Agriculture Act 2020, the Secretary of State must come to the Dispatch Box every three years and report on the UK's national food security. Does my hon. Friend agree that we should have that report this autumn so that we can take his points into account?

Dr Hudson: My hon. Friend makes a very good point. He is right that the Government must report on food security every three years, but our Committee—the Select Committee on Environment, Food and Rural Affairs—made a recommendation that the report should be annual. We need that report on the country's food security, especially now that we are facing these awful crises with an impact on so many levels of the food production sector.

I have mentioned some of the inputs, including fertiliser, but our UK farmers face other challenges. The EFRA Committee has just launched an inquiry into the environmental land management transition, looking into uptake and asking for a status report on how it is going now that we have left the European Union, and the different way in which farmers and land managers will be rewarded for farming and looking after their land. We want to see how that is going, and whether we need any rethink or any adaptation because of the acute situation in which farmers find themselves.

My plea to the Government is this. In the context of the current deals and that of future trade deals, our UK farming and food production sector is under challenge and under threat. Let us not challenge it further with our international trade policy. So many other things can happen in rural communities, such as infectious disease outbreaks, mental health challenges and isolation. In the EFRA Committee—I am referring to it quite a lot today, because we have already heard a great deal from members of the International Trade Committee—our inquiry into rural mental health is approaching completion. It deals with the stress factors in rural communities that affect farmers and livestock managers: the threats that they face have a real impact on their communities and on their mental health.

Angus Brendan MacNeil: This debate seems more like a discussion at times, but a good discussion. The hon. Gentleman has made an important point. Let us say that we are negotiating a trade deal that will result in both winners and losers in our own country—forget Australia—and the losers happen to be in, say, rural Wales and the winners happen to be, say, City financial whizz kids. If there is then a demand for some sort of fiscal transfer within the country to offset the damage from the new policy, it will often be resisted by those who have benefited, and there will be no cognisance in the policy that has been negotiated of the more important point that the hon. Gentleman is making about the damage that the new outlook and the new policy will inflict on individuals who find that their industry has been undermined and kicked away.

Dr Hudson: I thank the hon. Gentleman for his intervention. I think it important that when we are striking trade deals with other countries, all parts of the

United Kingdom—all parts of the devolved nations, rural and urban—should benefit from those deals. I hope that the Government will take away the strong message that this comes down to individuals, it comes down to small businesses, it comes down to tenant farmers, it comes down to abattoir workers: a great many people need to be considered in this. We need to stop challenging our farmers and food producers, and help them along the way.

As I said at the beginning of my speech, I welcome the new Government coming in today, and I was pleased that the new Prime Minister, during the leadership campaign, talked about unleashing British food and farming to improve food security. I was also pleased that my right hon. Friend the Member for Richmond (Yorks) (Rishi Sunak) talked about supporting farmers in future trade deals. However, I would gently say to the Government, “Let us be doing that with our current trade deals, not just the future ones.” Yes, the ink is drying on our deals and perhaps it is too late to change parts of them, but we must ensure that these precedent deals set a template with which we are comfortable when we are negotiating with other countries.

I am supportive of the Prime Minister and the Government, but on this issue—for my constituency and, speaking as a veterinary surgeon, for Cumbrian and for UK farming—I want to stand up and say clearly that I have real concerns about what we are doing as a country, and that we need to ensure that we do not make mistakes. I think the scrutiny process that has been mentioned so often during the debate would have helped us, and we would not be in this position today.

I apologise for not being here for the start of the debate. I was chairing a Bill Committee elsewhere.

I agree with much of what the hon. Gentleman is saying. However, he mentioned a template for future deals. Does it concern him not only that the Australia and the New Zealand deals done were without proper scrutiny because of the way in which the CRaG process was bypassed, but—given that he is involved in agriculture through the Committee and, probably, through his own past as well—that farmers in this country in particular have been sold down the river? This is nothing like what should have been done; for instance, the consultation with the National Farmers Union and others was not as good as it should have been. If this is indeed a template for future deals, it does not bode well for the future.

Dr Hudson: I thank the hon. Gentleman for that intervention. As we heard earlier, the paucity of scrutiny is something we are very much aware of.

I will stand up for my Cumbrian farmers and our UK farmers. If they are under threat in, say, the beef and sheep sectors, we have to stand up for them and ensure that we are looking out for them. As I have said before, this is not protectionism; this is about standing up for our values and what we believe in. I have been consistent on this since I was elected to Parliament, and I have voted accordingly on the Agriculture Bill and the Trade Bill.

As we have heard today and during the leadership campaign, things have changed in the United Kingdom and policy decisions are having to be made. The national insurance rise is going to be reversed, for example. I know that today's Bill is narrow; we have talked today

about what it means. It is about changing UK domestic procurement law, and this is enabling legislation, but what we have seen today is that the Bill and this debate have become a proxy for the scrutiny debate that many of us on all sides of the House are really calling out for. I note that in the other place there was a full three-hour debate and scrutiny. Hopefully this will be a lesson for the Government: please, please bring MPs from all sides of the House with you, because we want these deals to work for both partners. We want them to work for the UK, for Australia and for New Zealand in a mutually compatible way.

With regret, I will not be able to support the Government on the Bill today. I am asking them to think again. I started with comments on cricket. I know that the ink is drying on the Australian trade deal—I am mixing my metaphors now—and perhaps the stable door is bolted and the horse is way down into the next paddock, but the New Zealand deal is still chugging away. I ask the British Government to put their cricket pads back on and to go back into bat on these FTAs while the ink is still drying. I plead with them to drive a harder bargain and to back British farming. We have heard a lot about different cultures across the world, but I have a sneaking suspicion that if we did so, our closest allies and friends in Australia and New Zealand—our Australasian friends—would probably say to the negotiators, “Good on you, mate! Fair play, well batted.”

4.47 pm

Ms Anum Qaisar (Airdrie and Shotts) (SNP): It is a pleasure to follow the hon. Member for Penrith and The Border (Dr Hudson). His contribution was incredibly reasoned and, as someone who grew up in a cricket-loving household, I appreciated his cricket references.

These are the UK’s first independently negotiated free trade deals over 50 years, and the agreements are being hailed as a Brexit success by those on the Conservative Benches. However, today we are left to scrutinise a technical Bill that does not work in the interests of Scottish farmers and does not reflect the Scottish Government’s vision for trade. Frankly, this Bill threatens the devolution settlement through provisions designed to constrain the powers of Scottish Government Ministers. These measures have forced the Scottish Government to lodge a legislative consent memorandum in the Scottish Parliament recommending that Holyrood does not consent to the Bill in its current form.

Procurement is of course a devolved matter—a power exercised by Scottish Government Ministers—but this Bill seeks to constrain those powers. It allows UK Government Ministers to make secondary legislation on devolved matters of procurement without further consent from the Scottish Parliament. Additionally, any future amendments made to the trade deals will not receive further consent. Crucially, this removes a level of oversight.

Under the Constitutional Reform and Governance Act 2010, Parliament lacks an effective method of scrutinising as well as examining treaties and trade deals. Concerns over the lack of scrutiny of agreements are not limited to these Benches. Members on both sides of the House, alongside my good friend the Member for Na h-Eileanan an Iar (Angus Brendan MacNeil), Chair of the International Trade Committee, have expressed those concerns about being unable to debate the impact

of trade deals, crucially, on their constituents. These deals will have significant consequences for people, businesses and the climate. There must be effective scrutiny of these deals to make sure that we have a positive impact on society.

Scottish farmers, including those in my constituency, are already struggling. They face a crisis of uncapped energy prices and labour shortages causing crops to rot in fields, as well as the lost EU farming subsidies. We now also face trade deals that will harm their interests and have been described by the president of the National Farmers Union of Scotland as,

“very one sided, with little to no advantage for Scottish farmers”.

Of particular concern are the concessions on animal welfare and environmental standards, which could cause lower-quality produce to undercut farmers from across these four nations.

The lack of environmental and animal welfare standards in these trade deals risks food that is pumped full of pesticides and antibiotics entering our markets. The reality is that these goods fall short of UK standards, with *Which?* finding that 72% of people across the UK do not want food coming in through trade deals that does not meet current standards.

Angus Brendan MacNeil: I have hesitated to interrupt the hon. Lady, because her speech is going really well—as well as I hope Celtic will be going tonight when they are cuffing Real Madrid after about 8 o’clock. But the point that she raised earlier, and the point I hesitated on, was that if this United Kingdom was a proper Union, we would not have a situation where the United Kingdom Government were imposing on the Scottish Government in devolved areas that it independently controls. It does not happen in the European Union; there is respect there. We see a sad lack of respect when it comes to the UK Union, when they think they can impose it. That aspect gives us a problem around this deal.

Ms Qaisar: I thank my hon. Friend for his contribution and I must admit, as I said earlier, that I grew up in a cricket-loving household and football, sadly, is not my forte.

Once again Scotland is paying the price for being outside the EU, even though over 60% of the country voted remain. The recently negotiated deal between the EU and New Zealand saw stronger safeguards for farmers in comparison to the UK deal. Of course, as an independent country in the EU, Scotland will be able to regain stronger protections.

The Bill bypasses essential parliamentary scrutiny of the Australia and New Zealand trade deals. The elements of the Bill that are up for debate erode the devolution settlement, thus reducing the power of Scottish Government Ministers on matters of procurement. It puts Scottish farmers, along with food and drink manufacturers, at risk of being undercut by meat that potentially may be produced to a lesser standard than that which we currently enjoy.

The UK Government must achieve better protections for Scottish farmers or, crucially, grant the Scottish Parliament the powers to prevent goods of lower standards from being sold in Scotland.

4.53 pm

Mr Jonathan Djanogly (Huntingdon) (Con): These Australian and New Zealand free trade agreements are in the round, I believe, a good thing for the UK and they have my support and good wishes for their potential in binding our countries ever closer together.

I have heard various attacks on various aspects of the deals, but some of the complaints are a bit like comparing apples with pears—like those who complain about falling trade with the EU and then say that there will not be much coming in from Australia under this deal to compensate. Surely, given where we are, and now that we can negotiate our own trade deals post Brexit, we need to be getting out there and negotiating those deals, like we have with this deal, even if we also need to be organising a better deal with the EU. It might be more persuasive if opponents suggested that the EU had a better FTA with Australia than we do; but of course that case cannot be made—perhaps because the EU and Australia do not yet have a deal. Many provisions here are uncontentious and just good to have, for instance, procurement provisions that create the level playing field, developed beyond WTO minimums, to provide for non-discrimination and anti-corruption, meaning that bidders for contracts will not be put off by the likelihood of local businesses getting preference. Co-operation on the recognition of professional services, business mobility and the recognition of qualifications will be a great help, not only in enabling UK plc to promote our excellent professional services to Australia, but allowing Australian professionals to work here in areas where there is a crying need for such highly qualified workers, such as City law firms. The import of young talent will be a significant benefit to us. I would be interested to hear the Minister's view on how these immigration provisions will impact on future free trade agreement negotiations. For instance, in our FTA negotiations with India will the Australian worker mobility provisions constitute the starting point?

Some people complain that the additional trade figures proposed are small, that Australia will sell more to us under this deal than we sell to it, at least in the short term, or that Australia has got a better deal. This is short-term political point scoring and it is short-sighted, because we need to look at the future potential to increase trade. If UK business is provided with anything like what the Government say will be approximately £10 billion of new legally guaranteed market access, this deal represents a huge opportunity.

Earlier in the debate there was a discussion as to how this FTA might help smaller businesses in practice. In that regard, I was contacted only a few days ago by a Huntingdon family-run mid-size company called Le Mark Group, which makes high-value work clothes, tapes and stage flooring. It is now targeting Australia and is already grateful for help from the international fund. Apparently, the Australians are very keen on its “Dirty Rigger” range of work gloves. The key point the company makes is that having the FTA in place has meant that it has had the solid platform to find a dealer that would truly commit to promoting and stocking a sufficient quantity of product. So this deal will help business, small as well as large, and I think more positivity in this debate would have been justified in that regard.

Representing a rural seat, I understand concerns about food and meat imports and ensuring that quality is maintained and that UK farmers are not left in an

uncompetitive situation. Given that full market access will not happen for 15 years, there should be plenty of time to cater for the harmonisation of environmental and welfare issues, and we should be looking to ensure that that happens. I heard the Secretary of State confirm that that is the intention. In any event, all existing Australian beef and lamb is currently eaten domestically in Australia or in Asia; there is no spare capacity. One also needs to ask: whatever levels of imports are set or not set, given the increase in meat consumption in Asia why would Australia want to switch to exporting mass-market, high-volume, low-cost meat products to the UK, with ever more expensive transport costs? My hon. Friend the Member for Penrith and The Border (Dr Hudson), in a thoughtful speech, suggested that Australia might stop trading with China and then start flooding our markets as a result. One can argue that, as it is possible, but it is highly unlikely, given the number of other meat-hungry countries that are close to Australia.

Angus Brendan MacNeil: It is good to have these sorts of discussions. To paraphrase, the hon. Gentleman is saying, “The UK is opening the door to Australia but it is not going to come through the door because it has got so much going through other doors.” That raises the question, first, as to why Australia would want this door to be open, because it seems that it does not want it. Is it because of some of the cuts? Or is it because this is an insurance policy: a parachute market if something goes wrong in the future in some other sphere? If that is the case, it leaves somebody else very vulnerable.

Mr Djanogly: I think it is because there are many people in this world, including myself, who fundamentally believe that the starting point should be free trade and that the peoples of the world improve their lot generally by having free trade.

In any event, we are facing a revolution in the meat sector and it is looking increasingly likely that within 15 years cultured meat will have almost replaced low-value minced meat, chicken and pork. Furthermore, I think it unlikely that UK producers of pricey high-end meat products, particularly ones selling to local markets with strong local followings, need to fear Australian meat imports.

Sir Mark Hendrick (Preston) (Lab/Co-op): The hon. Gentleman is putting a very brave face on this. Many commentators in the agricultural communities in this country see it far more negatively than he does. I take his point about the 15 years. The agreement will be phased in over 15 years. Many of them see this as a car crash in slow motion. If the hon. Gentleman had argued that the agreement was good for free trade reasons, fine. The minuscule GDP gain from it has been accepted. I see the most positive thing about it as access to the CPTPP, which will be coming on stream. Britain aims in the longer future to join that organisation, which I am sure he will agree is a good thing in itself. That begs the question that, if we can do that why not—

Mr Deputy Speaker (Mr Nigel Evans): Order. Interventions, by their very nature, should be short.

Mr Djanogly: I think 15 years is a very long car crash. There will be time to regularise, and the world will be a very different place in 15 years. I take the hon. Gentleman's point on the CPTPP. It was made at the right moment, because I was about to come on to it.

A further reason for supporting the free trade agreement, as the Secretary of State mentioned, is the more strategic one. If we consider that world growth over the next century is going to be dominated by Asia-Pacific, we need to be in on the action there. Negotiations for the UK's accession to the CPTPP have now started and Australia, New Zealand and Canada are parties to that agreement. Clearly, if we had not settled a deal with Australia and New Zealand, not least given their Commonwealth status, we could have had a much weaker pitch with which to start negotiations with CPTPP. I see this Australia FTA as helping to set out our Pacific stall, enabling us to then move on.

Angus Brendan MacNeil: I am interested in the hon. Gentleman's philosophy and approach to trade. He said it was a 15-year lead-in to almost complete openness. Would he want that to be quicker? Would he want it to be 15 months? Would he want it to be slower? Would he have wanted the deal to be more like the Australian deal? I am genuinely interested in his trade philosophy, given what he said about free trade. He sounded like he wanted it to be open immediately.

Mr Djanogly: I do not have any objection to the 15-year period. I would be interested to have heard from his Committee whether more or less would have been preferable, and I am going to come on to scrutiny right now.

I have explained why I support this deal in outline. We need to appreciate that with an FTA, the devil will always be in the detail—something that the hon. Gentleman said himself earlier. These deals do get very detailed, which is why scrutiny of them is so important. I wish now to explain why I believe that not only has the FTA scrutiny process been flawed within the current scrutiny system on this FTA but it has shown up an urgent need for reform of the system itself, as many of us predicted would be required during consideration of the Trade Bill 2021. I thank my hon. Friend the Member for Totnes (Anthony Mangnall) for his kind and generous recognition of that.

At that time, the Government argued, as they do now, that the existing Constitutional Reform and Governance Act 2010 process would be adequate. In reality, the process, which itself was based on an outdated 1920s convention, was little regarded before Brexit as our trade agreements were then negotiated and predominantly scrutinised and voted on by the EU. As has been described, the CRaG process basically provides a period of 21 sitting days, after but not before a Government have signed a trade deal, to debate and possibly delay ratification, although in practice no delay has ever been voted for.

Before the recess I wrote to the Secretary of State on the scrutiny process for the Australia FTA and she kindly sent me an explanation, but one that frankly did not fill me with confidence. Australia has not yet ratified so there is no pressing urgency here. At the time of the Trade Bill and before signing of the Australia deal, ministers said that there would be full Committee scrutiny pre-signing, and the CRaG consultation with a debate post signing; so why did the Government start the CRaG 21-day clock ticking before the International Trade Committee report came out - effectively stymying the opportunity for debate? The scrutiny of this Bill, I

am sorry to say, has been a poor performance on behalf of Ministers. Surely we urgently need to review this outdated and inept system now and move to a similar scrutiny system as used in other democracies. In the US, Japan and the EU, for example, scrutiny, including a final vote on the deal in Parliament, is what happens before signing the FTA, not just before its ratification. The bizarre reality is that, post-Brexit, the UK has given more power to Ministers and has less accountability and scrutiny over its trade deals than when we were in the EU. Now we have a new Government in place, this should be the perfect time to move on and update this creaking system.

5.5 pm

Sarah Green (Chesham and Amersham) (LD): I wish to focus my remarks on the precedents being set and the signals being sent by this Bill and the two free trade agreements that it facilitates. The Government promised us an independent trade policy set by the UK's representatives in Parliament. They claimed that agreements would be in the interests of small businesses, farmers and manufacturers throughout the UK. They reassured us that standards would be upheld. With the UK negotiating free trade agreements for the first time in decades, it seems that they are going back on these commitments. There are, however, three specific areas, which have been discussed extensively, that I wish to touch on today: the ratification process and parliamentary oversight; the concerns of the devolved nations; and the fears that certain standards are not being upheld by these agreements.

I am not the only Member of this House disappointed that the promised debate and vote on the Australia free trade agreement never materialised. It is true to say that the ratification process itself technically does not require such a debate or vote, but the Government gave Members of this House assurances on several occasions that one would take place. Trade affects us all and there are many who wish to participate in the shaping of these agreements. That is why it is so important to engage with them and get their buy-in. It would build trust in the process itself and in the treaties. The precedent that is being set is that free trade agreements will get no parliamentary scrutiny and it sends a signal that the Government will do the bare minimum to get them over the line.

The second area of concern relates to the devolved nations, which have so far declined to give their consent to this Bill. Both the Scottish and Welsh Governments have indicated their concern that this Bill will undermine devolved powers, and it is not difficult to understand why. For example, although the Bill gives Welsh Ministers powers to make regulations in devolved areas,

“it also gives those powers to UK Ministers without any requirement to obtain Welsh Ministers' consent”.

This is not a precedent that should be set. It signals either a misunderstanding of the point of devolution, or a disregard for it. It would be helpful for this House to know what conversations are taking place with the Scottish Parliament and Senedd Cymru to address their concerns and reassure them that this Bill will not undermine them.

We have also been warned that these deals threaten to undermine high UK environmental standards, food standards and animal welfare standards. The president of the NFU has said that

[Sarah Green]

“we will be opening our doors to significant extra volumes of imported food—whether or not produced to our own high standards”.

Australia continues to permit farming techniques and chemicals that have long been banned in the UK—battery cages for hens and pesticide use among them. These lower standards allow for lower production costs and cheaper goods, which undercut UK farmers. Here in the UK, we are rightly proud of the high standards that we uphold in relation to animal welfare and the environment. We must not allow them to be undermined.

Earlier this year, I spoke to farmers in Chesham and Amersham who told me that they are already facing rising costs for essentials such as fertiliser and fuel. These farmers are frightened for the future, and worried that their Government are selling them out. It is not only farmers who will suffer; the impact will be felt along the supply chain. The food and drink industry has voiced its concerns about the potential of UK producers to be undercut by Australian competitors.

Angus Brendan MacNeil: The hon. Lady is making an excellent speech and is speaking up well for her constituents in Chesham and Amersham as well as being understanding about the situation in Scotland and Wales. Is the point not that the Government really could have done this much better? They could have brought along the Scottish Government, the Welsh Government and the farmers in Chesham and Amersham by having a bit of debate, a bit of reflection and a bit of consultation and by securing a better deal that people could have united behind?

Sarah Green: I thank the hon. Gentleman for his intervention; I think we are in agreement. In fact, I agree with the International Trade Committee that we need transparency on the real impact of these new trade deals and the Government to publish a full assessment of the winners and losers across all economic sectors and the nations of the UK.

There are also serious questions to answer about how this Bill will prevent cheaper and lower-quality food products from flooding the UK market, threatening our agriculture and food safety. The Government must outline how they will monitor the impact of that and what action they will take to minimise any damage done to UK business.

The trade-boosting deals promised by the Government have not yet become a reality. The impact assessment of the agreement with New Zealand shows only a 0.03% increase in GVA for the south-east. My constituents in Chesham and Amersham will see next to no benefits from the deals this Bill facilitates.

Sir Mark Hendrick: I agree with the general drift of the hon. Lady’s speech—it is very good indeed, and I agree with most things. There has been emphasis on the regional devolved Governments, but that applies to England as a whole as well. We see people from English constituencies complaining about this deal just as much. The whole problem is about transparency. The Government have bent over backwards to do everything they can to ensure that the Australia deal, which is a template for future deals, was not properly scrutinised, and in my opinion that was deliberate.

Sarah Green: I think the precedent that is being set with these deals is important, and that point has been made quite eloquently by others.

Anthony Mangnall: The hon. Lady opened her remarks with this point and I am sorry to come back to it, but she asks what benefit there is to small businesses. This is a 100% removal of tariffs. That is an enormous benefit for businesses that are exporting, and even within our respective constituencies I know there are a number of businesses that export to that part of the world.

Sarah Green: Of course there are benefits to be found in these agreements, but I want to focus specifically on areas of concern. The agreements will now set a precedent for the trade deals we negotiate with Canada, the United States and others. Given that parts of these agreements were negotiated by our newly appointed Prime Minister—I am not sure she has started her speech yet—I can only hope that she is not looking to make a habit of renegeing on promises as she continues in Government. As the UK pursues a new trade policy, we must not abandon our high standards, we must not run roughshod over our parliamentary democracy or the voices of the devolved Governments, and we must prioritise the quality of the deals we strike over the quantity.

5.12 pm

Mrs Flick Drummond (Meon Valley) (Con): This Bill relates to an important agreement for our country as we establish new trading relationships, although in this case the agreements are with two countries with which we have very close bonds in many ways, as the right hon. Member for Warley (John Spellar) mentioned in his contribution. One of the great controversies when we joined what was then the European Economic Community was that it weakened strategically important trading links elsewhere in the world, especially with Commonwealth countries. Opportunities are now open again.

My priority is to help my farmers and producers, and all our other industries, to make the most of these two deals and to export the brilliant produce of Meon Valley. We had an urgent question from my hon. Friend the Member for Totnes (Anthony Mangnall) on 19 July about scrutiny arrangements for this agreement. I was looking for assurances then that the deal does not affect our ability to defend strategic national interests, especially as we have recently announced the national food strategy, which rightly aims to safeguard our supplies and our production. The Minister reassured me at that time, but in future we need more scrutiny on each deal, and I will come on to that in a minute.

Anthony Mangnall: Since my hon. Friend is making a point on food security, I will take this opportunity to see whether she might be open to join the somewhat growing campaign to see a national food security report from the Minister for Farming, Fisheries and Food this autumn, to ensure that we can address the point she is now making?

Mrs Drummond: Absolutely. I am very happy to back that campaign and hope that we will have an annual report, because it is incredibly important.

In Meon Valley, we have some exceptional farmers, and I have listened carefully to their concerns about the future. I will watch the operation of all our trade deals closely, especially the impact they might have on smaller farmers, as some of my colleagues have already mentioned. As the chair of Wine UK, I am looking at the export of sparkling wine, which is growing in quantity—including in my constituency where Hambledon Vineyard and Exton Park Vineyard are growing fast—and I hope will soon match the success of Scottish whisky.

Everyone can be reassured that standards and protections are not being weakened to the detriment of producers or consumers—a fair and key concern of my constituents—but we must have more time to debate the provisions of trade deals during the CRaG process in the future, as others have mentioned. There is still the opportunity to do so with the New Zealand deal, and doing so would reassure many people about the process as we look to strike more of these innovative deals for our industries.

The Bill supports the completion of the two deals with Australia and New Zealand. As such, it is important that it passes its Second Reading today, so that we can plan for future deals. Even during these turbulent times, the pace of global trade and markets is relentless. We see some signs of the pandemic easing and freeing up world trade generally, even though the pressures of the Russian invasion of Ukraine are still felt. Freight rates are beginning to fall and some supply chain blockages are dissolving, although others remain. I support the Bill, and look forward to being able to scrutinise future deals and support our industries through them in the years ahead.

5.15 pm

Paul Blomfield (Sheffield Central) (Lab): Speaking so late in the debate has been of real value, as I have been able to listen to so many contributions from both sides of the House. The debate has been a long time coming, perhaps even longer than many Members have alluded to. Its origins go back to the referendum campaign in 2016, when leave campaigners dangled before us the prospect of trade deals with Australia, the US and India as the main reasons for leaving the European Union, making extravagant claims about the economic benefits. The reality has clearly been very different. With a US deal off the agenda as long as the Government continue with their irresponsible approach to the Northern Ireland protocol, and other deals that have been much proclaimed in fact largely rolled over from those we had previously enjoyed as members of the EU, the Australia deal in particular was lauded, not least by herself, as the great achievement of the new Prime Minister during her spell at the Department for International Trade. It is therefore curious that the Government have been so reluctant to engage with Parliament on the discussion and detail of the deal.

When the deal was announced, Members on both sides of the House probed the Government about it. They brought their experience, as the hon. Member for Penrith and The Border (Dr Hudson) did strikingly in his contribution, and they raised their constituents' concerns, as others have done today, but they got nowhere. The Australia deal was signed last December and the New Zealand agreement in February. After several months, the Government laid the Australia FTA before Parliament

under the CRaG process on 15 June. Ministers promised—as others have made clear, including most recently the hon. Member for Huntingdon (Mr Djanogly)—that there would be full opportunity for debate and a chance to shape the deal.

Angus Brendan MacNeil: I thank the hon. Gentleman for giving way; I know I have made a lot of interventions today. One of the reasons for Brexit, of course, was to leave the EU to make trade deals with the likes of New Zealand and Australia, which we are discussing today, but the EU has done a trade deal with New Zealand that is arguably better—[*Interruption.*] It is better, in fact. And the EU is heading for a deal with Australia as well. That might annoy the Brexiters, but I really wonder what the future status of these deals might be if at some point the UK rejoins the European Union, or if, after Scotland becomes independent, it rejoins the European Union, and England and Wales trot in behind. Where will these trade deals be then? I do not think the Government have given that point any consideration. The deals are transitory.

Madam Deputy Speaker (Dame Rosie Winterton): That was a very long intervention.

Paul Blomfield: I note the hon. Gentleman's intervention and expertise on trade deals, but I do not think his question is really directed at me. He and others have made the point that the fact that the parliamentary scrutiny period for the CRaG process expired without debate means that there has been no real opportunity for us to look at the deal. The International Trade Secretary studiously dodged meetings of the Select Committee until it was too late for meaningful engagement. Today we are being asked to pass bare-bones legislation implementing an agreement that we have not been given the opportunity to scrutinise.

This matters because these deals set the scene for the way we approach post-Brexit trade negotiations. We have not done trade negotiations for many years, so it is important that we learn from the way this deal is handled and get it right in the future—we clearly did not get it right this time. Parliamentary scrutiny and oversight matter. As the Chair of the Select Committee pointed out, they are important not simply for the health of our democracy, but for our economy. Members have a valuable contribution to make, as we have heard in this debate.

The reasons for the avoidance of scrutiny are becoming clearer. I know the hon. Member for Huntingdon requested positivity, but we need honesty as well. The Government's own estimate of the benefits of the Australia deal are that it will contribute 0.08% to GDP by 2035; their assessment of the New Zealand deal is that it will add nothing to GDP. As many Members have highlighted, for key sectors, the figures are worse.

The NFU is concerned that UK agriculture will suffer as a result of the Australia deal. Its president, Minette Batters, explained that

“Despite assurances that these sectors would be afforded some level of protection, we will see full liberalisation of dairy after just six years, sugar after eight years and beef and lamb after 15 years.” That means no restrictions on imports and open market access, which leaves no protection for UK agriculture or our standards, rights and protections. She continued:

[Paul Blomfield]

“Just as concerningly, the UK has agreed to beef and lamb quotas which will favour imports of high-value cuts, despite this being the end of the market where British farmers tend to derive any value from their hard work. It’s also difficult to discern anything in this deal that will allow us to control imports of food produced below the standards legally required of British farmers”.

Standards are not just important to farmers; 95% of British people think it is important to maintain British food standards through trade deals. There is also concern in the agriculture sector that Australia approves the use of almost three times the level of pesticides as the UK does.

I served with representatives from every party in this House and representatives from across business and industry on the UK Trade and Business Commission. As part of our work on this deal, we heard, for example, from a beef farmer, Jilly Creed, who explained that hormone beef and antibiotic use is a big concern in the sector. She illustrated the differences between UK and Australian practice in the industry in relation to animal welfare and environmental safeguards, telling us that

“Our cattle go 30 miles down the road and are slaughtered within two hours of leaving this farm. Cattle in Australia can travel up to 24 hours without food and water”.

Kieran Box, of Friends of the Earth, talked to us about environmental issues, saying that

“Prioritising a negotiating partner like Australia...with a lack of progress towards climate targets, with some fairly poor enforcement of environmental laws at the state level, and with the lack of enforceable commitments that we see in the FTA to progress on multilateral environmental agreements, it just feels that we have a set of multilateral environmental commitments on one side and we have a set of trade agreements on the other that pay lip service to those, but in practice they are contributing...to emissions.”

The TUC told us that the sanctions mechanism in these deals for issues such as workers’ rights degradation are so

“restrictive and difficult to be actually brought into action that we don’t think it’s going to be possible to use”.

It is clear that, desperate for a post-Brexit deal, the Government were willing to secure this one at any price, regardless of the damage to communities, industries and the environment. That underlines the importance of effective parliamentary scrutiny. There is real concern that the regulation-making powers in clauses 1 and 2 will enable existing legislation to be amended significantly without scrutiny, undermining parliamentary sovereignty and transferring yet more power to the Executive.

Sir Mark Hendrick: Is it not the case that the whole trick of Brexit was to pretend that trade deals with other countries could compensate for the loss of trade with the EU? We have seen the Government conducting a tick-box exercise where roll-over deals from the European Union were turned into so-called successes, when they were not successes—they were just a copy of what we had with the EU. Australia was the first opportunity to have a template for future deals, but the Government have fallen at the first hurdle.

Paul Blomfield: My hon. Friend echoes the point that I am making.

I am drawing my remarks to a conclusion, but I will make a further point. Trade deals and their implementation must be developed with engagement from business and workers so that they can operate effectively.

Angus Brendan MacNeil: I am grateful for the hon. Gentleman’s indulgence again. He has made some cracking points in his speech, including one about parliamentary input. We could argue that if we had a debate in Parliament beforehand, it would help our negotiating hand, because the negotiators at the table could tell their opposite numbers, “We won’t get this past Parliament, given the debate that we’ve had.” The involvement of Parliament might actually be—and have been—very helpful in those deals.

Paul Blomfield: The Chair of the Select Committee makes an important point. In an early intervention from the Government Benches—I do not think it was representative of the views of Conservative Members in general—it was said that Parliaments should not be involved in negotiating trade deals. That is clearly nonsense. That sort of early debate in Parliament would have informed and strengthened the negotiating process, and many of the concerns that have been expressed today would have been avoided.

When the Minister winds up, I hope that he will outline his response to the points that have been made, and what steps he feels should be taken to improve the scrutiny of future deals. I hope he would also agree that the powers exercisable under clauses 1 and 2 of the Bill should be constrained by an objective test of necessity, or at least be subject to the affirmative resolution procedure.

The Australia deal in particular damages our farmers in return for little economic benefit, by the Government’s own measure. It weakens food and animal welfare standards. It falls short on protection for workers. It fails to meet the commitments on climate action that Ministers promised. It is obviously—this is the point that everybody is making—a done deal; it is the new Prime Minister’s flagship agreement. But we need to address its deficiencies and learn the lessons for future FTAs, particularly about the process that we adopt as a Parliament.

I echo the comments made by the hon. Member for Huntingdon about the approach that we need to look at, which is used by other countries. It would provide the engagement that the Chair of the International Trade Committee talks about at an early stage of the process, and it would provide genuine involvement as the deal is secured. It would ensure not only that we have effective parliamentary scrutiny, but that we exercise parliamentary sovereignty, as we should.

5.28 pm

Helen Morgan (North Shropshire) (LD): I will keep my remarks brief—mercifully brief, most people might think—because I do not want to repeat much of what has been said in the debate. I am particularly grateful to my hon. Friend the Member for Chesham and Amersham (Sarah Green) for her remarks and to the hon. Member for Penrith and The Border (Dr Hudson) for his excellent speech.

I will put on record some of my concerns on behalf of my constituents. It is disappointing that there will not be a meaningful vote on the content of these trade

deals, as we have covered at length today. My farmers have made it clear to me that they feel very much sold out by this agreement and that their interests have been bargained away for the sake of a good newspaper headline and an agreement with little forecast benefit to the UK.

I would like for a moment to touch on the concept of forecasts, having done them as a career before this one. Forecasts are by their nature not facts and are uncertain things, but there is no way that in my previous career I could have gone to my director with a forecast and said, “Well, it’s not as good as we wanted, but fingers crossed, as my last one was a bit on the low side, I’m sure it’ll turn out okay.” I do not think I would have walked away from that meeting with my job intact. I think we need to recognise that forecasts are always going to be wrong, but they reflect a range of possibilities and they are the best information we have. We should rely on the most likely outcome and bear in mind the upside and the downside provided. I do not think we should be dismissing forecasts as too pessimistic, because we do not have any better information to work from.

We have heard from many people who have said that the main point about farming, and it is a very good point, is that the failure to ensure that the world-leading environmental and animal welfare standards we are so proud of in the UK will be required of farmers who import to us risks undercutting our own farmers, and particularly our small family-owned farms. This comes at a time when the industry is being battered from all sides. The costs of doing business are spiralling, and we have heard today about fertiliser, animal feed and fuel prices. We are seeing the basic farm payment being reduced before its replacement is fully available, and we have an increasingly unpredictable climate for farmers to grapple with.

This is happening to such an extent that some of my farmers are now considering hanging up their wellies for good. I am sure that is not the Government’s intention—as the hon. Member for Totnes (Anthony Mangnall) pointed out, many Conservative Members represent rural constituencies—but, along with the financial incentives to encourage farmers to shut up shop, I fear that it may be the result. In rural constituencies, agriculture may not be the biggest factor, but it is the backbone of daily life and food production and, certainly in my constituency, is one of the most significant employers. It is just not okay to take these rural voters and these constituencies for granted by allowing these poor deals to go ahead.

I want to pick up a point about food labelling and consumer choice, because food labelling in this country is already confusing. British consumers can go into a supermarket and buy bacon that has been processed and packaged here and has a Union flag on the package, and they believe they are buying British. In fact, that pork will have been reared overseas, probably in the EU, in a place where lower standards are allowed, for instance in the use of farrowing crates. I have met local pig farmers who have been forced to kill pigs on farm while European carcasses are processed in the factory down the road because those carcasses are cheaper to import. I can see the situation becoming worse for our farmers, particularly for the beef and sheep farmers we are talking about in respect of these deals, if we allow this to go ahead.

As many Members have said, this Bill sets a precedent, so even if the volumes from these two deals are relatively small, when we go forward into our new negotiations we could be opening the floodgates to a large amount of produce that will undercut our farmers. We have also heard from Members that this is a time when food security should be top of our agenda. We should be producing as much as we reasonably can to keep food on the table, not introducing extra risks into British farming. I am disappointed to see the Conservative Government doing that, because they made iron-clad commitments that new trade deals would not undermine British farming.

It is important to mention the environmental cost. Allowing food produced to lower standards simply offshores our responsibility to lead the world in sustainable food production. I am reminded of a very silly joke, and I am afraid it is not funny: “What is that farmer doing over there? Well, he’s out standing in his field.” It is silly, but it is true, because our farmers are outstanding in their field. Of course, we can do more in British farming to protect the environment and improve animal welfare, but we have already shown global leadership and we should proudly continue to do so by insisting on a level playing field in the trade deals we sign.

The new Prime Minister was personally involved in negotiating both these deals. They have been assessed as damaging to the British farming sector and as producing little benefit to the wider economy, and they have not been allowed the full scrutiny of Parliament and the meaningful vote on their contents. I think that is an alarming precedent for the future, so I hope she improves in her new role.

5.34 pm

Richard Foord (Tiverton and Honiton) (LD): The chairman of the Farming Community Network in Devon wrote a column last year for the Devon Churches Rural Forum. John Wibberley wrote that he had collected agricultural postage stamps from around the world since he was a child, and one Australian stamp proclaimed that Australia should “produce food”. It seems that there is no such focus on food security from the UK Government, who are requiring British farmers to compete with exporting countries while eating away at the basic payment. The west country is home to more livestock than any other region of the UK. Can the Minister assure farmers in Devon that the Trade (Australia and New Zealand) Bill will not trade off the benefits for professional services firms with farmers’ livelihoods when we see a significant increase in the imports of Australian beef and New Zealand dairy products next year?

5.35 pm

Gareth Thomas (Harrow West) (Lab/Co-op): This has been an interesting and important debate, and the frustration of the House about the lack of scrutiny of these deals to date has been marked, with interventions from the Labour Benches and across the House, most notably from members of the International Trade Committee across parties. They have expressed striking concerns about, in the words of the hon. Member for Wyre Forest (Mark Garnier), the completely meaningless CRAg process that the Secretary of State allowed to unfold. It is also striking that there was absolutely no

upside, too, the deals have not led to the value of the pound dropping or a decline in foreign investment, and British farming and food businesses have not seen an immediate hit to their contracts. That, at least, is an improvement on the trade deal that the previous Prime Minister negotiated with the European Union. The overwhelming sense of the trade deals—with Australia in particular, and with New Zealand—is of deals done in a rush, with the now Prime Minister desperate for any deal, at almost any cost.

Some commentators have suggested—this point has been echoed by many in the debate—that in the rush to sign off the two new free trade agreements and bring the Bill to the Floor of the House, Ministers have failed to grasp how the deals leave Britain badly exposed for future negotiations with, for example, the US or Brazil. They argue that by undermining our food, animal welfare and environmental standards, the deals create difficult precedents in key parts of our economy, and that English farmers—and those in the devolved nations too—have been left most at risk of a long-term cumulative hit to their, and our country's, economic interests, with the terms of these deals being used against us in even more significant negotiations.

It is, I have to say, extraordinary that Ministers made such a big offer to Australian farmers and got so little in return. The unconditional abolition of tariffs on Australian farm produce with few safeguards—a very big concession—is particularly surprising given that Ministers did not even negotiate basic protections for our most famous products, a point made by my right hon. Friend the Member for Torfaen (Nick Thomas-Symonds) and the SNP spokesman, the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry). Why did Ministers not prioritise protections of UK geographical indicators for our most iconic brands, such as Scotch whisky, Swaledale cheese, traditional Grimsby smoked fish, Yorkshire Wensleydale and Cornish pasties, to name just a few?

It is not just in Australia and New Zealand that Ministers cannot negotiate protections for our country's best brands. Ministers still have not secured GI status in Japan for half the products they claimed they would. Indeed, ironically it appears Ministers are hoping their failure here will be partially put right through the knock-on impact of the EU's negotiations with Australia.

John Spellar: My hon. Friend rightly concentrates on the Government's deficiencies in handling the negotiations on agriculture, but, as a Member of Parliament representing the heartland of the industrial revolution, does he not see advantages for British industry in this agreement?

Gareth Thomas: Absolutely, I see advantages for British exporters, which is why, in my praise for my right hon. Friend in the opening part of my speech, I underlined that we want to see increased trade with Australia and New Zealand going forward.

Given the huge concessions Ministers made on access to our agricultural markets, it is frankly also surprising that they did not insist on more protection against competition from food imports produced to lower standards. Human rights, labour rights and climate change have also been largely unmentioned.

Turning specifically and lastly to the Bill, it gives Australia and New Zealand better access to our Government procurement market, worth almost £300 billion, in return for our firms getting a little better access to their procurement markets, worth just £200 billion together. We will seek to amend the Bill in Committee to ensure there is better scrutiny of the procurement sections of both UK trade deals. The Conservative party has been missing while the people of our country are struggling to make ends meet and deeply worried about how their businesses and other businesses will survive. The Bill will make little substantial difference to those challenges. A more robust trade strategy to generate wealth and share it more fairly is long overdue, and much more robust parliamentary scrutiny needs to be one of the lessons that Ministers learn from the passage of these two deals. We want greater trade with both Australia and New Zealand. We will not oppose the Bill tonight, but we will seek to amend it during its remaining stages.

5.47 pm

The Parliamentary Under-Secretary of State for International Trade (Andrew Griffith): It is a pleasure to reply to what has been a serious and, if I may say so, well-informed debate.

The passage of the Bill will allow us to ratify the agreements and thereby unlock a new chapter in the proud and vital tradition of Britain trading freely with the world. These are the first trade agreements that the UK has negotiated from scratch in over half a century and it is wholly appropriate that they are with our friends in Australia and New Zealand. My hon. Friend the Member for Mole Valley (Sir Paul Beresford) reminded us of the close links between our three nations, including his own dual nationality. My own brother lives in Australia and has an Australian family. According to the 2021 Australian census, a third of Australians have English ancestry. Similarly, 72% of New Zealanders are of European origin, with the majority of those estimated to hail from the UK. The right hon. Member for Warley (John Spellar) reminded us of the Anzac memorial in Whitehall, the Five Eyes partnership and AUKUS. As my right hon. Friend the Member for South West Norfolk (Elizabeth Truss), now the Prime Minister—if I may be the first to congratulate her from the Dispatch Box—said when she launched the negotiations, these deals

“renew and strengthen our bond of friendship, help bring greater prosperity to our peoples, and send a clear signal to the rest of the world that like-minded democracies are prepared to stand up for free trade and the rules underpinning international trade.”

Sir Paul Beresford: We have been listening to Members, particularly from the Opposition, saying that we need protections and so forth to be built in. This goes two ways: if we build in protections, Australia and New Zealand will want to build them in, so a free trade agreement will cease to live up to its title.

Andrew Griffith: My hon. Friend is absolutely right. Although one has to work quite hard to find them, we have heard throughout this debate about a legion of opportunities that the Bill will open up. My hon. Friend the Member for Finchley and Golders Green (Mike Freer), late of the parish of this Department, spoke about the importance of the mutual recognition of

[Andrew Griffith]

professional qualifications, and we heard the same point from my hon. Friend the Member for Huntingdon (Mr Djanogly).

The nationalist spokesman, the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry), somewhat grudgingly accepted the benefit of the deal for Scottish whisky. My hon. Friend the Member for Mole Valley conjured up an image of a warehouse full of Silent Pool gin waiting to be shipped down under. We heard from my hon. Friend the Member for Meon Valley (Mrs Drummond) about her opportunity, and she does great work as chair of the all-party group on English sparkling wine for Hambledon Vineyard and Exton Park in her constituency.

We heard from the right hon. Member for East Antrim (Sammy Wilson) about the number of jobs in his constituency that are dependent on mining machines, with Australia, again, as the sole market for those. We even heard about the opportunity for the right hon. Member for Torfaen (Nick Thomas-Symonds) to export his book down under.

Angus Brendan MacNeil: I am hearing an awful lot of the typical boosterism from the Government—the spin and froth—but does the Minister accept the numbers? We need 62 and a half of these Australian-style deals to match the damage that Brexit has done to the United Kingdom economy.

Andrew Griffith: We also heard from my hon. Friends the Members for Totnes (Anthony Mangnall) and for Wycombe (Mr Baker) about the serial underestimate of the benefits of free trade. We Government Members are very clear about the benefits for consumers and producers and the competitiveness of this nation alike.

I will try to address as many of the other points as time allows. As is so often the case, I am afraid that the hon. Member for Brighton, Kempdown (Lloyd Russell-Moyle) raised the prospect of the NHS being at risk. Let me be very clear: this and our other free trade agreements do not, and will not, cover healthcare services in the UK—neither will they threaten the standard of care nor the Government's ability to decide how we and this Parliament organise our healthcare services in this country in the best way for patients. The NHS is not at risk from free trade agreements and I agree with the right hon. Member for Warley that the House should not conflate the two.

A number of serious contributions were made about agriculture. We understand fully hon. Members' concerns—we heard from my hon. Friend the Member for Penrith and The Border (Dr Hudson) and, again, my hon. Friend the Member for Totnes. British farming is vital to our trade policy. Any deal that we sign needs to work for UK consumers, farmers and food producers. I have many of those in my constituency and will always look out for them.

Matt Western (Warwick and Leamington) (Lab): Like the Minister, I have farmers in my constituency; I met them last week and we discussed the trade deal and its likely impacts. Is he concerned, as they are, about the sort of economic impact that it will have? Will he confirm that the Government have undertaken a full economic impact assessment of the deal?

Andrew Griffith: The Government have undertaken that and, indeed, the independent Trade and Agriculture Commission has given the deal a green light and a clean bill of health, in terms of its impact.

Drew Hendry: Will the Minister give way?

Andrew Griffith: I will make some progress, but I will come back to many of the points that the nationalist spokesman made.

The issue of antimicrobial usage was raised. The TAC outlined in its report on the Australian deal that the free trade agreement will not lead to increased imports of products commonly produced using antimicrobials, largely because it does not reduce tariffs on those products. They are out of scope.

The nationalist spokesman and the hon. Member for Airdrie and Shotts (Ms Qaisar) talked about the role of the devolved Administrations in the process. The negotiation of trade agreements is a reserved matter, whether the hon. Member for Inverness, Nairn, Badenoch and Strathspey likes it or not, but the devolved Administrations are responsible for implementation in matters of devolved competence, which includes certain provisions relating to public procurement. The Bill applies, as it should, to the whole United Kingdom and will confer concurrent powers on both UK and devolved Ministers, or on a Northern Ireland Department, to implement public procurement provisions in both the Australia and New Zealand free trade agreements. They are limited powers specific to implementing these agreements alone.

Not for the first time, nationalists are promoting an act of self-harm. These trade agreements have the potential to deliver sizeable benefits across the four nations; the Australia agreement alone could mean an increase in GVA of about £200 million for Scotland, Wales and Northern Ireland, which will be valued by their citizens. My Department is seeking legislative consent from each devolved legislature and is engaging with the DAs, building on the extensive engagement—acknowledged on both sides—that was undertaken during the negotiation of both trade agreements at ministerial and official level.

As my right hon. Friend the Secretary of State said in her opening remarks, we are committing not normally to use these concurrent powers without a devolved Administration's consent, and never without consulting them first. The same commitment was made regarding the use of powers in the Trade Act 2021 and has been honoured by the UK Government.

The nationalist party spokesman—[HON. MEMBERS: "National!"]—was positively wistful for a European agreement with New Zealand. What he talked about is much more protectionist, offers far fewer benefits for UK consumers, and if we were still in the European Union, he would have had no scrutiny or influence over it.

Angus Brendan MacNeil: On a point of order, Madam Deputy Speaker. Is it in order to send this Government to Brussels to learn some lessons in respect and how to run a Union? This is not a way to run a Union.

Madam Deputy Speaker (Dame Rosie Winterton): That is not a point of order.

Andrew Griffith: A number of right hon. and hon. Members, including my hon. Friends the Members for Wyre Forest (Mark Garnier), for Huntingdon, for Totnes and for Meon Valley, raised parliamentary scrutiny. They made their points eloquently and in a collaborative way. I am sure that they will have been listened to, especially as they relate to the interaction with the Select Committee. It is clear—the point has been made across the House—that the Committee has done its work diligently and that its Chairman and members are effective.

The Government acknowledge the importance of parliamentary scrutiny of our ambitious trade agenda, and we want to get it right. Indeed, it is always a delight for this House to debate the life-enhancing virtues of trade. In human evolution, it must rank alongside language and the opposable thumb in its utility and impact. Free trade has vastly extended the length and quality of life of billions of people on this planet, many in the most desperate and impoverished parts of the world. That is why it such is a serial disappointment on this side of the House that Opposition Members seem so determined to place a spoke in the wheel of this country's ability to set its own independent trade policy. With respect, we will take no lessons on scrutiny from those who voted again and again for the zero scrutiny that comes from British trade policy being decided not in Holyrood or Westminster, but by bureaucrats in Brussels.

Anthony Mangnall: The Minister is doing an excellent job at the Dispatch Box and is making a very good speech, but given what has been said in this debate, when the Committee has done a report on the New Zealand free trade agreement, will he commit to a debate under the CRAg process with a votable motion at the end?

Andrew Griffith: I thank my hon. Friend for his contribution. He has made his point very clearly, and I am sure that the Government have heard it.

This Bill is the first step in the creation of the outward-looking, internationalist, truly global Britain that we envisage for our future. It is not the end of the Government's ambition, but the beginning. It is our objective to place the UK at the centre of a network of values-based free trade agreements spanning the globe. Trade is an issue that transcends party politics. It is intrinsic to our way of life. Fewer barriers mean more opportunities for our business, more economic growth, better jobs, and higher wages for our people. I commend the Bill to the House.

Question put, That the Bill be now read a Second time.

The House divided: Ayes 309, Noes 56.

Division No. 54]

[6 pm

AYES

Afolami, Bim	Atherton, Sarah
Afriyie, Adam	Atkins, Victoria
Aiken, Nickie	Bacon, Gareth
Aldous, Peter	Bacon, Mr Richard
Allan, Lucy	Badenoch, Kemi
Anderson, Lee	Bailey, Shaun
Anderson, Stuart	Baillie, Siobhan (<i>Proxy vote</i>)
Andrew, rh Stuart	<i>cast by Kelly Tolhurst)</i>
Ansell, Caroline	Baker, Duncan
Argar, Edward	Baker, Mr Steve

Baldwin, Harriett	Eastwood, Mark
Baynes, Simon	Edwards, Ruth
Bell, Aaron	Ellis, rh Michael
Benton, Scott	Elphicke, Mrs Natalie
Beresford, Sir Paul	Eustice, rh George
Bhatti, Saqib	Evans, Dr Luke
Blackman, Bob	Evennett, rh Sir David
Blunt, Crispin	Everitt, Ben
Bone, Mr Peter	Fabricant, Michael
Bottomley, Sir Peter	Farris, Laura
Bowie, Andrew (<i>Proxy vote</i>)	Fell, Simon
<i>cast by Kelly Tolhurst)</i>	Firth, Anna
Bradley, Ben	Fletcher, Katherine
Brady, Sir Graham	Fletcher, Mark
Brereton, Jack (<i>Proxy vote</i>)	Fletcher, Nick
<i>cast by Kelly Tolhurst)</i>	Ford, Vicky
Bridgen, Andrew	Foster, Kevin
Brine, Steve	Francois, rh Mr Mark
Bristow, Paul	Frazer, rh Lucy
Britcliffe, Sara	Freeman, George
Browne, Anthony	Freer, Mike
Bruce, Fiona	French, Mr Louie
Buchan, Felicity	Fuller, Richard
Buckland, rh Sir Robert	Fysh, Mr Marcus
Burghart, Alex	Gale, rh Sir Roger
Burns, rh Conor	Garnier, Mark
Butler, Rob	Ghani, Ms Nusrat
Cairns, rh Alun	Gibb, rh Nick
Campbell, Mr Gregory	Gideon, Jo
Carter, Andy	Girvan, Paul
Cartlidge, James	Glen, John
Cash, Sir William	Goodwill, rh Sir Robert
Caulfield, Maria	Grant, Mrs Helen
Chalk, Alex	Gray, James
Chishti, Rehman	Grayling, rh Chris
Churchill, Jo	Green, Chris
Clark, rh Greg	Green, rh Damian
Clarke, rh Mr Simon	Griffith, Andrew
Clarke, Theo (<i>Proxy vote cast</i>)	Grundy, James
<i>by Kelly Tolhurst)</i>	Halfon, rh Robert
Clarke-Smith, Brendan	Hall, Luke
Clarkson, Chris	Hammond, Stephen
Cleverly, rh James	Hands, rh Greg
Colburn, Elliot	Harper, rh Mr Mark
Collins, Damian	Harris, Rebecca
Costa, Alberto	Harrison, Trudy
Courts, Robert	Hart, Sally-Ann
Coutinho, Claire	Hart, rh Simon
Cox, rh Sir Geoffrey	Hayes, rh Sir John
Crabb, rh Stephen	Heald, rh Sir Oliver
Crosbie, Virginia	Heaton-Harris, rh
Crouch, Tracey	Chris
Daly, James	Henderson, Gordon
Davies, David T. C.	Henry, Darren
Davies, Gareth	Higginbotham, Antony
Davies, Dr James	Hinds, rh Damian
Davies, Mims	Hoare, Simon
Davis, rh Mr David	Holden, Mr Richard
Davison, Dehenna	Hollinrake, Kevin
Dinenage, Dame Caroline	Hollobone, Mr Philip
Dines, Miss Sarah	Holloway, Adam
Djanogly, Mr Jonathan	Holmes, Paul
Docherty, Leo	Howell, John
Donelan, rh Michelle	Howell, Paul
Double, Steve	Huddleston, Nigel
Dowden, rh Oliver	Hughes, Eddie
Doyle-Price, Jackie	Hunt, Jane
Drax, Richard	Hunt, rh Jeremy
Drummond, Mrs Flick	Hunt, Tom
Duddridge, James	Javid, rh Sajid
Duguid, David	Jayawardena, Mr Ranil
Dunne, rh Philip	Jenkyns, Andrea

Jenrick, rh Robert
 Johnson, Dr Caroline
 Johnston, David
 Jones, Andrew
 Jones, rh Mr David
 Jones, Fay
 Jones, Mr Marcus
 Jupp, Simon
 Kawczynski, Daniel
 Keegan, Gillian
 Knight, rh Sir Greg
 Kniveton, Kate
 Kruger, Danny
 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
 Lockhart, Carla
 Loder, Chris
 Logan, Mark
 Longhi, Marco
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Mackrory, Cherilyn
 Maclean, Rachel
 Mak, Alan
 Malthouse, rh Kit
 Mangnall, Anthony
 Mann, Scott
 Marson, Julie
 May, rh Mrs Theresa
 Mayhew, Jerome
 Maynard, Paul
 McCartney, Jason
 McCartney, Karl
 Merriman, Huw
 Metcalfe, Stephen
 Millar, Robin
 Miller, rh Dame Maria
 Milling, rh Amanda
 Mills, Nigel
 Mitchell, rh Mr Andrew
 Mohindra, Mr Gagan
 Moore, Damien
 Mordaunt, rh Penny
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morrissey, Joy
 Mortimer, Jill
 Mullan, Dr Kieran
 Mumby-Croft, Holly
 Mundell, rh David
 Murrison, rh Dr Andrew
 Neill, Sir Robert
 Nici, Lia
 Norman, rh Jesse
 O'Brien, Neil
 Offord, Dr Matthew
 Opperman, Guy (*Proxy vote
 cast by Kelly Tolhurst*)
 Paisley, Ian
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John

Percy, Andrew
 Philp, Chris
 Pow, Rebecca
 Prentis, Victoria
 Quin, Jeremy
 Quince, Will
 Randall, Tom
 Redwood, rh John
 Rees-Mogg, rh Mr Jacob
 Richards, Nicola
 Richardson, Angela
 Robertson, Mr Laurence
 Robinson, Gavin
 Robinson, Mary
 Rowley, Lee
 Russell, Dean
 Rutley, David
 Sambrook, Gary
 Saxby, Selaine
 Scully, Paul
 Seely, Bob
 Selous, Andrew
 Shannon, Jim
 Shelbrooke, rh Alec
 Simmonds, David
 Skidmore, rh Chris
 Smith, Chloe
 Smith, Greg
 Smith, Henry
 Smith, Royston
 Solloway, Amanda
 Spencer, Dr Ben
 Spencer, rh Mark
 Stafford, Alexander
 Stevenson, Jane
 Stevenson, John
 Stewart, rh Bob
 Stewart, Iain
 Streeter, Sir Gary
 Stride, rh Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, rh Rishi
 Swayne, rh Sir Desmond
 Syms, Sir Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Trevelyan, rh Anne-Marie
 Trott, Laura
 Tugendhat, Tom
 Vickers, Martin
 Vickers, Matt
 Villiers, rh Theresa
 Walker, Sir Charles
 Walker, Mr Robin
 Wallis, Dr Jamie
 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
 Wilson, rh Sammy

Wood, Mike
 Wright, rh Sir Jeremy
 Young, Jacob

Tellers for the Ayes:
 Craig Whittaker and
 Gareth Johnson

NOES

Black, Mhairi
 Blackman, Kirsty
 Brock, Deidre
 Brown, Alan
 Cameron, Dr Lisa
 Chamberlain, Wendy
 Chapman, Douglas
 Cherry, Joanna
 Cooper, Daisy
 Crawley, Angela
 Davey, rh Ed
 Day, Martyn
 Docherty-Hughes, Martin
 Dorans, Allan
 Edwards, Jonathan
 Farry, Stephen
 Flynn, Stephen
 Foord, Richard
 Gibson, Patricia
 Grady, Patrick
 Grant, Peter
 Green, Sarah
 Hanna, Claire
 Hendry, Drew
 Hobhouse, Wera
 Hosie, rh Stewart
 Jardine, Christine
 Lake, Ben
 Law, Chris

Linden, David
 Lucas, Caroline
 MacAskill, Kenny
 MacNeil, Angus Brendan
 Mc Nally, John
 McDonald, Stewart Malcolm
 McDonald, Stuart C.
 McLaughlin, Anne
 Monaghan, Carol
 Moran, Layla
 Morgan, Helen
 Newlands, Gavin
 O'Hara, Brendan
 Olney, Sarah
 Oswald, Kirsten
 Qaisar, Ms Anum
 Saville Roberts, rh Liz
 Sheppard, Tommy
 Smith, Alyn
 Stephens, Chris
 Thewliss, Alison
 Thompson, Owen
 Whitford, Dr Philippa
 Williams, Hywel
 Wilson, Munira
 Wishart, Pete

Tellers for the Noes:
 Marion Fellows and
 Richard Thomson

Question accordingly agreed to.

Bill read a Second time.

TRADE (AUSTRALIA AND NEW ZEALAND) BILL (PROGRAMME)

*Motion made, and Question put forthwith (Standing
Order No. 83A(7)),*

That the following provisions shall apply to the Trade (Australia
and New Zealand) Bill:

Committal

(1) The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

(2) Proceedings in the Public Bill Committee shall (so far as
not previously concluded) be brought to a conclusion on Thursday
22 September 2022.

(3) The Public Bill Committee shall have leave to sit twice on
the first day on which it meets.

Proceedings on Consideration and Third Reading

(4) Proceedings on Consideration shall (so far as not previously
concluded) be brought to a conclusion one hour before the
moment of interruption on the day on which proceedings on
Consideration are commenced.

(5) Proceedings on Third Reading shall (so far as not previously
concluded) be brought to a conclusion at the moment of interruption
on that day.

(6) Standing Order No.83B (Programming committees) shall
not apply to proceedings on Consideration and Third Reading.

Other proceedings

(7) Any other proceedings on the Bill may be programmed.—
(*Adam Holloway.*)

Question agreed to.

Business without Debate

DELEGATED LEGISLATION

Madam Deputy Speaker (Dame Rosie Winterton): With the leave of the House, we will take motions 4 and 5 together.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

SANCTIONS

That the Republic of Belarus (Sanctions) (EU Exit) (Amendment) Regulations 2022 (SI, 2022, No. 748), a copy of which was laid before this House on 4 July, be approved.

CAPITAL GAINS TAX

That the draft Double Taxation Relief and International Tax Enforcement (Luxembourg) Order 2022, which was laid before this House on 20 June, be approved.—(*Adam Holloway.*)

Question agreed to.

Madam Deputy Speaker: We now come to motion 6 on the Committee on Standards and motion 7 on the Committee of Privileges. Not moved.

Independent Brewers: Small Brewers Relief

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

6.16 pm

Owen Thompson (Midlothian) (SNP): It is good to see such an amazing turnout for tonight's Adjournment debate and such an interest in small brewers relief!

Madam Deputy Speaker (Dame Rosie Winterton): Order. Will right hon. and hon. Members please leave quietly, because if they do not, we will not be able to hear the Adjournment debate?

Owen Thompson: Thank you, Madam Deputy Speaker. Take two. Politicians like to talk about how everything, in one way or another, is political. We would say that, wouldn't we? But I think it is genuinely true; decisions taken in places such as this set the scene for our broader social and cultural lives. How we answer questions such as what gets support, what is left to the whims of the free market and how much is something taxed can have a direct impact on how people live, what products they use, what they eat and what they drink. That is certainly the case when it comes to beer.

When we look at Scotland and the UK's independent brewing scene today, we see diversity and growth, but this is not how it has always been. Only 20 years ago, there were only about 400 brewers in the UK, whereas today the number stands at about 1,900, which is five times as many, with nearly one in every parliamentary constituency. Midlothian, my constituency, punches well above its weight when it comes to brewing, as it does in many other regards; to name just a few local companies, we have Stewart Brewing, Cross Borders, Top Out, Otherworld and Black Metal. The overall picture in recent years has been a booming sector coming out of nowhere and making a huge economic impact.

According to the Society of Independent Brewers, which is represented here tonight with Barry Watts, Keith Bott, Eddie Gadd, Roy Allkin and Greg Hobbs in the Gallery—I am delighted to see them here and I thank them for their support in campaigning on this issue—small independent breweries contribute about £270 million to GDP each year and employ about 6,000 full-time staff. That is an average of 4.1 employees per brewery. A great deal of that success is precisely because in 2002 the Government of the day recognised that existing policy—beer duty—was artificially holding back a sector. In addressing that, politics has enabled craft beer to flourish, to the point where it is now embedded in our culture. Much of this is thanks to small brewers relief, which celebrates its 20th birthday this year. Conveniently, today of all days, the Five Points brewery in Hackney hosted a 20th anniversary celebration to mark the good that SBR has done. Sadly, parliamentary business meant that I could not make it along, but I am told that it was a roaring success, and I hope the Minister will join me in congratulating the organisers.

SBR was introduced to help smaller craft brewers compete in a marketplace dominated by large and global brewers. It allows smaller breweries who make less beer to pay a more proportionate amount of tax, as with

[*Owen Thompson*]

income tax. For those who produce up to 5,000 hectolitres a year, which, for clarity, is about 900,000 pints and enough to supply around 15 pubs—or one Downing Street Christmas party, perhaps—SBR means a 50% reduction in the beer duty they pay. Above 5,000 hectolitres, brewers pay duty on a sliding scale, up to the same 100% rate that the global producers pay. This enables brewers to invest in their businesses, create jobs and compete with the global companies.

However, SBR has always had a major glitch. Once a brewer makes more than 5,000 hectolitres, the rate at which duty relief is withdrawn acts as a cliff edge. As a result, instead of empowering small brewers to grow, SBR puts up a barrier, and all because of a wee technicality. It is not the sort of thing that should take years and years to address, but sadly that is exactly what has happened.

As far back as 2018 the Treasury announced a review of SBR to address the cliff edge. Since then, brewers have been barraged with a review in 2019, a technical consultation in 2021, a call for evidence on the alcohol duty system, and a consultation on yet another new system this year.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): I think a number of us were discussing this matter back in November 2020. One of the drivers then was the sense that we needed to support small, independent brewers coming out of covid. Here we are almost two years down the road. We need to support them in relation to covid and in relation to energy. The need to incentivise support from this Government—we all agree how important the brewers are to our communities, as well as to the economy—is just as important now as it was then, if not more so. We would welcome a supportive response from the Government.

Owen Thompson: The hon. Lady makes an excellent point. I will speak later about some of the issues that businesses currently face with regard to energy costs.

Jim Shannon (Strangford) (DUP): In my constituency, as in the hon. Lady's, we have breweries. I am reminded of Bullhouse Brewery in Greengraves Road in Newtonards, a local family business. It produces an incredible product that sells well, but it is a small brewery. It really is in that category. Without the assistance of small brewers relief, there is no guarantee that our independent brewers would be able to survive. Does the hon. Gentleman agree that to ensure that our local brewers are able to remain comfortably on their feet, there must be greater relief on their beer duty to ensure that they are not penalised by crippling tax in years to come? The very fact of what local brewers do means that they are intensive users of electricity so the costs for them are multiplied to a place where they may not be able to survive.

Owen Thompson: I agree with the hon. Gentleman. Many small family brewers are so much a part of their local communities. It is not just about the business, it is what they do for their local communities.

Each proposal that the Government have brought forward so far has been a step up from the last, but has missed the mark in crucial ways. So let us look at the

most recent reform package that the Treasury has put on the table—what it gets right, which it does, and where we still have some way to go. I welcome last year's announcement that the 50% rate would be reduced to 2,500 hectolitres. This came off the back of a great deal of lobbying from campaign groups and Members across the House, and demonstrates the cross-party willpower to get this right for our brewers. That is not to mention a public petition of more than 50,000 signatures. But issues remain.

Brewers cannot wait any longer for another half-right, half-wrong proposal. This time, the Treasury must listen to brewers' calls, act decisively, and implement that decision. No more leaving brewers in the lurch. They have a right to know the final details of what the Government are planning and when it will be introduced so that they can be prepared for the changes. So, having spoken to SIBA and to local brewers in Midlothian, I am asking the Treasury to address the following problems in its most recent proposals with transparency and urgency. I and many small brewers have serious concerns about the ways in which these reforms could turn small brewers relief into big global brewers relief. Time and again, the current proposals open the door to benefiting the big players, and it is almost starting to look as if that is a feature, not a bug. For one, the Treasury needs to scrap its plan to set the start and end point of relief depending on the UK's average alcohol by volume. This nationwide average is heavily skewed towards global brewers, and it needs to be the average of small brewers instead. Then we have the fact that the reduced rate of SBR will be widened from 2.8% to 3.4% ABV, at £8.42 instead of £19.08.

SIBA has told me that it is concerned that this allows large brewers to undercut smaller ones—they could easily cash in on the benefits by altering their recipes to a lower ABV. Not only would that cost the Treasury an estimated £200 million a year in lost revenue, but it would fundamentally go against the spirit of SBR. On top of that, we have the Treasury's decision to maintain the Farmgate exemption, which exempts 80% of cider makers from paying any duty. Small cider producers absolutely deserve parity of support, but there is no getting round the fact that the cider sector has a very different landscape. Global producers account for 87% of the cider sold in pubs, so it is global producers again that disproportionately benefit from the Farmgate exemption.

According to SIBA, taxing cider at the same rate as beer could raise £360 million a year for the Treasury, so why is it not happening? Are the Government scared of upsetting big business yet again? Using SBR reform as a means of opening the door to advantaging global brewers just does not make sense, yet it seems to be the direction of the Treasury. At best, this is an honest oversight. At worst, it is as if the Treasury is trying to stick to these plans no matter what. I think that questions need to be asked about what communications and hospitality the Treasury might have received from some of these large global brewing companies. I urge the Minister to ensure that that is not the case and that small brewers relief is genuinely to support small brewers and not be that in name only.

Aspects of the latest proposals for SBR reform also undo some of SBR's spirit of innovation and growth. When calculating a producer's average ABV, the proposed new small producer relief will include everything the

producer makes—beer or otherwise. I am sure that it has not escaped the notice of the Minister or others in the Chamber that many small brewers are branching out and not simply making beer but also spirits such as gin or whisky, and this innovation should be welcomed. However, under the current plans, producing spirits will send a brewer's average ABV skyrocketing. Small producer relief will act as a roadblock to innovation. Instead, the average ABV calculations should only include products of up to 8.5%—the same amount that actually qualifies for relief.

The Treasury also needs to urgently clarify some issues around its simplification of ABV bands surrounding SBR. It is welcome that SBR will now apply to beer below 2.8%. That can only encourage a trend of lower alcohol beer to aid in healthier drinking habits. However, will this affect brewers that currently receive up to 50% relief on beer between 2.9% and 3.4%. There is zero clarity on this and brewers need an answer. I urge the Minister to address this in his response.

Furthermore, under the current proposals, the Treasury is planning to introduce a reduced rate of about 5% for draught products below 8.5% ABV in large containers of at least 40 litres. This is a positive step forward, but why stop there? The Minister will be aware of SIBA's "make it 20" campaign. Small brewers and community pubs often use 20 or 30 litre containers to keep the beer fresh. Even some of the larger pub chains are using that size of containers because of the freshness of the product. Will the Minister commit to expanding the reduced rate to include containers of that size? Go on, prove that the Treasury does actually care about the wee guys after all. Crucially, the Minister needs to guarantee that this is full SBR, by ensuring that relief fully applies in cash terms to the lower rate, main, higher and the draught products rate so that small brewers can continue to compete.

On top of this, the way in which the small producer relief is calculated is a completely untested system. Rather than using a simple percentage, brewers will have to consider different cash reliefs at different alcohol bands, based on hectolitres of pure alcohol. It is unnecessarily complex and could act as a cash cap, once again discouraging brewers from innovating.

Brewers do not just need solutions to those issues; they need them to happen now. Frustratingly, however, delay and confusion have been the name of the game so far. First, brewers were promised an announcement on the final details of SBR reform before the summer, but it would appear that the Government have been a bit too busy over the summer to have got around to it, so it never happened. I hope the Minister will take today as an opportunity to give a long-awaited update and maybe even a date of publication for it. Secondly, SBR reform has been rolled into the wider alcohol duty review. Small brewers simply cannot wait for that review's findings, so I hope the Minister will listen to calls for the reform to be progressed on its original timetable for February 2023.

This is not good enough. The urgency of supporting the brewing sector is possibly more serious now than ever before. Under this Government, the mass closure of pubs and breweries is more likely than it has ever been. The industry is facing a multi-faceted crisis of covid recovery, energy price hikes, Brexit and climate issues.

The brewing industry was one of the pandemic's worst-hit sectors, with pub closures locking it out of 80% of its sales. Production fell by 40% in 2020 and remained 16% below 2019 levels in 2021. On average, each small brewer came out of the pandemic with £30,000 of debt. The Scottish Government's brewers support fund provided millions of pounds of direct support for the sector, but there was no equivalent from the Westminster Government, whose wider package of hospitality support failed to include hundreds of brewers. As a result, the UK lost 160 active brewers during the pandemic and has lost between 40 and 60 more this year.

Yet there is a growing consensus in the sector that the current crisis is far more worrying than even at the height of the pandemic. Skyrocketing energy bills are putting brewers' futures at risk. One Midlothian brewer told me that their electricity bill was currently triple what it had been a year ago, at an unimaginable £90,000 a year. They estimated that by next year it would reach £180,000. Another local brewer is paying £21,600 more on energy this year than it did last year, almost enough to hire yet another a new employee.

The energy crisis also has indirect effects on the supply chain, as the energy cost of producing certain materials skyrockets. For example, I have been told that the price of buying cans to put beer in has risen from 9p to 14p, leading to massive increases in costs.

Then we have Brexit, which has created not only product movement issues, but a change of attitudes among buyers on the continent. At a time when the cost of living crisis could mean people spending less money in pubs, the last thing brewers need is a complicated export processing system, but that is exactly what Brexit has given them. A brewery in Kent that was chosen by the Department for International Trade as a Brexit export champion recently revealed that it only has one EU customer left. When EU buyers look at the paperwork needed to trade with UK brewers, it seems the conclusion they come to is, "Why bother?"

The climate crisis is also wreaking havoc on the industry. With the recent high temperatures and drought, hop harvests in Europe are expected to be down 20% to 40% on last year, which means higher prices yet again in the coming months. As if that picture was not worrying enough, there is yet another shortage of CO₂, a key part of the brewing process, again partly due to energy prices.

There are glimmers of hope that I have seen when speaking to local businesses throughout the summer. Many are responding to energy prices and CO₂ shortages by installing green technology to help with renewable energy generation, storage, electrolysis and CO₂ recovery. The Government might not be engaging with long-term planning to adapt to this crisis, but local businesses in Midlothian certainly are. They are turning up the dial on the green revolution in the place that matters most: their own back yards.

However, that kind of long-term investment is exactly that—long term. The up-front costs can be prohibitive for many, while Government funds such as the industrial energy transformation fund are again aimed at larger businesses. Distilleries benefited from £11 million to help them to go green, so I would be grateful if the Minister would consider further steps to help small and medium-sized enterprises such as small brewers to cover the up-front costs of some of those innovations.

[Owen Thompson]

I am here because of Midlothian, to fight the corner of its residents and businesses. That is why I have been talking to local businesses over the summer to understand the issues they are facing in the midst of this crisis, and it is why I am standing here today to communicate those messages to the Government. That is how the system is meant to work. It would be a huge failure of the system if the Treasury were to shrug its shoulders and plough on with these poorly thought-out plans regardless.

Midlothian is blessed with many independent brewers, which are a huge asset to the local economy, the community and its culture, but the Treasury's current proposals for SBR reform seem to put global producers first. They undermine the incentive to grow and do not go nearly far enough to support these valued businesses through the energy crisis, which is existential for many. The back and forth of four years of fiddling with SBR reform simply has to end. We need the Government to act today to give brewers clarity on what reform will look like, to address the concerns about SBR reform benefiting global companies and discouraging innovation, and to deliver urgent support for energy bills and switching to green energy production. That way, I hope that we can continue to raise a glass to our independent brewers for years to come, because they give so much to all our communities.

6.35 pm

Robin Millar (Aberconwy) (Con): I congratulate the hon. Member for Midlothian (Owen Thompson) on securing the debate on this important issue. I know that brewing generally is of great interest to many colleagues.

My constituency of Aberconwy is home to some of the finest—I might say the finest—local food and drink producers anywhere in the UK. I am proud to support that industry and sector in my constituency. I welcome the bold reforms to alcohol duty, and the support for pubs and brewers, in the last Budget. I am also proud to SIBA, the Society of Independent Brewers, in its “Make it 20” campaign, which seeks to apply a 5% reduction in beer duty to 20 and 30-litre kegs. I will briefly outline why the campaign is important to small breweries by using the example of the Wild Horse Brewing Co in Llandudno.

The company is in my constituency and sells more than 70% of its annual production in 20 and 30-litre kegs. As it has grown, it has made a significant investment in 600 30-litre kegs. Most of its beer is sold to small independent bars, pubs and restaurants, which rely on smaller containers in order to offer variety and keep the beer fresh. Given that most of the brewery's beer is sold in 20 and 30-litre kegs, it will not benefit from the 5% reduction in beer duty, and because none of its beers is under 3.5%, it will not benefit from the widening of the lower duty bracket. This is a business that, with support from the UK Government, has overcome the challenges of the pandemic, and has invested in its future and in the town of Llandudno in my constituency. Over the last 18 months, Dave Faragher, the managing director and founder, has increased his team from seven to 10 employees, two of whom originally started with the UK Government's kickstart scheme.

Breweries and pubs are businesses that are vital to jobs and communities throughout the UK, especially in constituencies such as mine. Llandudno is known as the queen of resorts and is one of the largest resort areas in Wales. It is important that such businesses are supported and their contribution to the economy recognised, yet there can be no doubt that these same breweries and pubs have faced unprecedented challenges over the last three years. The sector bore the brunt of the economic consequences of the lockdowns and the trading restrictions of the pandemic. It now faces the challenge of rising costs of ingredients and energy—issues of huge concern for such an energy-intensive industry.

Just this weekend, small breweries learned of a threefold increase in CO₂ prices and a likely supply crunch at the end of September. Production of CO₂ in Billingham—one of the largest producers, which is responsible for about 60% of UK production—will end and Ensus will stop its production for three weeks. As we know, CO₂ is vital not just for breweries, but for the entire food and agricultural sector, which falls within the purview of the Department for Environment, Food and Rural Affairs. I therefore must take this opportunity to call on DEFRA to take urgent action, as happened last year—it has shown itself able and willing to do so—to secure CO₂ production and supplies, and to reduce costs.

Jim Shannon: The crucial factor is that either the small brewers relief scheme is enabled to help small businesses, or there will be closures and job losses, with no money from those wages going into the economy. The Government and the Minister need to enable the small brewers relief scheme in a way that helps those businesses now, as energy rises. It is a straightforward decision—one way or the other.

Robin Millar: I thank the hon. Gentleman for his intervention. I think it is fair to say that businesses, and I count breweries among them, are not looking for charity. They recognise that the Government are not here to give recompense for loss of profits and the like. They are looking for the help they need to get through these tough times.

I am deeply sympathetic to businesses that are facing challenges and working to overcome them, day in, day out. I believe that most are not looking for charity or a hand-out. They just want help to get through another set of challenges. I urge the Government to review the arbitrary nature of small brewers relief and to make 20-litre and 30-litre kegs eligible for the 5% reduction in duty. Small brewers and hard-working small businesses at the heart of our communities, such as the Wild Horse brewery in Llandudno, deserve that consideration.

6.40 pm

Andrew Jones (Harrogate and Knaresborough) (Con): I thank the hon. Member for Midlothian (Owen Thompson) for securing the debate and allowing other Members to participate, now that we have a little longer for this Adjournment debate.

I will not detain the House long because I have spoken on this issue many times before. I initiated the small brewers relief review as a Treasury Minister, quite some time ago. I did so because during preparation for the 2017 Budget, I spoke with brewers large and small. There is clear affection for the industry across this

House; every constituency has examples of businesses that reflect the ingenuity, creativity, enterprise and character of the area. These businesses are deep in the DNA of our country, so a taxation regime that disincentivises the sector needs to be corrected. One of the most depressing conversations I had in the run-up to the 2017 Budget was with a small brewer who said they had stopped their export operation simply because they had reached the top of the threshold for relief. We have a taxation structure that disincentivises activity when we want and need growth, particularly in exports. That is where this proposal came from.

I tried to ensure that we had an industry-wide solution, with the industry coming together, because frankly this has been the source of some dispute. That was not to be—the industry could not come together—but significant work has been done by successive Exchequer Secretaries, resulting in proposals that have brought the industry together and are broadly supported. That is a good thing. This has been a good piece of work, done as part of a broader alcohol review, and I have a couple of points to make to my hon. Friend the Exchequer Secretary.

We need to get on and implement the findings of the review, simply to end the uncertainty that has dogged the sector. The hon. Member for Midlothian and my hon. Friend the Member for Aberconwy (Robin Millar) are right to have articulated the challenges and broader business pressures facing the sector, so let us act in the one area we can control and implement the review right away. As I said, this is part of a broader alcohol review, other parts of which have not landed quite as well as the beer category. I urge the Minister not to delay implementing the beer review while work on other parts of the sector is refined. Get on with implementing these findings, because I think it would be a popular move and end uncertainty. I am thinking in particular of activity that will incentivise growth. People are stopping product and market development when they hit a top threshold. The proposals will go a long way to make that problem disappear.

We also have proposals in mergers and acquisition for production to be absorbed over three years rather than one, so that businesses can make accommodation for that. That is a good thing. We have seen depressed M&A activity in this sector, because of the historic rules, but the proposals will correct the problem.

I have spoken with local brewers in Harrogate and Knaresborough and beyond in the past few weeks, and the message from them is, “Please get on with it.” We need to create a regulatory taxation platform that encourages growth and corrects the problems that the existing SBR had created, while recognising that, as the hon. Member for Midlothian articulated, it has driven new entrants into the market. We are good on start-ups, but bad on scale-ups—we can correct that by implementing the review.

6.45 pm

The Exchequer Secretary to the Treasury (Alan Mak):

I begin by congratulating the hon. Member for Midlothian (Owen Thompson) on securing the debate and commending him for his ongoing advocacy on behalf of the brewers and distillers from his constituency. I join him in congratulating the organisers of the 20th anniversary celebration he mentioned. As he said, he has some

notable examples of beer and gin producers in Midlothian. I understand that brewing in Scotland dates back to the neolithic period—truly some very small brewers indeed.

As the Member for Havant, I too am proud of the brewing heritage in my constituency. In fact, the combination of a thriving local malt trade and fine spring water meant that beer was a mainstay of Havant’s local economy for centuries. Although it is many years since the final kegs rolled out of our last active brewery, that legacy is still visible in some of our town’s buildings.

Let me also thank the other hon. Members who have taken the time to contribute to this debate, and who represent all four nations of the United Kingdom, which reflects the appeal and significance of our first-rate alcohol industry. I particularly recognise the contribution of my predecessor, my hon. Friend the Member for Harrogate and Knaresborough (Andrew Jones), who played a key role in initiating the review.

Before I address the various points raised today, I will briefly explain the wider reforms, the rationale for them and why they are important. The key point is that the Government are making changes to outdated alcohol tax laws—laws that are arbitrary and inconsistent. Crucially, the result of these reforms will be a system that is much fairer, simpler and more aligned with public health goals than the system we inherited from our membership of the European Union. EU law contains many inconsistencies and barriers to simplification, including, for instance, preventing member states from taxing all types of drink in proportion to their alcohol content.

In contrast, the Government’s proposed reforms, as set out in last year’s autumn Budget, radically simplify the system and tax all products in proportion to their alcohol content, which ensures that higher-strength products pay proportionately more duty. We are also introducing new reliefs to support pubs and help small producers to expand and thrive. The Government remain committed to delivering alcohol duty reform. We are considering the feedback that we have received and we will respond in the coming months.

Put simply, the reform of alcohol tax laws is long overdue. These laws have barely changed since the 1990s, partly because the incoherent and prohibitive EU rules that we experienced in the past have hindered that much-needed change. In the current system, for instance, a high-strength white cider pays less duty per unit than a low-strength beer. Sparkling wine—a sector in which the UK is starting to lead the world—pays much more duty per unit than still wine, even when it contains substantially less alcohol. Fortified wines, which are made with the addition of spirits, pay less duty than a liqueur made with spirits, even if they are the same strength.

The plain fact is that we inherited 15 rates from the EU across five different products with three different methods of taxation. As such, the current system is complex and archaic. In fact, the Institute of Economic Affairs think-tank has said that it “defies common sense”. For their part, producers, importers and exporters in this country have called the system “distorted” and “perversely incentivised to produce stronger drinks”.

They have welcomed the opportunity for reform.

Now that we have left the EU, we have an opportunity to create alcohol laws that are more rational, and that support the many and varied producers and traders in

[Alan Mak]

this country. At the autumn Budget last year, the then Chancellor laid out the significant benefits we planned to introduce with our reforms, which include a radically simplified system that slashes the number of bands from 15 to six and taxes all products in proportion to their alcohol content; taxing all products in the same way, which is a rational policy that was banned by EU law; ending the premium rates on sparkling wine and equalising them with still wine, and substantially reducing duty on rosé; introducing new rates for low-strength drinks below 3.5%, which will encourage innovation and reflect consumer preferences for low or no alcohol drink alternatives; and cutting duty on a 3.4% beer by 25p a pint.

We are also modernising the taxation of cider, targeting unhealthy and problematic white ciders while cutting the duty for lower ABV, craft and sparkling ciders; freezing duty rates for the third Budget running, saving consumers £3 billion over the coming years; and, of particular interest to Members tonight, we have introduced small producer relief, supporting the many small artisan alcohol producers who continue to create world-beating products in this country.

The hon. Member for Midlothian asked about the possible behaviour and role of global producers and the cost of reducing the rate for beer below 3.5% ABV. The Government's intention is to encourage reformulation and innovation in lower-strength products, including by larger brewers, and this proposal received broad support from the sector during the call for evidence. The costs of these alcohol duty reforms were published at autumn Budget 2021, and they took account of the impacts of reformulation between bands. A tax information and impact note will be published alongside the draft legislation in the usual way.

The hon. Gentleman mentioned that, since 2002, small brewers relief has provided reduced rates of beer duty for small producers. The rapid and successful growth in the sector since that relief was introduced has undoubtedly contributed to the diversity and quality of beers on the market. This is good for producers and good for consumers. However, we must also recognise that responses to the technical consultation the Government ran on SBR pointed to flaws in the system. Some called it "too generous", going beyond the relative cost disadvantage experienced by small producers. Others called it "distortive" and "flawed". Alongside our other generational reforms, we have the opportunity to improve on the positives of SBR and extend those benefits to other industries.

While no final decisions have been taken, the new relief we announced at the Budget includes expanding the relief across all categories, allowing small producers to diversify their product range to other products below 8.5% ABV, while still benefiting from reduced rates; introducing a more progressive taper, removing the cliff edges from the previous scheme, which the hon. Gentleman mentioned; expanding the scheme to products below 2.9%, encouraging innovation in the growing low or no alcohol market and in turn helping consumers make healthier choices while still supporting our outstanding alcohol industry; and, let us not forget, introducing draught relief, a move that directly supports the great British pub with reduced duty rates on draught beer

and cider so that consumers can enjoy the fantastic products made by our small producers in their favourite local.

The hon. Gentleman mentioned, and the point was reinforced by my hon. Friend the Member for Aberconwy (Robin Millar), the issue of container size, and the fact that small independent brewers and community pubs often use 20 and 30-litre containers for their beer. I want to assure them both and the wider alcohol community that, while I cannot make any announcements tonight, we have listened and we understand their point.

The hon. Member for Midlothian also raised the issue of help for the sector as it recovers from covid-19. While the final design of the alcohol duty reforms will be confirmed shortly, I want to reassure him that the Government recognise the pressures facing the sector. I remind him that the Government have already introduced a range of measures that continue to provide significant support for businesses, including cutting business rates by 50% for eligible retail, hospitality and leisure businesses in this financial year. He asked about support for energy costs, and as he will have heard from the Prime Minister this afternoon, announcements will be made this week and in the coming weeks, so I reassure him that he can look out for those.

The hon. Gentleman also asked whether the full SBR rate will be maintained at the new lower rate, whether total production across all alcoholic products will be used to calculate the SPR and whether the SPR will be launched at the same time as the other alcohol duty changes. I reassure him that the Government recognise the success that SBR has brought to the industry, and we look forward to seeing the benefits shared with other sectors. While I cannot make any announcements tonight, I hope he understands that the Government are carefully considering the feedback stakeholders shared with us through the consultation and we will publish our response shortly.

The benefits I outlined earlier would not have been available to this country before we left the EU. The reality is that we have a once-in-a-generation opportunity to improve an outdated system, providing new incentives for producers to grow and innovate and a major boost for pubs. Our reforms are more rational, fairer, better aligned to public health goals and more in tune with consumer preferences, and they support the Great British pub and the small producers delivering fantastic world-class products.

Let me again thank the hon. Member for Midlothian and all hon. Members across the House who have contributed to this evening's debate. I also wish to assure them that we will soon confirm the details of these wider reforms and publish the draft legislation, alongside the Government's response to the consultation.

If, indeed, we have been brewing alcohol on these islands for thousands of years I see no reason why we should not continue, with even greater success, for thousands more. Given a chance, I am sure those neolithic producers of beer would have enjoyed the benefits afforded by small brewers relief, and they would almost certainly have welcomed the opportunity to expand their operation with the reformed small producer relief.

Question put and agreed to.

6.55 pm

House adjourned.

Westminster Hall

Tuesday 6 September 2022

[MR PHILIP HOLLOBONE *in the Chair*]

Unavoidably Small Hospitals

9.30 am

Mr Philip Hollobone (in the Chair): Welcome to Westminster Hall, and to the debate on unavoidably small hospitals. I call Bob Seely to move the motion.

Bob Seely (Isle of Wight) (Con): I beg to move,

That this House has considered unavoidably small hospitals.

Thank you very much, Mr Hollobone; as ever, it is a pleasure to serve under your chairmanship. I thank the Minister for being here, and I wish her luck in any coming reshuffle. I also thank colleagues from Yorkshire, Devon, Cornwall and other parts of the United Kingdom for being here. Indeed, we have two Members from Yorkshire—my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) and my right hon. Friend the Member for Richmond (Yorks) (Rishi Sunak). It is a delight to see them both. I saw one quite recently on the Isle of Wight, but sadly not both.

The debate was originally granted prior to the covid pandemic. Clearly, much has changed since then, but I also wonder whether the fundamentals of unavoidably small hospitals have changed. The reason why I called the debate back then, and why I want it now, is that I fear they are still the poorer cousins of larger district general hospitals.

I will make two points. Clearly, I am going to talk specifically about St Mary's Hospital on the Island, because it is in my constituency, but there are broader points to be made about unavoidably small hospitals throughout the United Kingdom. I want specifically to ask the Minister to put as much information as possible about the funding processes for unavoidably small hospitals in the public domain. We were talking prior to the debate, and she said that some of that information rests with the new integrated care boards. That may well be the case, and that is fair enough, but they are not elected bodies. We know that the NHS can be rather top down and bureaucratic in some of its behaviours, and the more information she can put in the public domain to help Members with unavoidably small hospitals understand the situation, the better.

Before I address that further, let me put on record my thanks not only to staff at St Mary's but to GPs on the Isle of Wight and their staff, and to the pharmacists, the dentists and all the staff in care homes, who do a no less valuable job. Some of the problems we are facing are because of a lack of integration with our adult social care system; the inability to find a home for the elderly and vulnerable that that system looks after puts additional pressure on hospitals.

Let me also put on record my thanks to the Government for the £48 million additional capital spending on the Island. Indeed, I suspect that the former Chancellor, my right hon. Friend the Member for Richmond (Yorks), deserves thanks for that, as well as for the fair funding formula reference for the Isle of Wight. I am delighted

and very grateful that he did both those things. That £48 million was part of getting a better deal for the Island, which is clearly an ongoing project.

In England and Wales, there are 12 unavoidably small hospitals, which are defined as hospitals that, due to their location and the population they serve, and their distance from alternative hospitals, are unavoidably smaller than the “normal” size of a district general hospital. In the Isle of Wight's case, we are about half the size—about 55% to 60%—of the population needed for a district general hospital.

I would argue that the pressures on these small hospitals are greater than elsewhere. They are smaller, so they are more easily overwhelmed due to their size, and they are under greater economic pressure, because the NHS funding model—we recognise that there has to be a funding model—is designed for an average-sized, “normal” district general hospital, rather than an undersized one. You cannot give birth on a helicopter or a ferry; on the Island, we need to run our maternity services and our A&E 24 hours a day, seven days a week. However, our income is based on national tariffs that do not equate to the size of our population. As the Island's trust says, “the Island's population is around half of that normally needed to sustain a traditional district general hospital.”

The third pressure on unavoidably small hospitals is because they exist outside of major population centres. Without a shadow of a doubt, they are in some of the loveliest parts of England and Wales, but because they are outside of those major population centres, recruitment and retention of staff becomes more difficult, which adds pressure on the staff who are there and adds costs in terms of locums and agency staff, which can have a highly significant effect on budgets. Ferries aside—with the partial exception of the Scilly Isles—the pressures at St Mary's on the Isle of Wight are shared by other unavoidably small hospitals. I think that helps to explain why, in the last decade, a number of unavoidably small hospitals have been put in special measures or have sadly failed, despite the best efforts of those people who work there.

Our hospital, St Mary's, is classed as 100% remote, which is unique even by unavoidably small hospital standards, because it is accessible only by ferry—although, as far as I can see, accessibility by sea is not a factor in the definition of an unavoidably small hospital. On the Island, our need for healthcare is arguably higher than elsewhere in the United Kingdom. We struggle to get the national standard, but our need for that national standard is greater because over a quarter of our resident population is aged over 65 and, by 2028, over-65s will be one third of the population. Indeed, we have a particularly large cohort of 80 to 84-year-olds.

All the evidence and common sense suggests that that has a disproportionate effect on healthcare: older people, and especially the very old and frail, need healthcare more than young people. We on the Island are struggling—as, potentially, are other USH areas—to provide quality for that ageing population. In addition, the Island's population doubles over the summer, because we have lots of lovely visitors. That impacts demand, which means that our A&E can be close to overflowing at times, even as efficiently run as it is.

I suggest that there is an additional factor: the impact of high levels of social isolation. People retire to the Island as a couple and one sadly dies, leaving the other isolated from family and social networks because they

[Bob Seely]

lived most of their life in other parts of the United Kingdom. That leads to increased reliance on statutory services.

All this has been noted. The former Health Secretary, my right hon. Friend the Member for West Suffolk (Matt Hancock), confirmed his concerns to me in July 2019, telling the House:

“As for Island healthcare costs, my hon. Friend is right to say that the Isle of Wight is unique in its health geography, and that there are places in this country—almost certainly including the Isle of Wight—where healthcare costs are”—[*Official Report*, 1 July 2019; Vol. 662, c. 943.] increased.

I am not saying that we are the only place like that. There is isolation in other parts of the country, including Yorkshire, Cornwall, Devon and Cumbria, but in the Island’s case the situation is cut and dried because of our separation by sea from the mainland. In its January 2019 sustainability plan, the Isle of Wight NHS Trust estimated that the annual cost of providing a similar—I stress to the Minister that this is the critical element—standard of healthcare and provision of 24/7 acute services, including maternity and A&E, on the Island to that enjoyed by mainland residents would be an additional £9 million. These are 2019 figures.

The estimated cost of providing additional ambulance services, including coastguard helicopter ambulance services, was about £1.5 million. In the Scilly Isles, patient travel is funded out of the clinical commissioning group—now the ICB—budget. Ours is not. Our patient travel budget comes from ferry discounts and council contributions, and it was estimated to be £560,000. In total, one is looking at between £10 million and £12 million at 2019 figures.

Either because they were going to do so anyway or, hopefully, because of representations from myself and others, the Government have recognised since then that unavoidably small hospitals need a funding model that serves them, because there is no alternative but to keep those hospitals open to serve those populations in a way that is ethical and, frankly, legal nowadays.

I am proud of our efforts to highlight the plight of unavoidably small hospitals to the Government, and I thank them for listening and for trying to put in place a package of support for them. I say to the Minister that this is where I would welcome more facts being put in the public domain. I have trawled through NHS documents for the last couple of days, and the last figure I can see for the unavoidably small hospital uplift for St Mary’s on the Isle of Wight is that from 2019, when we received £5.3 million. That is roughly half of what we think we need to run a national level service, so we are grateful that the Government have recognised the need for an uplift for unavoidably small hospitals. Will the Minister please update me on how much money St Mary’s has had as an unavoidably small hospital since 2019, given that we have clearly had issues with covid?

According to page 13 of the NHS “Technical Guide to Allocation Formulae and Pace of Change” for 2019-20 to 2023-24, that money was given in 2019 due to “higher costs over and above those covered by the” market forces factor. I cannot see other figures in the public domain. I do not quite understand how the Government could calculate that figure in 2019 when the advisory committee said in January 2019 that it was

“unable to find evidence of unavoidable costs faced in remote areas that are quantifiable and nationally consistent such that they could be factored into allocations”.

That is from the NHS England document “Note on CCG allocations 2019/20-2023/24”.

The Government say that they cannot work out how much extra to give unavoidably small hospitals, while at the same time a different NHS document says, “We are going to do some calculations, and here is the rough calculation.” Can the Government work out the additional costs or can they not? They are basically saying the same thing in two separate documents.

Kevin Hollinrake (Thirsk and Malton) (Con): I congratulate my hon. Friend on securing this important debate. May I give an example of how the Government might calculate the figure? A hospital in my constituency in Scarborough is run by the York and Scarborough Teaching Hospitals NHS Foundation Trust, which tells me that it has to pay extra to get consultants to travel to Scarborough and stay overnight, as well as paying their hotel bills. However we factor this stuff in, we have to be able to make a calculation that allows those trusts properly to fund these hospitals.

Bob Seely: I thank my hon. Friend for that valuable intervention. We have exactly the same problem. I will come on to how we are trying to solve it, but we have the same issue getting consultants over from Portsmouth, although we are very close to Portsmouth and Southampton. It is difficult for a consultant with a speciality to work in a small NHS trust, because there is no opportunity to practise that speciality effectively enough to keep their ticket to do their very valuable and worthwhile job.

Although I am delighted that the previous Conservative Government recognised the additional costs and gave the Isle of Wight nearly £50 million in additional capital expenditure, my trust assesses that the funds given are roughly half what is needed. I stress that we are not just sitting on the Island saying, “We want money.” We understand that we need to sort out these problems for ourselves. Our trust was in special measures and is now rated good, due to some fantastic hard work by Maggie Oldham and other health leaders, who have come in and turned our hospital around, really helping to make a difference. I thank everybody, from the cleaning staff to the most junior nurse and the most junior doctor, for the great work they have done.

We are now rated good and have been looking at ways to provide better services on the Island, without just waiting for the Government to provide funding. We are integrating. We have deepened our relationship with Portsmouth general hospital, our university hospital, the idea being that when it hires a consultant, we share that consultant for 10% or 25% of their time. A world-leading consultant in an area of medical expertise will therefore spend some of their time looking after folks on the Isle of Wight.

We have reformed our mental health services, and we are reforming our ambulance service too, to ensure that we have more ambulances out there to treat more people, more quickly. Along with everywhere else, we are integrating adult social care as part of the Government’s plans. We want to be pioneers in that. Because of our age demographic, we want to be at the front of the queue. I have sadly learned that, if the Island is not first,

it tends to be last, because it comes as an afterthought. I always want to ensure that the Island gets to the front of the queue, so that when the Government look to test pilot schemes, they come to us first.

We are looking at chances to pilot new schemes. We did it with Test and Trace, and we are adopting telemedicine as fast as we can. We are working with the University of Southampton to pilot using drones to deliver cancer care. The drone testing started during covid and, as of a couple of months ago, it is now a regular service that brings just-in-time cancer medicine to the Isle of Wight. That is a really good way to see that advanced technology is helping folks on the Island and, indeed, helping the NHS to provide a better-quality service.

I will round up, as I am mindful that other people want to speak on this issue and it is important that the Minister hears other voices. In January 2019, the NHS long-term plan set out a 10-year strategy for the NHS in England. For smaller acute hospitals such as St Mary's, the plan stated that the NHS will

“develop a standard model of delivery”.

It would be great to hear from the Minister what has happened to that plan for a standard model of delivery. Is that now the funding formula that is included in the new integrated care boards? If so, will the Minister please outline how that funding formula works and is calculated, as my hon. Friend the Member for Thirsk and Malton and I have asked? It is in the public interest that the formula is as transparent as possible.

Will the Minister please explain why, if someone travels from the Scilly Isles to the mainland for care, it is paid for out of a central budget? If someone has prostate cancer or another form of cancer, they often need to be treated in Portsmouth or, occasionally, Southampton. That funding does not come from the Government. Why is that? Why is there a double standard that affects the Isle of Wight negatively?

Finally, the Minister mentioned before the debate that the funding formula details are held by the new integrated care boards. For the 20 Members of Parliament in England and Wales who are within the remit of an unavoidably small hospital, those figures should not be held at ICB level but should be shared between Ministers and interested Members, so that we can all see how these very important institutions in our communities are funded. By doing so, I hope that we can increase the funding for them or at least increase the Government's understanding that just because such hospitals are the smaller cousins of larger district general hospitals, they should not be treated worse but should be given extra care and attention to make sure that folks in our communities can have the same standard of care as other people throughout the rest of England and Wales.

Several hon. Members *rose*—

Mr Philip Hollobone (in the Chair): Order. The debate can last until 11 o'clock. I am obliged to call the Front-Bench spokespersons no later than 10.37 am, and the guideline limits are 10 minutes for Her Majesty's Opposition and 10 minutes for the Minister. Bob Seely will then have two or three minutes at the end to sum up the debate. There are six highly distinguished colleagues seeking to contribute. I do not wish to impose a time limit, but if everybody limits their remarks to eight minutes, everybody will get in.

9.48 am

Jim Shannon (Strangford) (DUP): May I say what a pleasure it is to speak in this debate? I thank the hon. Member for Isle of Wight (Bob Seely) for raising the issue for his constituents in a commendable way and with passion. He has illustrated the necessity of having a good local hospital or small hospital, as the title of the debate suggests. I share his concerns about St Mary's Hospital in his constituency, which is completely isolated by water. It is of major importance that, for the sake of his constituency, his local hospital is funded correctly, to encourage people to use the services available there and to enhance those services, as the hon. Gentleman has suggested. I was pleased to read about recent plans to innovate and improve the service at St Mary's; it is great to be back in Westminster Hall, in this parliamentary term, to discuss that.

May I say how pleased I am to see the Minister in her place? She has a real understanding of health issues and I am sure her response will encourage us all, and particularly the hon. Member for Isle of Wight. I am also pleased to see the shadow Minister, the hon. Member for Enfield North (Feryal Clark), in her place and look forward to her contribution.

I always give a Northern Ireland perspective: the title of the debate is “Unavoidably Small Hospitals” and I certainly have one of those in my constituency. The importance of that hospital should never be underestimated. Back home in Northern Ireland, most of our major hospitals are in the County Antrim area, near Belfast city, where the majority of the population tends to live. In my rural constituency of Strangford we have two hospitals. The main hospital in Ulster is on the edge of my constituency. It is the biggest hospital and is very important because it provides acute services and can take in almost every emergency that comes its way. The other hospital, Ards Community Hospital, is in Newtownards, where my main office is. It used to be a major hospital, but things have changed in recent times. Hospitals have centralised their services and many services that used to be provided by Ards Community Hospital have moved to the Ulster Hospital.

My three boys—they are now young men, are married and have their own families—were all born at Ards Community Hospital, so I have a fondness for that hospital and for Adair House, as the maternity section was then. The hospital has changed—I understand why—and we now have a hospital that is not able to provide all the services that it once did. I want to put on record, as the hon. Member for Isle of Wight did in respect of his local hospital, my thanks to all the staff at Ards Community Hospital, the Ulster Hospital and elsewhere for their commendable and industrious work, their energy and passion, and their commitment to making lives better. That is something we can never fully understand, but we do understand that the part they play is so very important.

I understand the arguments about isolation, in terms of both where the hospital is situated and where my constituents live. To receive some services, my constituents are referred to the bigger hospital—the Ulster Hospital—where a significantly larger number of services are available, including a cancer centre. That is very important to us in Northern Ireland, where cancer impacts nearly one in every two people, just as it does in the rest of the UK.

[Jim Shannon]

For my most rural constituents, in villages such as Portaferry and Cloughey on the Ards peninsula—I live between Greyabbey and Kircubbin, but they live even further down the Ards peninsula—patients seeking medical care must have the reassurance that their nearest hospital can provide them with at least a basic assessment and service, despite the size of the population where they reside. That emphasises the importance of properly funding smaller hospitals such as Ards Community Hospital. Although I understand that our health services are devolved and therefore not the responsibility of the Minister present, the principle of health treatment is the same across the whole of the United Kingdom. Hopefully, I will be encouraged by what the Minister says and can send a copy of the debate to the Minister in the Northern Ireland Assembly to ensure that they take these matters on board.

I make a plea for the air ambulance, which I asked a question about in yesterday's statement on urgent and emergency care. In Strangford, the air ambulance deals with life and death situations every day and is so very important for our rural community. Last year, Air Ambulance Northern Ireland had its busiest year ever.

In respect of per head services, we can never predict how serious any incident may be, but I believe that we underfund smaller and more remote hospitals because of that factor. In my constituency, we have to take into account both the fishing village of Portavogie, which is an economic and industrial centre, and the many remote places across the Ards peninsula from which it is just as critical to get to a hospital in time. There are also issues with the cost of medical services, based on the location of the hospital. That means that smaller and more isolated hospitals in certain areas face higher costs due to the decreased likelihood that a particular service may be utilised.

The community services formula, which was introduced in 2019 and to which the hon. Member for Isle of Wight referred, recognised that some rural and coastal areas tend, on average, to have an older population, which means there are higher needs for community services. In the Ards peninsula, the population of older people is growing. Many people come from other parts of the Province and move out to rural villages where houses are perhaps that wee bit cheaper so they can use the money they have to buy a house. They look on the area as a place where they will be for the rest of their lives, so the numbers of elderly people are increasing in my constituency.

The need for community services was assessed in England, and I encourage the Minister to engage with Health Minister Robin Swann back home on a similar strategy for Northern Ireland, to enable improved district healthcare for communities. I would be indebted to the Minister if she would take that forward. I will do my bit, but maybe the Minister might be able to do the same with the Minister in Northern Ireland. What I love about these debates is that we can all share things from all parts of this great United Kingdom of Great Britain and Northern Ireland, and we can use those things for the betterment of us all. Today's debate does just that.

In the short time I have left, let me say briefly that in rural areas there tends to be less access to public transport in the evenings, which exacerbates the problems with the use of hospitals. Our own local hospital and other smaller hospitals may not even be open at certain times, and

sometimes not until the early morning. It is crucial that that is taken into account in the funding of smaller hospitals.

To conclude, I echo the comments of the hon. Member for Isle of Wight, who introduced the debate, and very much look forward to the contributions of others. We must ensure that small hospitals are properly funded, for the sake of our constituents, friends, families and loved ones, and avoid the clear delays in funding opportunities. The NHS is a wonderful service. We depend on it and it must be protected. We must also give thanks and gratitude to all nurses and healthcare workers in our small hospitals who do their very best to work with what they have available and to ensure that our people—our constituents—are looked after in the healthy way that they deserve.

9.56 am

Kevin Hollinrake (Thirsk and Malton) (Con): It is a pleasure to speak in this debate with you in the Chair, Mr Hollobone. I thank my hon. Friend the Member for Isle of Wight (Bob Seely) for tenaciously following up on this very important issue, which I and my right hon. Friends the Members for Scarborough and Whitby (Sir Robert Goodwill) and for Richmond (Yorks) (Rishi Sunak) have been following closely over the years.

My hon. Friend concluded in exactly the right place. The issue is not hard numbers in terms of cash, deficits or whatever; this is about patients and patient care. We have experienced two challenges in respect of Scarborough Hospital and the Friarage Hospital in Northallerton in particular. Yes, as my hon. Friend set out, there is the issue of funding and the extra costs of delivering services in places such as Scarborough, but there is also the fact that these hospitals are run by trusts that run a number of hospitals, and the small hospitals are, of course, not necessarily their largest hospitals. Because the trusts are faced with the extra costs of running the smaller hospitals, there is a natural tendency for them to try to centralise care in one of the other hospitals. When they talk to the public—they tend to talk to their customer base before they make changes—they ask them, “Would you be prepared to travel for better health outcomes?” Who would not say yes to that? Of course! But it is a leading question.

I have a couple of examples of how it works in practice. A number of my constituents have written to me. One of them had to go to York Hospital from Scarborough. They did not have transport—they did not have a car—and they had to go for an appointment at 7.30 in the morning for treatment for a brain tumour, and were then discharged at 11 o'clock that night, without transport. It is not just that people have to travel for extra care and that they are deprived of local care for treatment that would have been available at Scarborough at one point; it is the fact that there is no real consideration of some of the challenges of living in a rural area. Some of my constituents have had to travel to York from Scarborough on the east coast—from Filey in my patch—to stay in a hotel overnight because there is no public transport to get to early morning appointments in York Hospital. Those are direct consequences of centralisation.

Bob Seely: The problem is clearly significant in my hon. Friend's patch, but does he understand that when people are separated by sea from the mainland it becomes

an even greater problem? There are even greater logistics if people need a car and then a ferry to the bus and so on.

Kevin Hollinrake: My hon. Friend is absolutely right. His challenge may be even greater than ours in rural parts of North Yorkshire.

Centralisation is a natural tendency for any organisation, of course. A person sat in a larger hospital in York will think, “Let’s have all the services over here. It is easier and cheaper to employ consultants over here.” Centralisation is easier, but it is much worse for patients. It is not fair on them, given the complexity of travel and the effect on local communities.

The principal trust that runs the hospitals in my area is the York and Scarborough Teaching Hospitals NHS Foundation Trust, which runs Malton Community Hospital, Scarborough General Hospital and St Monica’s Easingwold, which is a small cottage hospital. It is easier for the management to centralise things, and it is cheaper, given that it is more expensive to provide healthcare in more remote locations. I said earlier that because remote hospitals have difficulty recruiting people, they tend either to close services down or provide additional remuneration for the consultants who work there, so there is a double whammy of cost.

The other issue in my constituency is that it is 40 miles from Scarborough Hospital to York, and on a good day it takes an hour to travel on the A64 all the way to York as it is a single carriageway for most of its stretch and is often logjammed with traffic. The dualling of that carriageway has been the subject of many pleas to the former Chancellor, my right hon. Friend the Member for Richmond (Yorks), and many others, and hopefully we will get that in the not-too-distant future. This is serious stuff, of course, for anyone who needs emergency treatment.

The stroke unit at Scarborough was relocated to York some time ago, so if someone has a stroke in Scarborough, they have to get to York, and they might be in an ambulance for two hours on that road. It is unfair. I understand that they may get better treatment at the hyper-acute stroke unit at York, but nevertheless there are potentially direct impacts on people’s healthcare when services are centralised in distant locations.

It is not just stroke care that has been centralised in other hospitals, but outpatient physiotherapy, dermatology and pain clinics. Breast cancer oncology was moved away from Scarborough some time ago owing to the difficulties of recruitment. It is easier to employ consultants in a hospital that has more money than to incentivise them to go to more remote locations. The A&E unit at the Friarage Hospital in Northallerton, in the patch of my right hon. Friend the Member for Richmond (Yorks)—he will talk more about it—was downgraded to urgent care treatment, and we were told that one of the reasons was that it was difficult to recruit anaesthetists.

Services are being closed down. The Lambert Hospital in Thirsk in my constituency, which provided respite and elderly care, was completely closed down because it could not recruit in that location. Our suspicion was that the trust did not really try all that hard to recruit people because it is more difficult to run services in remote locations.

On costs, I can give my hon. Friend the Member for Isle of Wight a direct comparison. When the York and Scarborough Teaching Hospitals NHS Foundation Trust took over Scarborough back in 2012, it was given £10 million a year for the extra costs of providing services in that location. That ended in 2018. A small amount has been provided to make up for the loss of £10 million—£2.6 million of funding through the clinical commissioning group—but, as a consequence, services are diminishing.

There is some good news: my right hon. Friend the Member for Scarborough and Whitby and I campaigned, and the Health Ministers were very supportive. There has been £40 million of extra investment in the A&E at Scarborough, but nevertheless there are some real concerns about the services, which are reduced as a consequence of underfunding. I would like to hear from the Minister exactly what we are doing about it now and what we will do in the future to improve the situation.

10.4 am

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): It is always a pleasure to serve under your chairmanship, Mr Hollobone. Although I may be a Liberal Democrat, if I lived on the Isle of Wight I could be tempted to vote for the hon. Member for Isle of Wight (Bob Seely), because he is assiduous in the pursuit of issues that are important to his constituents. He has repeatedly raised the issue of St Mary’s, and he has my every sympathy.

When listening to the contributions so far, I could have shut my eyes and imagined that I was standing on the high street in Wick, in the far north of Scotland—the far north of this United Kingdom—because the issues are the same there as have been outlined. Recruitment and retention is the deadly issue in the north of Scotland, much as it is on the Isle of Wight. I will say, as the hon. Member for Strangford (Jim Shannon) said, that health is devolved; as he also said, health matters to everyone in the United Kingdom. What I am about to say about the situation in my own constituency is pertinent to the rest of the United Kingdom.

Some years ago, Caithness General Hospital in Wick had a consultant-led maternity service. There was a battle to retain that and it was won by the local people. More recently, the highland health board, NHS Highland, used retention and recruitment as the reason not to have consultants located in the far north of Scotland and to downgrade the service to a midwife-led maternity service. That means that mothers have to travel more than 103 miles from Wick to Inverness to give birth. In the middle of winter, if the A9 road blocks, which it does on occasion, and the air ambulance has been called to a road traffic accident somewhere in Morayshire or West Sutherland, then what is going to happen? We are faced with a very dangerous situation indeed. I give credit to the NHS in Scotland: at long last a dialogue has started between the residents of Caithness and Sutherland and the powers that be. I hope that dialogue will eventually be fruitful.

The point has been made that there is an additional cost for locums—the stand-ins and so on. That is absolutely true, and it hits us as much as it hits the Isle of Wight or Yorkshire. There is also an issue whereby the change of locum and personnel can be disadvantageous to the patient, because they have to go back through the same

[*Jamie Stone*]

old story with a new person—the patient tends to repeat themselves. In the highlands of Scotland, that issue is particularly acute on the mental health front. I have heard horror stories of people having to see a variety of different professionals and repeat themselves again and again before anything can be done. That is extremely worrying.

The solution is partly money. Like the hon. Member for Strangford, I urge the Minister, or Her Majesty's Government—as they run the health service in England—to exchange best practice, as and when we have it, with the Scottish Government. We can learn from each other about how things can best be done.

I have outlined the mental health issue. There is a final point. The hon. Member for Isle of Wight made the point that there are double standards. It was recently proposed that the maternity service in Morayshire, which is based in Dr Gray's Hospital in Elgin, in the constituency of the leader of the Scottish Conservatives, the hon. Member for Moray (Douglas Ross), should be downgraded. There was a huge outcry about that and the Scottish Government eventually said they would look again at the situation and see whether there is a solution whereby people do not have to travel from Morayshire to either Inverness—a distance of 38 miles from Elgin—or Aberdeen.

That sits ill with what I have just described in Caithness and Sutherland. The distance from Wick to Inverness is 103 miles, yet the Scottish Government have not agreed to look again at maternity services. However, there is a dialogue now—thank heavens. I pay tribute to Caithness Health Action Team—known as CHAP locally—and to one councillor in particular, Ron Gunn, and his colleagues, who have been absolutely instrumental in ensuring that this issue is never off the top of the agenda.

It is a fact that every citizen of the United Kingdom should deserve an equal right to health services, regardless of where they live. It is a fact that unavoidably small hospitals in England face the same problems as hospitals of the same size in Wales, Northern Ireland and Scotland. The bottom line is that health matters hugely to us all. I sincerely hope that the new members of the UK Government, both in the Cabinet and as junior Ministers, can look at the issue as a matter of absolute urgency. My telephone is always switched on. Ministers can call me, and I will again and again bang the drum on behalf of my constituents in Caithness and Sutherland, who deserve rather better than they are getting at the moment.

10.10 am

Selaine Saxby (North Devon) (Con): It is a pleasure to serve under your chairmanship, Mr Hollobone, and I thank my hon. Friend the Member for Isle of Wight (Bob Seely) for securing this important debate.

My hospital is the second most remote on the list, and the most remote on the UK mainland. Obviously, as the representative of North Devon, I would not have to go to hospital by boat, although constituents of my neighbour, my right hon. and learned Friend the Member for Torridge and West Devon (Sir Geoffrey Cox), who live on Lundy do go by boat or fly to hospital. Most of my constituents in beautiful North Devon travel to hospital on a road that is described as the longest no-through-road in the country, and we are not only

rural, but coastal. As Professor Chris Whitty has highlighted, coastal communities' health outcomes are particularly poor.

I want to thank the fantastic team at North Devon District Hospital. They are remarkable, and I am delighted that the Minister has had the opportunity to come and meet some of them. We visited the first covid catch-up ward in the country. My hospital might be small, but it is pretty perfectly formed. It was the recipient of £1.9 million last December for a covid catch-up elective ward, which was opened in time for the jubilee. It is named the Jubilee ward and the staff are conducting—seven days a week—hip and knee replacement surgery with most patients going home the same day. That is a truly remarkable achievement, which was delivered by some of the Nightingale teams.

I made a plea to the Minister then that I will repeat today. My hospital is highlighted as one of the 40 that are due a rebuild. The plans are written, this is a modular build, and the team have demonstrated that they can deliver on time and on budget. They can also show the need for the improvement to the facilities at the site, so, if the Minister is not in post next week—I very much hope she is—will she leave a note on the way out to let people know that North Devon District Hospital is ready to start the building programme if the funds are released?

The facilities team at North Devon—owing to the size of the hospital and the problems with issues that have been spoken about, such as recruitment and retention, as well as the fact that the site is in need of work—is innovative and creative. We are fortunate to have linked up with Exeter, and in many ways that link has secured the site. It gave us the opportunity to establish virtual wards, which are now running, so consultants from Exeter and North Devon can share the patch among them. However, the age profile of the population, which has been mentioned, changes the nature of the hospital—for example, there is more demand for certain services, and less demand for others, such as maternity, which are used much less. Therefore, it is much harder to attract consultants in some of the specialisms.

My hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) spoke about distance to be travelled, and in North Devon people make choices about their cancer treatment based on the distance they would have to travel. Most people have to travel 60 miles to Exeter Hospital, and if they have to travel daily or weekly for radiotherapy, a journey of 120 miles might be a choice they decide not to make. As we look to how to tackle the issue of health outcomes in remote rural communities, I hope we can ensure that patients have access to the best care, rather than the care nearest to them.

The rurality of North Devon is a driver in the struggle people have to come and work there: we had a recruitment issue in North Devon long before the pandemic, and one nursing post in five is now vacant. Not only is it hard to get to North Devon; it is hard to move and live there. My hon. Friend the Member for St Ives (Derek Thomas), who represents the Isles of Scilly, and I spend a lot of time talking about housing and the housing challenges in the south-west of England, and we find that it is almost impossible to buy a house in North Devon. The rental market has also collapsed, so it is near impossible for public sector workers and those who work in many other jobs, such as hospitality, to move there.

That situation is now overlaid by the situation in social care. My fantastic hospital has more beds full of patients who could go home than it would normally have at this time of year. That is not because the social care teams in North Devon are not also fantastic, but it is just very hard to recruit, and the costs of providing social care have escalated hugely with the increased costs of energy. For those fantastic teams who travel around and look after mostly elderly people in their homes, the cost of getting there has now shot up. There are also the issues around recruitment, and we are paying far more in that sector to attract and retain those great individuals who do such valuable work.

Jamie Stone: The hon. Member is making a very good speech indeed. Does she agree that it might be a good idea to revisit the taxation regime that covers the remuneration for mileages for some health workers who have to drive? They have been penalised rather and perhaps the number of miles could be raised. It would not attract taxation.

Selaine Saxby: Indeed, I agree in many ways. My right hon. Friend the Member for Richmond (Yorks) (Rishi Sunak) and I had similar conversations in a previous life. Much could be done, and personally I want to give social care workers electric cars, so they are taken out of that and can decarbonise at the same time.

As the new Administration comes in, I hope that there will be some revisiting of how to tackle the challenges of social care without the ringfenced money if that plan is to go ahead. We need to look after everybody who is unwell in our society. When visiting a social care organisation over the recess, it was frustrating to hear that they have the work for so many extra people. They can recruit internationally and they are. They advertised six jobs and overnight they had 70 applicants. They could take all 70, but there is nowhere for them to live. Until we in northern Devon find a way to address our housing challenges, I will work tirelessly here to tackle them. As a community, we need to find a way to ensure that people who need to work and live in our community can afford to do so before the situation gets worse as we head into the winter.

Talking about the winter and seasonality, I want to highlight the remarkable work that goes on within A&E at North Devon District Hospital. Unlike many hospitals that have a big winter peak, my population increases fivefold during the summer months. My A&E is busy all year round, which has its benefits in that we do not have those peaks and troughs, but I am not sure that the funding truly reflects the seasonal influx of those visitors and the changes. Obviously, the injuries people secure on a beach are quite different to the issues that affect my elderly population. I think there is some work to be done to understand the rurality, seasonality and locality of the fabulous North Devon District Hospital. My parting comment to the Minister is that quick reminder that we are one of the 40 and we are ready to go.

10.17 am

Derek Thomas (St Ives) (Con): I thank my hon. Friend the Member for Isle of Wight (Bob Seely) for securing this important and timely debate. As I represent a set of small islands myself, it is good to have him banging the drum with me on so many shared issues.

We understand the urgency of the subject. We have pretty much all just come back from beautiful parts of the United Kingdom—fantastic parts of the world—but they have particular challenges and sometimes there are not enough people to justify the Government's funding formulas. We understand the pressures on urgent care, such as the ambulance delays that none of us are hidden from. My urgent care hospital has around 160 people there who have no medical need whatsoever. There is a backlog because of covid and also housing, which was mentioned in the previous speech.

The massive pressures on our bigger hospitals in the urgent care system—in my case, that hospital is in Truro—are eased by the existence and support of smaller hospitals. The debate is not only about small hospitals, but about how critical they are in helping the whole of the NHS and social care system to provide for communities, so that when we say healthcare in the right place and at the right time, we actually mean it.

Along with the others who have already thanked their nursing staff, I want to thank the NHS staff in my three small hospitals: St Mary's on the Isles of Scilly; Helston Community Hospital—when I was a child it was Helston Cottage Hospital—which is a brilliant outfit that we spend far too little time talking about; and West Cornwall Hospital, which is an urgent care setting in Penzance that provides an important set of services to avoid people going to the centre of Cornwall. The pressing issue right now for these small hospitals is access to the NHS care workforce. The problem we have with small hospitals is that for them to fully function we need a wide range of disciplines and, as we heard earlier, that is difficult to find when the bigger hospitals try to put all their services in one central place. I understand and agree with everything that has been said so far. However, I particularly want to raise the issue of capital funding because for all the pressures and concerns about urgent care hospitals we have heard from constituents over the recess, some could have been eased if the capital programme had moved just a bit quicker.

We heard that one of the 40 hospitals is in the constituency of my neighbour my hon. Friend the Member for North Devon (Selaine Saxby). A £9.1 million fund was promised in 2019—two Prime Ministers ago now. The building work is ready to go. It should have been opened by next year, but it was paused by the Treasury. The work has all been done locally, the plans are agreed and the hospital wants to get on and build it. It will deliver a new outpatient centre, which will take patients away from the more pressured urgent centre in Truro, and refurbish the urgent treatment centre in Penzance. That work could have been under way but it is not because it was paused by the Treasury. The money—£9.1 million—was promised by Government for West Cornwall Hospital in Penzance. In west Cornwall we are all waiting for the Treasury to agree that fund, which was committed. The work has been done and huge amounts of money have been spent to get the hospital to where it is now, and we want to get it built, so will the Minister feed that back? It is not even one of the 40 hospitals; it predates that.

St Mary's Hospital on the Isles of Scilly has enormous challenges, and anyone who has been involved in Government for a while will know the challenges we on the Isles of Scilly have had with keeping health and social care alive. The council on the Isles of Scilly runs

[Derek Thomas]

the nursing home. For a long time, it desire has been to integrate the home with St Mary's Hospital and collocate them on one site. In fact, also in 2019, the Government agreed to progress plans to create one single campus, put care and health services in a single building and collate primary care, community health, urgent care, mental health and adult social care all in one place. It made complete sense.

We had a Chancellor who gave us the green light—the one previous to the former Chancellor, my right hon. Friend the Member for Richmond (Yorks) (Rishi Sunak), who is in the room now—and we had a Health Secretary come over and see in detail what was being proposed. There are two reasons why the plan is such a good thing for the Government to support. One is that it integrates health and care on the Isles of Scilly, which stops people having to move or be flown out of the Isles of Scilly for no real reason to get healthcare on the mainland. While I am on that subject, a couple of comments were made about how funding is allocated for moving people from the Isles of Scilly to Penzance. If the situation on the Isle of Wight is reviewed, it would be far better to replicate what we do than to take away the great service that we have, so I ask the Minister to please go the right way when making that decision and ensure equality for the Isle of Wight.

We have a brilliant plan to do far more on the Isles of Scilly, again using the skills we have, which would enable those skills to be used more effectively and fully both in health and social care. Not only would it deliver for the Isles of Scilly, but it would provide a good blueprint for how health and social care could be delivered on the mainland, particularly across Cornwall. Again, the plan has sat with the Department of Health and Social Care for a very long time. I am told that a decision will be made before Christmas, and I urge the Minister to feed back again about St Mary's Hospital and the integrated health hub. We urgently need a decision. Again, we were under the impression that it could have been built this year—2022. A lot of the delays that are putting pressure on the system across Cornwall and the Isles of Scilly unfortunately sit with the Department of Health.

My hon. Friend the Member for Isle of Wight made an important point about who controls funding. Unavoidably, small hospitals fall foul of pretty much every funding formula—for good reason, as public funding must deliver value for money. However, if that is interpreted as “bums on seats”, or in the case of hospitals “bums on beds”, smaller communities such as Scilly, rural Cornwall and the Isle of Wight will always be discriminated against, because they will never fully be able to compare or compete with places such as London or other vast urban masses where a hospital can deliver so many more outcomes for the local population.

On Scilly and in west Cornwall, it will always cost much more to deliver health and social care, so decisions about such areas must be taken separately to other NHS funding decisions, because care is not delivered for the same numbers of people. However, there is no reason why people living in rural and isolated areas should receive any less care. We should look very carefully at how the funding formulas are worked out. It will always be the case that an NHS funding body will prioritise the areas where we can deliver more health.

10.25 am

Rishi Sunak (Richmond (Yorks) (Con): It is a pleasure to speak under your chairmanship, Mr Hollobone, and thank you for accommodating me at a late stage in the debate. I had not planned on speaking, but this morning I saw the Order Paper and it turned out that I had more time on my hands than I had anticipated! It is a pleasure to be here with my hon. Friend the Member for Isle of Wight (Bob Seely) to discuss this very important topic.

I am here to speak about the Friarage Hospital in Northallerton, in North Yorkshire, which is in my constituency. It is one of the smallest district general hospitals in the country, serving a rural population of over 100,000 people and covering an area of a thousand square miles, stretching from the North York Moors at one end to the central Pennines at the other, bordered by York in the south and Darlington in the north. When I was first elected in 2015 and when I was campaigning before that, I told my constituents that the hospital would be my No.1 priority.

The reason for that is simple. Of course the NHS is the country's most prized public service but, as we have heard in all the contributions from hon. Members today, the accessibility of healthcare in rural areas specifically is an issue of acute anxiety and the pattern over several years had been in a negative direction. Indeed, as I was being elected, my local hospital had lost its consultant-led maternity unit. Shortly to follow was the loss of paediatrics. That had an enormous impact on the local community. They feared for the very future of our beloved local hospital and I committed to do everything I could to reverse the flow of services away from it to ensure a bright future for the Friarage.

As my constituency neighbour, my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), rightly pointed out, when healthcare organisations look at such things they tend to think about centralisation, because it looks very efficient on a spreadsheet wherever they might be sitting, but it does not work for our constituents. One thing I will say to the Minister is that she should send a strong message to trusts, particularly those that cover large urban centres and smaller rural hospitals in the same area, to always think about accessibility when they make their plans, which I do not believe they always do as well as they could. Secondly, I echo my hon. Friend's recommendation about booking appointments. That is a simple, practical thing and trusts can do a good job of it when members of the public have the option to travel to smaller hospitals nearby or to others further away and to get the timing of those appointments right. That has an enormous impact on people's ability to access the healthcare that they need.

Shortly after I was elected, I had to deal with a challenge that we have already heard about today—the downgrading of our A&E. However, that marked a turning point and I say to the Minister that what followed can serve as an example of what the future of small rural hospitals can look like. Under the leadership of Dr James Dunbar and his team, at the Friarage we pioneered an innovative new model of an urgent treatment centre that is open 24 hours a day and is consultant-led, with a clinical decisions unit. That means that it can provide a far greater range of healthcare to my constituents, including far more care for children than would typically be found. The unit is staffed superbly by nurse practitioners.

It is working brilliantly and all I will say to the Department of Health and indeed to trusts where there is a similar challenge is to look at the model and see how it can be replicated around the country because, as I say, it is working brilliantly and has saved the loss of all emergency services at our hospital.

My other recommendation to the Minister and the Department is on recruitment and staffing issues, which we have heard a lot about already. It was clear during the work that I did that often the guidance from the royal colleges exacerbates some of the issues that we have heard about. My hon. Friend the Member for Thirsk and Malton said that anaesthetists are a case in point. A specialisation has occurred over decades, whereby anaesthetists used to be generalists and now we have sub-specialties. It is very difficult for small hospitals to accommodate those sub-specialties, and we need to look with the royal colleges at what safe staffing models might work to ensure the sustainability of our services.

I must commend the South Tees trust, because after repeated efforts from my hon. Friend the Member for Thirsk and Malton and me, it has focused fully on ensuring the future of the Friarage. I thank Simon Stevens for visiting the hospital in his previous capacity and understanding the challenges, and the previous Health Secretary, my right hon. Friend the Member for West Suffolk (Matt Hancock). Since then, thanks to the philanthropy of the late Sir Robert Ogden, we have a new Macmillan cancer centre, which is providing fantastic care, a new diagnostic centre, an MRI scanner, a dialysis unit and an ophthalmology unit, all of which save my constituents a round trip of up to four hours to the much larger James Cook hospital. They are all delivering fantastic care closer to home.

I will give the Minister another example of innovation from the local team. James Dunbar came up with a new ambulatory care unit, which means that we can do emergency treatment on the same day. In the first year of its operation, it saved over 4,000 overnight stays, so it is not just a model for rural hospitals but a beacon for how the NHS can work more broadly to reduce the pressure on our bed capacity.

Most recently, I am delighted that the Government and the Minister responded to my long-running campaign to get new investment in our operating theatres. They date back to the second world war and are in urgent need of refurbishment, so I am delighted that the Government have said that they will provide £30 million of investment to refurbish all the operating theatres to the latest and greatest standards. That will have several benefits. Most importantly, it will send a very strong signal to my community about the future of the Friarage. It is very clear that the Friarage is not going anywhere and people can have confidence in its future, which helps with recruitment and retention, as we have heard. People are attracted towards working at smaller hospitals when they know that their career will be something they can bank on and that there is interesting work to do. This investment will absolutely secure that and ensure that we can attract the nurses, doctors and other staff that we need.

The Friarage also serves as a model for how we will tackle the backlogs more generally, because the hospital will be a new surgical hub with all the associated auxiliary services that are required. That means that we can now double the amount of elective surgery and do it closer

to people's homes. In the scheme of what the NHS spends, that investment will provide a very high rate of return by increasing the amount of surgical throughput. The doctors and nurses I saw just the other day—chief medical officer Dr Mike Stewart, chief surgeon Matt Clarke, and theatre nurse Sarah Baker—are all incredibly invigorated by what they can now do for our community, and that will help more broadly serve us to get the backlogs down faster, which I know is a Government priority.

I say to the Minister that it is important that small hospitals are recognised, which is something that is said very clearly in the five-year plan. It is important that the NHS continues to deliver on that. My experience locally is that that is happening, and I ask her to take on board some of my suggestions. I will close by paying tribute to the incredible doctors, nurses and staff at the Friarage, and to the Friends of the Friarage charity. I said to them when I was first elected that they would be my No. 1 priority, and they will continue to have my full support.

Mr Philip Hollobone (in the Chair): We now come to the Front-Bench speeches. I call Feryal Clark for Her Majesty's Opposition.

10.33 am

Feryal Clark (Enfield North) (Lab): It is always a pleasure to serve under your chairmanship, Mr Hollobone. I thank the hon. Member for Isle of Wight (Bob Seely) for securing this important debate. As we have heard, small and rural communities face a range of challenges when it comes to the provision of healthcare, so I am sure that his constituents will be grateful to him for putting the issues on the agenda today and for being a champion of their needs.

I also thank the hon. Members for Strangford (Jim Shannon), for Thirsk and Malton (Kevin Hollinrake), for Caithness, Sutherland and Easter Ross (Jamie Stone), for North Devon (Selaine Saxby) and for St Ives (Derek Thomas), and the right hon. Member for Richmond (Yorks) (Rishi Sunak) for their excellent contributions. I am delighted to see the right hon. Member for Richmond (Yorks) this morning, and am glad that he is enjoying his new-found freedom.

We should never think of the provision of accessible healthcare as a luxury but, as we have heard this morning, too many people across the UK face barrier after barrier to accessing even the most routine care. For too long, the drive towards economies of scale in the NHS has left many small and rural communities without the basic services they need. In the past 20 years, more than half of England's hospitals have been closed or merged. The victims have too often been the smaller hospitals that provide healthcare to nearly half the population in areas that are frequently more remote, more deprived and have an older patient cohort than average.

Although the NHS has processes in place to recognise hospitals that are unavoidably small due to the remoteness of the communities they serve, they often do not go far enough. North Cumbria Integrated Care NHS Foundation Trust, which has received extra funding from the NHS, has patients who have been waiting more than six months to be discharged despite being medically fit to leave.

[Feryal Clark]

Sites falling outside the top eight sites identified by the NHS as in need of funding adjustments have not received any additional support. The consequence is not just that local patients receive a poorer service but that lives are put at risk. In Cornwall, we saw utterly shameful scenes when 87-year-old David Wakeley had to wait 15 hours for an ambulance in a makeshift shelter that his family constructed after he fell in his garden. In 21st-century Britain, no one should have to experience what David did, regardless of where they live.

We know the problems our NHS faces. Years of underfunding and poor staff recruitment and retention have caused universal challenges across the NHS, but the nature of small hospitals exacerbates those already pressing problems. Smaller hospitals are more likely to suffer from workforce issues—as all Members have said this morning—budget constraints and an inability to provide specialist services. As Members set out, the challenges of recruitment in remote communities leave smaller hospitals with the uncertainty of having to over-rely on locum staff. If hospitals do not have consistent and stable staffing levels, patients will not receive the standard of care they need.

The Government have had opportunities to put this right, but they have sadly fallen short every time. Nothing makes that clearer than the commitment in the 2019 Conservative manifesto to build 40 new hospitals. The hon. Member for North Devon said that she hoped her area would be one of those receiving one of the 40 hospitals, but I am sorry to say that nobody believes that cornerstone of the Conservative manifesto, because it contains not even a grain of truth. The policy has been such a failure that the National Audit Office is now stepping in to investigate the scheme and conduct a value-for-money review. When even the NAO does not believe the Government's insistence that the commitment to build 40 entirely new hospitals can still be met, what confidence can patients have? Can the Minister tell us where the 40 new hospitals are or will be?

The reason that matters so much is that the Government's blinkered focus on an unworkable, undeliverable policy is wasting precious time that could be spent on ensuring local services are able to provide people with the care they need in their community. There cannot be a blanket approach to the problems facing small hospitals; we must look at the entire health system for opportunities to relieve pressure and get services functioning. Care must be rooted in local communities to create trust and ensure that patients can build the relationships on which good community care relies. The introduction of integrated care systems is an ideal opportunity to do that and take a fresh look at the allocation of resources and at how we can maximise access for patients, particularly in small and rural areas. The Government must not waste this opportunity.

While I am talking about wasted opportunities, I would like to draw the Minister's attention to the health disparities White Paper, which could be another crucial opportunity to look at inequality in care across the country and at issues facing isolated and deprived communities. We have been expecting the paper for months, so I would be grateful if the Minister could update us on where it is. We need to see progress on the paper, because patients in our small and rural communities

cannot afford for the Government to waste this opportunity. This postcode lottery is putting lives at risk and it is time for it to end once and for all.

Finally, on a slightly more positive note, I wish the Minister all the best and good luck in today's reshuffle. I hope she is returned to her place. Even though we may not agree on lots of things, I know she puts in more work than any of the other Ministers I have come across, so I wish her all the best.

10.40 am

The Minister for Health (Maria Caulfield): It is a pleasure to serve under your chairmanship, Mr Hollobone. I thank my hon. Friend the Member for Isle of Wight (Bob Seely) for securing this really important debate. Small hospitals are often the Cinderella service of the NHS, and their value is not always recognised. We have heard cross-party support from Scotland and Northern Ireland, and if Welsh Members had been present I am sure that they too would have recognised the challenges that unavoidably small hospitals face.

I reassure colleagues that the ministerial team recognises the worth of small hospitals. As my hon. Friend the Member for St Ives (Derek Thomas) said, it is not just about the value they bring to their local communities, but the pressure they take off the wider health service in their regions, which we have seen particularly clearly in recent months and years. When we had covid hot and cold sites in the NHS, smaller hospitals were able to work and function and take some of the pressure off larger hospitals that had large outbreaks of covid. While I acknowledge that small hospitals are more expensive to run, their added value cannot be underestimated. My constituency does not have a hospital, so my constituents have to travel. We do, however, have the Lewes Victoria Hospital—it is a small community hospital, not an unavoidably small hospital—and my constituents really value its work. If they did not have it, they would have to go to the big hospitals in Brighton, Eastbourne or even Hastings, so I am on the same page as many of the Members here.

My hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) and my right hon. Friend the Member for Richmond (Yorks) (Rishi Sunak) touched on this. When trusts run a portfolio of hospitals, it is often tempting for them to move services to a much more cost-efficient, bigger site, but what then tends to happen is that, once the consultant-led maternity service goes, it becomes difficult for the anaesthetists to keep up their skills, and all of a sudden the hospitals become unsustainable. That is a risk. As my right hon. Friend highlighted, and as I saw when I visited the constituency of my hon. Friend the Member for North Devon (Selaine Saxby), there has been a resurgence in interest in small hospitals and their values. We are putting in surgical hubs and investment because we recognise that they can do specialist work, sometimes more easily than big trusts that have the pressures of big A&E departments, trauma centres and wards that are struggling with capacity.

Smaller hospitals can deliver in different ways, but there are no doubts that they face unique challenges. My hon. Friend the Member for Isle of Wight touched on the significant issue of funding. I will come back to that, but I will first touch on some of the other issues they face. On the Isle of Wight, for example, having a smaller hospital can sometimes produce better quality

of care for patients. The ambulance handover delays on the Isle of Wight are minimal. The average handover for emergency conveyancing is less than 15 minutes, and their record on 60-minute breaches is often better than that of some of the larger centres.

The quality of care can also be a significant factor, but that also takes intervention and support. It is not just about the funding and the staffing, which we have also touched on, but the system itself. The recovery support programme that has evolved from the special measures programme is working with small hospitals to provide a systems-focused approach to support them and address some of those challenges. As my hon. Friend the Member for Isle of Wight has said, the hospital there went into special measures in 2017 and it is now rated as good. That resulted from a lot of support from the national systems, but also from the hard work of local clinicians and managers. It is a testament to their hard work.

Retaining workforce is difficult. We know that GPs, dentists and nurses are more likely to stay where they trained. That is difficult for smaller hospitals, because traditionally they do not have their own training programmes. People train in large teaching hospitals and often stay there and develop their practice further.

Health Education England is working on changing the traditional nature of training. Blended learning programmes use a combination of technology, online learning and the apprenticeship model to make it easier for small hospitals to train their own staff of nurses, healthcare workers and doctors. There is also the apprenticeship model, with apprenticeships now available in a number of healthcare organisations. Existing staff can take apprenticeship routes, stay in their workplaces and not have to travel long distances to universities miles away. That is important, whether it is for the registered nurse degree apprenticeship, healthcare assistant practitioners or the new medical doctor degree apprenticeship. That will make it easier for smaller hospitals to train and develop their own workforce and, crucially, to upskill the existing workforce. Traditionally, if someone wanted to take on an advanced nurse practitioner role or was an anaesthetist wanting more training, they would often have to leave their small hospital and go to a bigger teaching hospital to take such courses. The blended learning programme will make recruitment and retention easier for smaller hospitals, and will be a lot more rewarding for staff.

My hon. Friend the Member for Isle of Wight talked of funding. I am the first to acknowledge that smaller, more rural and coastal hospitals have greater expenses because they cannot get the scale of efficiency of a larger teaching hospital. A lot of work is going in to supporting the funding mechanism. NHS England is responsible for allocating funding. It goes down to the new integrated care boards, which were established in July. Funding allocations for this financial year were published earlier this year. If my hon. Friend cannot find that information, I am happy to provide him with the figures and the algorithm used to achieve them. The formula seeks to acknowledge geographic and demographic distribution, which can vary, as a number of hon. Members have said. Some areas can have an older population, and it is important that the funding formula reflects that. The discussion is between NHS England and the integrated care boards. There has been a change

in the formula to take account of the higher costs of providing emergency services in particular in sparsely populated areas, with an adjustment for costs that are unavoidable due to the small nature of the hospital.

If my hon. Friend and other hon. Members feel that the changes to that formula and the relationship between NHS England and the local integrated care boards are not delivering some of the funding measures we had hoped for, I am happy to discuss that further and to sit down with colleagues so that they are clear about the funding formula and allocation. It should not require trawling through pages of documents to find that out. I am happy to help my hon. Friends with that, because it is important to recognise.

I want to touch on urgent and emergency care. It is important for emergency care to be available locally, but that can be a challenge for unavoidably small hospitals, because they see a much smaller number of trauma cases or cardiac arrests. Highly skilled staff, such as anaesthetists, with the support of their royal colleges, need a number of such cases to keep their skills in place, and we need to support them.

I want to reassure colleagues that we are committed to keeping smaller hospitals. The investment in the Friarage surgical hub is a case in point. We have also recently seen investment in North Devon. I also hear the call for the 40 hospitals programme. We are committed to that, and it is important that staff have that reassurance and patience, because it is about not just the services that are technically on a site, but the quality of care. As smaller hospitals often know their patients well, they get a quality of care that they sometimes do not get in larger hospitals with hundreds of patients coming through a department.

Kevin Hollinrake: One of the Minister's predecessors wrote to me on 28 October 2019 and said that a new community services formula was being used for hospitals such as Scarborough Hospital in my constituency, and others that have been mentioned. Will the Minister write to tell us exactly what impact that has had on funding since 2019 so that we can understand what extra resources have been made available?

Maria Caulfield: I am happy to write to all colleagues on that. It is important to understand the difference that that formula will make and to assess whether it is working in practice, and Members of Parliament will be able to pick up quickly on whether it is making a difference locally. I also encourage colleagues to meet their integrated care boards—if they have not already done so—which will have a relationship with NHS England and will supply the information on the demographics and geographical variations that make the formula work. The integrated care boards came into force in July, and now is a good opportunity to have those conversations so that ICBs are clear that Members of Parliament and their local communities value smaller hospitals and that that must be considered when decisions on funding and services are made.

We have had a good debate. I want to reassure colleagues that small hospitals are a vital part of the NHS family: they take pressure off some of the larger services and provide good quality service for local residents, who really value them.

Jim Shannon: I thank the Minister for her answers. The hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) and I both asked questions about health being devolved in Northern Ireland and in Scotland, and we are keen to ensure that some of the thoughts and ideas from the debate are shared with the devolved Administrations. Can the Minister confirm that that will happen?

Maria Caulfield: Absolutely. We need a collaborative approach because we all face the same challenges, whether in Scotland, Wales, Northern Ireland or England. I have been in contact with Minister Swann over recent months, and I am happy to work with him and the other devolved Administrations on these matters, because we all have a shared interest in ensuring that small hospitals are successful.

I can reassure colleagues that we want to support our smaller hospitals in future so that they are able to do more for their local communities.

10.53 am

Bob Seely: I thank all those who spoke in the debate. I will absolutely follow up with the Minister, both in the request for greater transparency and with regard to the integrated care boards. I will also continue to raise with her the issue of equality of funding for getting folks from the mainland, which is a specific Island issue, and to ensure that unavoidably small hospitals can offer the same level of service as others, especially—as several Members have highlighted—in the light of the seasonal nature of the pressures that they are under and, sadly, the higher health demands and greater health vulnerabilities that coastal communities can have.

Smaller hospitals tend to be special places in special communities. I am delighted that the Minister is so engaged with them. They need to be given care and attention to succeed, and that is what we all want.

Question put and agreed to.

Resolved,

That this House has considered unavoidably small hospitals.

Peterborough Station Quarter: Redevelopment

10.54 am

Paul Bristow (Peterborough) (Con): I beg to move,

That this House has considered the redevelopment of Peterborough Station Quarter.

It is a privilege to serve under your chairmanship, Mr Hollobone. Peterborough station is a major rail interchange on the east coast main line. Along with our hardworking residents, our location is one of our city's biggest advantages. Our station provides a fast train to London and connections across the country. That matters for passengers and it matters for freight. However, the station needs renewal and modernisation, and the land surrounding the train station is one of Peterborough's biggest development opportunities. We recently submitted a levelling-up fund application to the Government asking for help to transform the area, known locally as the station quarter.

Why back Peterborough? For a start, we are the largest city in the area, ahead of Cambridge and the rest of our combined authority area. We are already growing at more than twice the national average for England and Wales—over 17% between 2011 and 2021. We have major manufacturers and high inward investment. We provide employment, shopping, health, education and leisure facilities for people across a much wider catchment area; our rail lines expand that area further still. Peterborough is ideal for local commuters in east Northamptonshire, south Lincolnshire, Rutland, Fenland and north Cambridgeshire. We are the gateway to the east of England.

When all that is said, we have significant challenges and untapped potential. That is why Peterborough is identified as a levelling-up priority 1 area. We are below the national average in relation to unemployment and skills, and our score on the need for economic recovery and growth indicator shows why action is needed. That action has already begun. The first block of Anglia Ruskin University Peterborough, the city's new university, has already opened thanks to Government support through the first round of the levelling-up fund, but that investment needs to be combined with further action to get the results that my constituents deserve.

If the new university can be regarded as the spark, Peterborough station can provide the rocket fuel. From Peterborough, someone can arrive at King's Cross in under 50 minutes, and the journey to York takes only half an hour longer than that. There are express rail connections all the way to Scotland. Before the pandemic, the station served 5 million passengers a year, with nearly 1 million using it as an interchange for services to other destinations. Rail journeys are starting to recover now that covid is under control, and that will continue—although perhaps with more leisure travel and less daily commuting.

At present, the station has a number of surface car parks spread over a dispersed stretch of land of around 10 acres. That is high-value land; it has the potential to transform the area. If unlocked for new commercial and housing developments, it will potentially transform not only Peterborough but a much wider area. Top-end commercial and office space is particularly important, but so are new homes. Land around the city railway

station is ideally suited for new housing, especially for young people—the launch pad many of them need to go on to thrive.

The station building has limited capacity to accommodate forecasts for passenger growth. Network Rail's modelling is another reason to invest. We already have limitations and problems that should not exist at a gateway station of such importance. For example, one of our two existing footbridges is not compliant with the Equality Act 2010, with access only on one side. If someone gets to the concourse building, they will soon discover that it has only seven automatic ticket gates, which become unpleasantly congested at peak hours. A new western entrance and better footbridges to accommodate demand are vital. They would make commuting easier for many thousands of people—not least the local Member of Parliament, who lives close to the western entrance.

Congestion is becoming a significant issue. Network Rail ran a station capacity assessment this year, which showed how bad things could become in the future. In addition, London North Eastern Railway has identified operational issues with the current station layout and facilities, such as a lack of platform space and a small gateline. LNER manages 11 stations on the east coast main line and dispatches more train services at Peterborough than it does at any other station, including York and Newcastle. Over 15% of all passenger movements at Peterborough are connecting interchange services, so any disruption not only affects Peterborough station but has a significant knock-on regional impact. While manageable at present, those issues will get worse with the future projected demand for train travel that we all want and desire. In short, a significant cash injection is needed to avoid future issues on the east coast main line.

The station is located approximately 500 metres west of the city centre, defined as Peterborough town square, and 200 metres west of Queensgate shopping centre and Peterborough bus station. However, despite its proximity to those key facilities, the station feels isolated from the city centre, both visually and from an active travel perspective. That is demonstrated by the severance created by the dual carriageway, Bourges Boulevard, between the station and the city centre, and the presence of multiple underpasses to guide pedestrians between those locations. To help realise the future contribution of Peterborough train station to not only Peterborough but the entire eastern region, the city has just applied to the levelling-up fund with a bid of around £48 million, which would pay for the first phase of redevelopment of the station quarter. That bid was submitted to the Government by the Cambridgeshire and Peterborough Combined Authority on 1 August. It would be not a handout for Peterborough, but an investment in the whole region, and perhaps the whole country.

A mixture of Government and private funding would be spent on a commercial and residential development as part of the station quarter programme. It would enhance Peterborough train station and the land around it to include a mixture of flats, shops, bars, cafes and office working space, as well as better transport links to and from the station itself. That is especially important for those with disabilities and those with mobility issues. A new western entrance to the station with a car park, to create a double-sided station with a new, wider footbridge over the train tracks, would alleviate pressure on city centre roads, making it easier and safer to travel

around the city. The idea for a double-sided station takes inspiration from cities that have removed traffic from their city centres, such as Ljubljana, Copenhagen and Brussels, and as a result have seen significant benefits to the local economy and the quality of life of residents. I hope Peterborough can soon be mentioned in the same breath as those great European capital cities, and it could all start with investment in our station quarter.

Such investment would enable Peterborough to transform its growing centre into a vibrant and attractive space that residents can be proud of, while stimulating businesses and providing greater economic benefit to the city. One only needs to look at the major upgrade of King's Cross station, which ended in 2012, to see what a transformative effect an upgrade of that scale can have on the surrounding areas. Our local, historic Great Northern Hotel, which opened in 1852, would be retained as a cultural asset in the new development. The station quarter programme would also create an impressive entrance to the city of Peterborough, something that would boost tourism and repeat visits to our great city. Green areas with biodiversity and community spaces would be created, with easy and pleasant navigation routes to and from the city centre by bike and foot.

The enhancement of Peterborough train station would also improve rail passenger journeys and encourage more rail travel, which would have a positive economic impact on the city. Regionally, it would have a positive impact on train travel, as the station provides an important gateway to Cambridge, the rest of Cambridgeshire, and other key areas in eastern England and the rest of the UK. In addition, it would support Peterborough in attracting more knowledge-intensive and high-level employers through its transport links.

Peterborough is relatively low cost for office, housing and retail accommodation, and is easy and quick to reach by train. We already have one Government hub, which is about to be opened in the city. Our new university opened its doors to students this month. The university has been working with regional businesses, as co-creators of the curriculum, to ensure that students leave job-ready, with skills that are in demand by employers. The university will play a pivotal role in raising the city's skill levels, lifting aspirations and having a transformative effect on the life chances of its students. It will increase the health, wealth and prosperity of our local people. It will provide new opportunities for the region's promising students, including those who may have not considered a university education before.

In Peterborough, a new Hilton Garden Inn hotel will soon open its doors, and a new Odeon multi-screen cinema is ready to open later this year. If we look at the sky scene in Peterborough city centre, we see cranes, development and all signs of life springing up everywhere following covid-19. The city is pumping. We know that investors are keen to take advantage of our potential. At a recent conference, in 2020, over 90 significant investors pledged their interest in our city. The time really is now for Peterborough. We have the infrastructure in place. We have the connectivity links. We are upskilling our population.

Peterborough is the gateway to the east of England, and the station quarter is the gateway to the city. It is vital that the station quarter and the station itself are fit for purpose, not just for the Peterborough of today but for the city that it will be in the six years it will take to

[Paul Bristow]

complete that development. The levelling-up fund bid for the station quarter represents a chance for this Government to use that prime asset to bring jobs, retail and other visitors to our city. We know that investors are interested in Peterborough. If we get it right, the levelling-up fund contribution will be supercharged, leading to hundreds of millions of pounds of private investment. All of that will benefit not only Peterborough but every town and city within a commutable distance by train.

When our outgoing Prime Minister began the levelling-up challenge, it was about using new infrastructure to improve everyday life. He wanted to increase opportunity across the city. This Government were as good as their word about getting investment into Peterborough, and I know from her campaign visits to Peterborough that our new Prime Minister is committed to that investment continuing. The station quarter bid would see that delivered. It meets the Government's investment and transport goals. It would strengthen Peterborough's accessibility for employment, shopping, health, education and leisure in the east of England. It would give my city another economic boost, encouraging even more businesses and private investment. That means jobs, jobs, jobs—better jobs. In short, it would level up not just Peterborough but the entire east of England. At the same time, it would address the future of the rail network.

I know that the Minister has been listening carefully, and I look forward to hearing the Government's position. Peterborough station might be a local concern, but it is of national importance.

11.8 am

The Minister of State, Department for Transport (Wendy Morton): I thank my hon. Friend the Member for Peterborough (Paul Bristow) for raising this important matter, and for setting out the proposed project so clearly. I also celebrate my hon. Friend's work in campaigning for Peterborough. I know how hard he works, not only in relation to the levelling-up fund round 2 bid to develop the Peterborough station quarter, but for wider investment across his constituency. It is clear from his speech that he deeply understands the rich history and the present needs of the community in Peterborough.

This Government's central mission is to level up the United Kingdom by spreading opportunity more equally across the country, bringing left-behind communities up to the level of more prosperous areas. I am therefore delighted to have this opportunity to set out our ambitious plans to address this and ensure the success of the whole country, realising the potential of every place and every person across the UK.

As a Government, we have already made progress towards levelling up, but, as I am sure hon. Members will agree, we must continue to focus on delivering this crucial priority. That is where the levelling-up White Paper comes in, to build on the billions of pounds already invested in local areas over the last few years. Such funding has benefitted places across the United Kingdom, including my hon. Friend's constituency of Peterborough. This is our plan for reversing the country's inequalities and for improving the United Kingdom.

While the strategy is set, I know that many hon. Members are interested in what it means for their local places and communities. Importantly, new initiatives announced in the White Paper will build on the success of a wide array of funding schemes that are already in progress. Through programmes such as the levelling-up fund, mentioned by my hon. Friend, the Government are already providing crucial capital investment in local infrastructure across the United Kingdom.

I will talk in more detail about the levelling-up fund and touch on what is already being done to level up local places and invest in our communities. My hon. Friend called this debate to discuss investment in infrastructure that will help to improve everyday life for local residents, and I commend him for his sincere and passionate support for the ambitions of Peterborough to develop the station quarter. As we are in the middle of assessing round 2 bids, it would not be appropriate for me to go into detail or make judgments on individual bids. However, I welcome the bid for future funding and the thought that has gone into it. We are clear that the second round of funding will look to build on the success of round 1, which saw £1.7 billion awarded to 105 successful projects across the UK.

I am pleased that Peterborough is one of the five places in the east of England that will receive a share of the £87 million awarded to 12 successful projects from the first round of the £4.8 billion levelling-up fund. In round 1, Peterborough received a significant £20 million Government investment that will help to build part of the new Anglia Ruskin University campus and really put Peterborough on the university map—I can see my hon. Friend is nodding, and rightly so. It will also boost the economy and create more than 500 jobs. The local community and 1,700 students will benefit from a new interactive science lab and education space, called the Living Lab.

Regeneration of the city centre brownfield site forms the centrepiece of the new University Quarter Cultural Hub, which is expected to attract 50,000 visitors a year. Part of the space will also be open to the public, showcasing the city's net zero future through exhibitions and events, including festivals of ideas, immersive displays and evening classes. The project will also help to upgrade, create and connect existing and new museums, an arts venue, two theatres and two libraries in 50 acres of renewed, open green space, part of the regeneration of the river embankment that will open up a key leisure area for the city centre.

We recognise that community pride, such as that in Peterborough, is really important. This is why the levelling-up fund is focused on regenerating town centres and high streets, upgrading local transport and investing in cultural and heritage assets. These are themes that I know hon. Members and their constituents are interested in and a key part of the levelling-up agenda.

My hon. Friend will be aware that Government investment in Peterborough has been considerable. The 2017 Cambridge and Peterborough Combined Authority—the CPCA—devolution deal includes significant benefits for the communities of Cambridgeshire and Peterborough. It includes a new £600 million fund—£20 million annually for the next 30 years—to support economic growth, development of local infrastructure and jobs, and a directly elected mayor. The £6.3 million investment in the A47/A15 junction 20 eased congestion

at Peterborough Parkway and unlocked community infrastructure. Peterborough City Council secured £22.9 million from the towns fund, which is delivering better sustainable transport links and connectivity for city.

Looking at transport in particular, local transport in the Cambridge and Peterborough Combined Authority has received considerable support. That includes £4.3 million of funding from the zero-emission bus regional area scheme, and a new vehicular bridge between Whittlesey and Peterborough, which opened in July after a £30 million investment, to improve travel times by replacing a level crossing. The CPCA was also awarded £1.7 million in active travel funding to support short journeys by foot or cycle. Works include widening pavements, reallocating traffic lanes to accommodate cycle lanes, and installing cycle parking. Those are just a few examples of how this Government are investing in the area, and I am sure my hon. Friend will agree that, in Peterborough, we are well on the way to levelling up the transport infrastructure and improving the experiences of residents and visitors alike.

As hon. Members may know, the levelling-up fund is competitive, with funding distributed to places across the UK on the basis of successful project selection. I know that many places, including Peterborough, have prepared applications to the fund after the launch of round 2. As my hon. Friend has outlined today, local investment really has the power to change local lives, create jobs and create further investment for places. The aim of this funding is to empower local areas to identify and bring forward genuine local priorities. It will fund projects prepared in collaboration with local stakeholders that have clear benefits to the local community and are aligned with a broader local economic strategy. I am pleased to hear that Peterborough has submitted a bid for round 2 funding, but, as I have said, this is currently being evaluated, so it would not be appropriate for me to comment on the specifics during this period of the competition. What I can say is that we look forward to announcing successful bids for the second round of the fund later in the year.

To close, I once again extend my thanks to my hon. Friend for bringing forward this debate. I am in no doubt that he will continue to be a passionate campaigner and advocate for his constituency.

Question put and agreed to.

11.17 am

Sitting suspended.

Employment Law: Devolution to Scotland

[SIR EDWARD LEIGH *in the Chair*]

2.30 pm

Angela Crawley (Lanark and Hamilton East) (SNP):
I beg to move,

That this House has considered the potential merits of devolving employment law to Scotland.

It is a pleasure to serve under your chairmanship, Sir Edward.

The Minister will recall that I have spent many hours in this place calling for reform to employment law. She will also be aware of the backlash from unions at an employment Bill being nowhere to be seen in the most recent Queen's Speech. Indeed, Frances O'Grady of the Trades Union Congress highlighted that vital rights that Ministers have promised, such as flexible working, fair tips and protection from pregnancy discrimination, are at risk of being ditched for good. The fact is that this Government need to get a grip on workers' rights. If they refuse to do so, then now is the time to devolve employment law powers to Scotland to allow the Scottish Government to enact our own reforms.

The SNP Scottish Government are doing everything in their power to improve workers' rights where they have devolved competence. Throughout the pandemic, the Scottish Government have worked to prioritise workers' rights, calling on employers, trade unions and workers to work together during this challenging time to ensure that workers are treated fairly. The SNP Government refreshed their Scottish business pledge to align with the fair work principles, and they established a new learning network and an international fair work summit. They also published a fair work action plan in February 2019, which set out a range of measures to support employers to embed fairer working practices. That is supported by trade unions across Scotland.

Additionally, the Scottish Government published a gender pay gap action plan in 2019, bringing together a cross-Government group to approach the gendered impact of inequality in the labour market. The Scottish Government are also a champion of the real living wage, which is of the utmost importance during the cost of living crisis. There are nearly 1,500 living wage-accredited employers in Scotland, giving Scotland the highest rate of workers in the UK earning a real living wage.

With the limited powers that they currently hold, the Scottish Government have worked hard to tackle in-work poverty and support those on low incomes and, ultimately, to condemn exploitative zero-hours contracts by establishing a fair work convention to support the fair pay and conditions agenda. However, with employment law reserved to the UK Government, Scotland can only go so far; it is only able to address part of the problem. Full devolution of employment law would allow Scotland to go even further by creating fairer workplaces, increasing wages, reducing insecure work and fundamentally tackling in-work poverty head on. Shifting that power to the Scottish Government would allow them to stop the race to the bottom on workers' rights that we are seeing in the post-Brexit UK.

Last December, the European Union delivered employee status to gig economy workers, untying them from the constraints of self-employment status and allowing them

[Angela Crawley]

basic employment rights, such as minimum wage, holidays and sick leave. That reform of workers' rights in the EU may well have been one of the most ambitious extensions of workers' rights from Brussels since Britain left the EU, and we are missing out. Since leaving the EU, the UK Government have been complacent on updating employment law to tackle the injustices faced by the UK workforce.

Scotland overwhelmingly supported retaining EU membership, in no small part due to its commitment to the extension and promotion of workers' rights. Instead, the UK Government's approach appears to be to leave workers to appeal to the courts where they cannot access justice, as in the Uber and Addison Lee cases. Without reform of existing legislation, workers are left at the mercy of rogue employers. In 2019, this UK Government were elected on a manifesto that promised to introduce measures to protect those in low-paid work and the gig economy. That was embodied in the promise of an employment Bill that would protect and enhance workers' rights, with the tagline, "Making Britain the best place in the world to work".

Chris Stephens (Glasgow South West) (SNP): My hon. Friend makes an important point. The Taylor review reported five years ago and recommended things that the Government should do quickly, including simplifying worker status. Does my hon. Friend share my concern that the Government have sat on that report for five years with no action?

Angela Crawley: I thank my hon. Friend for making that point. The Taylor report gave the Government a comprehensive list of items that they could address, but sadly they have been sleeping on the job.

Although there was no commitment in this year's Queen's Speech to bring forward the promised employment law reforms, perhaps the Government now have an opportunity to do so. Will the Minister tell us why we should trust this Government to treat workers' rights as a priority when, three years after that promise was made, no employment Bill has materialised?

We have already seen the ambitions of the UK Government slip. Now we are knee deep in pandemic recovery, a cost of living crisis and a looming recession. It is imperative that the Government make a concrete commitment to improving workers' rights.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): We can expect the Tories to denigrate or at the very least be uncaring on workers' rights, but we have to be honest: the Labour party, certainly in Scotland, has questions to answer too. It denied—indeed, it fought—equal pay for women for decades, and then the minute it left office in Glasgow, it started campaigning for it; it voted against higher offers to council workers; and it stopped the devolution of employment law in the Smith Commission. Had it supported the SNP in the Smith Commission, I would not have had to introduce three Bills to outlaw fire and rehire. Does my hon. Friend agree with that?

Angela Crawley: I thank my hon. Friend for that intervention. It is fair to say that the Labour party, like the Government, has been sleeping on the job when it

comes to protecting workers' rights in the UK. It has failed to stand up for workers and it has often been missing on picket lines.

The pandemic has exacerbated a steady entrenchment of precarious working conditions across the UK. More people than ever before in the UK are relying on zero-hours contracts and participating in the gig economy. It is a sad fact that workers sometimes have to turn away a job because it would cost them more to drive to collect an item than they would receive to deliver it. They simply cannot afford it because the wages are so low. How is it that here in the UK wages are so low and workers' rights are so abysmal that a worker cannot even afford to attend work to earn money in the first place? It is absolutely absurd, yet that is the position we find ourselves in, with the Labour party, which is set, potentially, to take over at the next general election, also sleeping on the job.

Christine Jardine (Edinburgh West) (LD): What the hon. Lady says leads me to think that we need reform of UK employment law rather than devolution of employment law, which would create new barriers to doing business and running services across the UK. Although I would wholeheartedly support the reform of UK employment law, I worry about the implications for companies such as RBS, which has staff all over the country, and the nightmares it could cause in terms of employment rights and breaking up the single market.

Angela Crawley: The hon. Lady makes a number of points. Given her ardent belief in the Union, she would argue that this is the best place in the world for the protection of workers' rights, yet we on the SNP Benches have repeatedly—in every facet, in every forum, in every piece of legislation—attempted to encourage the Government to reform employment law and they have failed to do so.

David Linden (Glasgow East) (SNP): Does my hon. Friend, like me, find it rather bizarre that the hon. Member for Edinburgh West (Christine Jardine) seems to have overlooked the fact that the predecessor of my hon. Friend the Member for East Dunbartonshire (Amy Callaghan) was an employment Minister in a Lib Dem coalition? If there was such a need to reform employment law, why did the Lib Dems not do that?

Angela Crawley: Absolutely. There was ample opportunity when the Lib Dems were in the coalition to transform employment law, and that did not happen.

Hywel Williams (Arfon) (PC) *rose—*

Angela Crawley: I want to make some progress, but I will come back to the hon. Member.

There are more and more people in insecure work, more and more people with insecure wages, and more and more people with insecure rights in the workplace. More people are under-employed, and more people are holding down multiple jobs and yet struggling to support themselves. Sadly, more and more people are struggling to invoke their workplace rights and unionise.

In real terms, that means more people have been plunged into in-work poverty and are unable to rely on stable incomes, which is invaluable to those trying to make headway through what will be a bleak winter for many families as we approach a cost of living crisis. The

impact of the pandemic is clear, the impact of Brexit is clear, and the impact of this Government's stagnation and failure to act is blatant. I call on the UK Government to either act now or let the Scottish Government do so. I would love to have every competence that this Government have to bring forward an employment Bill and transform employment rights. They have failed to do so, and they do not appear to want to.

I was deeply disappointed that there was no commitment in the Queen's Speech to improve workers' rights. The decision to shelve the employment Bill represents a missed opportunity for this Government to make serious progress on changing employment law. They have missed the opportunity to update policies on flexible working, carers leave and paid miscarriage leave, which I have argued for time and again. They have failed to strengthen protections against workplace sexual harassment and other equalities protections.

The Minister will recall that I have spent many hours in this place calling for the introduction of paid miscarriage leave. My hon. Friend the Member for Glasgow East (David Linden) has pursued relentlessly the right for neonatal leave and pay, and I welcome the Government's commitment to introduce those measures. I have pursued numerous vehicles in Parliament to try to ensure that the important policy of paid miscarriage leave is introduced but, sadly, I feel I am reaching the end of the road. The policy has cross-party support, yet it has been unable to succeed because of the archaic working practices of this place and this Conservative Government's failure to commit to legislating on the issue. That reinforces why this system will never work for Scotland. It is becoming clearer by the day that we cannot trust this Conservative Government to prioritise workers' rights. Instead, we see the further entrenchment of socioeconomic inequality in our society.

Scotland did not vote for Brexit, Scotland did not vote for this Conservative Government—it has not done so for many years—Scotland did not vote for this latest Prime Minister, and Scotland did not vote to roll back workers' rights and leave the European Union. Yet we find ourselves in a situation where this Government will not act, and our Government want to act but do not have the powers to do so.

Chris Stephens: I thank my hon. Friend for giving way; she is being very generous. Does she share my concern and that of many others that the Government seem to want to roll back trade union rights further, and are threatening trade unions that they are going to raise thresholds and make industrial action more difficult?

Angela Crawley: I thank my hon. Friend for that intervention. I know that the hon. Member for Arfon (Hywel Williams) wished to intervene too.

Hywel Williams: I will make two brief points. I find strange the argument that multinational companies are somehow unable to adapt their practices to the conditions required by individual independent countries. That is a fallacy and a fiction. Let me also point to a particular reversal of rights, which I will refer to in my speech if I am fortunate enough to be called. The Government have demonstrated their hostility by intending to scrap the Trade Union (Wales) Act 2017—a law passed by our Senedd to protect workers in Wales.

Angela Crawley: I thank the hon. Member for that salient point. We can be under no illusion: not only are this Government not interested in protecting workers' rights, but they are not interested in protecting the devolution settlement in Wales, Scotland or anywhere else, and they are not interested in listening to people across the UK who are crying out for urgent action on the energy cap.

Workers in Scotland and across the UK should be under no illusion: this Government are responsible for one of the most egregious attacks on workers' rights for over a decade, and there are no signs that that will change. Given the performance of the Scottish Government in this area, does the Minister recognise that the UK Government are hindering the Scottish Government's ability to act to protect workers' rights in the way that we would have done if we had remained in the EU?

It is clear that the UK Government are reluctant to take any steps necessary to overhaul employment law and catch up with the realities of work in the current decade. If the Minister remains unwilling to address the failures of this Government, will she give the Scottish Government the powers to do so? I must ask the Minister to give serious consideration to the devolution of employment law to Scotland, and to stop holding us back from delivering vital support and protections to those who need them most, especially now.

2.43 pm

Amy Callaghan (East Dunbartonshire) (SNP): I congratulate my hon. Friend the Member for Lanark and Hamilton East (Angela Crawley) on securing the debate. There are endless merits to devolving employment law to Scotland, but do not fret—I have only chosen a few to discuss today. We could look at unpaid trial shifts, fire and rehire—the list is endless—but what underpins this debate for Scottish workers is that we cannot trust the Government of the day in this place to be progressive and look out for the rights of workers, so we need to devolve employment law to ensure that Scotland can bring forward an employment Bill to look out for Scottish workers.

If employment law were devolved, Scottish workers would have the right to protection against vile tactics such as fire and rehire and unpaid trial shifts—tactics that we have seen deployed on our workforce by profit-making companies just to increase their profits that bit more. They are despicable and unnecessary. This Government and previous Governments could have done something about them, but they have deliberately chosen not to.

We can look at both the rights and the opportunities that are being denied. For example, this Government are denying people the opportunity to recover fully from ill health because the level of sick pay is so woeful that people are going back to work before they should. We are ending up with a workforce who are working while still in ill health. If we devolved employment law, I do not believe that would happen. I state on the record that we should also devolve all social security benefits to Scotland, to ensure that statutory sick pay is adequate, and that people with significant disabilities and ill health are fully supported in their return to work.

Mhairi Black (Paisley and Renfrewshire South) (SNP): It strikes me as really concerning that part of the new Prime Minister's reforms seems to be to undermine the

[*Mhairi Black*]

one tool that workers have at their disposal, which is striking and industrial action. All the rights that people enjoy, including holidays and sick pay, were brought about not by kindly asking but by striking—by industrial action. Any attempt to undermine that by bringing in agency workers—more colloquially known as scab labour—is appalling and should not be allowed to pass.

Amy Callaghan: I thank my hon. Friend for that welcome intervention. The new Prime Minister certainly will have disastrous consequences for the workforce across the United Kingdom. Employment law should be devolved to Scotland, and we should stand up against those vile tactics—especially those against the right to strike—and ensure that our workers are protected from them.

It says a lot about a Government when they are unwilling to protect workers' rights and, instead, their new leader has pledged to cripple them within her first 30 days as Prime Minister. That is why we need employment law devolved to Scotland.

2.47 pm

David Linden (Glasgow East) (SNP): It is, as always, a pleasure to serve under your chairmanship, Sir Edward. I pay tribute to my hon. Friend the Member for Lanark and Hamilton East (Angela Crawley) for securing and opening the debate.

It is fitting that we should be having this debate today of all days, when the right hon. Member for South West Norfolk (Elizabeth Truss) has just been appointed Prime Minister, not least because, if the rumours are to be believed, the right hon. Member for Spelthorne (Kwasi Kwarteng) will be her Chancellor. Even more worryingly, the right hon. Member for North East Somerset (Mr Rees-Mogg) is set to be Secretary of State for Business—if it was 1 April, most of us probably would not take that seriously.

Part of the reason I think it is appropriate to have this debate today is that our new Prime Minister and our new Chancellor authored a book in 2012 called “*Britannia Unchained*”. I do not know if the Minister has read the book; unfortunately I have read all of it, and it is pretty grim reading. It asserts that the UK has a “bloating state, high taxes and excessive regulation”.

It then says:

“The British are among the worst idlers in the world. We work among the lowest hours, we retire early and our productivity is poor. Whereas Indian children aspire to be doctors or businessmen, the British are more interested in football and pop music.”

That is the view of our current Prime Minister and our soon-to-be Chancellor, in writing about employment legislation and regulations. That highlights why it is so important that employment legislation is devolved to the Scottish Parliament. The idea that we would have Conservatives continuing to be in control of employment legislation really is akin to leaving a lion in charge of an abattoir.

Let us look at the Conservative party's record on employment legislation. Take, for example, the Trade Union Act 2016—the anti-trade union Act. The irony will not have been lost on most of us that that Act requires a certain threshold to be met in order for

workers to withdraw their labour, yet the Prime Minister did not achieve that very threshold yesterday as she was elected leader of the Conservative party. There is a case here that what is good for the goose is good for the gander.

My hon. Friends the Members for East Dunbartonshire (Amy Callaghan) and for Lanark and Hamilton East have already touched on the fact that there has been no employment Bill. The reason that we were promised an employment Bill was that, after the Brexit referendum, we were told that Brexit was about improving workers' rights and environmental standards. The only thing that has happened in connection to any of that is that we are now pumping raw sewage out to sea. That gives us a fairly clear indication of where the Government plan to go if they bring forward an employment Bill: it will not be to strengthen workers' rights.

My hon. Friend the Member for Paisley and Renfrewshire North (Gavin Newlands) has done a ton of campaigning on fire and rehire legislation; shamefully, the Government talked out the private Member's Bill that was introduced. We have seen little action on P&O Ferries and the shocking treatment of its staff, including one of my own constituents. My hon. Friend the Member for Lanark and Hamilton East has been doggedly pursuing the Government in her campaign for paid miscarriage leave, something that anybody with an ounce of compassion in their hearts—and the Conservative party like to talk about being compassionate conservatives—should support. That has not been legislated for. I would love to know the Government's objection to paid miscarriage leave, which my hon. Friend has fought so valiantly to get on the statute book.

All of that stands in contrast to the efforts of the Scottish Government, even though they are very limited in what they can do in terms of employment. For example, the Scottish Government see trade unions very much as partners, not opponents. We see them as rightly there to stand up for workers' rights. I myself am very proud to be a member of the Unite trade union. The Scottish Government have the view that trade unions should not be seen as the enemy, but the UK Government constantly see trade unions as some sort of opportunity to play political football. The right hon. Member for Welwyn Hatfield (Grant Shapps) was revelling in every single moment of his dispute with the RMT just recently. He saw it as an opportunity to advance his career—by all accounts, that will probably not do him much good today.

The Scottish Government already have policies that give a clear indication of the direction of travel on supporting workers. We have a clear opposition to zero-hours contracts, which I would call exploitative zero-hours contracts. We have the Scottish Government's business pledge, which has been refreshed. We have a commitment to the living wage—not the pretend living wage that the UK Government talk about, but the living wage that is actually in line with the Living Wage Foundation and the real cost of living. We fund the Scottish Trades Union Congress with Scottish Union Learning cash.

The devolution of employment law is supported by the Scottish Trades Union Congress. I will wait with great interest to hear from the hon. Member for Edinburgh South (Ian Murray) about why the Scottish Labour party opposes the Scottish Trades Union Congress in

its call for the devolution of employment law. The Labour party, I understand, considers itself to be the party of devolution, so why on earth does it oppose both the people of Scotland and the Scottish Trades Union Congress on the devolution of employment law?

There is a lot more that I would like to see done if we could devolve employment law. It is quite clear that the UK Government will not bring forward an employment Bill that will adequately improve workers' rights, but there are a couple of things that I would like us to look at. For example, we must have a very honest conversation, particularly in this place, about the use of unpaid internships. They are absolutely rife in this place: far too many people, presumably even some in my own party, exploit young people from working-class communities by asking them to come down here and do unpaid internships. All of us collectively have to grapple with that. I would like to see a complete ban on unpaid internships and unpaid trial shifts.

I would like us to look at things such as the four-day week. We have just gone through a global pandemic in which the whole nature and world of work have changed enormously. There are a number of things that we could do by learning from the pandemic, and a four-day week is just one. I also want us to deliver proper enforcement of national minimum wage legislation. We have had national minimum wage legislation in statute since 1997, but there have been some years since when the number of prosecutions has been in single figures—if there have been any at all.

There is so much more that we could do with the devolution of employment powers, but in rounding off my speech, I want to go back to the theme I started with, which is the book that our current Prime Minister's entire political philosophy is based on: "Britannia Unchained". The reality is that for so long as Scotland remains chained to this failing Union, and this disgusting Conservative Government, I am afraid that we will see more policies like this. By all means, we can call for the devolution of employment law, but we could do something much better: unchain ourselves from this place with the powers of independence.

2.54 pm

Kenny MacAskill (East Lothian) (Alba): It is a pleasure to serve under your chairmanship, Sir Edward. Like others, I congratulate the hon. Member for Lanark and Hamilton East (Angela Crawley) on securing the debate. I take the view that employment law should have been devolved at the outset and should certainly be devolved now. It is an omission, and it might be worth while to consider why it has not been done to date and why, even when we have reviewed it through Calman, through Smith and at other junctures, change has not been taken.

Some of those who opposed the devolution of employment law at the outset have learned hard lessons and have correctly moved on; others will have to explain why they continue to be intransigent, as has been asked by Members. It seems to me to be an omission from the Scotland Act 1998, but that always was an Act that lacked cohesion. It was neither federalism nor logical, and there was arguably no logic to which matters were reserved. Indeed, matters were devolved summarily, which has left us with a situation whereby the economy is devolved but the fiscal levers that can operate it are

not. Criminal justice—I was privileged to serve as Justice Secretary—was devolved, but firearms and narcotics were not. Show me a jurisdiction in the world in which firearms and narcotics are not the basis of criminal law or the breach thereof. We had a situation at the outset where euthanasia was devolved but abortion was reserved. We even had the absurdity that Antarctica and powers over it were devolved but foreign affairs were reserved. I do not know anybody in any political party who ever sought for Scotland to have a say over Antarctica.

Hywel Williams: I just want to add a pertinent comment. When further devolution was being considered for Wales, water was to be retained in London and sewerage was to be devolved.

Kenny MacAskill: That shows the illogicality of the current devolved set-up.

We obviously have seen changes—some have come through Smith, some have come through Calman and some have come through other ways. We now have air weapons devolved, even though firearms are reserved. We have the drink-driving limit devolved, although road traffic remains reserved. Indeed, abortion has since been devolved in order to join with euthanasia as powers within the Scottish Parliament. During my tenure as Justice Secretary, the Scottish tribunal service was established. It became the Scottish Courts and Tribunals Service, having previously been the Scottish Court Service and Tribunal Service. At the head of the Scottish Courts and Tribunals Service sits Lord Carloway, who is the Lord President and the very pinnacle of the judicial system in Scotland. Beneath that, we have tribunals being operated and run in Scotland, yet many of their most fundamental aspects—the law, legislation and regulations—are reserved to Westminster. That makes no logical sense; indeed, it is absurd.

More citizens appear before a tribunal than ever appear before a court of law, yet the tribunal that Scots are most likely to go to in order to seek recompense, change or whatever it is—some aspect of justice—is led by the senior Scottish judiciary, but the organs and levers are controlled. It should have been devolved, and it should be devolved now, because it is essential. We have a new Prime Minister, who has already laid down where she sees things going. I think that is fundamentally wrong, because we cannot go backwards.

I recently read a book about a radical MP called Joseph Hume, who had served in Middlesex, Montrose and Killarney—not in Wales. He came to fame because he opposed the Combination Acts 1799 and 1800. The Combination Acts were legislation that did not outlaw striking; they outlawed the right of workers to organise. They predated laws that came in through Keir Hardie and others. That was not in the 1930s; it was in the 1830s. Joseph Hume opposed the Combination Acts, which existed before Queen Victoria came to power, yet we have an incoming Prime Minister who, in 2022, is talking about ruling out strikes and attacking the fundamental rights of workers to organise. Under the new Administration, we are going back not to the 1930s, but to the 1830s—whether or not employment law is devolved.

Enough is enough. The Prime Minister will have to recognise that whether it comes from law changes in Holyrood, as it should, or from actions in defence to legislative changes here in Westminster, workers ain't

[*Kenny MacAskill*]

going to take it any more. The changes to be brought in have already seen the likes of the RMT, Unite and the Communication Workers Union out on strike. It is about not just wages, but terms and conditions of employment. We know that, in the fundamental RMT dispute, it is not simply a wage that workers are seeking—not the figures of £55,000 that are bandied about, because the average RMT worker gets nothing like that. It is also about the fundamental terms and conditions: the reduction in workers, making those who remain work longer and reducing the terms of their safety. Enough is enough. It is unacceptable.

I conclude by saying that employment law should have been devolved at the outset, and it should most certainly be devolved now. Irrespective of that, the fight is on. The current Administration may try to bring changes in and use the powers they have here, but those changes will be opposed in Scotland and across the country.

3 pm

Hywel Williams (Arfon) (PC): It is a pleasure to serve again under your chairmanship, Sir Edward. Apropos of the list the hon. Member for East Lothian (*Kenny MacAskill*) gave earlier on, in Wales, we have a legislature that does not have its own jurisdiction, as the jurisdiction is retained in England and Wales. Wales is peculiar in that respect and, possibly, unique in the world.

I congratulate the hon. Member for Lanark and Hamilton East (*Angela Crawley*) on securing this important debate and on her dedicated work campaigning for paid miscarriage leave. Like others, she has set out the case for devolving employment law to Scotland very effectively, and many of those arguments apply equally to the question of the devolution of employment law in Wales. I will refer to both countries in my remarks.

The tedious tit-for-tat we have seen in the last weeks and months around the Conservative leadership contest has demonstrated that Scotland and, even more so, Wales are very much an afterthought for Westminster. Our workers would be better protected by laws made in Scotland by Scotland's Parliament and in Wales by our Senedd. As I said earlier, the situation was made clear when, in June, the UK Government announced their intention to scrap the Trade Union (Wales) Act—a law that was passed by our Senedd in Wales to protect Welsh workers. The UK Government's response was to announce their intention to scrap it, demonstrating not only their disregard for Welsh workers, but their disrespect for devolution. We have, of course, seen moves to reverse devolution entirely consistent with the argument I am making.

In this regard, I should draw the Chamber's attention to the Government of Wales (Devolved Powers) Bill, introduced in the other place by my friend and predecessor as hon. Member for Arfon, now Lord Wigley. This important Bill would enshrine in law the principle that powers devolved to the Senedd should

"not be amended or withdrawn without a super-majority vote"

of Senedd Members, which would introduce a safeguard—in the short term, at least—against the sorts of action proposed by the UK Government. The Bill is scheduled for Second Reading on Friday. Despite the Westminster Government's hostile attitude to devolution,

further devolution and to devolution as a process—one that, I would say, is one way, not two way—I hope that Lord Wigley's Bill will, in due course, come before us in the Commons.

Returning to the question before us, devolving employment law to the Scottish Parliament and the Senedd would allow the introduction of an enhanced package of support for workers, which, as others have said, could include paid bereavement leave and miscarriage leave as day one employment rights, outlawing fire and rehire tactics and bringing in properly funded carers' leave. A further priority for employment law in Wales and, I am sure, in Scotland would be shared parental leave, which is key to enabling more equal parenting, tackling endemic pregnancy and maternity discrimination in the workplace and ending the gender pay gap.

As has already been said, in 2017, amid concerns that uptake of shared parental leave was low, the UK Government indicated that they wanted to re-evaluate the scheme. On 15 July 2022, the newly appointed Under-Secretary of State for Business, Energy and Industrial Strategy, the hon. Member for Loughborough (*Jane Hunt*), told MPs that the Government were evaluating the scheme and would publish findings in due course. We are still waiting for those findings, so I would say to the Minister and any new Minister—devolve the power to a legislature that will act. For what is already clear is that this policy on maternity leave is failing. Using data obtained by Her Majesty's Revenue and Customs and the Department for Work and Pensions, Maternity Action has calculated that since April 2015 just 47,000 of the 2.95 million new mothers who took statutory paid maternity leave have used shared parental leave to transfer some of their paid leave to the child's father or other parent. That is just 1.6%. That is the measure of a policy that is quite clearly failing.

One of the main problems with the scheme, as well as the current flat rate of £156.66 per week, is that a parent must transfer the maternity leave entitlement to the partner. That transferability makes the scheme extremely complex and consequentially poorly understood by both employers and parents. There is also the question of eligibility with at least a third of working new fathers failing to meet the qualifying conditions because of their level of pay or employment type. In Wales we have a great deal of low pay and self-employment is a very common pattern. What we need, and what I believe we would get if powers were devolved, is a system based on individual non-transferable rights for each parent to have leave.

There are solutions for the problems that I and other hon. Members have identified today. What is missing is the political will to act. The incoming Prime Minister has signalled that she will restrict workers' rights collectively to secure fairer employment. Wales's Senedd and Scotland's Parliament, empowered with the ability to legislate for employment law, would do things differently, and I sincerely believe that we would do things better.

3.7 pm

Mhairi Black (Paisley and Renfrewshire South) (SNP): I thank my hon. Friend the Member for Lanark and Hamilton East (*Angela Crawley*) for bringing the debate forward. When we think of the potential merits of devolving employment law to Scotland, the main one is that the Tories would be nowhere near it. That is the

selling point for me and a lot of other people. As we leave the pandemic only to enter a cost of living crisis, it cannot be any clearer how little interest this Government have in the lives of ordinary people. The last 12 years of Tory Government have been nothing more than a project of erosion. Not only is poverty on the rise and has been for years, but in-work poverty is rising, too. People who are working all the hours that God sends still cannot afford to live. Wages have not risen. The UK has the lowest level of sick pay in the OECD, and yet we kid ourselves that we are this great nation—this great United Kingdom—and a beacon for the rest of the world. Well, the stats just do not add up.

If we compare Scotland in the UK to what is happening in similar sized independent nations, we see that it does not have to be like this. Just one example: out of all the workers in the Netherlands, only 6.4% of them are low-wage earners. Of all the workers in Iceland, 7.6% are low-wage earners. Finland has 8.6% low earners and Denmark has 8.7%. In the UK, nearly 20% of all workers are low-wage earners. The countries I just mentioned have fewer people at risk of poverty and in-work poverty. They have fewer employees working extra hours and very long hours. They have a lower gender pay gap. They have sickness benefits that actually cover their wage if they are sick—something unheard of here. They are integrating flexible working patterns and learning from the pandemic, as my hon. Friend the Member for Glasgow East (David Linden) said earlier. They are figuring out fairer working practices to move with the 21st century.

David Linden: I wonder if my hon. Friend could say whether those countries have “Wheel of Fortune”-style things in the morning where people have to phone in and try to win money for their energy bills? In those countries, do they have former Conservative Cabinet Ministers picking the tinfoil off their head and telling them to put it down the back of their radiators to heat their houses?

Mhairi Black: Fortunately, they are spared that horror but, here in the UK, that is where we are at: “This Morning” paying bills. Instead of learning from everything that has happened in the pandemic, and trying to integrate fairer work practices, we have a Government running around leaving passive-aggressive notes on desks, telling people to hurry up and get back, when the Prime Minister—sorry, the last Prime Minister—was nowhere to be seen for weeks. They have shown time and again that they cannot be trusted with workers’ rights. All the way from 1830 right through to now, they have proven time and again that they cannot be trusted.

As my hon. Friend the Member for Glasgow South West (Chris Stephens) mentioned, we had the Taylor review of modern working practices. That was five years ago, and we have heard nothing, because this Government are all about show not substance. The UK has reneged on its promise to protect EU-derived workers’ protections. During the Tory leadership race, the now Prime Minister promised to scrap all remaining EU regulations by the end of 2023. That means that hundreds of laws covering employment and environmental protections will disappear.

Despite the Government’s commitment to an employment Bill on at least 20 occasions, as we have heard from numerous people, it is still nowhere to be

seen. I am not talking about little add-ons because we are nice to our workers. I am talking about fundamental rights: how long we need to work, holiday entitlement and sick pay. Those are all fundamental. The UK is being mismanaged into the ground, and has been for a long time.

We heard earlier from the hon. Member for Edinburgh West (Christine Jardine), who is no longer in her place. She asked whether these arguments meant that changes to rights should apply across the whole of the UK. That is rubbish, because Northern Ireland has devolution of employment law, so why can Scotland not have that? Secondly, there is the idea that we have to wait for reform across the whole of UK. We have been trying. In just the seven years that I have been in this place, my hon. Friend the Member for Paisley and Renfrewshire North (Gavin Newlands), who was here earlier, had the fire and rehire Bill talked out by the Government. Colleagues have tried to get rid of unpaid work trials, yet nothing has come from that.

It goes even bigger than that. Scotland has always played its part. We have not voted Tory since 1955. Yet all we get is Tory Prime Minister after Tory Prime Minister making empty promises, delivering nothing. Scotland has played its part and, frankly, I am tired of trying to tell people in Scotland who are being pushed into poverty, “Sorry, you just need to wait for the rest of the UK to get its act together.” No, not any more. If there is one thing we can see, it is that countries of a similar size to Scotland are successful and fairer. The only difference is that they are not governed by Westminster.

Amy Callaghan: I thank my hon. Friend for giving way. To address the earlier intervention by the hon. Member for Edinburgh West (Christine Jardine), my predecessor, as part of the Lib Dem-Tory coalition Government, slashed redundancy notice from 90 days to 45 days. Does my hon. Friend agree that we cannot rely on this place to look after our workers? Reform is not the answer; that is simply not enough. We need employment legislation devolved to Scotland.

Mhairi Black: I could not agree more. My hon. Friend put her point succinctly. To sum up, if you are an average person in the UK right now the chances are that you cannot afford to eat or to heat yourself. You certainly cannot afford to be sick. The one thing that you cannot afford is another Tory Government.

3.14 pm

Ian Murray (Edinburgh South) (Lab): It is great to have you in the Chair for this debate, Sir Edward. I pay tribute to the hon. Member for Lanark and Hamilton East (Angela Crawley) for securing the debate. At the start of her contribution, she said she wanted the devolution of employment law, to get it away from the Tories. That has been the thrust of the debate.

If we look at the context of where we are since 2010—a long 12 years ago—we can see that in-work poverty, low pay and financial insecurity are up for workers across the country. Incomes have stagnated for over a decade and real-terms pay today is equal to, if not lower than, 2008 levels. Wages have suffered a decade of stagnation, and will continue to do so. It is the worst it has been in over a century. The latest figures show that the level of taxation for working people in

[*Ian Murray*]

this country is at its highest in 70 years, which will result in the largest fall in living standards since records began in the 1950s—who knows when that goes back to? The Living Wage Foundation, one of the great organisations of this country, estimates that over 1 million key workers are in insecure work, lacking basic rights and protections, and that across the whole of the economy, one in nine workers is in insecure work and lacking basic rights.

This is a great debate in which to pay tribute to our trade union colleagues, particularly the Trades Union Congress general secretary Frances O’Grady, for driving a lot of the issues forward. One thing the Government tend to forget is that the most successful companies in this country are those that have good relations with the trade unions and with their employees, where Government, the trade unions, employees and employers work together as partners to create an environment that provides high-quality jobs and pay. It can be done; I say it can be done because the Labour Government that came in in 1997 transformed workers’ rights in this country. I was not in this place at the time, but many of my colleagues who were tell stories of sitting through the night, overnight—maybe you did this yourself, Sir Edward—two, three or four nights in a row, trying to get national minimum wage legislation on to the statute book. That legislation took security guards in this country, who were on the equivalent of 30p an hour, up to a national minimum wage. Of course, now, the difficulty with the national minimum wage is that for too many, it has become a national maximum wage. That is why we need to move on to something much more progressive, and we have committed to do so in the next Labour Government.

All that, alongside the cost of living squeeze—the cost of living crisis—means that things are only getting worse for working people and for the vast majority of the population. Inequality is rising, not just for the individual but across the nations and regions of the UK. When the previous Prime Minister, the right hon. Member for Uxbridge and South Ruislip (Boris Johnson), spoke in Downing Street this morning, he did not even mention levelling up; maybe that was because it was always a slogan, and levelling up does not actually exist. The new Prime Minister, as we have heard already in many of today’s contributions, has promised to outlaw the ability to strike and to break strikes by bringing in agency workers. She has called workers lazy and said that they need to graft more. A new Prime Minister is supposed to come in with a fresh broom to resolve some of the problems in our economy, but it looks like she will make them considerably worse for working people everywhere in the UK, wherever they live.

Some of today’s contributions have been absolutely correct about the consequences of those problems for working people. Everybody in the Government—including, I am sure, the Minister—said with consternation that the P&O fire and rehire was a total disgrace. They were calling in chief executives; they were in the House of Commons at the Dispatch Box. The Secretary of State for Transport derided P&O for what it was doing, yet nothing has happened on the back of that. It is correct that the private Member’s Bill on banning fire and rehire was talked out by this Government. Any reasonable Government would have done what always happens with private Members’ Bills: talk it out because they do

not want it to be anyone else’s idea, and then take it on themselves and bring forward something that they could live with. However, there has been nothing on fire and rehire.

As we come out of the covid pandemic, if we set aside all the big issues around the cost of living and insecure work and look at employees and workers themselves, we see something really stark in our economy. I will not give away any confidences, but I know a lot of the British Airways staff quite well because we Members from Scotland travel up and down to London regularly. BA treated its staff abysmally—not just over covid, but for the decade before, whether it be on pension rights, pay and conditions, moving their centres of employment from Edinburgh and Glasgow to London, or consolidating all that by banning them from flying home on commercial flights.

When covid came and BA got rid of a lot of those staff, they went and got other jobs. Some have been re-employed in the industry, and when I speak to them, they tell me that they are now having a much better time working for a different employer. When covid finished and BA was desperate for staff, it went back to ask those people if they would like to be re-employed, and every single one of them said no, as we would expect. Those loyal BA staff had made that company the great British product that it is—employees always drive great products, services and businesses—but they were treated so abysmally that when the company came calling and said, “The proverbial has hit the fan. Will you come and help us?”, they said that they would not. That is partly why our airline industry is in such a bad state at the moment.

British Gas did the same with fire and rehire, so there is a litany of issues for the Government to consider.

David Linden: It is absolutely right that we give BA and British Gas an absolute bashing, but one organisation that started using fire and rehire quite early on was Asda, a number of years ago. In considering that litany of employers who have indulged in fire and rehire, it would be remiss of us not to call Asda out on that shameful practice, too.

Ian Murray: I am glad that the hon. Gentleman mentioned Asda. We could probably spend the rest of the debate coming up with other companies that have done it. There is an argument to be had about whether we should criticise the companies directly, but they are operating within the legislation. If we do not want employers to use fire and rehire—they are looking after a different set of circumstances—we need to change the legislation to stop them doing so. That is why fire and rehire should have been banned.

This is a similar debate to one we had maybe five or 10 years ago about zero-hours contracts. I remember when I was in the shadow team for Business, Innovation and Skills back in 2012, we commissioned Norman Pickavance, who had been the HR director at Morrisons—the supermarkets—to write a report on zero-hours contracts. His report said quite clearly that there were ways to ban zero-hours contracts in their entirety without affecting all the issues that the Government hid behind as excuses for not doing so. Ten years later, zero-hours contracts, the gig economy and forced self-employment are rampant, and there is no employment Bill to deal with them.

Will the Minister address the Government's objection to the Taylor review? What is their objection? Why is there no Bill to enact its recommendations, and why is the new Prime Minister not introducing one? During a cost of living crisis, workers should not be sacked; they should be made more secure, because people should have confidence that a wage will come in so that they can at least partially pay their energy bills and other bills. We will see what happens on Thursday with the cost of living crisis and energy bills, but I suspect that the responsibility for paying energy bill debt will be passed from the Government to the consumer, which is certainly not something that we support.

I agree with the hon. Member for East Lothian (Kenny MacAskill), who said that there are inconsistencies in devolution. Nobody ever said that devolution was perfect; it was never going to be perfect. Asymmetric devolution is, by its very nature, imperfect, but we have to find mechanisms to run through some of those issues. Devolution has always been a journey, as the hon. Gentleman himself admitted in mentioning Calman, Smith and others, and it will continue to be a journey, particularly for those who are committed to devolution—I am not sure that many in this Chamber are committed to it, with the exception perhaps of myself.

David Linden: And your colleague.

Ian Murray: Maybe. Well, I am not so sure if the Minister is—maybe she will tell us.

I do not want to get into the issue of bin strikes and so on—the hon. Member for Glasgow East (David Linden) mentioned the strikes—but they go to the heart of something that is infecting our politics at the moment. Our refuse collectors worked all through covid and did a marvellous job, but decided—quite rightly—to strike on the basis that they had been offered a 2% pay rise. People need fair pay rises, particularly the lowest paid. In all our councils across Scotland—it might be the same across England—we have probably the lowest-paid public sector workers out there. They are striking on the basis of pay rates.

We then had an unholy argument in Scotland about who was responsible for the strikes. Then, a few weeks later—one might reflect on adding one and one and getting maybe four, five or two—the First Minister put a funded deal on the table and the strikes were lifted. How can that not be the responsibility of the Scottish Government rather than of the Labour party in Edinburgh? That is beyond my comprehension. That is the kind of debate that we have had, rather than a sensible debate about whether employment law should be devolved to Scotland.

I know that the hon. Member for East Dunbartonshire (Amy Callaghan) has been back a while, but I have not had the opportunity to welcome her back. I wish her well in her continued recovery. Her speech showed that less is more, because she hit the nail on the head with regard to what we should be doing in employment law and getting it away from the Tories. My contention is that the best way to get it away from the Tories is to vote for a UK Labour Government, because it would be better to have a Labour Minister sitting on that side of the Chamber and putting forward Labour policies for workers' rights.

Can I directly address the hon. Member for Glasgow East? I may misquote him here, but he said that the Scottish Labour party will have to explain why they oppose the devolution of employment law. We do not. The Scottish Labour party's policy is to devolve employment law. I am not sure if the hon. Member for East Lothian was on the Smith Commission or whether it was his former colleague John Swinney, however, the reason employment law was not devolved was because the UK trade unions did not want that. They were concerned about devolving it without thinking through—

David Linden: Will the hon. Member give way?

Ian Murray: If the hon. Member will let me finish the point. This is the fact of the Smith Commission. They did not think through the consequences of cross-border employment and cross-border companies and whether it would make at that particular time a much more difficult framework to operate on.

David Linden: Can I confirm on the record that the manifesto from the British Labour party for the next general election will have a clear, cast-iron commitment to devolve employment law to the Scottish Parliament?

Ian Murray: It will have a clear commitment to implement what we are currently doing in terms of the Labour party's commission. I am not going to discuss what is in the commission in a Westminster Hall debate because it is being finalised and will be launched in the early part of November. However, the hon. Gentleman will not be disappointed with some of the outcomes of that detailed work.

The commission is not about Scotland as such; it is about all the nations and regions that come under the umbrella of the UK. I know the hon. Gentleman does not believe in the UK, but we do and some of that is in there on devolution. That is the reason the Scottish Labour party, of which I am a member, is entitled to have a different set of policy perspectives from the UK party on a whole host of issues. Gordon Brown's commission, which will be launched in November, will do some of that.

Chris Stephens: I thank the hon. Gentleman for giving way. His history is a wee bit wobbly. I gently say to him that not all the UK trade unions were opposed to the devolution of employment law, Unite being one of them. If I remember the exchanges I had with them during that debate, the hon. Gentleman was quoting the Trades Union Congress and not necessarily all the UK trade unions.

Ian Murray: I cannot recall who was and who was not, but the conversations that went on through the conduit of the TUC, which was responsible for taking those conversations forward, had come to the conclusion by speaking to their members that the UK trade unions would not want to devolve. Those positions may have moved since; in fact, I think the GMB's position has moved since, which is hardly unsurprising given the state we have.

I am sorry the hon. Member for Edinburgh West (Christine Jardine) is not here after that rather difficult and strange intervention. In the time that I was the shadow Minister responsible for employment law, I sat across from the former leader of the Liberal Democrats,

[*Ian Murray*]

Jo Swinson, who was a predecessor, successor and then predecessor again to the Scottish National party in East Dunbartonshire. She was the Minister at the time and took that Bill through the House of Commons, which not only did a whole host of anti-trade union things but extended the qualifying period for employment rights from one to two years. The Liberal Democrats are not sitting on the fence; they are quite clearly on the other side and trying desperately to climb back across the right side. I am disappointed that the hon. Lady came out with that because it undermines her arguments about what she needs to do.

I conclude with a canter through the question of what the Labour party would do. Our deputy leader, my right hon. Friend the Member for Ashton-under-Lyne (Angela Rayner), launched our fair work policies at conference last year for a new deal for working people. Launching that, she said it was an attempt to make Britain the best place in the world to work. I think it is an attempt to do that. We did not develop those policies in a vacuum of ideology, which is essentially what the previous Government have operated on—I hope the new Government will be slightly better—but by working with our trade union colleagues and employers, and working together to come up with something that can be implemented for the benefit of the economy and workers.

We would strengthen workers' rights from day one. We would take away that two-year qualifying period and take it down to day one. That is the right thing to do and it gives people security. It cannot be right to be able to sack someone without a reason at one year and 364 days. In fact, the argument I have always made on that is that if we wait until one year and 364 days to find out if someone is good enough, the manager should be sacked for not doing their job properly. They could find out much earlier in the process if someone is good enough for the job they have been employed to do.

We would ban fire and rehire; that is a fairly straightforward thing to do, which would protect workers in this country and create good businesses. I went on holiday by ferry this year, but I just could not travel on P&O; I used another ferry company. When I saw that big P&O sign as I approached Dover, I just felt disgusted that a firm would do what P&O did to its employees at a time when they require their jobs and their wages more than at any time in the past.

Banning fire and rehire would also make work more family-friendly by helping to balance home, community and family life. We have done that before, through the maternity and paternity pay brought in during the last Labour Government. We would extend statutory maternity and paternity pay now that we are out of the European Union. Shared parental leave is a big issue. In fact, I agree with the hon. Member for Arfon (Hywel Williams) regarding the uptake of shared parental leave, but I do not think it is a legal thing. I think it is a cultural thing and also about equal pay, because all the analysis shows that there is such a low uptake of shared parental leave because it is still the father who is the main or highest earner in a family, and sharing parental leave may be a cultural thing in terms of employers and employees asking for it. Those are some of the cultural barriers that we have to break down.

We would ban zero-hours contracts. All workers have the right to regular contracts and predictable hours, reasonable notice of changes in shifts, and wages paid in full for cancelled shifts. We would strengthen trade union rights, raising pay and conditions, and—crucially—we would use fair pay agreements to drive up the pay and conditions of all workers.

I did not want to be political in this debate, but some of my colleagues from the Scottish National party could not resist being political earlier, so I cannot resist now. One of the key things that a Government can use to drive up standards is procurement, and one of the biggest levers that the Scottish Government could pull, given the powers of the Scottish Parliament, is procurement, using it to drive up standards.

However, we have just seen £700 million of licences for ScotWind being issued to companies with no procurement specifications on wages, local employment, apprenticeships and all those kinds of workers' rights. So, yes, devolving these matters might be the right thing to do, but my challenge to the SNP is not about the principle of devolution but to tell us what it would with it.

David Linden: I do not know whether the hon. Gentleman missed the point made in a number of our speeches when we talked precisely about the Scottish Government's business pledge, which has baked within it various levers regarding how we use procurement. Which parts of the Scottish business pledge does he object to that the Scottish Government have already got in place?

Ian Murray: The main thing that I object to about the Scottish Government's pledges and strategies and documents is that they tend to be launched with huge fanfare, including big front pages in the newspapers and pictures of the First Minister plastered all over the television, and then those pledges and documents go on to some shelf somewhere and sit there until they are relaunched again, about one or two years later. The proof is always in the pudding, but I am not sure that the Scottish Government even attempt to make the pudding; they just bring the recipe out now and again. That is my biggest criticism, because it happens on climate, on procurement and in other areas. If the hon. Gentleman wants me to answer the question directly, that is my objection.

There is no objection from Labour to the principle of the devolution of employment law. However, there are lots of issues to work through regarding what it would be like in practice. I want to hear what the Minister has to say about the employment practices of this country, her objection to the Taylor review and bringing its recommendations forward in a piece of legislation, and what the Government—the new Government—will do. Who knows? The Minister might be in the new Government. I see she has her phone on the table; perhaps it will ring shortly and she will have to excuse herself to run away and take a call.

Whatever the Minister's answer to such a call is, the Government really have to look at what is happening now in the country—with the low growth, high inflation, high tax and stagnation that we have—and find a way to break out of that real problem in the economy. The best way to do that is to have a highly skilled, highly productive, highly stable workforce with career progression.

Otherwise, we will end up in 20 years' time still having the same arguments about why we have a problem in this country with productivity and why we also have a problem in this country with low pay and insecure work.

3.33 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Jane Hunt): It is a pleasure to serve under your chairmanship, Sir Edward.

I congratulate the hon. Member for Lanark and Hamilton East (Angela Crawley) on securing this important debate on the potential merits of devolving employment law to Scotland. As Members can well imagine, there is an awful lot for me to respond to, so I probably will not take interventions at this stage, because I do not think there will be time for me to do so.

As the hon. Member is aware, employment matters are reserved to the UK Parliament under the Scotland Act 1998, with a few exceptions, such as the subject matter of the Agricultural Wages (Scotland) Act 1949. The Government have no intention of devolving legislative competence for employment rights matters to the Scottish Government.

The Scotland Acts of 1998, 2012 and 2016 have created one of the most powerful devolved Governments in the world. The Scottish devolution settlement gives the Scottish Parliament power over numerous aspects of its governance and strikes a good balance. The current settlement was agreed between the Scottish Government and the UK Government after extensive cross-party consultation and discussion by the Smith Commission.

We strongly believe that in order for the labour market to work most effectively across Great Britain, the underlying legislative framework concerning rights and responsibilities in the workplace needs to be consistent and must not be devolved to the Scottish Parliament. Employers and employees benefit hugely from a single, simple system where employment rights are the same across Great Britain, whether someone is working in Dunstable or Dundee. Devolving employment rights to Scotland could create a two-tier employment rights framework, with Scotland adopting different policy and legislation to England and Wales. This would create a significant burden for businesses. It would be costly for employers who operate on both sides of the border, as they would need to understand the differences between the systems and potentially implement different sets of policies and procedures.

David Linden: In the 25 minutes left, will the Minister give way?

Jane Hunt: I have an awful lot to get through, but I will allow one intervention.

David Linden: The Minister makes a point about companies operating over borders and having different employment practices to adhere to. She is, of course, fully aware that employment law is devolved in Northern Ireland. She mentions Dunstable and Dundee. Notwithstanding the lovely big sea border that her Government have just put down in the Irish sea, which I know some in her party are vexed about, why is it good enough for people in Larne but not people in Livingston?

Jane Hunt: I will get to that in a short while.

Devolving employment rights to Scotland could also disadvantage workers by suppressing the free flow of labour between England and Scotland. Having this valuable free flow of labour is essential, as it increases the chances of workers finding the jobs that will make the most of their skills and employers finding the best employees for their businesses. Office for National Statistics data from 2019 estimates that around 68,000 people work in Scotland and live in England, or vice versa. Devolving employment rights could therefore be highly disruptive for workers who work across the border.

The UK Government remain strongly committed to working together with all the devolved Administrations to ensure the UK's institutions are working collectively as one United Kingdom. We appreciate and value our ongoing, close working relationship with the Scottish Government, while also respecting their unique devolved nature. Through this close working, we are determined to build a highly skilled, highly productive high-wage economy that delivers on our ambition to make the UK the best place in the world to work and grow a business. Ministers and officials within my Department engage regularly with their counterparts in the Scottish Government, as well as the Welsh and Northern Irish Governments, to consider various employment-related issues. I look forward to discussing employment rights issues with my Scottish counterparts too.

I would like to highlight that the UK, including Scotland, has a very strong labour market. Its strength results from balancing labour market flexibility with worker protections. The figures speak for themselves. Early estimates for July 2022 indicate that there were 29.7 million payrolled employees—around 650,000 higher than pre-pandemic levels. The unemployment rate is 3.8%, which is close to record low rates. Making any changes to the current devolution settlement could jeopardise our labour market's success. On employment rights, the hon. Member for Lanark and Hamilton East stated that workers' rights are being disregarded in the UK. I disagree with that. She also said that Ministers are sleeping on the job. Chance would be a fine thing—since 8 July at least!

It is not only the labour market's strength that is exemplary. The UK's record on employment rights is one of the best in the world, giving vital protections to workers. We have one of the highest minimum wages in the world. In April, the national living wage was raised to £9.50. In the UK, people get a minimum of over five weeks of annual leave, whereas the EU requires only four weeks. People in the UK get a year of maternity leave. The EU minimum is just 14 weeks.

I am proud that we have implemented many important changes to the UK labour market, which are benefiting workers across England, Scotland and Wales. In recent years, this Government have brought forward a raft of legislation on employment rights issues. That legislation has closed a loophole that saw agency workers employed on cheaper rates than permanent workers, and quadrupled the maximum fine for employers who treat their workers badly. We have given all workers the right to receive a statement of their rights from day one. We have given parents a new legal right to two weeks' paid bereavement leave for those who suffer the devastating loss of a child. The hon. Member for Paisley and Renfrewshire South

[Jane Hunt]

(Mhairi Black) mentioned the Taylor review, and the Government are making progress on a number of the recommendations it set out.

The Government supported workers throughout the covid-19 pandemic, taking steps to protect the earnings of workers through the UK-wide coronavirus job retention scheme. We also ensured that furloughed employees who were made redundant received full redundancy payments. In Scotland, a total of 911,900 employees were on furlough during the course of the scheme, and we were able to offer this unprecedented package of support through our ability to act on a UK-wide basis. Our response to the covid-19 pandemic exemplifies that we are at our strongest when we come together as one United Kingdom.

We are going still further with employment rights reforms. Numerous private Members' Bills have been introduced on the matter of employment rights, and we are working closely with these Members on their proposals. On 15 July, this Government supported two private Members' Bills on Second Reading. The Employment (Allocation of Tips) Bill, introduced by my hon. Friend the Member for Watford (Dean Russell), will ensure that all tips go to staff, and allow them to bring a claim to an employment tribunal if businesses do not fairly distribute workers' well-earned tips. The Neonatal Care (Leave and Pay) Bill, introduced by an SNP Member, the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald), will allow parents whose new-born babies are admitted to neonatal care to take up to 12 weeks of paid leave, in addition to other leave entitlements, such as maternity leave. This will allow them to spend more time with their babies at what is a hugely stressful time. Our productive work with the SNP Member on this Bill goes to show just how far we can make progress on important employment rights issues by collaborating across parties, and between the UK Government and the devolved Administrations. My officials have also met their Scottish Government counterparts to discuss the private Members' Bills, and will continue to engage closely with them throughout their passage.

As well as those private Members' Bills, on 6 July, we laid legislation that extends the ban on exclusivity clauses in contracts where a worker's guaranteed weekly income is below the lower earnings limit, which is currently £123 a week. That will ensure that an estimated 1.5 million people have the opportunity to pick up extra work to top up their income if they wish. Two further private Members' Bills will be considered on Friday, including the Carer's Leave Bill, which was mentioned earlier. Also mentioned was shared parental leave, which is exceeding the expectations in the targets set for it. The online tool is also proving successful in helping parents decide what to do for their family.

In July, we published guidance to clarify the existing employment status boundaries, making it easier for businesses to comply with existing regulations and for individuals to understand which employment protections apply to them. In April, we made sure that 2.5 million people across the UK received a pay rise by raising the minimum wage and the living wage. The largest ever cash increase to the national living wage will put over £1,000 a year extra into full-time workers' pay packets,

helping to ease cost of living pressures. We are helping younger people too by lifting the minimum wage for under-23-year-olds and apprentices. What is more, in December 2021, we named and shamed 208 UK employers who failed to pay the minimum wage, including 19 Scottish employers.

We take action where it is needed to tackle appalling business practices, such as P&O Ferries firing its employees without consultation. We reported P&O to the Insolvency Service and took an active role in ensuring it treated its workers fairly. In March this year, we announced that we will introduce a statutory code of practice on dismissal and re-engagement—so-called fire and rehire tactics. That will include practical steps that employers should follow if they are considering changes to workers' terms and conditions and there is the prospect of dismissal and re-engagement. All that comes in addition to the UK Government's £37 billion cost of living support package, which will benefit households across the UK, including those in Scotland. For these reasons, the Government do not support the devolution of employment rights to the Scottish Government.

Let me turn to some of the points raised during the debate. The hon. Member for Lanark and Hamilton East spoke about the Miscarriage Leave Bill. The Government recognise that losing a child at any stage is incredibly difficult, and we expect employers to respond with compassion and understanding. Because the death of a child is a particularly tragic event, we have legislated to give parents who lose a child under the age of 18, including cases where a baby is stillborn after 24 completed weeks of pregnancy, a right to take up to two weeks off work in the 56 weeks following the death of their child.

Although there is no statutory entitlement to leave for women who lose a baby before 24 completed weeks of pregnancy, those who are not able to return to work may be entitled to statutory sick pay while off work, subject to the eligibility conditions. If eligible for statutory sick pay, employees are able to self-certify incapacity for work for the first seven days of their absence, regardless of the cause. All employees are also entitled to 5.6 weeks of annual leave a year, and many employers also offer compassionate leave.

Angela Crawley: My ten-minute rule Bill is due for Second Reading on 16 September. Does the Minister acknowledge that it is simply unfair that a parent who loses a pregnancy or baby at 23 weeks and six days has no right whatsoever to any form of paid leave, while after 24 weeks a parent has the right to bereavement leave and pay? Should that legislation not be extended or provision not be made for parents who experience that loss before 24 weeks? Can she explain why the Government will not do so?

Jane Hunt: I will look at that point, because I understand the hon. Lady's argument. However, a line has to be drawn somewhere.

The hon. Member for Glasgow East (David Linden) talked about the four-day working week. We appreciate that a four-day working week may work well for some workers and employers, but we do not believe in a one-size-fits-all approach to working arrangements. That is why rather than telling people and businesses how to work, we put individual agency and choice at the heart of our approach to flexible working.

The hon. Members for Paisley and Renfrewshire South, for East Dunbartonshire (Amy Callaghan), for Glasgow East and for Lanark and Hamilton East asked why no employment Bill was announced in the Queen's Speech. While I know it is disappointing that it did not include one set out as a single Bill, there is an ambitious legislative programme that includes a comprehensive set of Bills that will enable us to deliver on priorities such as growing the economy. As I mentioned, numerous private Members' Bills have been introduced on employment rights as a result of the PMB ballot in the Commons. We are working closely with those Members on their proposals, and are grateful to those from across the House who are helping us with that.

The hon. Member for Edinburgh South (Ian Murray) and others questioned why we are not banning fire and rehire. Imposing a ban would not be appropriate because in some situations fire and rehire can play a valid role, as businesses may need the flexibility to use this option to save as many jobs as possible. We are taking proportionate action to address firing and rehiring practices by bringing forward a statutory code of practice.

The hon. Member for East Lothian (Kenny MacAskill) talked about tribunals. The UK Government and Scottish Government continue to work closely on drafting the Order in Council. Once that is concluded, we will look to agree a timeline for the devolution of the first tranche of tribunals.

I thank the hon. Member for Lanark and Hamilton East for bringing this important topic to the House and enabling this debate. While the Government have no plans to devolve employment rights to the Scottish Government, I thank the hon. Members who contributed constructive arguments. We will continue to work with the Scottish Government and other devolved Administrations as we continue to build on the UK's record on employment rights.

3.49 pm

Angela Crawley: After 12 years of this Government, it is fair to say that many of the reasons for the cost of living crisis lie squarely at their door. Any Government who fail to understand why workers must have their rights protected and enshrined in law should rightly fear going to the ballot box in a general election. The Government have failed to act on employment and failed to introduce a Bill. If they will not do so and if they will not devolve employment law to the Scottish Government, it simply makes the case for us that independence is the only way for Scotland to ensure that workers' rights are protected in the way that they should be. It is clear that an employment Bill will not come from this Government.

Question put and agreed to.

Resolved,

That this House has considered the potential merits of devolving employment law to Scotland.

3.50 pm

Sitting suspended.

Employee Share Ownership Schemes

4 pm

Sir George Howarth (Knowsley) (Lab): I beg to move,

That this House has considered reform of employee share ownership schemes.

It is, as always, a pleasure to serve under your chairmanship, Sir Edward. I thank the Chartered Governance Institute UK & Ireland for the invaluable briefing it provided to help me prepare for this debate. Despite the participation of close to 2 million people, employee share ownership plans remain remarkably low profile and poorly understood. If we are to reform employee share ownership plans, which I believe is long overdue, we need to ensure that Members of this House understand what those plans are, and the problems that they face.

Let me begin by explaining why employee share ownership schemes are unique. They bring together employees, employers and the Government into a contract, with each party making a commitment. First, employers offer their staff the opportunity to acquire shares in the company, often at a discount to the traded share price. Secondly, the Government offer tax advantages to the participant and the company, which make them more appealing. Thirdly, the employee makes a regular monthly contribution to the scheme over several years.

The arrangement is a sound one, and that is why, historically, the plans have been reasonably popular and effective. Each of the parties involved benefits. Employers gain more productive and engaged employees, the Government support businesses to perform well and encourage share ownership—a proven source of financial resilience—and employees are more aligned to the success of their employer.

The two plans I will focus on today are the share incentive plan, known as SIP, and the save-as-you-earn system, known as SAYE or Sharesave. Those are just two of the existing share ownership plans, but they are the only two that are known as all-employee share plans; that is to say, when a company offers one to its staff, it must offer one to every single employee within its company on the same terms. It is those plans that lead to participation from across the income range, and from all parts of the country. They are truly inclusive, requiring relatively modest monthly investments from participants.

However, there is a problem that has been raised with the Treasury over recent years: participation rates in the employee plans are plateauing, and in some cases falling. Rates are simply not increasing at the rate that we would hope for.

I could spend the time I have available citing the data, but I will instead point out just a few of the headline facts from the Treasury's own data, which I am sure the Minister is familiar with. First, the number of firms in which employees were granted SAYE in 2021 was 260—a fall from 340 in 2007-08. Secondly, the number of employees granted a new SAYE option in 2020-21 was 380,000, which was a bump up from the previous two-year period of 310,000. Despite that bump, it is necessary to go back to 2011-12 to find the last time that new SAYE grant take-up was that low.

Alex Sobel (Leeds North West) (Lab/Co-op): My right hon. Friend is making an excellent speech. Perhaps one reason why there has been such a long period

[Alex Sobel]

without an increase in take-up is the way that people are employed. The nature of work is changing: more and more people are in the so-called gig economy—platform workers—where they are not on pay-as-you-earn. They therefore cannot take part in such schemes. Should the Government update the schemes so that those workers, and not just workers on PAYE, can take part in them?

Sir George Howarth: My hon. Friend must have read my mind. I will come on to that very point shortly.

As I was saying, the number of employees granted a new SAYE option in 2021 was 380,000, which was a bump up, but the last time take-up was that low was in 2011-12. In 2020-21, employees in 480 companies were either awarded or purchased shares, a figure that has fallen steadily over the past decade. For example, in 2011-12, there were 570 such firms. There are several reasons for that, but the problem is that SIP and SAYE, which were developed 22 and 42 years ago respectively, have barely changed in all that time and no longer reflect the modern workplace. The period that employees typically spend at a company has markedly reduced. Indeed, young people are often encouraged to move jobs more frequently to secure career advancement.

James Cartlidge (South Suffolk) (Con): I have long cared about employee share ownership schemes. I recently had the privilege that the company that I set up before I became an MP awarded shares to staff that it has had for many years—the first time that the company has done so. My experience is that all such schemes are terribly complicated. Companies have to spend a lot on accountants to get them to work, especially if they are small or medium-sized enterprises. In the submissions the right hon. Gentleman received from external groups, were there any proposals to simplify the schemes? That may help to increase uptake.

Sir George Howarth: I am grateful to the hon. Gentleman for intervening. Simplicity is always the key to the success of any scheme, particularly in complicated financial matters. He makes a good point.

As I said, young people are encouraged to move jobs more frequently to secure career advancement. Expecting staff to make a long-term commitment to investing in share plans when they do not expect to stay at a firm for that long—the SIP, for example, requires a five-year minimum investment period to ensure maximum tax efficiency—is no longer realistic.

Employee share ownership plans operate particularly well when a significant number of employees at a company participate. Research demonstrates that where levels of participation are relatively high companies enjoy positive returns, including increased staff engagement and loyalty, enhanced financial resilience for participants and increased productivity. The fact that the Government offer tax advantages to employee share ownership plans is, of course, welcome. However, the risk, which grows greater by the year, is that without reform the plans could become increasingly obsolete.

I worry about being too prescriptive about which changes are required to stimulate an increase in interest and participation, but some relatively simple changes could be made. For example, reducing the commitment

required from SIP participants from five years to three years to achieve maximum tax efficiency. ProShare, which is the body that represents the ESO sector, has proposed such a change. Its research shows that many people are put off by having to make a five-year commitment, but would be prepared to make a three-year investment. Employers say the same: more companies would offer the SIP to staff if it was three years not five. Those that offer SIPs say that participation levels would increase.

Employee share ownership has been more widely supported by diverse organisations such as the CBI, the Social Market Foundation, the TUC and the Co-operative party. The CBI states:

“The moral case for financial inclusion is a compelling one—people have a right to their dignity and financial exclusion denies them that right. But the business case also speaks for itself—with people living in the poverty zone producing five to six times lower quality work than their colleagues.”

The Social Market Foundation suggests:

“As the UK economy emerges from the Coronavirus pandemic, now is a good time for government to push for higher rates of employee share ownership. With productivity growth in the UK lagging, a shift towards ownership structures which bolster innovation, employee effort and corporate long-termism should form a key part of the economic recovery plan.”

The TUC said that it

“supports employee share ownership, subject to conditions”.

I will quote three of those conditions. First,

“shares or share revenues should be allocated free of charge and equitably to all staff to avoid share ownership reinforcing existing pay differentials and excluding the low paid (the principles expressed a preference for collective schemes)”.

Secondly,

“employee share ownership schemes are not a substitute for decent pay or collective bargaining”.

Thirdly,

“workers and their unions should be involved in the running of the scheme, which should go hand in hand with the involvement of the workforce in company decision-making”.

As we face a cost of living crisis and higher levels of inflation, we should be looking at creative solutions to support people in work. Why not free companies to support lower-income employees by allowing offers of free shares to this group only, which would relieve legitimate financial concerns?

Coming back to the point my hon. Friend the Member for Leeds North West (Alex Sobel) made earlier, why not create a one-off SAYE that lasts for just one year, instead of the current three or five years? That would enable people to make regular savings but allow them to take their savings back if they struggle to pay the bills. At the same time, it offers a potential return at the end of the year in the form of either interest or a share price increase.

There is a conversation to be had about how we can develop a new type of scheme that would allow the more than 4 million people who operate in the so-called gig economy to join a share plan and own a stake in the organisation they work for. As the Minister will know, the current plans are exclusively for those on PAYE but, as our workforce changes, we need to design new plans that do not depend on regular monthly contributions and are accessible to those in less regular forms of work. I therefore urge the Government to consider undertaking their own consultation on these plans.

As the Minister will be aware, the Treasury is already consulting about reforming two other discretionary share plans: enterprise management incentives, or EMIs, and company share options, or CSOPs. These plans are typically offered only to a relatively small group of people, usually in managerial positions. It seems the Government are looking at these plans to help increase participation and benefits to participants. "About time too," some might say. The CSOP has not changed or been updated in any way since the 1990s but, at the very time as we are facing a cost of living crisis, the Government seem to be choosing to reform plans that are already popular and typically benefit only those on high incomes. SIP and SAYE, which benefit some of the poorest paid workers, must surely be a higher priority for reform.

I hope the Minister will address that point. It has been made repeatedly to the Treasury over recent months, so far without any satisfactory answer. There are many examples of people participating in share plans and achieving significant gains on their savings and investments. Employees of Pets at Home, mainly shop-floor staff working in retail, who participated in the company SAYE recently made an average gain of £21,000 each, which represents a healthy return on their investment and achieving the financial resilience that is going to be so necessary in the months and years ahead.

As for the SIP, the recently issued annual survey from ProShare shows that the average value of a participant's SIP holding at the end of 2021 was £10,294, a vital financial lifeline that can be drawn on when times are tough. These stories of millions of ordinary people making regular contributions, getting into the habit of putting something aside each month, building up a nest egg to help support their families, which millions of people up and down the country have done over the last 40 years, must not be lost by becoming obsolete.

If these plans are to operate successfully in future, now is the time for the Treasury to act and to identify what is needed to ensure that they remain relevant and compelling, and to guard against them disappearing. It cannot do that alone; it must consult far and wide, speaking to experts such as ProShare and the CBI, yes, but also to people who participate, in order to understand why they do so. After all, those are the people the plans are intended to benefit, and I would like to see millions more do so.

Finally, in what I hope would be a Treasury-led consultation, I urge it to update the excellent 2007 research by Oxera, commissioned by Her Majesty's Revenue and Customs, which demonstrates the productivity benefits of the plans. I know from my conversations with those in the industry that, when they make suggestions for the share plans reform, such as the reduction in the SIP-holding period from five to three years, they are asked to provide evidence of the impact on productivity. May I constructively suggest that the Treasury is best placed to make that assessment? I would like to know whether it intends to do so in the near future.

The Minister might not know her fate over the next 24 hours, and I wish her well. If she remains in this position, I hope she will give this matter serious consideration, or otherwise draw it to the attention of whoever succeeds her. I look forward to hearing from her.

4.17 pm

The Financial Secretary to the Treasury (Lucy Frazer):

It is a pleasure to serve under your chairmanship, Sir Edward. I congratulate the right hon. Member for Knowsley (Sir George Howarth) on securing today's important debate. I have spoken to Members across the House, and there are many supporters who know the importance of this area. I know that the issue commands cross-party support, as we can see today. I, too, want employees to share in the success of the companies they work for. I want businesses to reward and retain talent, driving even more success.

I believe that through taxation policy, including reliefs, we can drive innovation. The partnership between business, employees and Government, which the right hon. Gentleman talked about, is important. A vital part of that is the support that the Government provide to employee share ownership through tax reliefs, which were recorded at £760 million of income tax and national insurance contribution relief in the financial year ending 2021.

There are four tax-advantaged share schemes, with millions of instances of awards or share options benefiting employees every year. The right hon. Member talked about SIP and save-as-you-earn, so I will mention those first. They are designed for companies to offer a tax-advantaged option or shares to all employees on the same basis. Save-as-you-earn, which has the largest aggregate value of all the schemes, is designed to help lower earners to save, by deducting salary directly at source, and adding it to a special savings account for the scheme. At the end of their savings contract, employees can use the funds to purchase shares in their employer.

Our other all-employee scheme is the share incentive plan, which was introduced in 2000, 20 years after the introduction of SAYE. It is targeted at companies that wish to help their employees to purchase shares directly in their company, or even receive them as awards. That particularly helps low to mid-range earners.

Although the right hon. Member talked about SIP and save-as-you-earn, which rightly deserve attention of their own, there are other schemes to help companies with their growth. In turn, such schemes help the growth of the wider UK economy, so it is right that we consider the wider share schemes landscape, too. Two distinct schemes give companies choices over which employees they offer tax-advantaged options to, with specific criteria and performance conditions that can be tailored to the company. The company share option plan introduced in 1984 remains popular among many companies of all sizes, which use it to motivate and reward junior and middle management. Lastly, we have the enterprise management initiative. Unlike the other three schemes, EMI is specifically targeted at small and medium-sized enterprises, with the objective of helping them to recruit and retain key employees by rewarding them with highly tax-advantaged share options with a value of up to £250,000 per employee, which can be offered at a discount.

The schemes give companies additional ways to incentivise and reward employees for their hard work by helping them to offer committed employees a direct stake in a company. As the right hon. Member said, that helps firms to achieve a more engaged and motivated workforce by aligning employer and employee interests in the growth of businesses and motivating hard work

[*Lucy Frazer*]

from employees, who can benefit from their input with a tax-advantaged output, helping to make a company a more attractive place to work by offering an appealing and unique remuneration package. Further, it encourages loyalty to a company among employees, fostering an environment in which the company can increase its productivity and achieve higher and faster growth compared with companies with a less engaged workforce. Lastly, the scheme can help with wider social effects, too, by encouraging savings and investing habits. In turn, it can support better financial planning on an individual level.

The right hon. Member raised an important point about the length of the investment term. To achieve the objective of incentivising employees to stay with a company as it grows, one of the SIP scheme's rules is that the tax advantages are available on shares awarded only once a certain period of time has elapsed. That encourages employees to commit to their employer and to put hard work into the company to ensure that it succeeds, and the tax relief enhances the reward that they can gain from maximising the company's success. Although partial tax advantages are possible for an employee after three years, full tax advantages for SIP are enabled at the five-year mark. Unlike the other schemes, SIP enables a direct purchase of shares in the company rather than other options, and the five-year holding for the full income tax and national insurance exemption is intended to encourage employees to remain invested in their employer.

Sir George Howarth: Will the Minister give way?

Lucy Frazer: If I could just continue the point.

Sir George Howarth: I wanted to intervene on a point that the Minister has already made.

Lucy Frazer: I appreciate the points that the right hon. Member has made. Stakeholders and employees may not otherwise intend to remain with their current employer for five years, which is why the tax relief is designed to encourage a long-term commitment, but I appreciate the suggestion of a one-year SAYE and less regular contributions.

James Cartlidge: On that point, what the right hon. Member for Knowsley (Sir George Howarth) said is very compelling, because the labour market has changed and there is more churn. I was persuaded that a shorter qualifying period, perhaps with other conditions, would be reasonable, given that the employee may have the best intentions of staying longer but the labour market has changed.

Lucy Frazer: I thank both my hon. Friend and the right hon. Member for Knowsley for their interventions. I was going to say that if evidence could be presented of the impact of that on people taking up the scheme, I know that the Treasury would be very interested in

looking at that. As my hon. Friend said, it is important that the schemes are as simple as possible, and I would welcome any suggestions on that point.

With its current restrictions, SIP remains popular. We see people making use of the greatly beneficial tax treatment, with a total value of £780 million in shares purchased or awarded under a SIP scheme in the financial year 2020-2021. We continue to evaluate the schemes to make sure that they are incentivising the behaviours that I have outlined. We keep these important and advantageous schemes under review to make sure that they provide value for money for the taxpayer, support the wider aims of the economy and help employers to drive commercial success.

We launched a review at Budget 2020 to ensure that the EMI provides support for high-growth companies to recruit and retain the best talent so that they can scale up effectively, and to examine whether more companies should be able to access the scheme. At the spring statement, the Government concluded that the current EMI scheme remains effective and appropriately targeted. None the less, the scope of the review was expanded to consider whether the company share option plan should be reformed to support companies as they grow beyond the scope of the specifically targeted EMI. I know that these companies might want to make use of other discretionary schemes, such as the CSOP. While our inclination is to support those companies in doing so, Members will understand that we want to build the evidence base before committing resources, which is why we have expanded our review to include CSOP.

As part of the Government's duties to evaluate tax reliefs and their value for money on an ongoing basis, we are currently reviewing the broader share scheme landscape. We will keep these important and advantageous schemes under review.

Sir George Howarth: I made the point that it would be better if the Treasury carried out its own consultation exercise, rather than asking organisations to bring it forward. The Minister can reflect on that subsequently—I do not want her to answer it now, but just to take it into account.

Lucy Frazer: As I mentioned, the Treasury keeps these schemes under review, but of course external evidence is always welcome. We want to ensure that these schemes support the wider aims of the economy and help employers to drive commercial success. We always welcome any evidence that can be brought forward.

In closing, I reiterate that these schemes have an important place in the toolbox of taxation policies. They will help us to drive productivity—the only way to sustainably raise living standards—while fuelling economic growth.

Question put and agreed to.

4.26 pm

Sitting suspended.

Vaccine Damage Payment Scheme: Covid-19

[*Relevant document: e-petition 587380, Reform the VDPA 1979 to improve support for those harmed by covid-19 vaccines.*]

4.30 pm

Sir Jeremy Wright (Kenilworth and Southam) (Con): I beg to move,

That this House has considered covid-19 vaccines and the Vaccine Damage Payment Scheme.

It is a pleasure to see you in the Chair for this debate, Sir Edward, and I am grateful for the opportunity to present on this important subject.

My constituent Jamie Scott was a fit 44-year-old when he had his AstraZeneca covid-19 vaccination on 23 April 2021. He woke with a headache on 3 May, then experienced vomiting and impaired speech. He was taken to hospital by ambulance where he had multiple operations and was in a coma for more than four weeks. His wife Kate was told by doctors that he may not survive and that if he did, he would likely be severely disabled. The couple have two young children. Jamie was diagnosed with a cerebral venous sinus thrombosis, or CVST, and subsequently with vaccine-induced thrombotic thrombocytopenia, or VITT. I am pleased to say that he has recovered somewhat, but he is still unable to return to the life he led before. His consultant's opinion in December was very clear:

"It is very highly likely that the vaccine was responsible for the development of his symptoms (with no other possible explanation for the development of the symptoms)."

Jamie and Kate Scott are here today listening to me describe what happened to them, because their lives were changed utterly last year when Jamie did as the Government urged him to do and received a vaccination. I should make it clear that neither I nor they are making any argument against vaccination, but we are arguing that the relatively tiny number of people who are injured by state-advocated vaccination should be properly looked after.

Of course, the Scotts' story is not the only one. I have heard, as I know you will have done, Sir Edward, from several colleagues who cannot be here today about the similar experiences of their constituents. For example, Mrs Birch, a constituent of my hon. Friend the Member for Burton (Kate Kniveton), was left near death and immobile in hospital, and she remains significantly disabled. Mr Walker, a constituent of my hon. Friend the Member for Grantham and Stamford (Gareth Davies), is a former marathon runner and semi-professional football referee who now finds that even getting dressed leaves him breathless, and he cannot live independently. Those people also did as the Government asked of them and have been seriously injured as a result.

Of course, this is not a new problem. People have been injured by vaccinations before and the Government have responded, notably with the vaccine damage payment scheme, established by the Vaccine Damage Payments Act 1979 on the logic that injuries consequent on state-recommended vaccination need special treatment. That scheme was intended as an interim measure but no further legislation has emerged, although it is true to say that covid-19 vaccines were included in the scope of the scheme in December 2020.

Wera Hobhouse (Bath) (LD): My constituent did what she believed was right by getting vaccinated, but was one of those who had a blood clot after vaccination. The clot caused her to have a stroke and now she is unable to work. Her family are very concerned that she is going to be classed as not disabled enough to get a damages payout. Does the right hon. and learned Member agree that we need to look at these rare and few cases where people have suffered but might be falling through the net?

Sir Jeremy Wright: I am sorry to hear about the hon. Lady's constituent and I agree with her. It is important that we do something differently for what she rightly says is a relatively small number of cases. If she bears with me, I will come to the exact point she makes about disablement, as it seems to be a deficiency of the scheme. I have mentioned the VDPS and, of course, all help for those injured by vaccines is welcome. However, in my view there are three things wrong with the scheme and I will say something about each of them. The first is that it simply takes too long to pay out. The VDPS is a no-fault scheme, but it requires, not unreasonably, a causative link between vaccination and injury to be established. The problem is the time it seems to take to establish that link in the minds of the scheme's administrators, even in cases such as that of the Scotts, where consultant opinions are clear and unequivocal. The Scotts' application under the scheme was submitted on 3 June 2021, and was finally approved on 20 June 2022. According to the latest figures that I have—it may well be that the Minister has more up-to-date figures—there are 2,407 applications to the scheme related to covid-19 vaccines, and cases are currently being processed at the rate of 13 a month. At that rate, it would take more than 15 years to process all the cases.

Mr Richard Holden (North West Durham) (Con): My constituent Lisa Shaw, a BBC presenter in the north-east, died after getting a blood clot as a result of the vaccine, leaving her young son without a mother and her partner, Gareth, absolutely devastated. Gareth came to see me in my constituency surgery a very long time ago—months and months ago—and he is still waiting. A lot of the people in this situation will have huge financial commitments and maybe families; if they have not died or are disabled, maybe they are unable to work. Does my right hon. and learned Friend agree that speed is of the essence? It has taken decades to resolve recent scandals, such as the contaminated blood scandal. Is it not right that we need to learn the lessons of those scandals and get these payments out to people as quickly as possible?

Sir Jeremy Wright: Yes, I agree entirely with my hon. Friend, who puts it very well. It is important not just that we have the right scheme—I do not believe yet that we do—but that, as he says, when that scheme is in place, it pays out quickly. It is clear that the scheme in place at the moment is not doing that, and it simply is not acceptable or feasible for families in severe financial distress to have to wait the length of time that they are being asked to wait. And the example that he gives is a good one.

That example is also important in another respect, because there is something else that the Government need to do. In relation to those cases where vaccine

[Sir Jeremy Wright]

injury is fatal, as was the case with my hon. Friend's constituent, the Government need to protect entitlement to benefits, as they have done with other similar schemes but which they are currently not doing in relation to payouts under the VDPS. Whether that is universal credit or some other benefit, that post-death entitlement needs to be protected in a way not currently allowed by the law.

The second problem with the VDPS is that it requires a 60% level of disablement. The first thing to say about that is that the percentage of disablement can be hard to quantify in these cases, as Jamie Scott's consultant made clear in her opinion. However, the second thing to say about it is that 60% is a very high bar. There can be significant injury or disablement that does not meet that threshold but is still life-changing. The VDPS is all or nothing: it pays out the full amount or nothing at all. In other words, someone adjudged to be 59% disabled as a direct result of vaccination would receive no compensation at all under the scheme. That cannot be right.

Alicia Kearns (Rutland and Melton) (Con): Before my right hon. and learned Friend gets to the payment system, I want to raise the issue of support. My constituent Charlotte was a 39-year-old healthy mother of three children. I am furious and appalled after having had to approach three Government Ministers, two NHS trusts and the local GP to ask if someone can help her with the myriad health conditions she has contracted as a result of doing the right and getting her vaccination. She has not got long covid; the long covid units and clinics do not want to talk to her. No one wants to support her. Currently, she is going to Germany for treatment. Her life has been destroyed, she cannot be a mother and yet not one Minister or anyone else seems to want to make sure that this very small cohort of people have a meaningful pathway to care and support.

Does my right hon. and learned Friend agree that we need to get a grip regarding this very small number of people and that Ministers need to reach out individually to every single family in this situation, make sure that they know what support they can receive, ensure that there is a care pathway, and help MPs to help their constituents?

Sir Jeremy Wright: Yes. Again, I agree with my hon. Friend, who puts her point very powerfully. It seems to me that there is an opportunity for the Government to do better, and I hope that my hon. Friend the Minister and her colleagues will take up that opportunity.

We are talking about people in very great need who have done the right thing. There is no fault whatsoever on their part, and the Government are best served by helping them, not just for individual reasons but collectively because of the impact that will have on Government policy. I will come back to that point. As my hon. Friend says, the level of support currently on offer is not adequate.

The third problem with the VDPS is that payouts under it are limited to £120,000. That may sound like a lot of money, but it is certainly not enough to compensate for more serious injury and loss of earnings and amenity over lifetimes, especially for people in the 40s, like Jamie Scott, who are disproportionately highly represented

among the figures of those who have suffered vaccine-related injury. I appreciate that the Minister will say that the VDPS is not designed to be full compensation but an additional payment that does not prejudice a right to pursue damages through the courts. I want to explore that argument for a moment.

The fact that VDPS payments cannot and will not constitute full compensation in many of these cases makes legal action almost inevitable. When those cases are brought, they are likely to be brought against the Government, because of the perfectly sensible indemnities given by the Government to those firms that have produced the vaccines. The cases brought will either be won by those injured or lost. If they are won, the Government will be paying full compensation for injury, with additional and avoidable legal costs added. If they are lost, people who have suffered for doing the right thing, the thing that the Government asked them to do, will not be compensated for hardship they have suffered through no fault of their own.

Win or lose, the Government should not want those cases litigated. It will seem either that compensation is being dragged out of the Government or that it is being denied in what the public are likely to think are highly deserving cases. Worse still, those cases will put incidents of vaccine injury in the spotlight. We are rightly proud of the widespread take-up in what has been a successful and ongoing vaccination programme, but that take-up relies on public confidence in the covid-19 vaccine programme—confidence that is itself based on the safety of the vaccine. It is, let us be clear, overwhelmingly safe, but it is not universally safe. No vaccine is. The cases we are discussing today demonstrate that.

The Government need people to know, surely, that if they are in the tiny minority of those injured by the vaccine that they are being urged to take, they will be looked after. If people cannot be confident of that and see that as they witness those cases being litigated, it is likely to damage uptake of the vaccine. Of course, we must recognise that the Government may need to pursue mass vaccination again in the future. It seems to me that the Government should properly compensate those injured by covid-19 vaccines for reasons of policy as well as those of morality.

The question that follows is: can it be done better? You would, of course, expect me to say, Sir Edward, that yes, it can. These are relatively few cases in number, which means that the financial liability for Government is relatively delimited. There are domestic precedents we can follow—for example, the Thalidomide Trust. There are international examples that we can look to as well. The comparable scheme in Canada is also a no-fault scheme that compensates for “severe, life-threatening or life-altering injury that may require... hospitalization or a prolongation of existing hospitalization, and results in persistent or significant disability or incapacity, or where the outcome is a congenital malformation or death.” Significantly, there is no percentage disablement requirement and, crucially, no upper limit to the level of compensation that may be awarded.

In Australia, the scheme covers “a clinical condition or administration related injury...most likely as a result of receiving the COVID-19 Vaccine”, involving hospital treatment and resulting in at least \$1,000-worth of losses. Again, it is a no-fault scheme but it has no percentage disablement requirement and no upper limit to the compensation amount.

Perhaps most strikingly, the no-fault compensation scheme attached to the COVAX programme, whereby countries including the United Kingdom make vaccines available to developing countries, can award up to 12 times the GDP per capita of the claimant's country. In the UK, that would mean an upper limit roughly three times that of the VDPS. That means that the UK Government are funding better vaccine injury compensation for people in other countries than they are for people in our own. That surely is not a defensible position.

The Government must do better, and soon. They must either reform the VDPS in order to make it more similar to the best international comparators, or find a way to settle the inevitable legal actions in these cases swiftly and fairly. They must surely do so in their own interests, because in the end, the cost to Government of failing to compensate those who have acted on Government policy will be higher than the cost of compensating them.

It is because I support vaccination that I want confidence in vaccination to be maintained. Mostly, the Government should act because the people we are talking about did the right thing at the behest of their Government. Their Government now need to do the right thing by them.

4.46 pm

Dr Philippa Whitford (Central Ayrshire) (SNP): We are here to discuss the vaccine damage payment scheme of 1979. My interest is as chair of the all-party parliamentary group on vaccinations for all, so it is clear that I am absolutely and utterly pro-vaccination.

We can be grateful for just how rare significant side effects or damage are when it comes to vaccines as a whole. However, as the right hon. and learned Member for Kenilworth and Southam (Sir Jeremy Wright) has said, if we are to maintain confidence not only in vaccination in principle but in further covid-19 vaccines, it is important that people feel secure and supported and that they are not hearing horror stories of people who have been hurt in some way by the vaccine and then just left stranded. It is vital that we do that, or we will see a rise in vaccine scepticism and vaccine hesitancy, and that will be manipulated exactly as we have seen over the last couple of years.

Alicia Kearns: As a former civil servant, I believe that the case load is so small that it is not unfair to expect Ministers to look at each case individually. They have the capacity and are capable. The purpose of vaccination is to protect not just ourselves but others around us, and many who have had negative consequences acted in the national interest and to protect their loved ones. They deserve the bare minimum of a Minister looking individually, case by case, to see what support they need and whether they deserve the vaccine payment or some exceptional support. Does the hon. Lady agree?

Dr Whitford: I totally agree. The Government's response to the petition talks of 174 cases. When I was a breast cancer surgeon and there was the scandal about PIP implants, which I knew we had never used, I still had to go through every single breast reconstruction I had done in a period of 17 years in order to absolutely verify that that was not the implant. It is absolutely possible with such numbers.

At the moment, only 11 cases have been settled. Only 2% in recent years have been successful. Whenever any kind of scheme has only that kind of return, it has to be looked at. As has been said, it is a long wait and people are left not able to work or they have family pressures and receive no support. Who is deciding the 60% disablement? As has been said, it is an absolute cut-off. Even the maximum payment has not been reviewed since 2010 and it would not cover anyone for 20 or 25 years of lost earnings and ability.

The Government say it is not compensation. I think that a no-fault scheme is absolutely right. I raised this issue with the right hon. Member for Stratford-on-Avon (Nadhim Zahawi) when he was Minister for Covid Vaccine Deployment, in December 2020, and said that if the Government were removing liability from pharmaceutical firms, they had to step in and replace them. I would like to see the VDPS improved for all vaccine users, but the covid-19 vaccine is a specific case where urgent action is needed and where it is even more important to get financial support.

We heard about cerebral venous sinus thrombosis and how catastrophic, but thankfully rare, it is. People have also had micro-thrombosis and an array of autoimmune responses to the vaccines. My constituent, who does not want to be named, suffered from Guillain-Barré syndrome, which is now recognised and mentioned in association with the vaccines. It is a neurological condition that has caused him to have partial facial paralysis and problems with balance. That may sound minor, but he worked at heights in a majorly physical job and has not been able to work since spring 2020. He, and people like him, are terrified of the 60% disablement. He imagines that when he walks into a room, regardless of his facial appearance or his balance, people will think, "Well, you're not really that bad", but he cannot do the job he was doing before.

It is vital that we take these cases out of the VDPS, deal with them quickly to ensure confidence in the covid-19 vaccine, and take the time to change the VDPS to make it responsive, quick and something that the public believe in. In total, there are currently only just over 2,000 cases, which is not an overwhelming number to work through if it means that we maintain confidence in vaccines and the benefits they bring to all age groups, throughout our lives, against multiple diseases.

4.51 pm

Jim Shannon (Strangford) (DUP): It is always a pleasure to speak in such debates. I thank the right hon. and learned Member for Kenilworth and Southam (Sir Jeremy Wright) for putting forward and illustrating such a good case. It is always a pleasure to follow the hon. Member for Central Ayrshire (Dr Whitford). She knows that I always look forward to her contributions, because I believe they are based on the evidence and facts that she knows. She expressed that very well in her contribution, which I thank her for.

For almost two years we have encouraged our constituents to be vaccinated against covid, as the right hon. and learned Member for Kenilworth and Southam, the hon. Member for Central Ayrshire and others have said, in order to do their bit to protect themselves and others. We have begun to see the impact that vaccines can have on individuals only recently. It is

[Jim Shannon]

sad, unfortunate and devastating for families and friends who have seen the health of loved ones deteriorate or, sadly, pass away.

It is essential that we do our bit, through this debate, secured by the right hon. and learned Gentleman, to ensure the vaccine damage payment scheme is swift and accessible to those who deserve to take advantage of it. As others have said, there are not a great number of cases but they are very important. I know the Minister will respond in a positive fashion, and I look forward to hearing what she and the shadow Minister, the hon. Member for Denton and Reddish (Andrew Gwynne), will say.

We have all heard stories from friends, family or constituents about people who may have suffered negative impacts from the covid vaccine. I am glad to say there have not been many cases, but the number is still significant and those cases need to be addressed, which is what this debate is about. These people have suffered life-changing conditions because of their willingness to do their public duty. I was glad to have the vaccine and not to have had any side effects from it, and I am glad the vaccine was able to give me and millions of other people across this great United Kingdom of Great Britain and Northern Ireland immunity to that awful disease.

Under the Vaccine Damage Payments Act 1979, first payments of the £120,000 lump sum went out in June, but many people have felt let down by the out-of-date scheme. Hundreds more people across the rest of the United Kingdom are awaiting assessments and decisions, including people in Northern Ireland. As of May this year, over 1,300 claims have been made but only 20 have been referred for medical assessment. That is not enough and it is too slow.

There is no doubt there have been issues with punctuality under the 1979 Act, and I understand the reasons for that. As always in this House, it is not about the reasons but the solutions. We look to the Minister to give us some encouragement as to where we are. Some applicants are waiting almost six months for assessments and decisions—six months! The scope allowed for qualification is to be over 60% disabled, either mentally or physically, due to adverse impacts of the covid vaccine. The Government have urged that it is not a compensation payment, but it is intended to ease the burdens caused by severe vaccine damage. Whatever the reasons and criteria, the request from the right hon. and learned Member for Kenilworth and Southam, and from others in the Chamber, is to get it done quickly and not to delay.

We have heard of instances where the AstraZeneca vaccine has impacted on a small group of people when it comes to clotting.

Sir Jeremy Wright: As ever, the hon. Gentleman is making a lot of sense. He will have heard me say that the Government have a choice: they can either reform the VDPS or they can deal properly with the cases that are going to come their way. Does the hon. Gentleman share my view that what we are looking at here for the Government is something of a burning platform? They will get those cases, and if they would rather litigate them in the full glare of publicity then that is an

option—but they will perhaps be foolish to do so. Would it not be better if they dealt with those cases more quietly?

Jim Shannon: I thank the right hon. and learned Gentleman for his words of wisdom. Minister, there is an easy option sitting before us. I agree with the right hon. and learned Gentleman: in my book, I believe if we can do it the easy way then we should. Let us address the issue in a way that gives the Government less hassle, satisfies the needs and requests of our constituents, and ensures that we can move forward.

In terms of clotting, as of June this year there were 444 cases of blood clots out of 49 million doses of AstraZeneca given. There is still evidence that not all those were caused by the vaccine. Regardless of that, why should we not be speaking out on behalf of those who have been impacted? There is no amount of money in the world that can fill the void of loss—it cannot be measured in pounds and pennies—but we must do our best to ensure that the process of vaccine damage payments is timely and simple.

That is what we are asking for; I do not think we are asking for the world, but for something that can be done very easily—in my simplistic way of looking at things—by Government. They can do it in a way that can give succour right away and thus do away with the thoughts and process of litigation, which would be long, laborious and much more expensive.

Wera Hobhouse: Is the problem not the fact that those affected cannot go to court because of the civil immunity that the manufacturers and suppliers of the covid vaccine have received?

Jim Shannon: It certainly is. Things are never straightforward and there are complex issues. However, today our request is quite simply on behalf of those who have contacted the hon. Member for Central Ayrshire and each and every one of us. We have them in Northern Ireland as well; some of my constituents have been impacted. I think it is really important that we do that.

Dr Whitford: It is not just a matter of who they sue—whether it is a pharmaceutical company or the Government. As with contaminated blood, is the point not that people injured by vaccines—or damaged in some way through healthcare—should not struggle with some long court battle? Look at how long the contaminated blood scandal has been running—surely we do not want to put people through litigation if it can be settled more fairly.

Jim Shannon: As always the hon. Lady gives us a focused way forward. Since I was elected as an MP in 2010, the contaminated blood scandal has been at forefront of my mind, as it has been for the right hon. Member for Kingston upon Hull North (Dame Diana Johnson), who is the Opposition spokesperson for that issue. People have waited all that time for compensation, but there is some hope now of it coming.

However, many people in the compensation chain for the contaminated blood scandal have not yet got satisfaction. The hon. Member for Central Ayrshire is absolutely right: litigation, by its nature, is traumatic and it adds to the problems for those who are already distressed because of their physical health, and experience anxiety, depression and all sorts of other issues. If there

is a way of doing it—and the right hon. and learned Member for Kenilworth and Southam has referred to what that is—then let us do it.

The Second Reading of the Covid-19 Vaccine Damage Bill is scheduled for the end of October. I would like to hear that we must do well by our constituents across the whole of the United Kingdom of Great Britain and Northern Ireland who fell victim to this particular problem. We know that the 1979 Act does not apply to many other vaccines, and we have heard so much anti-vax rumour and speculation. I, for one, am willing to put my faith in healthcare professionals to ascertain why someone has been impacted in a certain way by the covid vaccines. The hon. Member for Central Ayrshire, who spoke before me, is not here as a healthcare professional; she is here as an MP, but she still has the expertise, knowledge and understanding of that, as do many outside. I previously added my name to present the private Member's Bill earlier in the year, and I am very happy to do so again.

To conclude, we must stand by those who have stood by us in doing their civic duty to be vaccinated. I call on the Minister and Government, beseechingly, to engage with Health Ministers in the devolved nations in Scotland, Wales and Northern Ireland, and to collectively work to ensure that the Bill can be passed with the support of others. They must ensure that those impacted by the covid vaccines have something to ease burdens past and future. Along with other Members here today, I hope that the Government will address those issues with compassion and understanding, and do so now.

5.1 pm

Martyn Day (Linlithgow and East Falkirk) (SNP): I thank the right hon. and learned Member for Kenilworth and Southam (Sir Jeremy Wright) for securing today's important debate on covid vaccines and the vaccine damage payment scheme, and also for the manner in which he presented the case. I think we can all agree that it is vital that those with genuine claims are supported, and that spurious anti-vax conspiracists are not allowed to undermine legitimate claims.

It is clear that it is beyond time for the UK Government to review the compensation scheme. Although the vast majority of vaccinations do not cause serious side effects, in a tiny number of incidents there have been and will be serious side effects. Any medicine, even an over-the-counter medicine, is capable of having seriously detrimental side effects. It is a tragic reality that, although vaccination is the right course of action, and the risk of harm from coronavirus far outweighs the risk of harm from the vaccines, some people will have serious side effects, including disablement and death.

The first payment under the compensation scheme in the UK has been handed out, to a bereaved individual whose partner lost their life as a consequence of the AstraZeneca vaccination. There are serious, valid claims of harm, and they must be respected and listened to. That is also vital to maintaining faith in the UK's vaccination programme, both now and in the future. As those claiming make clear, making claims is not about being anti-vaccine.

Anti-vaxxers have attempted, however, to abuse the scheme and undermine the delivery of compensation. At one point, it was claimed that the compensation

scheme was for anyone who was not made fully aware of the health risks of the vaccine. Such actions are designed to overwhelm the system, making it harder for people with legitimate claims to be heard, which ultimately undermines faith in the system. They promote the unfounded claim that the extremely unlikely consequences of the vaccine were hidden. Similar actions were seen in America, where there were many spurious claims for compensation, including on the basis of having a sore arm after vaccination. That was the only symptom that I had, and it was similar for many of my friends; it was a regularly experienced side effect, as we know.

We must support those with valid claims, while ensuring that anti-vaxxers do not hijack the scheme for their propaganda purposes. As I stated earlier, it is beyond time for the UK Government to review the compensation scheme.

Sir Jeremy Wright: I understand exactly the point that the hon. Gentleman is making. Would he agree that the best gift that we could give to the anti-vaxxers would be to allow them to say that people injured by the vaccine will receive no compensation and no help from the Government?

Martyn Day: I absolutely agree. MPs have warned since 2015, before I was in Parliament, that the system is out of date and in need of review. Payment levels under the scheme were set in 2010, and have not been reviewed since. Lawyers specialising in vaccine injury cases have criticised the 60% disablement criterion as out of date and as not reflecting the reality of some consequences of covid and the covid vaccinations.

In the aftermath of the coronavirus pandemic and the largest mass vaccination programme in the history of the United Kingdom, it is well beyond time that the vaccination compensation scheme is reviewed. This is made even more necessary in the face of the spiralling cost of living crisis, with those who have been disabled or bereaved by vaccine injury facing higher costs and lower incomes. In conclusion, the SNP calls on the UK Government to deliver an uplift to the compensation quantity and to ensure that no legitimate cases are being denied rightful compensation.

5.5 pm

Andrew Gwynne (Denton and Reddish) (Lab): It is a pleasure to serve under your chairmanship, Sir Edward, for this debate on covid-19 vaccines and the vaccine damage payment scheme. I commend the right hon. and learned Member for Kenilworth and Southam (Sir Jeremy Wright) for setting out such a compelling case for reform. As he said, the application process is painfully slow and the level of disablement is really hard to assess. Setting the level at 60%, and having a limit for compensation, really does penalise so many people who ought to benefit from the scheme. It seems crazy that the COVAX scheme is three times more generous than the scheme that we have in the United Kingdom.

I thank the right hon. and learned Gentleman for setting out those facts to Parliament, and I hope the Minister has taken them on board. I also thank him for setting out the case of the Scott family, particularly Jamie Scott—one of a number of people who have been

[Andrew Gwynne]

affected by the covid-19 vaccination, whose voices absolutely have to be heard in this Parliament. Hopefully, we can address some of the concerns that he set out.

This issue is very important, and it is equally important that facts remain at the heart of the debate. From the outset, I want to make it clear that the covid-19 vaccination programme has saved countless lives and enabled us to reclaim many liberties that we were forced to forfeit over the course of the pandemic. Nearly 51 million people have been fully vaccinated in the United Kingdom and, for the overwhelming majority of people, the vaccine is safe and effective, and it protects against covid-19. However, we are here today to talk about the small number of people for whom the vaccine has had devastating consequences.

The data has consistently shown that, by comparison with the unvaccinated, the rates of death from covid-19 are lower for the fully vaccinated in all age groups. In August 2021, just eight months after the first vaccine had been administered in this country, the UK Health Security Agency estimated that over 90,000 lives had already been saved in England alone thanks to the vaccination programme. Covid vaccines went through several stages of clinical trials before being approved and met strict independent standards for safety, quality and effectiveness.

As with many medical interventions, there are, sadly, instances of serious side-effects and, in extremely rare cases, death. According to the Official for National Statistics, 49 deaths in England have had the covid vaccine mentioned on the death certificate since 2020. Although that is incredibly low, given the scale of the vaccine roll-out, every single one of those deaths is a profound tragedy, and I can only extend my utmost sympathy to individuals and their families who have been affected by rare vaccine side effects.

Although no amount of money can bring back a loved one or reverse physical damage, it is only right that those who have developed health problems, or who have lost a relative as a result of vaccination, can access a financial payment. As we have heard, the vaccine damage payment scheme was created back in 1979, and Members of all parties will agree that its principle is important and necessary. However, I have been concerned by reports of operational delays and inadequate support given to those who have suffered from rare vaccine side-effects. While I fully appreciate that identifying the causal link between covid-19 vaccinations and damage is a complex task, it is disappointing that the first vaccine damage payment related to the covid-19 vaccination programme was only made in July 2022—a full year after similar payments had been made in other countries such as Norway.

In November last year, the VDPS was administered by the Department for Work and Pensions alongside the Department of Health and Social Care. Since then, its management has been transferred to the NHS Business Services Authority, working exclusively on behalf of the Department of Health and Social Care. Given that the scale of the covid-19 vaccination programme is likely to increase applications to the scheme, can the Minister reassure colleagues that the NHSBSA and its contractor Crawford & Company will have the requisite capacity to process applications in a timely manner?

Further to that point, I note that in response to a written parliamentary question in December last year, the Minister for Health, the hon. Member for Lewes (Maria Caulfield), stated that the NHSBSA will

“review the Scheme’s processes to improve claimants’ experiences through increasing personalised engagement, reducing response times and providing general support.”

She also stated:

“The NHS Business Services Authority will also work with the Department on service improvements and further digitalisation, including an online claim form to increase accessibility.”

I would therefore be grateful if the Minister responding to today’s debate could outline how that work is progressing and what recent discussions she has had with her departmental colleagues on streamlining the VDPS. I would also appreciate it if she could set out the current average processing time from when a claim is made to when it reaches its conclusion, and whether there are any plans to improve on that average processing time.

As the Minister will no doubt be aware, payment levels for the VDPS have not been reviewed since 2007, when they were increased under the previous Labour Government. In a recent response to a written question from my hon. Friend the Member for Ealing Central and Acton (Dr Huq), the Minister stated:

“There is currently no formal plan to review the payment amount for the VDPS.”

Can she clarify whether that is still the Government’s position and, if so, what assessment her Department has made of the current level of support for those who are experiencing lifelong severe side effects, especially considering the evidence presented during the debate regarding the support available in countries that are part of the COVAX initiative?

I reference in particular a recent BBC report about Hamish Thomas. Hamish suffered from extremely rare side effects after a polio vaccination, and remains paralysed to this day. He rightly received a payout from the VDPS. However, Hamish says:

“In the grand scheme of things, especially for someone’s entire life span,”

the VDPS

“won’t cover the vast amounts of medical expenses that are needed to be paid for and the NHS unfortunately can’t provide.”

What assessment has the Minister made of stories such as Hamish’s, and will she commit to meeting campaigners to ensure that those who require support can access it, either through the VDPS or by other means?

It is vital that the VDPS is protected, but it is also vital that it is fit for purpose and has the confidence of the public at large. There is a right way of dealing with this, which the right hon. and learned Member for Kenilworth and Southam has set out, to avoid the litigation and the mistakes we have seen with other scandals, in particular the contaminated blood scandal. It is a public health imperative that people appreciate that vaccines are overwhelmingly safe and effective, but the public also deserve to know that in extremely rare cases where an individual experiences harm or damage, suitable and proportional support is available.

I want to take this opportunity to thank the Minister. Reshuffles are difficult to predict, but I wish her well in whatever comes out of the new Prime Minister’s decisions on who’s who in the Government. As this might be our last face-to-face, and I do not know what the future

holds for her, I thank the Minister for her work and for the courtesy she has shown to me as I have shadowed her from the Opposition Benches. I wish her the best of luck in whatever the Prime Minister dreams up for her new Government.

5.15 pm

The Parliamentary Under-Secretary of State for Health and Social Care (Maggie Throup): As always, it is a pleasure to serve under your chairmanship, Sir Edward. I thank my right hon. and learned Friend the Member for Kenilworth and Southam (Sir Jeremy Wright) for securing the debate, and I thank other hon. Members for their participation. It has been a measured and important debate. I offer my sympathies to my right hon. and learned Friend's constituent, whom I welcome to the Public Gallery today. While my right hon. and learned Friend will understand that I cannot comment on the case itself, my thoughts are with his constituent and his family.

After clean water, vaccination is the most effective public health intervention in the world for saving lives and promoting good health. Globally, we have one of the best and most innovative immunisation programmes, with vaccine confidence and uptake among the highest in the world. That has allowed us to get covid-19 and many other vaccine-preventable diseases under control. The UK became the first country in the world to deploy an approved covid-19 vaccine, saving countless lives and helping to prevent the NHS from becoming overwhelmed. This week, the NHS will become the first healthcare system in the world to use next-generation bivalent covid vaccines.

All vaccines must go through a rigorous testing and development process before authorisation to ensure that they meet the strict standards of safety, quality and effectiveness set by the independent medicines regulator, the Medicines and Healthcare products Regulatory Agency. We are also guided by the latest clinical and scientific evidence and advice on vaccine safety and efficacy from the independent Joint Committee on Vaccination and Immunisation.

Unfortunately, in some rare instances, some individuals may sadly experience harm because of vaccination. The vaccine damage payment scheme, or VDPS, provides a one-off, tax-free payment to those individuals who have been found, on the balance of probabilities, to have been harmed by a vaccine. The NHS Business Services Authority, which has a proven track record of delivering services that support the NHS, manages the operational side of the VDPS on behalf of the Department of Health and Social Care, following its transfer from the Department for Work and Pensions in November 2021. VDPS assessments are performed on a case-by-case basis by experienced, independent medical assessors who have undertaken specialist training in vaccine damage and disablement assessments.

Covid-19 vaccines were included in the VDPS from the very start of the vaccine roll-out in December 2020. This approach is in line with most comparable countries, with similar existing schemes in the US and other G7 countries extended to cover covid-19. It allowed those whose severe disability was found, on the balance of probabilities, to be linked to a covid-19 vaccine to receive timely support through this established, tried and tested system.

My right hon. and learned Friend the Member for Kenilworth and Southam mentioned the COVAX programme, which was set up as a result of the covid-19 vaccine and provides a no-fault lump-sum compensation payment in full and final settlement of any claims. The VDPS is different: while it provides a one-off lump sum, it is not compensation and is not given in full and final settlement, leaving it open to individuals to make a claim for damages through the courts. The COVAX programme is also time-limited to 30 June 2023, which is just next year.

In June 2022, the first outcomes of covid-19-related VDPS claims began to be communicated to claimants. Given the novelty of the covid-19 vaccines, the processing of claims had to wait for scientific evidence to reach a more settled position to better understand the potential relationship between the vaccines and certain adverse events.

Sir Jeremy Wright: Before my hon. Friend moves off international comparisons, can I ask her about the Canadian and Australian schemes that I mentioned? I take her point about COVAX providing full and final settlement, but, as I explained, that is not the case for the Australian model or the Canadian one, neither of which has either a 60% disablement requirement or a maximum sum in compensation. If my hon. Friend is able to comment on that now, I invite her to do so. If she cannot, would she write to me to explain why the Government think those are not appropriate models to follow?

Maggie Throup: My right hon. and learned Friend makes a good point. What I was trying to relay is that those countries that had established schemes in place extended those to the covid-19 vaccine, and where countries did not have established systems in place, they set up new ones. I will write to my right hon. and learned Friend with further details, but that is a broad outline of where we are with that.

While evidence of a causal mechanism between vaccines and injuries reported has yet to be fully established, careful monitoring by regulators and scientists around the world has enabled certain adverse events to be identified as being linked to the covid-19 vaccines. The NHSBSA works closely with the MHRA and UKHSA to ensure that concluded outcomes reflect the most up-to-date evidence on causation and the covid-19 vaccines.

My right hon. and learned Friend raised concerns that the payment of £120,000 is not sufficient to meet the needs of individuals. It is important to note that that amount is a one-off lump-sum payment, and is not designed to cover lifetime costs for those impacted. It is in addition to the Government's support package for those with a disability or long-term health condition, which includes statutory sick pay, universal credit, employment and support allowance, attendance allowance and personal independence payment.

Sir Jeremy Wright: I am grateful to my hon. Friend for her forbearance. On the point she has just made, it is true, of course, that people have access to the benefits system. However, as I said earlier, at the moment, at least, if someone is in receipt of a payment under the VDPS, that will count against their entitlement for benefits. It is possible to deal with that if the claimant is still alive; if they are not, it is not possible. Will the

[Sir Jeremy Wright]

Government look at how that might be remedied, as it is in relation to other types of payment under other schemes?

Maggie Throup: Yes, we will definitely look into that on my right hon. and learned Friend's behalf.

The VDPS payment amount has significantly increased since the original VDPS payment of £10,000 set in 1979. It has been revised several times and, as the hon. Member for Denton and Reddish (Andrew Gwynne) said, the current level was set in 2007. This will be kept under review as part of business-as-usual policy work. As my right hon. and learned Friend the Member for Kenilworth and Southam is aware, a successful claim to VDPS does not preclude an individual from bringing a claim for damages through the courts.

Dr Whitford: Will the Minister give way?

Maggie Throup: I am getting a bit short of time. Lots of points have been raised and I want to make sure that I cover them all, so I will continue.

In line with the pre-action protocol should a claim be brought, where the Government are party to any claim, they will consider whether alternative dispute resolution might enable the settlement of the claim without the need to commence proceedings. The form of any ADR would depend on the details of claims that are made.

My right hon. and learned Friend the Member for Kenilworth and Southam also raised concerns about the 60% disability threshold. That threshold was lowered from the initial 80% to 60% in 2002, and it remains aligned with the definition of severe disablement set out under the DWP's industrial injuries disablement benefit, a widely accepted test of disability. There is no evidence at present that the current level is a significant barrier; in 2019 and 2020, just one claim out of 70 was rejected due to the disability threshold not being met. We will review the latest data as covid cases are processed, but at present, evidence does not support lowering the threshold.

Working alongside NHSBSA, our focus is now on improving the service offered by VDPS by scaling up operations and improving the underlying processes. Since taking over operational responsibility in November 2021, NHSBSA has transformed the administration of the VDPS, which was previously a paper-based system. It has significantly increased its capacity to meet the demands placed on the scheme, expanding from four to 40 caseworkers and additional support staff, with further recruitment under way. This means claims can be processed more quickly, with personalised engagement with applicants through the allocation of named caseworkers.

NHSBSA awarded a new contract to an independent third-party supplier in March 2022 to provide additional medical assessment capacity to process covid-19-related claims. That has allowed for the conclusion of the first of those claims. NHSBSA is working to digitise applications and medical records, streamlining the process. A wider modernisation project is also being taken forward to digitise the application form, to create a simpler and swifter process and allow caseworkers to manage claims more efficiently. To allow more rapid assessments and processing, NHSBSA is setting time limits for the provision of medical records, with a call-back process in place.

Further approaches are being looked at to secure relevant medical documents faster, as this has been a key limiting factor in processing rates.

My right hon. and learned Friend the Member for Kenilworth and Southam raised concerns about the rate of progress of VDPS. I am sure that he will appreciate, from what I have just indicated, that there have been vast improvements over recent months. As an update, NHSBSA has 2,458 live cases, of which 1,203 claims are awaiting returns on requested medical records, 181 claims are with medical assessors, and 261 claims are awaiting requests for medical records. The average claim takes around six months to investigate and process from the date NHSBSA requests the claimant's medical records. The timeframe varies from case to case. NHSBSA has scaled up a dedicated team of caseworkers, as I have indicated, to move claims forward and update claimants on the progress of their claims.

My right hon. and learned Friend raised an interesting question about establishing a bespoke compensation scheme for covid-19 vaccines. Establishing a dedicated, stand-alone compensation scheme would risk favouring those potentially damaged by covid-19 vaccines over those damaged by other vaccines. That could create an inequality between vaccines, which could be detrimental to other vaccination programmes.

I thank my right hon. and learned Friend again for securing this important debate. Everyone has made really sensible contributions, and we will take everything that has been said into consideration. I am pleased that a number of covid-19 VDPS claims have now been concluded, offering outcomes to claimants, with further cases being progressed. Now is not the right time to review the VDPS: our focus must be on improving and scaling up its operations and continuing to process claims. We will continue to further improve the service so that outcomes can be provided sooner, giving additional support to those who qualify.

5.28 pm

Sir Jeremy Wright: It simply falls to me to thank everyone who has participated in the debate. I hope that the Minister has a sense of the degree of consensus about the need to look again at the VDPS or, if not, to look at ways in which these cases can be settled by other means. As the hon. Member for Denton and Reddish (Andrew Gwynne) put it, we cannot ignore these cases. Seeking to deal with them justly does not in any way undermine our commitment to vaccination as a public health approach; indeed, I think most of us argue that it strengthens it and makes it more coherent, so I hope the Minister will go away and think again. Like the hon. Gentleman, I do not know what the future holds for her, but I know the officials behind her will stay where they are, and I hope they will be able to talk either to her or to her successor about what more can be done on this front. The families who have been injured deserve better than they are getting, and the Government's policy objectives would be better served if the scheme worked better.

Question put and agreed to.

Resolved,

That this House has considered covid-19 vaccines and the Vaccine Damage Payment Scheme.

5.29 pm

Sitting adjourned.

Written Statements

Tuesday 6 September 2022

INTERNATIONAL TRADE

Trade Policy Update

The Secretary of State for International Trade (Anne-Marie Trevelyan): Since the House adjourned for the summer recess, the Department for International Trade has made good progress on a number of areas. This statement provides Parliament with an update on progress with Ukraine reconstruction, the UK's trade negotiations with India, negotiations towards accession to the comprehensive and progressive agreement for trans-Pacific partnership, and the developing countries trading scheme.

Ukraine reconstruction

At the end of July, following a competitive procurement process, we appointed Mott MacDonald and Crown Agents on a 12-week programme to act as Ukraine reconstruction industry advisors to the joint UK-Ukraine Infrastructure Taskforce. They will provide technical and logistical assessments, work with our counterparts in country to identify and prioritise current and future reconstruction projects, and provide technical support to the joint taskforce. At this stage the joint taskforce will focus on the Ukrainian Government's immediate priorities—rapid replacement of essential housing and bridging infrastructure damaged by the conflict. Successful delivery of these projects is likely to support the Ukrainian economy and unlock new, larger mutually beneficial opportunities for UK businesses and Ukraine in later stages as we continue to support its post-conflict recovery and reconstruction. To ensure we can deliver the most effective reconstruction solutions through the infrastructure taskforce, we will work in close partnership with our brilliant UK businesses to unleash their full potential. UK Export Finance remains open for business in Ukraine with £3.5 billion of financial capacity available for UK exporters and Ukrainian buyers, subject to Treasury approvals.

Comprehensive and progressive agreement for trans-Pacific partnership

The first in-person accession working group following the United Kingdom's application to join the comprehensive and progressive trans-Pacific partnership took place in Tokyo, 24 to 28 July 2022.

The UK team negotiated market access with CPTPP parties in the following areas: goods, services and investment, Government procurement, financial services and temporary entry.

Negotiations will continue over the course of the autumn with planning currently underway for the next round of talks. The Government will ensure that membership of CPTPP is achieved on terms that work for UK businesses and consumers.

Joining CPTPP offers numerous benefits to the UK. It will provide greater market access for British goods and services to one of the world's largest free trading areas, with a combined GDP of £9 trillion in 2021. Reductions in tariffs and investment barriers will give UK firms increased opportunities to a growing market.

Beyond the immediate economic opportunities there is a significant geostrategic case for joining CPTPP. Membership will demonstrate that the UK is a global leader in free and rules-based trade. It will further establish the UK's commitment to deeper engagement within the Indo-Pacific region in support of increased security and prosperity.

CPTPP will help the whole of the UK capture the benefits of global trade opportunities, by supporting jobs, wage growth and the levelling-up agenda. The Department's preliminary analysis from the CPTPP scoping assessment suggests that every nation and region of the UK could be set to benefit from CPTPP membership.

The Government will keep Parliament updated as these negotiations progress.

UK-India trade negotiations

The fifth round of UK-India free trade agreement negotiations took place between 18 and 29 July 2022. The negotiations, at official level, were conducted in a hybrid fashion, with some negotiators in a dedicated Indian negotiations facility, and others attending virtually.

Technical discussions were held across 15 policy areas over 85 separate sessions, with detailed draft treaty text discussions.

In addition, intense negotiations have continued throughout the summer, again in a hybrid fashion, with India hosting UK negotiators and the UK also hosting Indian officials.

We are continuing to work towards the target, as set out by both Governments on 22 April 2022, to conclude the majority of talks by the end of October.

The Government will keep Parliament updated as these negotiations progress.

Developing countries trading scheme

On 16 August 2022 we launched the developing countries trading scheme. The scheme is a major milestone in growing free and fair trade with 65 developing nations that are home to more than 3.3 billion people. It is one of the most generous trade preferences schemes in the world and has been designed to boost trade with developing countries, helping them to grow and prosper. It delivers on commitments in the integrated review and international development strategy to harness the power of trade to support long-lasting development and it benefits the UK through reduced import costs, greater choice and improved economic security.

The developing countries trading scheme demonstrates that, as an independent trading nation, the UK can go beyond what we were able to do as a member of the EU. It introduces more generous, less bureaucratic trading rules that reduce tariffs, simplify rules of origin and simplify the requirements to access better tariff rates. It has been designed to boost jobs, drive growth and make supply chains more resilient.

Developing countries in the scheme collectively export over £20 billion of goods to the UK each year, such as t-shirts from Bangladesh, flowers from Ethiopia and bicycles from Cambodia. The developing countries trading scheme reduces import tariffs on these products and thousands more, saving businesses and consumers in the UK over £750 million per year and helping to tackle the cost of living.

The developing countries trading scheme proposals have been shaped by a public consultation held between July and September 2021. Responses were received from

a broad range of stakeholders, including businesses and non-governmental organisations and overall supported a simpler, more generous developing countries trading scheme. A summary of consultation responses has also been published:

<https://www.gov.uk/government/consultations/designing-the-uk-trade-preferences-scheme-for-developing-nations>.

Key aspects of the developing countries trading scheme include:

Least developed countries continue to get tariff-free trade on everything but arms and ammunition and now benefit from more generous and simplified rules of origin, making it easier for them to participate in regional and global supply chains serving the UK.

Low income and lower-middle income countries benefit from more tariff reductions and removals. Nuisance tariffs and some seasonal tariffs have been removed.

Goods from India and Indonesia that are competitive in the UK domestic market are excluded from the scheme.

Eight countries immediately benefit from more generous tariffs as access to these tariffs is now based purely on economic vulnerability and not on the ratification of international conventions.

Powers to suspend countries from the scheme have been expanded. For the first time, climate change and environment related obligations are included in the grounds for suspension as well as those relating to human rights and labour rights.

For more detail on the new scheme and how it differs from the UK generalised scheme of preferences which it replaces, please see the comprehensive Government policy response:

<https://www.gov.uk/government/publications/developing-countries-trading-scheme-dcts-new-policy-report>.

The developing countries trading scheme will come into force in early 2023, giving businesses time to prepare for greater UK market access.

[HCWS293]

Petitions

Tuesday 6 September 2022

OBSERVATIONS

EDUCATION

Schools Bill

The petition of residents of the constituency of Henley,

Declares that the petitioners reject the imposition of an expensive, disproportionate, invasive and ill-judged registration and monitoring system for home educated children, which undermines the long-standing statutory recognition of the primacy of parents in determining the education of their children.

The petitioners therefore request that the House of Commons remove parts 3 and 4 of the Schools Bill and urges the Government urgently to conduct proper independent research into the outcomes of home educated children and further, that the Government provide tangible support for home educating families including in the provision of access to examinations.

And the petitioners reman, etc. — [*Presented by John Howell, Official Report, 13 July 2022; Vol. 718, c. 455.*]
[P002746]

Petitions in similar terms were also submitted by the right hon. Member for New Forest West (Sir Desmond Swayne) [P002747]; the hon. Member for Amber Valley (Nigel Mills) [P002748]; the hon. Member for Thirsk and Malton (Kevin Hollinrake) [P002749]; the right hon. Member for New Forest East (Dr Lewis) [P002751]; the hon. Member for Broxtowe (Darren Henry) [P002752]; the right hon. Member for Staffordshire Moorlands (Karen Bradley) [P002753]; the hon. Member for Coventry North East (Colleen Fletcher) [P002754]; the hon. Member for Nottingham North (Alex Norris) [P002755]; the hon. Member for Eltham (Clive Efford) [P002756]; the hon. Member for Bristol East (Kerry McCarthy) [P002761] and the right hon. Member for South West Wiltshire (Dr Murrison) [P002763].

Observations from the Minister for School Standards (Will Quince):

The Department recognises that many parents who educate their children at home provide a high-quality education and do so in the best interests of their child. The Government continue to support the right of families to home educate when this is the case.

The Association of Directors of Children's Services estimated in their 2021 Elective Home Education survey that there were 115,542 children who were electively home educated at some point during the 2020-21 academic year—an increase of 34 per cent on the previous year.

The Children Not in School (CNIS) measures in the Schools Bill were proposed following the Government's 2018 call for evidence on Elective Home Education (EHE) and the 2019 CNIS consultation, which suggested that not all children educated at home are being educated suitably. We received 3,441 and 4,785 responses to these respectively from home educating families, local authorities (LAs), and other interested parties.

Given the findings from the consultations and the reported increase in the number of children being home educated, there is greater need for LAs to be able to identify these children to assure themselves about the education being provided. As such, the aim of the CNIS system of registration proposed in the Schools Bill is to aid LAs to undertake their existing responsibilities to safeguard children and ensure they are receiving a suitable education; and also to help them to discharge their new duty to support home educating families (as outlined in section 436G of the Bill).

The proposed new registration system is not intended to undermine parents' existing rights to home educate in the way that they choose, so long as the education being provided is suitable—which parents must already ensure is the case. The CNIS measures in the Schools Bill do not feature any proposals for additional powers for LAs to explicitly monitor education or to enforce entry into the home.

Providing information for the registers will not be disproportionately burdensome, or invasive, for parents. LAs may only require parents of children who are eligible to be registered to provide them with certain information (and only where known)—the child's name, date of birth and home address, the name and address of each parent, and such details about the means through which they are being educated as are prescribed in regulations. For example, whether the child is being educated at home or in other out-of-school education settings, and the proportion of their education received there.

Information from the registers will primarily be used to help LAs to promote the education of children in their areas and, where required, to safeguard those children who require protection but who are not currently visible to those services that are there to keep them safe. Data on reasons why families home educate, flexi-school, or had children placed in alternative provision (which are voluntary on parents to provide) could also be used to identify any trends or common issues within a particular area, or within the wider education system. This could, for example, help improve understanding of special educational needs and disabilities (SEND) or issues like off-rolling and school bullying.

In addition, data from the registers will be used to inform national policy development, for example, in relation to the types and level of support needed by home educating families, the resources of LAs to deliver that support, and whether particular groups need more support than others and why.

The new duty on LAs to provide support for EHE families is not optional. Whenever asked to do so, the LA will be required to provide some support for children who are electively home educated and are on their register. The nature of the support should reflect both what the parents want in terms of support and the LA's assessment of the needs of the child and the wider needs of families in their area. This could, for instance, include offering advice to home educators, support to access examinations, or support for home education groups, depending on what the LA considers appropriate to the needs of individual families. Although, it is important to note that by electing to home educate, parents do also accept full responsibility for their child's education, including any associated costs.

As part of the Schools Bill's implementation, we will develop new statutory guidance for LAs on how they should be discharging their support duty in collaboration with a new implementation forum of LAs, home educators and safeguarding partners, prior to public consultation—to ensure the system works for everyone. A further new burdens assessment will also be undertaken to inform the level of funding required for the support duty, once additional data has been collected and further engagement has taken place with stakeholders on the assessment of needs and costs.

Finally, Parts 3 and 4 of the Schools Bill contain other proposals which are distinct from the CNIS measures. These relate to school attendance and the regulation of independent educational institutions.

Where families choose to educate their children by sending them to a school, the intention of the attendance clauses is to provide greater consistency in the support offered to pupils and families to attend school regularly, regardless of where in the country they live.

The attendance clauses will put recently published school attendance guidance “working together to improve school attendance” on statutory footing. This guidance will ensure that pupils are provided with earlier and more targeted support to attend their educational settings through collaborative working between families, schools, LAs, and other relevant local services. The attendance clauses also intend to make the existing system for fixed penalty notices more consistent and bring requests for leave of absence in academies in line with other state-funded schools. Together, these clauses are an important part of the Government's overall move to providing more consistent support to pupils and families to help children attend school before legal intervention is considered.

Part 4 is intended to make sure that children attending independent full-time settings receive a safe and broad education. It expands on the category of institutions that are required to be registered with, and which are regulated by the Secretary of State (known as “independent educational institutions”), but part-time settings will not be covered by part 4, nor are any additional burdens placed on parents solely educating their own children at home. Other measures in Part 4 improve Ofsted's ability to investigate those committing offences under the Education and Skills Act 2008 (those offences only apply in relation to the category of full-time settings that will be required to register). Part 4 also improves the regulation of registered independent educational institutions through changes to the material change regime and enforcement powers. These changes will help us to ensure that children at registered settings are safe and do not affect parents who are solely educating their own children at home.

HOME DEPARTMENT

Issuing of passports by the Home Office

The petition of residents of the constituency of Glasgow North,

Declares that many people in Glasgow North and across the country are experiencing significant delays in the processing of their passport applications by the UK Home Office; further that many are waiting for considerably longer than the advisory 10 week processing time, and that access to premium and expedited services is difficult and does not guarantee the timely processing of an application; and further that as a result many plans for travel have been altered or cancelled, with people missing out on long planned holidays, business opportunities, or visits to family and friends which have not been possible during the years of the pandemic.

The petitioners therefore request that the House of Commons urge the Government to significantly increase the capacity of the Home Office to process passport applications and ensure its commitments to processing times and customer service are met in all possible circumstances.

And the petitioners remain, etc.—[Presented by Patrick Grady, *Official Report*, 19 July 2022; Vol. 718, c. 6P.]

[P002759]

Observations from the Parliamentary Under-Secretary of State for the Home Office (Kevin Foster):

Her Majesty's Passport Office's hard-working staff are fully committed to meeting the needs of its customers in response to the current unprecedented demand for passports. Their performance has been strong, with 97.7% of applications being completed within the published processing time of 10 weeks across the first half of this year.

Urgent services are only required where an applicant needs a passport sooner than 10 weeks. For the small proportion of people who have not received their passports within this timeframe, the expedited service is provided at no additional cost to help ensure that they receive their passport ahead of their travel. There are no capacity limits for accessing the expedited service, and no appointments are required.

There are a group of customers who have not received the level of service that they should rightly expect. However, HM Passport Office continues to work hard to ensure that people will get their passports when they need them.

Staffing numbers have been increased by over 1,200 since April 2021. This has delivered the operational capacity needed to process applications in record numbers, at approximately 1 million each month. Recruitment will continue to cover any attrition, to ensure that the passport service remains fully resourced.

ORAL ANSWERS

Tuesday 6 September 2022

	<i>Col. No.</i>		<i>Col. No.</i>
FOREIGN, COMMONWEALTH AND DEVELOPMENT OFFICE	91	FOREIGN, COMMONWEALTH AND DEVELOPMENT OFFICE—continued	
AUKUS.....	99	Israeli Government Proscription of Palestinian Civil Society Groups.....	105
Brazil: Presidential Elections.....	104	Northern Ireland Protocol.....	92
COP27.....	100	Pakistan: Flood Relief.....	106
Cyprus.....	105	Pakistan: Former Prime Minister Imran Khan.....	95
Global Britain.....	102	Sanctions on Russia.....	100
Global Food Security.....	96	Topical Questions.....	109
Illicit Finance.....	98		
Iran.....	91		

WRITTEN STATEMENTS

Tuesday 6 September 2022

	<i>Col. No.</i>	<i>Col. No.</i>
INTERNATIONAL TRADE	31WS	
Trade Policy Update.....	31WS	

PETITIONS

Tuesday 6 September 2022

	<i>Col. No.</i>		<i>Col. No.</i>
EDUCATION	15P	HOME DEPARTMENT	18P
Schools Bill.....	15P	Issuing of passports by the Home Office.....	18P

No proofs can be supplied. Corrections that Members suggest for the Bound Volume should be clearly marked on a copy of the daily Hansard - not telephoned - and *must be received in the Editor's Room, House of Commons,*

**not later than
Tuesday 13 September 2022**

STRICT ADHERENCE TO THIS ARRANGEMENT GREATLY FACILITATES THE
PROMPT PUBLICATION OF BOUND VOLUMES

Members may obtain excerpts of their speeches from the Official Report (within one month from the date of publication), by applying to the Editor of the Official Report, House of Commons.

CONTENTS

Tuesday 6 September 2022

Oral Answers to Questions [Col. 91] [see index inside back page]
Secretary of State for Foreign, Commonwealth and Development Affairs

Sewage Pollution [Col. 111]
Answer to urgent question—(George Eustice)

Energy Costs (Domestic Customers and Small Business) [Col. 134]
Bill presented, and read the First time

Criminal Appeal (Amendment) [Col. 135]
Motion for leave to bring in Bill—(Mr Barry Sheerman)—agreed to
Bill presented, and read the First time

Trade (Australia and New Zealand) Bill [Col. 138]
Motion for Second Reading—(Anne-Marie Trevelyan)—on a Division, agreed to
Programme motion—(Adam Holloway)—agreed to

Independent Brewers: Small Brewers Relief [Col. 208]
Debate on motion for Adjournment

Westminster Hall
Unavoidably Small Hospitals [Col. 1WH]
Peterborough Station Quarter: Redevelopment [Col. 24WH]
Employment Law: Devolution to Scotland [Col. 30WH]
Employee Share Ownership Schemes [Col. 54WH]
Vaccine Damage Payment Scheme: Covid-19 [Col. 61WH]
General debates

Written Statements [Col. 31WS]

Petitions [Col. 15P]
Observations

Written Answers to Questions [The written answers can now be found at <http://www.parliament.uk/writtenanswers>]
